



Budget 2020-21

Portfolio Budget Statements 2020-21 Budget Related Paper No. 1.1

Agriculture, Water and Environment Portfolio

Budget Initiatives and Explanations of
Appropriations Specified by Outcomes
and Programs by Entity

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**THE HON DAVID LITTLEPROUD MP
MINISTER FOR AGRICULTURE, DROUGHT AND
EMERGENCY MANAGEMENT**

**THE HON SUSSAN LEY MP
MINISTER FOR THE ENVIRONMENT**

**THE HON KEITH PITT MP
MINISTER FOR RESOURCES, WATER AND
NORTHERN AUSTRALIA**

President of the Senate
Australian Senate
Parliament House
CANBERRA ACT 2600

Speaker
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Mr President and Mr Speaker

We hereby submit Portfolio Budget Statements in support of the 2020-21 Budget for the Agriculture, Water and Environment portfolio.

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

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

Yours sincerely

A stylized blue ink signature of David Littleproud.

DAVID LITTLEPROUD

Minister for Agriculture, Drought
and Emergency Management

A blue ink signature of Susan Ley.

SUSSAN LEY

Minister for the
Environment

A blue ink signature of Keith Pitt.

KEITH PITT

Minister for Resources,
Water and Northern Australia

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nfp	not for publication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 Scott Brown, Chief Finance Officer, Department of Agriculture, Water and the Environment, on 02 6272 5523.

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.

USER GUIDE TO THE PORTFOLIO BUDGET STATEMENTS

USER GUIDE

The purpose of the 2020–21 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.

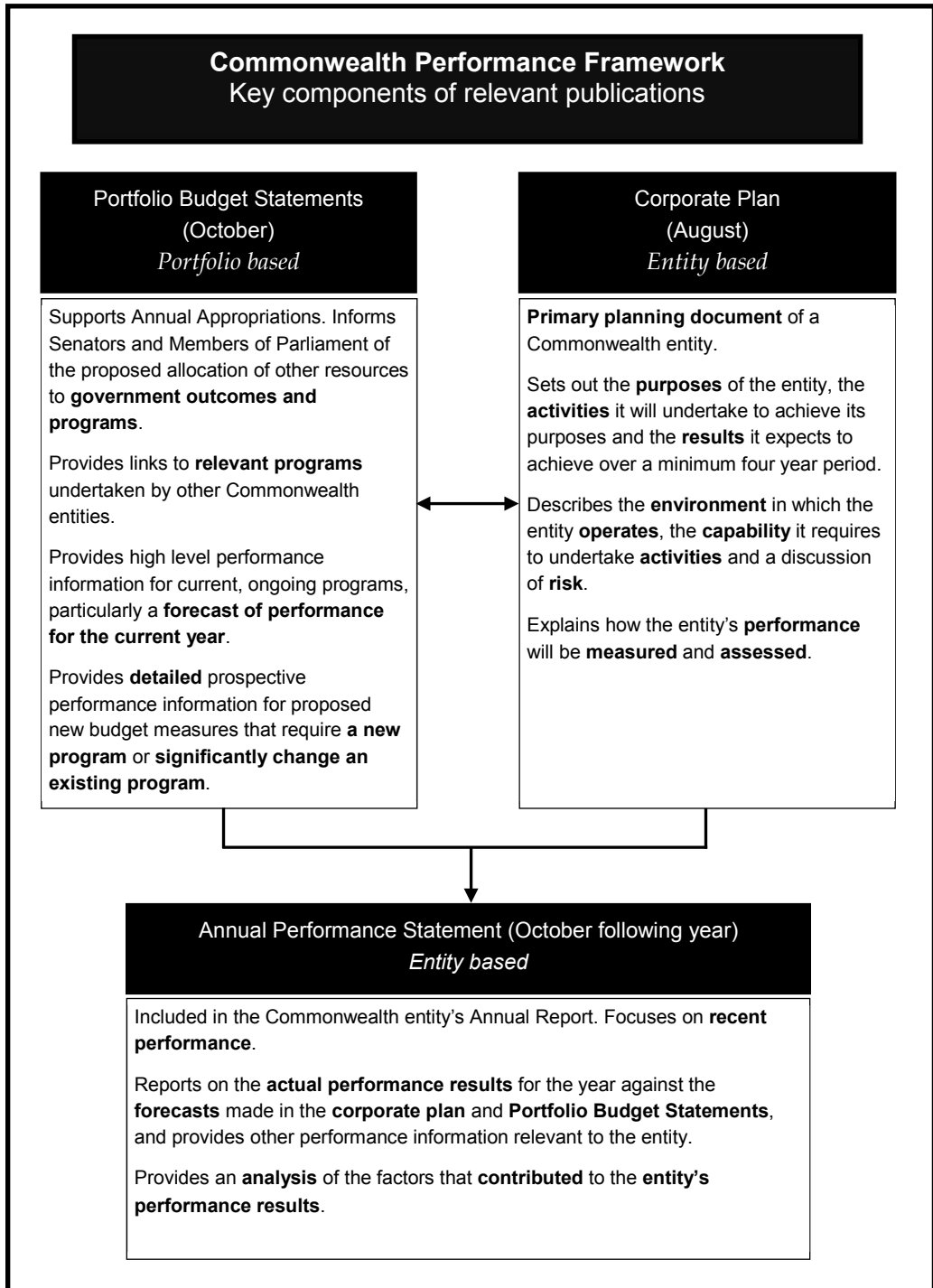
The PBS facilitates understanding of proposed annual appropriations in Appropriation Bills (No. 1 and No. 2) 2020–21. For this reason the PBS is declared by the Appropriation Acts to be a ‘relevant document’ to the interpretation of the Bills according to section 15AB of the *Acts Interpretation Act 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 Commonwealth Performance Framework

The following diagram outlines the key components of the 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.



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PORTFOLIO OVERVIEW

AGRICULTURE, WATER AND ENVIRONMENT PORTFOLIO OVERVIEW

Ministers and portfolio responsibilities

The Agriculture, Water and Environment portfolio is overseen by:

- The Minister for Agriculture, Drought and Emergency Management, the Hon. David Littleproud MP;
- The Minister for the Environment, the Hon. Sussan Ley MP; and
- The Minister for Resources, Water and Northern Australia, the Hon. Keith Pitt MP.

The three ministers are supported by:

- The Assistant Minister for Forestry and Fisheries, Senator the Hon. Jonathon Duniam; and
- The Assistant Minister for Waste Reduction and Environmental Management, the Hon. Trevor Evans MP.

From 1 February 2020 the portfolio consists of:

- Australian Government Department of Agriculture, Water and the Environment;
- AgriFutures Australia;
- Australian Fisheries Management Authority;
- Australian Pesticides and Veterinary Medicines Authority;
- Bureau of Meteorology;
- Cotton Research and Development Corporation;
- Director of National Parks;
- Fisheries Research and Development Corporation;
- Grains Research and Development Corporation;
- Great Barrier Reef Marine Park Authority;
- Murray-Darling Basin Authority;
- Regional Investment Corporation;
- Sydney Harbour Federation Trust; and
- Wine Australia.

Portfolio Overview

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, Water and Environment portfolio structure and outcomes

Minister for Agriculture, Drought and Emergency Management The Hon. David Littleproud MP
Minister for the Environment The Hon. Sussan Ley MP
Minister for Resources, Water and Northern Australia The Hon. Keith Pitt MP
Assistant Minister for Waste Reduction and Environmental Management The Hon. Trevor Evans MP
Assistant Minister for Forestry and Fisheries Senator the Hon. Jonathon Duniam
Department of Agriculture, Water and the Environment Secretary: Mr Andrew Metcalfe AO Outcome 1: Conserve, protect and sustainably manage Australia's biodiversity, ecosystems, environment and heritage through research, information management, supporting natural resource management, establishing and managing Commonwealth protected areas, and reducing and regulating the use of pollutants and hazardous substances, and coordination of climate change adaptation strategy and climate change science activities. Outcome 2: Advance Australia's strategic, scientific, environmental and economic interests in the Antarctic region by protecting, administering and researching the region. Outcome 3: 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 4: 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 5: 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.

Figure 1: Agriculture, Water and Environment portfolio structure and outcomes (continued)

<p>AgriFutures Australia^(a) Managing Director: Mr John Harvey</p> <p>Outcome: 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.</p>
<p>Australian Fisheries Management Authority^(b) Chief Executive Officer: Mr Wez Norris</p> <p>Outcome: 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.</p>
<p>Australian Pesticides and Veterinary Medicines Authority^(a) A/g Chief Executive Officer: Ms Lisa Croft</p> <p>Outcome: Protection of the health and safety of people, animals, the environment, and agricultural and livestock industries through regulation of pesticides and veterinary medicines.</p>
<p>Bureau of Meteorology^{(b),(c)} Chief Executive Officer: Dr Andrew Johnson</p> <p>Outcome: Informed safety, security and economic decisions by governments, industry and the community through the provision of information, forecasts, services and research relating to weather, climate and water.</p>
<p>Cotton Research and Development Corporation^(a) Executive Director: Mr Ian Taylor</p> <p>Outcome: 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.</p>

Figure 1: Agriculture, Water and Environment portfolio structure and outcomes (continued)

<p>Director of National Parks^(a) A/g Director: Mr James Larsen</p> <p>Outcome: Management of Commonwealth reserves as outstanding natural places that enhance Australia's well-being through the protection and conservation of their natural and cultural values, supporting the aspirations of Aboriginal and Torres Strait Islander people in managing their traditional land and sea country, and offering world class natural and cultural visitor experiences.</p>
<p>Fisheries Research and Development Corporation^(a) Executive Director: Dr Patrick Hone</p> <p>Outcome: Increased economic, social and environmental benefits for Australian fishing and aquaculture, and the wider community, by investing in knowledge, innovation, and marketing.</p>
<p>Grains Research and Development Corporation^(a) Executive Director: Dr Steve Jefferies</p> <p>Outcome: 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.</p>
<p>Great Barrier Reef Marine Park Authority^(c) Chief Executive Officer: Mr Josh Thomas</p> <p>Outcome: The long-term protection, ecologically sustainable use, understanding and enjoyment of the Great Barrier Reef for all Australians and the international community, through the care and development of the Marine Park.</p>
<p>Murray-Darling Basin Authority^(a) Chief Executive Officer: Mr Phillip Glyde</p> <p>Outcome: 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.</p>

Figure 1: Agriculture, Water and Environment portfolio structure and outcomes (continued)

<p>Regional Investment Corporation^(a) Chief Executive Officer: Mr Bruce King</p> <p>Outcome: 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.</p>
<p>Sydney Harbour Federation Trust^(a) Executive Director: Ms Mary Darwell</p> <p>Outcome: Enhanced appreciation and understanding of the natural and cultural values of Sydney for all visitors, through the remediation, conservation and adaptive re-use of, and access to, Trust lands on Sydney Harbour.</p>
<p>Wine Australia^(a) Chief Executive Officer: Mr Andreas Clark</p> <p>Outcome: Foster and enable a competitive Australian wine industry by investing in research and development, building markets, disseminating knowledge and ensuring compliance.</p>

(a) 'Corporate Commonwealth Entity' (CCE) as defined under the *Public Governance, Performance and Accountability Act 2013*.

(b) 'Non-corporate Commonwealth Entity' (NCCE) as defined under the *Public Governance, Performance and Accountability Act 2013*.

(c) 'Executive Agency' as defined under the *Public Service Act 1999*.

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, Drought and Emergency Management through legislation and statutory funding agreements and are entitled to receive industry levies and matching Australian 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 Egg Corporation 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 Australian Government provides funding to the following not-for-profit, portfolio-related companies:

- Animal Health Australia;
- Landcare Australia Limited;
- National Environment Protection Council; and
- Plant Health Australia Limited.

ENTITIES' RESOURCES AND PLANNED PERFORMANCE

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**DEPARTMENT OF AGRICULTURE,
WATER AND THE ENVIRONMENT**

**ENTITY RESOURCES AND PLANNED
PERFORMANCE**

DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT

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DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Department of Agriculture, Water and the Environment supports the delivery of the Australian Government's policy agenda across the important and interrelated areas of agriculture, the environment and heritage, and water resources. Our functions are critical to our country's prosperity and to maintaining the quality of life that Australians currently enjoy.

The department partners and regulates to enhance Australia's agriculture, unique environment and heritage, and water resources. Our role and functions are diverse. We protect Australia's natural resources and help develop strong agricultural industries. We work with others to ensure our land, water and heritage are well-managed, protected and productive—for today and into the future.

The past year has seen a range of challenges to Australia's agricultural, food and fibre industries, its natural resources and environment and to the broader community—from catastrophic events such as the Black Summer bushfires, drought conditions in many parts of the country, to the impact of the COVID-19 pandemic and ongoing threats to Australia's unique biodiversity and ecosystems.

While remaining at the forefront of the immediate response to these challenges, the department is focusing on the reality of operating in a COVID-19 and post-COVID-19 world. We will continue to support our agricultural, environment and heritage-related industries to recover and take advantage of new opportunities. We have changed the way that we work, using flexible working arrangements to keep our people safe while making sure we are delivering on our purpose, objectives and priorities. We are focused on building our capabilities to ensure we have the right balance of skills, expertise and knowledge to deliver on our responsibilities.

Maintaining and improving conditions for our primary producers is key to their success. The department continues to play a crucial role in supporting the agricultural sector to maintain domestic food security and to supply Australian-produced food to our trading partners. We are supporting exporters to find new markets, maintain existing markets where possible and minimise disruptions to their export activities through investing in strong relationships with our trading partners. In the face of an ongoing pandemic, helping industry reach the target of \$100 billion in agricultural output by 2030 will require a strong partnership between industry and government. It will also require some hard choices to be made that lift farm productivity, ensure a

consistent and skilled agricultural workforce, increase the value of our produce and keep Australian exports competitive.

Australia's biosecurity system underpins our agricultural exports, expected to be worth \$43.5 billion in 2020–21, cementing our global reputation for quality produce. It also protects our unique environment, native flora and fauna, our tourism industries and lifestyle. Global trade pathways are becoming more complex, with COVID-19 adding to this complexity. We partner with many other organisations to anticipate, prevent, prepare, detect, respond to and recover from threats to agriculture sectors, human health and the environment. We implement a risk-based approach supported by research, science and intelligence to target what matters most.

Our environment has begun the long journey towards recovery from the Black Summer bushfires. The early positive signs are encouraging, but the recovery of native wildlife and their habitats will require significant effort and long-term planning. We have supported the commitment of funds for the recovery of our biodiversity and ecosystems. We are also working across government to provide support to affected farmers, fishers and foresters, along with rural, regional and urban communities. We are committed to the sustained effort that will be needed to support bushfire-affected areas.

In 2020–21 we are at a pivotal point in our national environmental protection efforts. Planning is underway to deliver a reform program that revitalises the legislative and policy framework for environment protection. This will ensure ongoing ecologically sustainable development that is both streamlined for businesses and effectively protects the environment.

We are supporting the Government's ambitious recycling and waste recovery agenda under the National Waste Policy Action Plan. The first milestone—a ban on the export of unprocessed glass—will commence on 1 January 2021. We will continue to take a national and strategic approach to identifying solutions for our waste and recycling industry.

Our heritage is an important part of our national identity. We will work actively to ensure the protection of our national and world heritage places that tell the stories of our history, our unique Indigenous heritage and the exceptional environment of our continent and its surrounding waters.

Water is critical to the future of Australian agriculture and the wellbeing of our communities and the environment. We continue to 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 provide national leadership to ensure water resources are managed sustainably, with strong focus on our partnerships in the Murray–Darling Basin.

Outcomes

The department is responsible for five outcomes, which align with our strategic objectives and support the achievement of our purpose:

Outcome 1: Conserve, protect and sustainably manage Australia's biodiversity, ecosystems, environment and heritage through research, information management, supporting natural resource management, establishing and managing Commonwealth protected areas, and reducing and regulating the use of pollutants and hazardous substances, and coordination of climate change adaptation strategy and climate change science activities.

Outcome 2: Advance Australia's strategic, scientific, environmental and economic interests in the Antarctic region by protecting, administering and researching the region.

Outcome 3: 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 4: 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 5: 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' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: Department of Agriculture, Water and the Environment – Resource Statement – Budget Estimates for 2020–21 as at Budget October 2020

	2019–20 <i>Estimated actual</i> \$'000	2020–21 Estimate \$'000
<u>Departmental</u>		
Annual appropriations – ordinary annual services^(a)		
Prior year appropriations available ^(b)	121,994	126,534
Departmental appropriation ^(c)	893,302	954,716
Section 74 external revenue ^(d)	65,142	33,670
Departmental capital budget ^(e)	68,034	71,264
Section 75 transfers to Department of Industry, Science, Energy and Resources (DISER)	(76,564)	-
Section 75 transfers to National Drought and North Queensland Flood Response and Recovery Agency	(1,158)	-
Annual appropriations – other services – non-operating^(f)		
Prior year appropriations available ^(b)	39,098	246,893
Equity injection	132,242	64,310
Total departmental annual appropriations	1,242,090	1,497,387
Special accounts^(g)		
Opening balance	45,428	25,266
Appropriation receipts ^(h)	153,065	82,470
Non-appropriation receipts	423,144	377,888
Section 75 transfers to DISER	(16,081)	-
Total special account receipts	605,556	485,624
<i>less departmental appropriations drawn from annual/special appropriations and credited to special accounts</i>	<i>(153,065)</i>	<i>(82,470)</i>
Total departmental resourcing	1,694,581	1,900,541

Continued on following pages

Table 1.1: Department of Agriculture, Water and the Environment – Resource Statement – Budget Estimates for 2020–21 as at Budget October 2020 (continued)

	2019–20 <i>Estimated actual</i> \$'000	2020–21 Estimate \$'000
<u>Administered</u>		
Annual appropriations – ordinary annual services^(a)		
Outcome 1	378,110	421,648
Outcome 3	144,093	164,237
Outcome 4	34,110	34,946
Outcome 5	168,796	161,798
Outcome 6 [Previously Outcome 2]	1,950	-
Outcome 7 [Previously Outcome 4]	40,640	-
Prior year appropriations available ^(b)	40,089	188,040
Section 75 transfers to DISER	(46,260)	-
Section 74 external revenue ^(d)	631	-
Annual appropriations – other services – non-operating^(f)		
Prior year appropriations available ^(b)	550,765	877,459
Section 75 transfers to DISER	(138,000)	-
Administered assets and liabilities	873,000	2,607,906
Total administered annual appropriations	2,047,924	4,456,034
Total administered special appropriations	991,997	1,024,850
Special accounts^(g)		
Opening balance	7,164,113	1,876,726
Appropriation receipts ^(h)	853,652	622,215
Non-appropriation receipts	19,278	19,240
Section 75 transfers to DISER	(5,419,000)	-
Total special account receipts	2,618,043	2,518,181
<i>less administered appropriations drawn from annual appropriations and credited to special accounts</i>	<i>(257,767)</i>	<i>(307,215)</i>
<i>less payments to corporate entities from annual/special appropriations⁽ⁱ⁾</i>	<i>(362,939)</i>	<i>(332,788)</i>
Total administered resourcing	5,037,258	7,359,062
Total resourcing for the Department of Agriculture, Water and the Environment	6,731,839	9,259,603
	2019–20	2020–21
Average staffing level (number)	6,299	6,047

Continued on following pages

Table 1.1: Department of Agriculture, Water and the Environment – Resource Statement – Budget Estimates for 2020–21 as at Budget October 2020 (continued)

- (a) *Supply Act (No. 1)* and Appropriation Bill (No. 1) 2020–21.
- (b) Excludes \$876.283 million subject to administrative quarantine by the Department of Finance or withheld under section 51 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). 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 (SOETM) accounts.
- (c) Excludes departmental capital budget (DCB).
- (d) Estimated external revenue under section 74 of the PGPA Act.
- (e) Departmental capital budgets are not separately identified in Appropriation Bill (No. 1) 2020–21 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'.
- (f) *Supply Act (No. 2)* and Appropriation Bill (No. 2) 2020–21.
- (g) Excludes trust moneys held in SOETM accounts and other special accounts. For further information on 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.
- (h) Amounts credited to the special account(s) from the department's annual appropriations.
- (i) '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: As a result of the Administrative Arrangements Order effective 1 February 2020, actual available appropriation for 2019–20 shown above includes available appropriation for Outcome 6 and 7 up to 31 January 2020.

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

Continued on following pages

Table 1.1: Department of Agriculture, Water and the Environment – Resource Statement – Budget Estimates for 2020–21 as at Budget October 2020 (continued)

	2019–20 <i>Estimated actual</i> \$'000	2020–21 Estimate \$'000
Payments made to other entities for the provision of services		
Payments made by other entities on behalf of Department of Agriculture, Water and the Environment	134,354	155,038
Payments made to other entities for the provision of services (disclosed above)	58,903	68,286
<u>Draw-downs made on behalf of corporate entities within the portfolio</u>		
Australian Pesticides and Veterinary Medicines Authority		
Administered Appropriation Bill (No. 1)	1,606	1,613
Australian Pesticides and Veterinary Medicines Authority		
<i>Administered Appropriation Act (No. 5)</i>	17,735	-
Australian Pesticides and Veterinary Medicines Authority – Relocation		
Administered Appropriation Bill (No. 1)	4,089	2,787
Australian Renewable Energy Agency		
Administered Appropriation Bill (No. 1)	2,868	-
Special Appropriation	146,000	-
Director of National Parks		
Administered Appropriation Bill (No. 1)	45,572	57,063
Administered Appropriation Bill (No. 2)	355	25,408
Murray-Darling Basin Authority		
Administered Appropriation Bill (No. 1)	75,244	61,997
Administered Appropriation Bill (No. 2)	7,425	1,922
Regional Investment Corporation		
Administered Appropriation Bill (No. 1)	15,477	45,762
Sydney Harbour Federation Trust		
Administered Appropriation Bill (No. 1)	-	20,584
Administered Appropriation Bill (No. 2)	1,700	23,637
<u>Total draw-downs on behalf of corporate entities within the portfolio</u>	318,071	240,773

Continued on following page

Table 1.1: Department of Agriculture, Water and the Environment – Resource Statement – Budget Estimates for 2020–21 as at Budget October 2020 (continued)

	2019–20 <i>Estimated actual \$'000</i>	2020–21 Estimate \$'000
Payments made to corporate entities within the Portfolio:		
AgriFutures Australia		
Administered Appropriation Bill (No. 1)	10,220	9,358
Special Appropriation	44,792	23,352
Australian Pesticides and Veterinary Medicines Authority		
Administered Appropriation Bill (No. 1)	133	135
Special Appropriation	33,300	35,713
Cotton R&D Corporation		
Special Appropriation	6,406	4,014
Director of National Parks		
Special Appropriation	4,589	7,370
Fisheries R&D Corporation		
Administered Appropriation Bill (No. 1)	500	-
Special Appropriation	24,607	22,878
Grains R&D Corporation		
Special Appropriation	166,000	176,868
Murray-Darling Basin Authority		
Administered Appropriation Bill (No. 1)	12,729	12,560
Wine Australia		
Administered Appropriation Bill (No. 1)	26,062	10,000
Special Appropriation	33,601	30,540
Total payments made to corporate entities within the portfolio	362,939	332,788

1.3 BUDGET MEASURES

Budget measures in Part 1 relating to the department are detailed in *Budget Paper No.2: Budget Measures 2020–21* and are summarised below.

**Table 1.2: Department of Agriculture, Water and the Environment – 2020–21
Budget measures – Measures announced after the Economic and Fiscal Update
July 2020**

	Program	2020–21 \$'000	2021–22 \$'000	2022–23 \$'000	2023–24 \$'000
Receipt measures					
Commonwealth Implementation of Environmental Controls for Chemicals	OC1				
Administered receipt		-	-	2,372	3,388
Departmental receipt		-	-	-	-
Total		-	-	2,372	3,388
JobMaker Plan – Simplified Trade System ^(a)	OC4				
Administered receipt		-	-	-	-
Departmental receipt		-	(400)	(200)	(200)
Total		-	(400)	(200)	(200)
Primary Industries – Changes to Agricultural Production Levies ^(b)	4.2				
Administered receipt		(400)	(600)	(500)	(500)
Departmental receipt		-	-	-	-
Total		(400)	(600)	(500)	(500)
Total receipt measures					
Administered		(400)	(600)	1,872	2,888
Departmental		-	(400)	(200)	(200)
Total		(400)	(1,000)	1,672	2,688

Continued on following pages

**Table 1.2: Department of Agriculture, Water and the Environment 2020–21
Budget measures – Measures announced after the Economic and Fiscal Update
July 2020 (continued)**

	Program	2020–21 \$'000	2021–22 \$'000	2022–23 \$'000	2023–24 \$'000
Payment measures					
<u>COVID-19 Response Package – Relief and Recovery Fund – additional projects^(c)</u>					
Reef Builder Shellfish Restoration Program	1.1				
Administered payment		20,000	-	-	-
Departmental payment		-	-	-	-
Total		20,000	-	-	-
Supporting Agricultural Field Days	3.10				
Administered payment		2,690	-	-	-
Departmental payment		-	-	-	-
Total		2,690	-	-	-
<u>JobMaker Plan – Busting Congestion for Agricultural Exporters – improving the ease of doing business</u>					
Building a More Competitive Export Meat Industry	OC4				
Administered payment		-	-	-	-
Departmental payment		3,021	6,436	1,453	-
Total		3,021	6,436	1,453	-
Digital Services to Take Farmers to Markets	OC4				
Administered payment		-	-	-	-
Departmental payment		33,763	42,900	51,304	22,329
Total		33,763	42,900	51,304	22,329
Harmonising and Streamlining Plant Export Regulation	OC4				
Administered payment		-	-	-	-
Departmental payment		3,204	3,410	2,056	1,295
Total		3,204	3,410	2,056	1,295
Improving Regulation Post-COVID including targeted interventions for Seafood and Live Animal Exporters	OC4				
Administered payment		-	-	-	-
Departmental payment		5,870	5,657	2,751	-
Total		5,870	5,657	2,751	-
More Efficient and Sustainable Export Regulation	OC4				
Administered payment		-	-	-	-
Departmental payment		37,331	23,231	10,488	-
Total		37,331	23,231	10,488	-

Continued on following pages

**Table 1.2: Department of Agriculture, Water and the Environment 2020–21
Budget measures – Measures announced after the Economic and Fiscal Update
July 2020 (continued)**

	Program	2020–21 \$'000	2021–22 \$'000	2022–23 \$'000	2023–24 \$'000
Payment measures (continued)					
<u>Maintaining the Timeliness of the Environmental Assessment Process</u>					
Busting Congestion in the Environment Assessment Process – Extension	OC1				
Administered payment		-	-	-	-
Departmental payment		1,022	9,965	-	-
Total		1,022	9,965	-	-
Dedicated major projects support	OC1				
Administered payment		-	-	-	-
Departmental payment		4,115	4,726	-	-
Total		4,115	4,726	-	-
Policy work relating to environmental markets	OC1				
Administered payment		-	-	-	-
Departmental payment		2,501	-	-	-
Total		2,501	-	-	-
Reducing the backlog under the Aboriginal and Torres Strait Islander Heritage Protection Act	OC1				
Administered payment		-	-	-	-
Departmental payment		1,099	1,091	-	-
Total		1,099	1,091	-	-
Transition to single touch approvals	OC1				
Administered payment		-	-	-	-
Departmental payment		6,527	4,120	-	-
Total		6,527	4,120	-	-

Continued on following pages

**Table 1.2: Department of Agriculture, Water and the Environment 2020–21
Budget measures – Measures announced after the Economic and Fiscal Update
July 2020 (continued)**

	Program	2020–21 \$'000	2021–22 \$'000	2022–23 \$'000	2023–24 \$'000
Payment measures (continued)					
<u>Murray-Darling Communities Investment Package</u>					
Build Trust, Transparency and Accountability in the Delivery of the Basin Plan – Establishment of a New Statutory Authority of the Inspector-General of Water Compliance	OC5				
Administered payment		-	-	-	-
Departmental payment		1,951	10,811	7,562	9,808
Total		1,951	10,811	7,562	9,808
Build Trust, Transparency and Accountability in the Delivery of the Basin Plan – Improve and Simplify Access to Water Information ^(d)	5.1				
Administered payment		(1,000)	(10,700)	(9,700)	(3,600)
Departmental payment		1,383	1,883	1,407	706
Total		383	(8,817)	(8,293)	(2,894)
Improve Implementation of the Basin Plan – Accelerate Planning and Delivery of Projects	OC5				
Administered payment		-	-	-	-
Departmental payment		1,162	1,437	1,438	1,444
Total		1,162	1,437	1,438	1,444
Improve Implementation of the Basin Plan – Support the Implementation of the Basin Plan	OC5				
Administered payment		-	-	-	-
Departmental payment		4,517	4,485	4,489	4,507
Total		4,517	4,485	4,489	4,507
Invest in Community Resilience and River Health – Fund Community-Driven Grants	5.1				
Administered payment		6,000	14,000	-	-
Departmental payment		2,675	1,782	-	-
Total		8,675	15,782	-	-
Invest in Community Resilience and River Health – Murray-Darling Basin Economic Development Program	5.1				
Administered payment		6,000	28,000	-	-
Departmental payment		2,495	1,115	-	-
Total		8,495	29,115	-	-
Water for Fodder – provision	5.1				
Administered payment		(11,900)	-	-	-
Departmental payment		-	-	-	-
Total		(11,900)	-	-	-

Continued on following pages

**Table 1.2: Department of Agriculture, Water and the Environment 2020–21
Budget measures – Measures announced after the Economic and Fiscal Update
July 2020 (continued)**

	Program	2020–21 \$'000	2021–22 \$'000	2022–23 \$'000	2023–24 \$'000
Payment measures (continued)					
<u>Other Measures</u>					
ACCC Inquiry into the Supply Chains of					
Perishable Agricultural Goods ^(e)	OC3				
Administered payment		-	-	-	-
Departmental payment		(419)	-	-	-
Total		(419)	-	-	-
Commonwealth Implementation of					
Environmental Controls for Chemicals	OC1				
Administered payment		-	-	-	-
Departmental payment		1,161	4,227	4,729	5,321
Total		1,161	4,227	4,729	5,321
Drought Response, Resilience and					
Preparedness Plan – extended support ^(f)	3.11				
Administered payment		-	-	-	-
Departmental payment		-	-	-	-
Total		-	-	-	-
Implementation of the Waste Export Ban	OC1				
Administered payment		-	-	-	-
Departmental payment		466	3,252	1,816	(1,599)
Total		466	3,252	1,816	(1,599)

Continued on following pages

**Table 1.2: Department of Agriculture, Water and the Environment 2020–21
Budget measures – Measures announced after the Economic and Fiscal Update
July 2020 (continued)**

	Program	2020–21 \$'000	2021–22 \$'000	2022–23 \$'000	2023–24 \$'000
Payment measures (continued)					
Improved Access to Agricultural and Veterinary Chemicals program – extension	3.10, 4.2				
Administered payment		2,050	(477)	(864)	(1,069)
Departmental payment		133	45	45	45
Total		2,183	(432)	(819)	(1,024)
Improving Access to Medicines – antimicrobial resistance and Australia's National Antimicrobial Resistance Strategy ^(g)	4.2				
Administered payment		-	-	-	-
Departmental payment		-	-	-	-
Total		-	-	-	-
JobMaker Plan – Deregulation Package	OC3, OC4				
Administered payment		-	-	-	-
Departmental payment		4,242	4,548	1,440	264
Total		4,242	4,548	1,440	264
Primary Industries – Changes to Agricultural Production Levies ^(b)	4.2				
Administered payment		(300)	(500)	(500)	(500)
Departmental payment		-	-	-	-
Total		(300)	(500)	(500)	(500)
Supporting Healthy Oceans – International Blue Carbon and Rainforests Climate Action Partnerships	OC1				
Administered payment		-	-	-	-
Departmental payment		466	1,980	1,259	543
Total		466	1,980	1,259	543
Director of National Parks					
<u>Supporting Healthy Oceans</u>					
Expanding and Enhancing Management of Australia's Marine Parks	1.1				
Administered payment		5,144	7,603	7,737	7,840
Departmental payment		-	-	-	-
Total		5,144	7,603	7,737	7,840
Tackling Ghost Nets in the Gulf of Carpentaria	1.1				
Administered payment		833	3,762	4,795	5,454
Departmental payment		-	-	-	-
Total		833	3,762	4,795	5,454

Continued on following pages

**Table 1.2: Department of Agriculture, Water and the Environment 2020–21
Budget measures – Measures announced after the Economic and Fiscal Update
July 2020 (continued)**

	Program	2020–21 \$'000	2021–22 \$'000	2022–23 \$'000	2023–24 \$'000
<i>Murray-Darling Basin Authority</i>					
<i>Murray-Darling Communities Investment Package</i>					
Build Trust, Transparency and Accountability in the Delivery of the Basin Plan – Compliance Activities	5.1				
Administered payment		8,613	-	-	-
Departmental payment		-	-	-	-
Total		8,613	-	-	-
Build Trust, Transparency and Accountability in the Delivery of the Basin Plan – Second Pass Business Case	5.1				
Administered payment		665	-	-	-
Departmental payment		-	-	-	-
Total		665	-	-	-
Build Trust, Transparency and Accountability in the Delivery of the Basin Plan – Track and Monitor Ecological, Economic and Social Conditions in the Basin	5.1				
Administered payment		343	2,371	2,373	2,382
Departmental payment		-	-	-	-
Total		343	2,371	2,373	2,382
Invest in Community Resilience and River Health – Sustaining Riverland Environments	5.1				
Administered payment		7,630	29,970	-	-
Departmental payment		-	-	-	-
Total		7,630	29,970	-	-
<i>Sydney Harbour Federation Trust</i>					
Sydney Harbour Federation Trust – Infrastructure Improvements	1.4				
Administered payment		20,584	2,458	1,037	532
Departmental payment		-	-	-	-
Total		20,584	2,458	1,037	532
Total payment measures					
Administered		67,352	76,487	4,878	11,039
Departmental		118,685	137,101	92,237	44,663
Total		186,037	213,588	97,115	55,702

Continued on following pages

**Table 1.2: Department of Agriculture, Water and the Environment 2020–21
Budget measures – Measures announced after the Economic and Fiscal Update
July 2020 (continued)**

	Program	2020–21 \$'000	2021–22 \$'000	2022–23 \$'000	2023–24 \$'000
Payment measures (Capital)					
Commonwealth Implementation of Environmental Controls for Chemicals	OC1				
Administered capital		-	-	-	-
Departmental capital		1,130	2,100	-	-
Total		1,130	2,100	-	-
Implementation of the Waste Export Ban	OC1				
Administered capital		-	-	-	-
Departmental capital		(2,900)	-	(600)	(500)
Total		(2,900)	-	(600)	(500)
<u>JobMaker Plan – Busting Congestion for Agricultural Exporters – improving the ease of doing business</u>					
Digital Services to Take Farmers to Markets	OC4				
Administered capital		-	-	-	-
Departmental capital		16,751	30,479	24,670	-
Total		16,751	30,479	24,670	-
<u>Maintaining the Timeliness of the Environmental Assessment Process</u>					
Maintaining the Timeliness of the Environmental Assessment Process	OC1				
Administered capital		-	-	-	-
Departmental capital		397	988	-	-
Total		397	988	-	-
Sydney Harbour Federation Trust					
Sydney Harbour Federation Trust – Infrastructure Improvements	OC1				
Administered capital		4,484	1,810	5,666	3,985
Departmental capital		-	-	-	-
Total		4,484	1,810	5,666	3,985
Total payment measures (Capital)					
Administered		4,484	1,810	5,666	3,985
Departmental		15,378	33,567	24,070	(500)
Total		19,862	35,377	29,736	3,485

**Table 1.2: Department of Agriculture, Water and the Environment 2020–21
Budget measures – Measures announced after the Economic and Fiscal Update
July 2020 (continued)**

- (a) The lead entity for this measure is the Department of Home Affairs. The measure description appears in *Budget Paper No. 2: Budget Measures 2020–21* under the Home Affairs portfolio.
- (b) The measure 'Primary Industries – Changes to Agricultural Production Levies' appears under receipt and payment measure headings. The change is being made in consultation with the industries. Further details are below:

Title	Treatment	2019–20 \$'000	2020–21 \$'000	2021–22 \$'000	2022–23 \$'000	2023–24 \$'000
Dried Vine Fruits	1. From 1 January 2021, the Government will introduce a Plant Health Australia levy component on dried vine fruits at a rate of \$1 per tonne, as requested by Dried Fruits Australia. The additional levy will fund biosecurity management for the Australian dried vine fruits industry.					
	<i>Total receipt impact</i>	-	..	..	..	..
	<i>Total payment impact</i>	-	..	..	..	..
Farmed Prawns	2. From 1 January 2021, the Government will reduce the white spot disease repayment levy and export charge component on farmed prawns from 3.01 cents per kilogram to nil for a period of 12 months. The temporary deactivation of this levy will provide relief to Australian prawn farmers in response to a request from the Australian Prawn Farmers Association.					
	<i>Total receipt impact</i>	-	(100)	(100)	-	-
	<i>Total payment impact</i>	-	-	-	-	-
Forestry	3. From 1 January 2021, the Government will decrease the Emergency Plant Pest Response (EPPR) component of the forest growers levy for plantation logs Pinus sp. (non native pine) from 5 cents per cubic metre to nil, as requested by the Australian Forest Products Association. This reflects that the industry's contribution to the emergency response to giant pine scale, which was initially underwritten by the Government, has been repaid.					
	<i>Total receipt impact</i>	-	(300)	(500)	(500)	(500)
	<i>Total payment impact</i>	-	(300)	(500)	(500)	(500)
Macadamias	4. From 1 January 2021, the Government will decrease the EPPR component of the macadamia levy and export charge from 0.2 cents per kilogram to nil, as requested by the Australian Macadamia Society. This reflects that the industry's contribution to the emergency response to varroa jacobsoni mite, which was initially underwritten by the Government, has been repaid.					
	<i>Total receipt impact</i>	-	..	..	..	..
	<i>Total payment impact</i>	-	..	..	..	..
Total changes to agricultural production levies – Receipt		-	(400)	(600)	(500)	(500)
Total changes to agricultural production levies – Payment		-	(300)	(500)	(500)	(500)

Continued on following page

**Table 1.2: Department of Agriculture, Water and the Environment 2020–21
Budget measures – Measures announced after the Economic and Fiscal Update
July 2020 (continued)**

- (c) These items are funded through the *Assistance for Severely Affected Regions (Special Appropriation) (Coronavirus Economic Response Package) Act 2020*, also known as the COVID-19 Relief and Recovery Fund. The lead entity is the Department of Infrastructure, Transport, Regional Development and Communications. The measure description appears in *Budget Paper No. 2: Budget Measures 2020–21* under the Infrastructure, Transport, Regional Development and Communications portfolio.
- (d) This measure involves a reclassification of funds from administered to SPP533 (Sustainable Rural Water Use and Infrastructure Program).
- (e) The lead entity for this measure is the Department of the Treasury. The measure description appears in *Budget Paper No. 2: Budget Measures 2020–21* under the Treasury portfolio.
- (f) This measure provides additional funding to the National Partnership for On-Farm Emergency Water Infrastructure Rebate. Details appear in *Budget Paper No. 3: Federal Financial Relations*.
- (g) The lead entity for this measure is the Department of Health. The measure description appears in *Budget Paper No. 2: Budget Measures 2020–21* under the Health portfolio.

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

Prepared on a Government Finance Statistics (Underlying Cash) basis

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 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 a complete picture of an entity's planned and actual performance.

The most recent corporate plan for the Department of Agriculture, Water and the Environment can be found at: <https://www.awe.gov.au/about/reporting/corporate-plan>.

The most recent annual performance statements can be found at: <https://www.awe.gov.au/about/reporting/annual-report>.

2.1 PLANNED PERFORMANCE

The performance information in the Portfolio Budget Statements is aligned to the objectives that underpin the delivery of the department's Outcomes and its purpose. The objectives form the basis of the department's Corporate Plan 2020–21. Table 2.1.1 shows the alignment between the department's Outcomes and its objectives in the corporate plan.

Table 2.1.1: Outcomes and objectives 2020–21

Outcome	Objective (Corporate Plan 2020–21)
Outcome 1: Conserve, protect and sustainably manage Australia's biodiversity, ecosystems, environment and heritage through research, information management, supporting natural resource management, establishing and managing Commonwealth protected areas, and reducing and regulating the use of pollutants and hazardous substances, and coordination of climate change adaptation strategy and climate change science activities.	Environment and Heritage Support stewardship and sustainable management to enhance Australia's environment and our unique heritage
Outcome 2: Advance Australia's strategic, scientific, environmental and economic interests in the Antarctic region by protecting, administering and researching the region.	Antarctic Advance Australia's strategic, scientific and environmental interests in the Antarctic and the Southern Ocean
Outcome 3: 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.	Agriculture Assist industry to grow to a \$100 billion agricultural sector by 2030

Table 2.1.1: Outcomes and objectives 2020–21 (continued)

Outcome	Objective (Corporate Plan 2020–21)
<p>Outcome 4:</p> <p>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.</p>	<p>Biosecurity</p> <p>Manage biosecurity risks to Australian agriculture, the environment and our way of life</p>
<p>Outcome 5:</p> <p>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.</p>	<p>Water Resources</p> <p>Support the sustainable management and productive use of Australia’s water resources</p>

2.2 CHANGE IN PRESENTATION

For 2020–21 and forward years, the department’s performance framework consists of five objectives and 23 programs. Figure 2 shows which programs contribute to the department’s five objectives.

Figure 2: Departmental programs by objectives

Programs	Objectives				
	Agriculture	Water Resources	Environment and Heritage	Biosecurity	Antarctic
1.1 Sustainable management of natural resources and the environment		✓	✓		
1.2 Science, information and research	✓	✓	✓	✓	✓
1.3 Commonwealth Environmental Water		✓			
1.4 Conservation of Australia’s heritage and the environment			✓		
1.5 Environmental regulation			✓		
1.6 Management of hazardous wastes, substances and pollutants	✓	✓	✓		
2.1 Antarctic science, policy and presence					✓
3.1 Agricultural Adaptation	✓	✓	✓		
3.2 Sustainable Management – Natural Resources	✓	✓	✓		

Figure 2: Departmental program by objectives (continued)

Programs	Objectives				
	Agriculture	Water Resources	Environment and Heritage	Biosecurity	Antarctic
3.3 Forestry Industry	✓		✓		
3.4 Fishing Industry	✓		✓		✓
3.5 Horticulture Industry	✓		✓		
3.6 Wool Industry	✓				
3.7 Grains Industry	✓				
3.8 Dairy Industry	✓				
3.9 Meat and Livestock Industry	✓				
3.10 Agricultural Resources	✓	✓	✓		
3.11 Drought Programs	✓	✓			
3.12 Rural Programs	✓				
3.13 International Market Access	✓				
4.1 Biosecurity and Export Services	✓	✓	✓	✓	
4.2 Plant and Animal Health	✓	✓	✓	✓	
5.1 Water Reform	✓	✓	✓		

Table 2.2.1: Performance criteria for 2020–21 and beyond

Table 2.2.1 shows the high-level performance measures for each objective in 2020–21 and forward years.

Objective 1 – Environment and Heritage

Year	Performance criteria	Targets
2020–21	Ecosystem diversity, extent and function are maintained or improved.	A reduction in nutrient, sediment and pesticide loads consistent with meeting targets in the <i>Reef 2050 Water Quality Improvement Plan</i> . Habitat condition and connectivity within major vegetation groups improves relative to baseline.
	Species diversity, range and abundance are maintained or improved.	Threatened Bird Index improves relative to 2019–20 baseline.
	Heritage is recognised and protected.	100 per cent of World Heritage listed properties are managed under management plans that are consistent with the management principles in the Environment Protection and Biodiversity Conservation (EPBC) Regulations.
	Provide national leadership to effectively manage Australia's waste.	Australian targets for Montreal Protocol. Unprocessed waste glass in a whole or broken state banned from waste export from 1 January 2021.
2021–22 and beyond	As per 2020–21.	As per 2020–21.
	Provide national leadership to effectively manage Australia's waste.	Mixed waste plastics that are not of a single resin/polymer type banned from export from 1 July 2021. Whole waste tyres banned from export from 1 December 2021.

Continued on following pages

Table 2.1.2: Performance criteria for 2020–21 (continued)

Objective 2 – Antarctic

Year	Performance criteria	Targets
2020–21	Strengthen Australia's leadership in Antarctica and the Southern Ocean, by conducting world-leading science, promoting environmental best practice, and developing economic, educational and collaborative opportunities.	Measure progress against 20 Year Action Plan.
2021–22 and beyond	As per 2020–21.	As per 2020–21.

Objective 3 – Agriculture

Year	Performance criteria	Targets
2020–21	Increase, improve and maintain markets.	Growth in agricultural commodity exports in markets for which the department has negotiated improved market access exceeds average export growth.
	Encourage and reduce risks to agricultural productivity.	Average annual productivity growth for the past 10 years is equal to, or exceeds, average annual market sector productivity growth over the same period.
	The efficient collection and distribution of levies to fund rural research and development.	Levy collection processes cost no more than 1.2 per cent of levies disbursed. Inspections of levy agent records cover at least 20 per cent of levy revenue over a three-year rolling average.
2021–22 and beyond	As per 2020–21.	As per 2020–21.

Continued on following page

Table 2.1.2: Performance criteria for 2020–21 (continued)

Objective 4 – Biosecurity

Year	Performance criteria	Targets
2020–21	The national biosecurity system meets the agreed national goals and objectives of the Intergovernmental Agreement on Biosecurity.	Performance measures are developed to assess the effectiveness of the national biosecurity system.
	Regulation, partnerships and service delivery manage biosecurity risk.	Rates of compliance with regulations administered by the department are maintained or improved.
2021–22 and beyond	As per 2020–21.	As per 2020–21.

Objective 5 – Water Resources

Year	Performance criteria	Targets
2020–21	Support sustainable use and maintenance of high-quality water resources.	Number of Water Resource Plans (WRPs) accredited under Commonwealth law: 33 of 33 WRPs accredited.
	Water quality and flows, and ecosystem health are maintained or improved.	Water-dependent ecosystems are protected and restored.
2021–22 and beyond	As per 2020–21.	As per 2020–21.

2.3 PERFORMANCE RESULTS FOR 2019–20

This section reports the forecast performance results for the department's five outcomes in 2019–20.

These results are presented against the performance criteria outlined in the *2019–20 Agriculture and Water Resources Portfolio Budget Statements* and *2019–20 Environment and Energy Portfolio Budget Statements*.

Table 2.3.1: Performance results for Outcome 1, 2019–20

The table below details the forecast performance results for Outcome 1 in 2019–20.

Program results are reported against the performance information previously presented for Outcome 1 in the *2019–20 Environment and Energy Portfolio Budget Statements*.

Outcome 1: Conserve, protect and sustainably manage Australia’s biodiversity, ecosystems, environment and heritage through research, information management, supporting natural resource management, establishing and managing Commonwealth protected areas, and reducing and regulating the use of pollutants and hazardous substances, and coordination of climate change adaptation strategy and climate change science activities.		
Program 1.1: Sustainable Management of Natural Resources and the Environment		
Objective	The objective of this program is to improve the extent, condition and connectivity of Australia’s unique biodiversity and natural resources, including the Great Barrier Reef, through protection of habitats and mitigation of threats to threatened species and ecological communities.	
Performance information		
Performance criteria	Targets	2019–20 Actual Achievement
Australia’s biodiversity including priority threatened species, ecological communities, cetaceans and migratory species, and significant heritage places are conserved and protected via targeted investments and collaborative partnerships.	Program objectives are delivered under the National Landcare Program and other key programs, including the Improving Your Local Parks and Environment Program and the Australian Heritage Grants Program.	Achieved.

Continued on following pages

Table 2.3.1: Performance criteria for Outcome 1 (continued)

Performance information		
Performance criteria	Targets	2019–20 Actual Achievement
(continued)	Contracts are in place to deliver Australian Government investment under the National Landcare Program and other key programs, including the Improving Your Local Parks and Environment Program and the Australian Heritage Grants Program.	Achieved.
Through investment and in collaboration with others, the department contributes to building the Great Barrier Reef's resilience and capacity to respond to threats.	Reef programs deliver on the Reef 2050 Plan and Reef Trust objectives.	Achieved.

Program 1.2: Science, Information and Research		
Objective	Improve understanding of Australia's environment and inform environmental decision-making through collaborative research and enhanced discovery of, access to and use of environmental information; and improve the knowledge of, and inform decision-making on, the environmental impacts of unconventional gas and coal mining development.	
Performance information		
Performance criteria	Targets	2019–20 Actual Achievement
Data and information generated by the department are used by stakeholders and/or support evidence-based decision-making.	Targets detailed in the Department of Environment and Energy 2019–20 Corporate Plan will be reported in the Department of Agriculture, Water and the Environment Annual Report 2019–20.	Achieved.

Continued on following pages

Table 2.3.1: Performance criteria for Outcome 1 (continued)

Program 1.3: Commonwealth Environmental Water		
Objective	Protect and restore water-dependent ecosystems in the Murray-Darling Basin through the management and use of Commonwealth environmental water and manage Australia's obligations under the Ramsar Convention; and improve the knowledge of, and inform decision-making on, the impacts to and management of water-dependent ecosystems consistent with international and national obligations.	
Performance information		
Performance criteria	Targets	2019–20 Actual Achievement
Protect and restore water-dependent ecosystems and their functions in the Murray-Darling Basin.	Water dependent ecosystems are protected and restored.	Achieved.
	Adequate flushing of salt from the River Murray system into the Southern Ocean.	Achieved.
Australia's priority wetlands are identified, conserved and protected.	Ramsar Information Sheets for Wetlands of International Importance listed under the Ramsar Convention are prepared and updated and include appropriate descriptions of the ecological character of the sites and threats to the sites.	Partially achieved.

Program 1.4: Conservation of Australia's Heritage and the Environment		
Objective	Identify, protect and conserve our world and nationally significant natural, Indigenous and historic heritage places, threatened species, ecological communities, cetaceans and migratory species: and contribute to protecting internationally traded flora and fauna consistent with national and international obligations.	
Performance information		
Performance criteria	Targets	2019–20 Actual Achievement
Australia's biodiversity, including priority threatened species, ecological communities, cetaceans and migratory species, and significant heritage places are identified, conserved and protected through regulation.	All Australian properties included on the list of World Heritage are well managed.	Partially achieved.

Continued on following pages

Table 2.3.1: Performance criteria for Outcome 1 (continued)

Program 1.5: Environmental Regulation		
Objective	Support sustainable development outcomes by delivering efficient and effective regulation of matters of national environmental significance.	
Performance information		
Performance criteria	Targets	2019–20 Actual Achievement
Australia's biodiversity, including priority threatened species, ecological communities, cetaceans and migratory species, and significant heritage places are identified, conserved and protected through regulation.	Activities required by legislation are conducted within statutory timeframe.	Achieved.
The Alligator Rivers Region environment remains protected from uranium mining effects consistent with statutory requirements.	There has been no detrimental effect to the people and the environment of the Alligator Rivers Region, including Kakadu National Park, as a result of mining activities.	Achieved.

Program 1.6: Management of Hazardous Wastes, Substances and Pollutants		
Objective	Protect the environment through national approaches to effectively and efficiently manage hazardous wastes, substances and pollutants.	
Performance information		
Performance criteria	Targets	2019–20 Actual Achievement
The department's regulatory activities and policies relating to management of hazardous waters, substance and pollutants support environmental health outcomes.	Import of controlled chemicals does not exceed the limits set out in the <i>Ozone Protection and Synthetic Greenhouse Gas Management Act 1989</i> and Regulations.	Achieved.
	All Australians have access to timely, quality data on emissions and transfers of polluting or harmful substances.	Achieved.
	Activities required by legislation are conducted within statutory timeframes.	Achieved.

Continued on following page

Table 2.3.1: Performance criteria for Outcome 1 (continued)

Performance information		
Performance criteria	Targets	2019–20 Actual Achievement
(continued)	Compliance activities are undertaken to deliver environmental health outcomes.	Achieved.

Table 2.3.2: Performance results for Outcome 2, 2019–20

The table below details the forecast performance results for Outcome 2 in 2019–20.

Program results are reported against the performance information previously presented for Outcome 2 in the *2019–20 Environment and Energy Portfolio Budget Statements*.

Outcome 2: Advance Australia’s strategic, scientific, environmental and economic interests in the Antarctic region by protecting, administering and researching the region		
Program 2.1: Antarctic Science, Policy and Presence		
Objective	The objective of this program is to strengthen Australia’s leadership in Antarctica and the Southern Ocean, including by maintaining a strong and effective presence, by conducting world-leading science, promoting environmental best practice, and developing economic, educational and collaborative opportunities.	
Performance information		
Performance criteria	Targets	2019–20 Actual Achievement
Antarctica and the Southern Ocean are protected, valued and understood.	Australian Antarctic Strategy and 20 Year Action Plan is delivered in accordance with stated timeframes and priorities.	Partially achieved.

Table 2.3.3: Performance results for Outcome 3, 4 and 5, 2019–20

The table below details the forecast performance results for Outcomes 3, 4 and 5 in 2019–20.

Program results are reported against the performance information previously presented for Outcomes 1, 2 and 3 in the *2019–20 Agriculture and Water Resources Portfolio Budget Statements*.

Outcome 3 – 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 4 – 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 5 – 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.		
Increase, Improve and Maintain Markets		
Performance information		
Performance criteria	Targets	2019–20 Actual Achievement
The trend in value of agricultural exports increases in real terms over time.	The value of agricultural, forestry and fishery exports exceeds the average value of the previous 10 years.	Achieved.
Encourage Agricultural Productivity		
Performance information		
Performance criteria	Targets	2019–20 Actual Achievement
Portfolio industries record an increase in productivity.	Average annual productivity growth for the past 10 years is equal to or exceeds average annual market sector productivity growth over the same period.	Not achieved.

Continued on following page

Table 2.3.3: Performance results for Outcome 3–5, 2019–20 (continued)

Support Sustainable, High-Quality Natural Resources		
Performance information		
Performance criteria	Targets	2019–20 Actual Achievement
The quality of the resource base is maintained or improved.	The status and productivity of agricultural land, water resources and Commonwealth fisheries is at least maintained in trend terms.	Partially achieved.

2.4 BUDGETED EXPENSES FOR OUTCOME 1

Outcome 1: Conserve, protect and sustainably manage Australia's biodiversity, ecosystems, environment and heritage through research, information management, supporting natural resource management, establishing and managing Commonwealth protected areas, and reducing and regulating the use of pollutants and hazardous substances, and coordination of climate change adaptation strategy and climate change science activities.

2.4.1: Linked programs

Australian Fisheries Management Authority
Program 1.1: Australian Fisheries Management Authority
Contribution to Outcome 1 made by linked programs The Department of the Agriculture, Water and the Environment (DAWE) and the Australian Fisheries Management Authority engage on sustainable management of Commonwealth fisheries.
Australian Institute of Marine Science
Program 1.1: Marine Research
Contribution to Outcome 1 made by linked programs DAWE and the Australian Institute of Marine Science work together on implementation of the Reef 2050 Plan to protect and conserve the Great Barrier Reef.
Australian Maritime Safety Authority
Program 1.1: Australian Maritime Safety Authority
Contribution to Outcome 1 made by linked programs The Australian Maritime Safety Authority works to minimise the risk of shipping incidents and pollution in Australian waters and contributes to the sustainable management of natural resources, including the Great Barrier Reef.
Australian Taxation Office
Program 1.9: Product Stewardship for Oil program
Contribution to Outcome 1 made by linked programs The Australian Taxation Office administers the Product Stewardship for Oil program on behalf of DAWE by providing incentives to increase used oil recycling and encourage environmentally sustainable management and re-refining of used oil and its re-use.

Continued on following pages

2.4.1: Linked programs (continued)

Bureau of Meteorology
Program 1.1: Bureau of Meteorology
Contribution to Outcome 1 made by linked programs The Bureau of Meteorology (BOM) is a partner in the Earth Systems and Climate Change Hub in the National Environmental Science Program. BOM also provides weather, climate and water modelling and information to DAWE.
Clean Energy Finance Corporation
Program 1.1: Clean Energy Finance Corporation
Contribution to Outcome 1 made by linked programs DAWE has responsibility for policies that reduce waste and increase domestic recycling capacity. The Clean Energy Finance Corporation (CEFC) contributes to these policies by making available funding to the Clean Energy Innovation Fund and Reef Funding Program. Through the Australian Recycling Investment Fund, CEFC provides flows of finance into clean energy technologies that support the recycling of waste, in particular wastes that are – or by 1 July 2024 will be – banned for export.
Commonwealth Scientific and Industrial Research Organisation
Program 1.1: Research - Science, Services and Innovation Fund
Contribution to Outcome 1 made by linked programs The Commonwealth Scientific and Industrial Research Organisation (CSIRO) contributes to Outcome 1 through the delivery of research to support the implementation of the Reef 2050 Plan to protect and conserve the Great Barrier Reef. CSIRO leads the Earth Systems and Climate Change Hub and is a partner in other Hubs in the National Environmental Science Program. CSIRO collaborates in the delivery of the Geological and Bioregional Assessments program, contributing expertise in ecology, ecotoxicology, hydrology, hydrogeology, informatics and risk analysis.

Continued on following pages

2.4.1: Linked programs (continued)

Department of Foreign Affairs and Trade
Program 1.1: Foreign Affairs and Trade Operations Program 1.2: Official Development Assistance
Contribution to Outcome 1 made by linked programs <p>The Department of Foreign Affairs and Trade (DFAT) supports DAWE on matters relating to the protection and conservation of coral reefs globally. This draws on Australian expertise in coral reef science and management, particularly from the Great Barrier Reef.</p> <p>DAWE receives funding from DFAT for a number of international engagement activities. DAWE, with engagement from DFAT, is the lead agency for Australia's engagement in the High-Level Panel for a Sustainable Ocean Economy. DAWE works with Australia's Ambassador to United Nations Educational, Scientific and Cultural Organization (UNESCO) and Australia's Ambassador for the Environment in support of Australia's membership of the World Heritage Committee.</p>
Department of Health
Program 5.1: Protect the Health and Safety of the Community through Regulation
Contribution to Outcome 1 made by linked programs <p>DAWE and the Department of Health work together to manage policy and regulatory issues that have combined human and environmental health implications.</p>
Department of Home Affairs
Program 1.1: Border Enforcement Program 1.2: Border Management
Contribution to Outcome 1 made by linked programs <p>DAWE and the Department of Home Affairs work together to prevent the illegal wildlife trade, control transboundary movements of hazardous wastes and their disposal and share information on imports of products subject to air quality standards.</p>
Department of Industry, Science, Energy and Resources
Program 1.1: Investing in Science, Technology and Commercialisation Program 1.3: Supporting a Strong Resources Sector
Contribution to Outcome 1 made by linked programs <p>DAWE works collaboratively with the Department of Industry, Science and Resources (DISER) on science and research priorities for a resilient Great Barrier Reef. DAWE provides advice to DISER to ensure the ongoing protection of the Alligator Rivers Region from impacts of mining uranium at Ranger mine.</p>

Continued on following pages

2.4.1: Linked programs (continued)

Department of Infrastructure, Transport, Regional Development and Communications
Program 3.3: Cities
<p>Contribution to Outcome 1 made by linked programs</p> <p>DAWE supports the Government's cities agenda led by the Department of Infrastructure, Transport, Regional Development and Communications, including through the delivery of commitments under the Launceston, Western Sydney and Hobart City Deals; strategic assessments under the <i>Environment Protection and Biodiversity Conservation Act 1999</i> (EPBC Act); and national approaches to managing waste and hazardous substances and air quality in cities.</p>
Department of the Treasury
Program 1.9: National Partnerships Payments to the States
<p>Contribution to Outcome 1 made by linked programs</p> <p>The Department of the Treasury contributes to Outcome 1 by making payments for the following national partnership agreements on behalf of DAWE:</p> <ul style="list-style-type: none"> • National Partnership on Bushfire Wildlife and Habitat Recovery (SPP822); • National Partnership on the Environmental Assessment Systems Upgrade (SPP813); • National Partnership on the Environment Restoration Fund (SPP845); • National Partnership on Recycling Infrastructure (SPP827); • National Partnership on World Heritage Sites (SPP752); • National Partnership on COVID-19 World and National Heritage (SPP844); and • National Partnership on Yellow Crazy Ant Control (SPP790).
Director of National Parks
Program 1.1: Parks and Reserves
<p>Contribution to Outcome 1 made by linked programs</p> <p>DAWE and the Director of National Parks (DNP) work together to set policy directions for science, heritage and species management in Commonwealth managed marine and terrestrial reserves. DAWE works with DNP to transition Jabiru township from a mining to a tourism-based economy.</p>

2.4.1: Linked programs (continued)

Geoscience Australia
Program 1.1: Geoscientific and Spatial Information Services
Contribution to Outcome 1 made by linked programs Geoscience Australia provides geoscience expertise in the delivery of the Geological and Bioregional Assessments Program and the National Environmental Science Program Marine Biodiversity Hub. Geoscience Australia's Digital Earth Australia Program works with DAWE to deliver new, continental-scale environmental monitoring capabilities using satellite imagery.
Great Barrier Reef Marine Park Authority
Program 1.1: Great Barrier Reef Marine Park Authority
Contribution to Outcome 1 made by linked programs DAWE and the Great Barrier Reef Marine Park Authority work together on heritage management, environment health, species conservation and fisheries management as well as joint implementation of the Reef 2050 Plan to protect and conserve the Great Barrier Reef.
Murray-Darling Basin Authority
Program 1.1: Equitable and Sustainable Use of the Murray-Darling Basin
Contribution to Outcome 1 made by linked programs DAWE and the Murray-Darling Basin Authority (MDBA) 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.
National Indigenous Australian Agency
Program 1.1: Indigenous Advancement – Jobs, Land and the Economy
Contribution to Outcome 1 made by linked programs DAWE and the National Indigenous Australians Agency (NIAA) work together to provide opportunities for Indigenous communities and land managers to engage with the National Landcare Program. DAWE and the NIAA work cooperatively on Indigenous Protected Areas.

2.4.1: Linked programs (continued)

National Offshore Petroleum Safety and Environmental Management Authority
Program 1.1: Regulatory oversight of Safety Cases, Well Operations Management Plans and Environment Plans Coupled with Effective Monitoring, Investigation and Enforcement
<p>Contribution to Outcome 1 made by linked programs</p> <p>The National Offshore Petroleum Safety and Environmental Management Authority contributes to Outcome 1 through administration of its EPBC Act-endorsed environmental management authorisations process under the <i>Offshore Petroleum and Greenhouse Gas Storage Act 2006</i> and complementary compliance monitoring, investigations and enforcement activities as appropriate across its environmental management, safety and integrity regulatory functions.</p>
Sydney Harbour Federation Trust
Program 1.1: Sydney Harbour Federation Trust
<p>Contribution to Outcome 1 made by linked programs</p> <p>DAWE and the Sydney Harbour Federation Trust (SHFT) collaborate through engagement on policy direction and site management to conserve and enhance the natural and cultural heritage of SHFT land and maximise public access and enjoyment of its sites.</p>

2.4.2: 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 2.4.3: Budgeted expenses for Outcome 1

Outcome 1: Conserve, protect and sustainably manage Australia's biodiversity, ecosystems, environment and heritage through research, information management, supporting natural resource management, establishing and managing Commonwealth protected areas, and reducing and regulating the use of pollutants and hazardous substances, and coordination of climate change adaptation strategy and climate change science activities.

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
Program 1.1: Sustainable Management of Natural Resources and the Environment					
Administered expenses					
<u>Ordinary annual services (Appropriation Bill (No. 1))</u>					
Australian Marine Parks	3,578	6,500	4,000	1,009	-
Bushfire Recovery for Species and Landscapes	-	61,000	61,000	-	-
Communities Environment Program	18,055	-	-	-	-
Environment and Energy and Emissions Reduction Campaign	900	-	-	-	-
Environment Restoration Fund	17,291	51,228	24,991	19,801	-
Environmental Stewardship Program	9,672	9,179	9,397	9,266	7,365
Improving your Local Parks and Environment	2,027	-	-	-	-
<u>National Landcare Program:</u>					
Natural Heritage Trust ^(a)	176,338	153,533	151,659	153,800	186,308
Less special account	(176,338)	(153,533)	(151,659)	(153,800)	(186,308)
Reef 2050 Plan	40,000	15,000	15,000	15,000	-
Less special account	(40,000)	(15,000)	(15,000)	(15,000)	-
Administered total	51,523	127,907	99,388	30,076	7,365
<u>Special appropriations</u>					
Assistance for Severely Affected Regions (Coronavirus Economic Response Package) Act 2020 – Director of National Parks	4,589	7,370	-	-	-
Assistance for Severely Affected Regions (Coronavirus Economic Response Package) Act 2020 – Reef Builder	-	20,000	-	-	-
Special Appropriation total	4,589	27,370	-	-	-

Continued on following pages

Table 2.4.3: Budgeted expenses for Outcome 1 (continued)

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
Program 1.1: Sustainable Management of Natural Resources and the Environment					
<u>Payments to corporate entities (Draw-down)^(b)</u>					
Director of National Parks	45,637	57,063	63,021	63,833	56,813
<i>Payments to corporate entities total</i>	45,637	57,063	63,021	63,833	56,813
<u>Special accounts</u>					
Natural Heritage Trust of Australia Account	169,461	179,860	155,635	151,368	186,320
Reef Trust Special Account	28,643	38,196	31,573	36,360	1,699
<i>Special account total</i>	198,104	218,056	187,208	187,728	188,019
Total Program expenses	299,853	430,396	349,617	281,637	252,197
Program 1.2: Environmental Information and Research					
Administered expenses					
<u>Ordinary annual services (Appropriation Bill (No. 1))</u>					
Australian Biological Resources Study	2,021	2,030	2,030	2,030	2,030
Harry Butler Environment Education Centre	1,000	8,000	8,000	8,000	-
Independent Expert Scientific Committee on Coal Seam Gas and Large Coal Mining	676	1,393	1,035	1,035	1,035
National Centre for Coasts, Environment and Climate	1,000	8,000	8,000	8,000	-
National Environmental Science Program	26,640	25,352	24,352	24,802	24,867
<i>Administered total</i>	31,337	44,775	43,417	43,867	27,932
Total Program expenses	31,337	44,775	43,417	43,867	27,932

Continued on following pages

Table 2.4.3: Budgeted expenses for Outcome 1 (continued)

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
Program 1.3: Commonwealth Environmental Water					
Administered expenses					
<u>Ordinary annual services (Appropriation Bill (No. 1))</u>					
Commonwealth Environmental Water Office	41,216	52,064	44,127	45,322	46,548
<i>Less special account</i>	(41,216)	(52,064)	(44,127)	(45,322)	(46,548)
Murray-Darling Basin Environmental Knowledge and Research	1,898	2,500	2,500	2,500	2,500
<i>Administered total</i>	1,898	2,500	2,500	2,500	2,500
<u>Special account</u>					
Environmental Water Holdings Special Account	28,215	61,772	44,127	45,322	46,548
<u>Expenses not requiring appropriation in the budget year^(c)</u>					
Write-down and impairment of assets	24,062	-	-	-	-
Total Program expenses	54,175	64,272	46,627	47,822	49,048
Program 1.4: Conservation of Australia's Heritage and Environment					
Administered expenses					
<u>Ordinary annual services (Appropriation Bill (No. 1))</u>					
Australian Heritage Grants Program	5,444	6,054	5,359	5,359	5,359
<i>Administered total</i>	5,444	6,054	5,359	5,359	5,359
<u>Payments to corporate entities (Draw-down)^(b)</u>					
Sydney Harbour Federation Trust	-	20,584	2,458	1,037	532
<i>Payments to corporate entities total</i>	-	20,584	2,458	1,037	532
Total Program expenses	5,444	26,638	7,817	6,396	5,891
Program 1.5: Environmental Regulation					
Administered expenses					
<u>Ordinary annual services (Appropriation Bill (No. 1))</u>					
<i>Environment Protection and Biodiversity Conservation Act – Water Resources Amendment</i>	-	518	259	259	259
<i>Administered total</i>	-	518	259	259	259
Total Program expenses	-	518	259	259	259

Continued on following pages

Table 2.4.3: Budgeted expenses for Outcome 1 (continued)

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
Program 1.6: Management of Hazardous Wastes, Substances and Pollutants					
Administered expenses					
<u>Ordinary annual services (Appropriation Bill (No. 1))</u>					
Environment and Energy and Emissions Reduction Campaign	1,222	-	-	-	-
National Environment Protection Council	517	429	429	429	429
<i>Less special account</i>	(517)	(429)	(429)	(429)	(429)
Per-and-Poly-Fluorinated Alkyl Substances Research Grant	1,281	1,257	496	429	-
Product Stewardship Investment Fund	-	8,361	5,795	4,847	-
Securing the Future of Jabiru Township	2,544	9,000	2,000	1	455
Surf Life Saving Cleaner Outboard Engines Scheme	-	250	250	250	-
<i>Administered total</i>	5,047	18,868	8,541	5,527	455
<u>Special accounts</u>					
Ozone Protection and Synthetic Greenhouse Gas Account	12,824	14,711	14,962	15,217	15,124
National Environment Protection Council Special Account	1,460	680	680	680	680
<i>Special account total</i>	14,284	15,391	15,642	15,897	15,804
Total Program expenses	19,331	34,259	24,183	21,424	16,259

Continued on following pages

Table 2.4.3: Budgeted expenses for Outcome 1 (continued)

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
Outcome 1 Totals by appropriation type					
<u>Administered expenses</u>					
Ordinary annual services (Appropriation Bill (No. 1))	353,320	421,648	370,679	302,139	277,155
Special appropriations	4,589	27,370	-	-	-
Special accounts	240,603	295,219	246,977	248,947	250,371
Payments to corporate entities	45,637	77,647	65,479	64,870	57,345
Expenses not requiring appropriation in the budget year ^(c)	24,062	-	-	-	-
Less amounts transferred within the department	(258,071)	(221,026)	(211,215)	(214,551)	(233,285)
Administered total	410,140	600,858	471,920	401,405	351,586
<u>Departmental expenses</u>					
Departmental appropriation ^(d)	240,119	281,984	243,845	204,472	198,600
Expenses not requiring appropriation in the Budget year ^(c)	44,635	11,793	11,793	14,256	14,256
Department total	284,754	293,777	255,638	218,728	212,856
Total expenses for Outcome 1	694,894	894,635	727,558	620,133	564,442
	2019–20	2020–21			
Average staffing level (number)	1,061	1,106			

(a) Funding for components of the National Landcare Program are directly appropriated to the Department of the Treasury and the Department of the Prime Minister and Cabinet.

(b) The Director of National Parks and Sydney Harbour Federation Trust are CCEs under the PGPA Act and do not receive direct appropriations. Instead, their funding passes through the department and is drawn-down on their behalf.

(c) 'Expenses not requiring appropriation in the Budget year' are made up of depreciation and amortisation expenses, audit fees and an approved operating loss.

(d) Departmental appropriation allocations are notional and reflect the current structure of the department. Expenses funded from both 'Ordinary annual services' is (*Supply Act (No. 1)*) and 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 2.4.3: Budgeted expenses for Outcome 1 (continued)

Movements of administered funds between years^(e)	2019–20 \$'000	2020–21 \$'000	2021–22 \$'000	2022–23 \$'000	2023–24 \$'000
<u>Movements of Funds:</u>					
Australian Heritage Grants Program	(695)	695	-	-	-
Commonwealth Environmental Water Office	(8,922)	8,922	-	-	-
Environmental Protection and Biodiversity Conservation Act – Water Resources Amendment	(259)	259	-	-	-
Environment Restoration Fund	(12,338)	10,468	3,938	(2,068)	-
Environment Restoration Fund – Bushfire Wildlife and Habitat Recovery	(2,010)	2,010	-	-	-
Independent Expert Scientific Committee on Coal, Seam, Gas and Large Coal Mining	(358)	358	-	-	-
Natural Heritage Trust	(6,527)	(1,631)	4,069	4,089	-
Product Stewardship Investment Fund	(2,623)	2,623	-	-	-
Securing the Future of Jabiru Township	(455)	7,000	-	-	(6,545)
Surf Life Saving Cleaner Outboard Engine Scheme	(150)	-	(100)	250	-
<u>Movements of Funds – Special Accounts:</u>					
Natural Heritage Trust Special Account	(9,685)	9,088	3,754	(3,157)	-
Reef Trust Special Account	(17,674)	850	4,000	12,824	-
<u>Reallocation:</u>					
Communities Environment Program	(4,550)	-	-	-	-
Environment Restoration Fund	(3,500)	(3,000)	-	-	-
Environment Restoration Fund – Bushfire Wildlife and Habitat Recovery	2,050	-	-	-	-
National Environmental Science Program	1,000	1,000	-	-	-
Natural Heritage Trust	5,000	2,000	-	-	-
<u>Reclassification:</u>					
Environment Restoration Fund to SPP845	-	(4,250)	(2,180)	(1,197)	-
Total of administered funds	(61,696)	36,392	13,481	10,741	(6,545)

Continued on following page

Table 2.4.3: Budgeted expenses for Outcome 1 (continued)

Movements of administered funds between years^(e)	2019–20 \$'000	2020–21 \$'000	2021–22 \$'000	2022–23 \$'000	2023–24 \$'000
The Treasury					
<u>Measures:</u>					
<u>COVID-19 Response Package – Relief and Recovery Fund – additional projects</u>					
(SPP844) COVID-19 World and National Heritage	-	32,737	-	-	-
<u>National Bushfire Recovery Fund</u>					
(SPP822) Bushfire Response Package – Bushfire Immediate Wildlife Rescue and Recovery	13,000	-	-	-	-
<u>Transforming Australia's Waste and Recycling Industry</u>					
(SPP827) Recycling Infrastructure	-	59,743	59,743	49,743	19,635
<u>Movements of Funds:</u>					
(SPP813) Environmental Assessment Systems Upgrade	(3,000)	(3,000)	6,000	-	-
<u>Reclassification:</u>					
(SPP845) Environment Restoration Fund	-	4,250	2,180	1,197	-
Total of administered SPP funds	10,000	93,730	67,923	50,940	19,635

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

2.5 BUDGETED EXPENSES FOR OUTCOME 2

Outcome 2: Advance Australia's strategic, scientific, environmental and economic interests in the Antarctic region by protecting, administering and researching the region.

2.5.1: Linked programs

Australian Research Council
Program 1.2: Cross Sector Research Partnerships
Contribution to Outcome 2 made by linked programs The Australian Research Council (ARC) is responsible for the management of the Special Research Initiative in the current Gateway Partnership and establishing the new Special Research Initiative in Excellence in Antarctic Science. DAWE is responsible for the Australian Antarctic program. As these two programs support the Australian Antarctic Science Strategic Plan 2011–12 to 2020–21, ARC and DAWE work together to ensure effective delivery of these initiatives.
Bureau of Meteorology
Program 1.1: Bureau of Meteorology
Contribution to Outcome 2 made by linked programs BOM provides meteorological and related services in support of the Australian Antarctic program under a Memorandum of Understanding. There are also joint science projects underway between the BOM and the Australian Antarctic Division.
Commonwealth Scientific and Industrial Research Organisation
Program 1.1: Research – Science, Services and Innovation Fund
Contribution to Outcome 2 made by linked programs CSIRO undertakes scientific research and monitoring in the Southern Ocean and at Australia's Antarctic Stations, as part of the Australian Antarctic program.
Department of Defence
Program 2.5: Navy Capabilities
Program 2.7: Air Force Capabilities
Contribution to Outcome 2 made by linked programs The Department of Defence provides a range of logistics support services and advice to the Australian Antarctic program, including C130J and C-17 airlift capability to supplement existing flights in the delivery of cargo and contributing to aeromedical emergency responses in the region.

Continued on following page

2.5.1: Linked programs (continued)

Department of Foreign Affairs and Trade
Program 1.1: Foreign Affairs and Trade Operations
Contribution to Outcome 2 made by linked programs DFAT leads, in cooperation with DAWE, a whole of government approach to Antarctic policy development and international relations, including through the Antarctic Treaty System.
Department of Industry, Science, Energy and Resources
Program 1.1: Investing in Science, Technology and Commercialisation
Contribution to Outcome 2 made by linked programs As part of the Australian Antarctic Program, DAWE works with DISER, which administers the Antarctic Science Collaboration Initiative.
Geoscience Australia
Program 1.1: Geoscience Australia
Contribution to Outcome 2 made by linked programs Geoscience Australia undertakes research, mapping and monitoring in the Australian Antarctic Territory, as part of the Australian Antarctic program.

2.5.2: 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 2.5.3: Budgeted expenses for Outcome 2

Outcome 2: Advance Australia's strategic, scientific, environmental and economic interests in the Antarctic region by protecting, administering and researching the region.					
	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
Program 2.1: Antarctica: Science, Policy and Presence					
Administered expenses					
<u>Ordinary annual services (Appropriation Bill (No. 1))</u>					
Expenses not requiring appropriation in the Budget year ^(a)	11	12	12	12	12
Administered total	11	12	12	12	12
<u>Departmental Expenses</u>					
Departmental appropriation ^(b)	126,821	188,940	176,968	136,161	137,871
Expenses not requiring appropriation in the Budget year ^(a)	70,057	78,532	82,857	82,909	82,750
Departmental total	196,878	267,472	259,825	219,070	220,621
Total Program expenses	196,889	267,484	259,837	219,082	220,633
Outcome 2 Totals by appropriation type					
<u>Administered expenses</u>					
Expenses not requiring appropriation in the budget year ^(a)	11	12	12	12	12
Administered total	11	12	12	12	12
<u>Departmental expenses</u>					
Departmental appropriation ^(b)	126,821	188,940	176,968	136,161	137,871
Expenses not requiring appropriation in the budget year ^(a)	70,057	78,532	82,857	82,909	82,750
Department total	196,878	267,472	259,825	219,070	220,621
Total expenses for Outcome 2	196,889	267,484	259,837	219,082	220,633
Average staffing level (number)					
	2019–20 422	2020–21 448			

(a) 'Expenses not requiring appropriation in the Budget year' are made up of depreciation and amortisation expenses, audit fees and an approved operating loss.

(b) Departmental appropriation allocations are notional and reflect the current structure of the department. Expenses funded from both 'Ordinary annual services (Supply Act (No. 1) and 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.

2.6 BUDGETED EXPENSES FOR OUTCOME 3

Outcome 3: 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.

2.6.1: 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

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 3 made by linked program:

DAWE works together with 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 to ensure sustainable, productive and profitable agricultural industries.

Continued on following pages

2.6.1: Linked programs (continued)

Australian Trade and Investment Commission
<p>Program 1.1: Promotion of Australia's export and other international economic interests</p> <p>Program 1.2: Programs to promote Australia's export and other international economic interests</p>
<p>Contribution to Outcome 3 made by linked program</p> <p>DAWE and the Australian Trade and Investment Commission (Austrade) work together to achieve the best outcomes for Australian agricultural, fisheries and forestry exports.</p>
Bureau of Meteorology
Program 1.1: Bureau of Meteorology
<p>Contribution to Outcome 3 made by linked program</p> <p>BOM provides weather, climate and water modelling and information to DAWE.</p>
Department of Industry, Science, Energy and Resources
Program 1.1: Investing in Science, Technology and Commercialisation
<p>Contribution to Outcome 3 made by linked program:</p> <p>DAWE and DISER are working collaboratively on the National Carp Control Plan, which is being delivered by the Fisheries Research and Development Corporation.</p>

Continued on following page

2.6.1: Linked programs (continued)

Department of the Treasury
Program 1.9: National Partnership Payments to the States
<p>Contribution to Outcome 3 made by linked program</p> <p>The Department of the Treasury contributes to Outcome 3 by making payments for the following national partnership agreements on behalf of DAWE:</p> <ul style="list-style-type: none"> • National Partnership for the Future Drought Fund – Farm Business Resilience (SPP840); • National Partnership for the Future Drought Fund – Regional Drought Resilience Planning (SPP838); • National Partnership on Forestry Industries Bushfire Salvage Transport Assistance (SPP831); • National Partnership on the Horticulture Netting Trial Scheme (SPP829); • National Partnership on the Management of Established Pest and Weeds (SPP693); • National Partnership on the National Forestry Industry Plan (SPP763); • National Partnership on the Fishing and Camping Facilities Program (SPP815); and • National Partnership on Securing Forestry Resources for Economic Security (SPP839).
National Indigenous Australians Agency
Program 1.1: Indigenous Advancement – Jobs, Land and the Economy
<p>Contribution to Outcome 3 made by linked program:</p> <p>DAWE and NIAA work together to provide opportunities for Indigenous communities and land managers to engage with the National Landcare Program.</p>
Services Australia
Program 1.1: Services to the Community – Social Security and Welfare
<p>Contribution to Outcome 3 made by linked program</p> <p>Services Australia manages payments under the <i>Farm Household Support Act 2014</i> on behalf of DAWE.</p>

2.6.2: 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 2.6.3: Budgeted expenses for Outcome 3

Outcome 3: 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.

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
Program 3.2: Sustainable Management – Natural Resources					
Administered expenses					
<u>Ordinary annual services (Appropriation Bill (No. 1))</u>					
Agriculture Stewardship Package	4,050	9,546	9,542	7,786	-
National Carp Control Plan	500	400	100	-	-
Pest Animal and Weeds Management	1,989	5,374	5,286	7,593	1,000
Administered total	6,539	15,320	14,928	15,379	1,000
Total Program expenses	6,539	15,320	14,928	15,379	1,000
Program 3.3: Forestry Industry					
Administered expenses					
<u>Ordinary annual services (Appropriation Bill (No. 1))</u>					
National Bushfire Recovery Fund – Forestry Recovery Development Fund	-	10,000	20,000	10,000	-
National Forestry Industry Plan	4,580	4,140	4,600	-	-
National Institute for Forest Products Innovation	1,000	800	-	-	-
Administered total	5,580	14,940	24,600	10,000	-
<u>Special appropriation</u>					
Forestry Marketing and Research and Development Services Act 2007, s. 9(1) – payments and matching payments to an industry services body and Commonwealth administration expenses	9,491	9,110	10,151	11,098	11,098
Special Appropriation total	9,491	9,110	10,151	11,098	11,098
Total Program expenses	15,071	24,050	34,751	21,098	11,098

Continued on following pages

Table 2.6.3: Budgeted expenses for Outcome 3 (continued)

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
Program 3.4: Fishing Industry					
Administered expenses					
<u>Ordinary annual services (Appropriation Bill (No. 1))</u>					
Capacity Building for Fisheries Representatives	100	100	100	100	-
Fisheries Habitat Restoration	-	4,000	2,000	2,000	-
Fisheries Resources Research Fund	616	600	2,419	2,446	2,481
Administered total	716	4,700	4,519	4,546	2,481
<u>Special appropriations</u>					
Assistance for Severely Affected Regions (Coronavirus Economic Response Package) Act 2020 – Eat Seafood Australia	-	4,000	-	-	-
Primary Industries Research and Development Act 1989, s. 30A(3) & s. 30B(9) – Fisheries R&D Corporation	23,050	22,878	23,191	25,207	26,462
Special Appropriation total	23,050	26,878	23,191	25,207	26,462
Total Program expenses	23,766	31,578	27,710	29,753	28,943
Program 3.5: Horticulture Industry					
Administered expenses					
<u>Special appropriation</u>					
Horticulture Marketing and Research and Development Services Act 2000, s. 16(9) – payments to industry services body	115,641	112,682	114,854	118,429	119,727
Total Program expenses	115,641	112,682	114,854	118,429	119,727
Program 3.6: Wool Industry					
Administered expenses					
<u>Special appropriation</u>					
Wool Services Privatisation Act 2000, s. 31(4) – funding contract with research body	57,745	47,520	48,400	51,150	54,450
Total Program expenses	57,745	47,520	48,400	51,150	54,450

Continued on following pages

Table 2.6.3: Budgeted expenses for Outcome 3 (continued)

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
Program 3.7: Grains Industry					
Administered expenses					
<u>Special appropriations</u>					
<i>Primary Industries Research and Development Act 1989, s. 30(3) – Grains R&D Corporation – Other Grains</i>	78,545	88,504	88,794	90,572	91,129
<i>Primary Industries Research and Development Act 1989, s. 30(3) – Grains R&D Corporation – Wheat</i>	76,650	88,364	88,887	91,648	92,200
Total Program expenses	155,195	176,868	177,681	182,220	183,329
Program 3.8: Dairy Industry					
Administered expenses					
<u>Ordinary annual services (Appropriation Bill (No. 1))</u>					
Further Support for the Australian Dairy Industry	550	400	250	-	-
Administered total	550	400	250	-	-
<u>Special appropriation</u>					
<i>Dairy Produce Act 1986, s. 6(1) – payments under funding contract</i>	54,107	52,653	52,357	52,776	53,608
Total Program expenses	54,657	53,053	52,607	52,776	53,608

Continued on following pages

Table 2.6.3: Budgeted expenses for Outcome 3 (continued)

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
Program 3.9: Meat and Livestock Industry					
Administered expenses					
Special appropriations					
<i>Australian Meat and Live-stock Industry Act 1997, s. 63(2) – payments to marketing body</i>	85,749	77,294	78,904	83,331	86,149
<i>Australian Meat and Live-stock Industry Act 1997, s. 64(2) – payments to research body</i>	28,760	26,691	27,270	28,685	29,660
<i>Australian Meat and Live-stock Industry Act 1997, s. 64A(2) – payments to marketing body</i>	4,266	3,388	3,442	4,170	4,427
<i>Australian Meat and Live-stock Industry Act 1997, s. 64B(2) – payments to research body</i>	853	678	689	834	886
<i>Australian Meat and Live-stock Industry Act 1997, s. 64C(2) – payments to marketing body</i>	7,892	6,832	7,194	7,651	7,793
<i>Australian Meat and Live-stock Industry Act 1997, s. 64D(2) – payments to research body</i>	11,836	10,248	10,792	11,476	11,689
<i>Australian Meat and Live-stock Industry Act 1997, s. 66(1) – Commonwealth contribution to research body</i>	69,241	87,111	90,518	82,634	77,802
<i>Pig Industry Act 2001, s. 10(1) – payments under funding contract</i>	21,828	22,748	23,404	23,680	23,896
Total Program expenses	230,425	234,990	242,213	242,461	242,302

Continued on following pages

Table 2.6.3: Budgeted expenses for Outcome 3 (continued)

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
Program 3.10: Agricultural Resources					
Administered expenses					
<u>Ordinary annual services (Appropriation Bill (No. 1))</u>					
A Competitive Agriculture Sector – boosting farm profits through rural research and development	16,590	18,500	17,591	-	-
A Competitive Agriculture Sector – improved access to agricultural and veterinary chemicals	2,050	2,050	-	-	-
Agricultural and Veterinary Chemicals Minor Use Program	133	135	136	137	139
AgriFutures Australia	9,220	9,358	9,432	9,536	9,669
Beef Week and Beef Australia	1,050	2,700	400	-	-
Changes to the Seasonal Worker Program	525	525	400	-	-
Educating Kids about Agriculture	1,750	4,000	4,000	-	-
National Agricultural Workforce Strategy	171	350	309	308	-
National Farm Safety Education Fund	500	1,000	1,000	1,000	-
National Leadership for Agricultural Innovation	1	-	-	-	-
Northern Australia Rice Industry	1,000	-	-	-	-
Promoting the Importance of Bees to Agricultural Production	750	750	-	-	-
Regional Agricultural Show Development Program	-	20,000	-	-	-
Starting Farm Co-operatives Program	1,500	1,500	-	-	-
Wine Australia	16,062	-	-	-	-
Wine Tourism and Cellar Door Grant	10,000	10,000	10,000	10,000	10,000
Administered total	61,302	70,868	43,268	20,981	19,808
<u>Payments to corporate entities (Draw-down)^(a)</u>					
Australian Pesticides and Veterinary Medicines Authority	1,606	1,613	1,626	1,645	1,651
Australian Pesticides and Veterinary Medicines Authority – COVID-19	17,735	-	-	-	-
Relocation of the Australian Pesticides and Veterinary Medicines Authority	4,089	2,787	291	-	-
Payments to corporate entities total	23,430	4,400	1,917	1,645	1,651

Continued on following pages

Table 2.6.3: Budgeted expenses for Outcome 3 (continued)

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
Program 3.10: Agricultural Resources					
Administered expenses					
<u>Special appropriations</u>					
<i>Agricultural and Veterinary Chemicals (Administration) Act 1992, s. 58(6) – amounts payable to the APVMA</i>	34,363	35,713	36,665	36,665	36,663
<i>Assistance for Severely Affected Regions (Coronavirus Economic Response Package) Act 2020 – Supporting Agricultural Shows</i>	-	36,335	-	-	-
<i>Assistance for Severely Affected Regions (Coronavirus Economic Response Package) Act 2020 – Supporting Agricultural Field Days</i>	-	2,690	-	-	-
<i>Egg Industry Service Provision Act 2002, s. 8(1) – payments under funding contract</i>	11,525	11,106	11,502	11,711	11,925
<i>Primary Industries Research and Development Act 1989, s. 30(3) – Cotton R&D Corporation</i>	6,140	4,014	7,960	14,980	17,410
<i>Primary Industries Research and Development Act 1989, s. 30(3) – Rural Industries R&D Corporation</i>	45,754	23,352	23,863	23,945	24,549
<i>Sugar Research and Development Services Act 2013, s. 7 – payment to industry services body</i>	27,503	27,979	27,179	27,179	27,179
<i>Wine Australia Act 2013, s. 32 – payments to the Authority</i>	32,936	30,540	32,677	30,846	30,916
<i>Public Governance, Performance and Accountability Act 2013 – s. 77 Repayments</i>	27	-	-	-	-
<i>Special Appropriations total</i>	158,248	171,729	139,846	145,326	148,642
Expenses not requiring appropriation in the budget year ^(b)	1,107	-	-	-	-
Total Program expenses	244,087	246,997	185,031	167,952	170,101

Continued on following pages

Table 2.6.3: Budgeted expenses for Outcome 3 (continued)

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
Program 3.11: Drought Programs					
Administered expenses					
<u>Ordinary annual services (Appropriation Bill (No. 1))</u>					
Communities Combating Pests and Weeds	2,999	7,000	-	-	-
Future Drought Fund – Administration Costs	119	157	57	179	203
Administered total	3,118	7,157	57	179	203
<u>Payments to corporate entities (Draw-down)^(a)</u>					
Regional Investment Corporation	15,477	15,794	15,960	18,977	15,165
Regional Investment Corporation – Drought Loans	-	28,929	9,192	3,448	6,563
Regional Investment Corporation – Agristarter Loans	-	1,039	290	291	294
Payments to corporate entities total	15,477	45,762	25,442	22,716	22,022
<u>Special account</u>					
Future Drought Resilience Special Account	-	100,000	100,000	100,000	100,000
Special account total	-	100,000	100,000	100,000	100,000
<u>Expenses not requiring appropriation in the budget year^(b)</u>					
Drought Concessional Loans Scheme – administration	786	127	-	-	-
Drought Recovery Concessional Loans Scheme – state administration	234	234	234	234	234
Farm Business Concessional Loans Scheme – discount expenses	143,156	715,541	134,588	63,956	-
Farm Business Concessional Loans Scheme – state administration	980	980	980	980	980
Write-down and impairment of assets	4,444	-	-	-	-
Total	149,600	716,882	135,802	65,170	1,214
Total Program expenses	168,195	869,801	261,301	188,065	123,439

Continued on following pages

Table 2.6.3: Budgeted expenses for Outcome 3 (continued)

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
Program 3.12: Rural Programs					
Administered expenses					
<u>Ordinary annual services (Appropriation Bill (No. 1))</u>					
Assistance for Farmers and Farm Communities in Drought – Farm Hub	90	90	-	-	-
Rural Financial Counselling Service	26,642	26,743	21,050	17,522	17,768
<i>Administered total</i>	26,732	26,833	21,050	17,522	17,768
<u>Special appropriations</u>					
<i>Assistance for Severely Affected Regions (Coronavirus Economic Response Package) Act 2020 – Financial Counselling for Regional Small Business</i>	-	4,785	-	-	-
<i>Farm Household Support Act 2014, s. 105 – payments for Farm Household Allowance</i>	134,377	155,038	109,251	91,240	78,589
<i>Special Appropriations total</i>	134,377	159,823	109,251	91,240	78,589
<u>Expenses not requiring appropriation in the budget year^(b)</u>					
<i>Farm Household Support Act 2014, s. 105 – payments for Farm Household Allowance</i>	499	5,706	5,706	5,706	5,706
<i>Total</i>	499	5,706	5,706	5,706	5,706
Total Program expenses	161,608	192,362	136,007	114,468	102,063

Continued on following pages

Table 2.6.3: Budgeted expenses for Outcome 3 (continued)

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
Program 3.13: International Market Access					
Administered expenses					
Ordinary annual services (Appropriation Bill (No. 1))					
Agriculture Trade and Market Access Cooperation Program	1,398	1,500	1,500	1,500	-
Enhancing Industry Action on Non-Tariff Measures	-	100	70	-	-
Food and Agriculture Organization of the United Nations	16,073	15,713	16,502	17,665	19,921
Indonesia-Australia Red Meat and Cattle Partnership	481	500	500	500	-
International Agricultural Cooperation	222	4,240	2,372	2,275	234
International Organisations Contributions	2,360	1,966	1,982	2,005	2,034
Total Program expenses	20,534	24,019	22,926	23,945	22,189
Administered expenses					
Administered appropriation	1,102,257	1,306,652	1,176,901	1,136,820	1,105,329
Expenses not requiring appropriation in the budget year ^(b)	151,206	722,588	141,508	70,876	6,920
Administered total	1,253,463	2,029,240	1,318,409	1,207,696	1,112,249
Departmental expenses					
Departmental appropriation ^{(c),(d)}	135,615	132,282	127,982	122,651	119,811
Expenses not requiring appropriation in the budget year ^(b)	36,791	3,606	3,820	3,819	3,819
Departmental total	172,406	135,888	131,802	126,470	123,630
Total expenses for Outcome 3	1,425,869	2,165,128	1,450,211	1,334,166	1,235,879

Continued on following pages

Table 2.6.3: Budgeted expenses for Outcome 3 (continued)

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
Outcome 3 Totals by appropriation type					
<u>Administered expenses</u>					
Ordinary annual services (Appropriation Bill (No. 1))	125,071	164,237	131,598	92,552	63,449
Special appropriations	938,279	992,253	917,944	919,907	918,207
Special accounts	-	100,000	100,000	100,000	100,000
Payments to corporate entities (Draw-down)	38,907	50,162	27,359	24,361	23,673
Expenses not requiring appropriation in the budget year ^(b)	151,206	722,588	141,508	70,876	6,920
Administered total	1,253,463	2,029,240	1,318,409	1,207,696	1,112,249
<u>Departmental expenses</u>					
Departmental appropriation ^{(c),(d)}	135,615	132,282	127,982	122,651	119,811
Expenses not requiring appropriation in the budget year ^(b)	36,791	3,606	3,820	3,819	3,819
Department total	172,406	135,888	131,802	126,470	123,630
Total expenses for Outcome 3	1,425,869	2,165,128	1,450,211	1,334,166	1,235,879
	2019–20	2020–21			
Average staffing level (number)	625	617			

(a) 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 (*Supply Act (No. 1)* and (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 pages

Table 2.6.3: Budgeted expenses for Outcome 3 (continued)

Movements of administered funds between years^(e)	2019–20 \$'000	2020–21 \$'000	2021–22 \$'000	2022–23 \$'000	2023–24 \$'000
<u>Movements of Funds:</u>					
Fisheries Habitat Restoration	(2,000)	2,000	-	-	-
Future Drought Fund – Administration Costs	(100)	100	-	-	-
Horticultural Netting Program – Trial	-	5,682	(5,682)	-	-
International Agricultural Cooperation	(1,870)	1,870	-	-	-
National Carp Control Plan	(500)	400	100	-	-
National Leadership for Agricultural Innovation	(498)	498	-	-	-
Pest Animal and Weeds Management	(1,000)	1,000	-	-	-
Regional Agricultural Show Development Program	(5,000)	5,000	-	-	-
Transfer from Financial Wellbeing and Capability [DSS] to the Rural Financial Counselling Service	(1,000)	1,000	-	-	-
<u>Reallocations:</u>					
Agriculture Trade and Market Access Cooperation Program	(110)	-	-	-	-
Future Drought Fund – Administration Costs	(140)	-	-	-	-
International Organisations Contributions	430	-	-	-	-
National Agricultural Workforce Strategy	(180)	-	-	-	-
<u>Reclassifications:</u>					
Fisheries Resources Research Fund to departmental	-	(1,800)	-	-	-
Horticultural Netting Program – Trial from departmental	-	277	-	-	-
Horticultural Netting Program – Trial to SPP829	(5,582)	(18,018)	-	-	-
National Leadership for Agricultural Innovation to departmental	-	(940)	-	-	-
Pest Animal and Weeds Management to SPP693	(800)	(800)	(1,500)	(1,900)	-
Total of administered funds	(18,350)	(3,731)	(7,082)	(1,900)	-

Continued on following page

Table 2.6.3: Budgeted expenses for Outcome 3 (continued)

Movements of administered funds between years^(e)	2019–20 \$'000	2020–21 \$'000	2021–22 \$'000	2022–23 \$'000	2023–24 \$'000
The Treasury					
<u>Measures:</u>					
<u>COVID-19 Response Package — Relief and Recovery Fund</u>					
(SPP839) Securing Forestry Resources for Economic Security	-	10,000	-	-	-
<u>Drought Response, Resilience and Preparedness Plan — further support for farmers and communities in drought</u>					
(SPP838) Future Drought Fund:					
Regional Drought Resilience Planning	-	10,000	-	-	-
(SPP840) Future Drought Fund: Farm Business Resilience	-	20,000	-	-	-
<u>National Bushfire Recovery Fund</u>					
(SPP831) Forestry Industries Bushfire Salvage Transport Assistance	-	15,000	-	-	-
<u>Movements of Funds:</u>					
(SPP829) Horticulture Netting Trial Scheme	(5,582)	5,582	-	-	-
(SPP815) Fishing and Camping Facilities Program	(5,000)	5,000	-	-	-
(SPP693) Management of Established Pest and Weeds	(800)	800	-	-	-
<u>Reclassification:</u>					
(SPP829) Horticulture Netting Trial Scheme	5,582	18,018	-	-	-
(SPP693) Management of Established Pest and Weeds	800	800	1,500	1,900	-
Total of administered SPP funds	(5,000)	85,200	1,500	1,900	-

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

2.7 BUDGETED EXPENSES FOR OUTCOME 4

Outcome 4: 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.

2.7.1: Linked programs

Australian Trade and Investment Commission
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 4 made by linked program: DAWE and Austrade work together to achieve the best outcomes for Australian agricultural, fisheries and forestry exports.
Commonwealth Scientific and Industrial Research Organisation (CSIRO)
Program 1.2: National Research Infrastructure – National Facilities and Collections
Contribution to Outcome 4 made by linked program: DAWE contributes to the operating costs of the CSIRO’s Australian Centre for Disease Preparedness (formerly the Australian Animal Health Laboratory) for animal disease diagnosis, prevention and research.
Department of Health
Program 5.2: Health Protection and Emergency Response
Contribution to Outcome 4 made by linked program: DAWE provides border services for the management of human biosecurity risks on behalf of the Department of Health under the <i>Biosecurity Act 2015</i> and a memorandum of understanding.

Continued on following page

2.7.1: Linked programs (continued)

Department of Home Affairs
Program 1.1: Border Enforcement Program 1.2: Border Management
Contribution to Outcome 4 made by linked programs: DAWE and the Department of Home Affairs work collaboratively to undertake screening and surveillance for all people and goods entering Australia.
Department of the Treasury
Program 1.9: National Partnership Payments to the States
Contribution to Outcome 4 made by linked program: The Department of the Treasury contributes to Outcome 4 by making payments for the following national partnership agreements on behalf of DAWE: <ul style="list-style-type: none"> National Partnership on Pest and Disease Preparedness and Response Programs (SPP188).
Food Standards Australia New Zealand
Program 1.1: Food Regulatory Activity and Services to the Minister and Parliament
Contribution to Outcome 4 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 DAWE to manage the food safety risks associated with imported food for human consumption.
National Indigenous Australians Agency
Program 2.1: Indigenous Advancement – Jobs, Land and Economy
Contribution to Outcome 4 made by linked programs: DAWE and NIAA partner with Aboriginal and Torres Strait Islander Ranger groups to deliver biosecurity work that protects Australian agriculture and the northern Australian environment.

2.7.2: Budgeted expenses for Outcome 4

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 2.7.3: Budgeted expenses for Outcome 4

Outcome 4: 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.					
	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
Program 4.1: Biosecurity and Export Services					
Administered expenses					
<u>Ordinary annual services (Appropriation Bill (No. 1))</u>					
Centre of Excellence for Biosecurity Risk Analysis and Research	1,807	1,834	1,848	1,869	1,895
Enhancing Australia's Biosecurity System – Priority Pest and Disease Planning and Response	3,977	4,044	4,534	4,534	4,534
Livestock Exports Global Assurance Program	2,273	1,400	-	-	-
Modernising Agricultural Trade – Protecting Australia's Clean, Green Brand	-	3,000	2,000	2,000	2,000
Package Assisting Small Exporters	101	2,583	2,080	500	-
Priorities for Australia's Biosecurity System – Contingency Funding	-	-	-	-	1,000
Priorities for Australia's Biosecurity System – Environmental Protection Officer	774	825	825	825	825
Reducing Regulatory Burden and Streamlining Audit Arrangements in the Dairy Sector	-	2,475	2,475	1,300	1,300
Stronger Farmers, Stronger Economy – improvements to access premium markets – improve biosecurity	143	-	-	-	-
Administered total	9,075	16,161	13,762	11,028	11,554
<u>Expenses not requiring appropriation in the budget year^(a)</u>					
National Residue Survey Account – s. 80, PGPA Act [s. 6, <i>National Residue Survey Administration Act 1992</i>]	708	-	-	-	-
Total	708	-	-	-	-
Total Program expenses	9,783	16,161	13,762	11,028	11,554

Continued on following pages

Table 2.7.3: Budgeted expenses for Outcome 4 (continued)

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
Program 4.2: Plant and Animal Health					
Administered expenses					
Ordinary annual services (Appropriation Bill (No. 1))					
Animal Biosecurity and Response Reform	823	997	1,002	1,013	1,028
Commonwealth Membership of Animal Health Australia and Plant Health Australia	2,350	2,117	2,134	2,158	2,188
International Organisations Contribution – World Organisation for Animal Health	338	250	252	254	258
Other Exotic Disease Preparedness Program	576	671	675	684	693
Payment to CSIRO – contribution to the operating costs of the Australian Centre for Disease Preparedness	11,900	8,525	8,593	8,688	8,809
Plant Biosecurity and Response Reform	2,191	1,402	1,413	1,429	1,450
Smart Fruit Fly Management – Collaborative National Approach	2,500	2,800	1,200	-	-
Smart Fruit Fly Management – Commonwealth to Lead Reform	200	-	-	-	-
Stronger Farmers, Stronger Economy – strengthening research, skills and management of natural resources – immediate assistance fund	-	2,023	3,071	2,724	2,569
Administered total	20,878	18,785	18,340	16,950	16,995
Special appropriations					
<i>Australian Animal Health Council (Live-stock Industries) Funding Act 1996, s. 5 – appropriation</i>	7,632	7,408	7,665	7,942	8,111
<i>Plant Health Australia (Plant Industries) Funding Act 2002, s. 6 – appropriation</i>	4,571	4,291	4,367	4,397	4,417
<i>Plant Health Australia (Plant Industries) Funding Act 2002, s. 10B – payments to PHA from EPPR levies and charges</i>	3,083	2,745	2,747	2,975	2,987
Special Appropriation total	15,286	14,444	14,779	15,314	15,515
Total Program expenses	36,164	33,229	33,119	32,264	32,510

Continued on following pages

Table 2.7.3: Budgeted expenses for Outcome 4 (continued)

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
<u>Administered expenses</u>					
Administered appropriation	45,239	49,390	46,881	43,292	44,064
Expenses not requiring appropriation in the budget year ^(a)	708	-	-	-	-
Administered total	45,947	49,390	46,881	43,292	44,064
<u>Departmental expenses</u>					
Departmental appropriation ^{(b),(c)}	240,165	352,546	307,981	292,193	236,659
Expenses not requiring appropriation in the budget year ^(a)	12,789	14,006	14,037	14,038	14,038
Departmental total	252,954	366,552	322,018	306,231	250,697
<u>Special accounts</u>					
Biosecurity, Imported Food and Export Certification Special Account 2020 ^(d)	405,986	349,712	410,524	407,461	407,660
National Residue Survey Account – s. 80, PGPA Act [s. 6(1), <i>National Residue Survey Administration Act 1992</i>]	11,932	11,176	11,292	11,684	11,813
Special Account total	417,918	360,888	421,816	419,145	419,473
Total expenses for Outcome 4	716,819	776,830	790,715	768,668	714,234
	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
Outcome 4 Totals by appropriation type					
<u>Administered expenses</u>					
Ordinary annual services (Appropriation Bill (No. 1))	29,953	34,946	32,102	27,978	28,549
Special appropriations	15,286	14,444	14,779	15,314	15,515
Expenses not requiring appropriation in the budget year ^(a)	708	-	-	-	-
<u>Departmental expenses</u>					
Departmental appropriation ^{(b),(c)}	240,165	352,546	307,981	292,193	236,659
Special accounts	417,918	360,888	421,816	419,145	419,473
Expenses not requiring appropriation in the budget year ^(a)	12,789	14,006	14,037	14,038	14,038
Total expenses for Outcome 4	716,819	776,830	790,715	768,668	714,234
	2019–20	2020–21			
Average staffing level (number)	3,756	3,738			

Continued on following page

Table 2.7.3: Budgeted expenses for Outcome 4 (continued)

Movements of administered funds between years^(e)	2019–20 \$'000	2020–21 \$'000	2021–22 \$'000	2022–23 \$'000	2023–24 \$'000
Movements of Funds:					
Modernising Agricultural Trade – Protecting Australia's Clean, Green Brand	(1,000)	1,000	-	-	-
Package Assisting Small Exporters	(503)	503	-	-	-
Reducing Regulatory Burden and Streamlining Audit Arrangements in the Dairy Sector	(1,850)	925	925	-	-
Reallocations:					
Enhancing Australia's Biosecurity System – Priority Pest and Disease Planning and Response					
Surveillance Implementation Animal	(213)	(14)	(14)	(14)	(14)
FMD Vaccine Bank	213	14	14	14	14
Plant Biosecurity and Response Reform	991	-	-	-	-
Stronger Farmers, Stronger Economy – strengthening research, skills and management of natural resources – immediate assistance fund	(991)	-	-	-	-
Total of administered funds	(3,353)	2,428	925	-	-
The Treasury					
Movement of Funds:					
(SPP188) Pest and Disease Preparedness and Response Programs	(25,458)	25,458	-	-	-
Other Variations					
(SPP188) Costs industry's share of an emergency response	-	2,603	-	-	-
(SPP188) Parameter	-	-	(236)	(426)	(696)
Total of administered SPP funds	(25,458)	28,061	(236)	(426)	(696)

- (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 (*Supply Act (No. 1)*)' and '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) The Biosecurity, Imported Food and Export Certification Special Account was formerly known as the Australian Quarantine and Inspection Service Special Account.
- (e) Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

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

2.8 BUDGETED EXPENSES FOR OUTCOME 5

Outcome 5: 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.

2.8.1 Linked programs

Murray-Darling Basin Authority
Program 1.1: Equitable and Sustainable Use of the Murray-Darling Basin
Contribution to Outcome 5 made by linked program: DAWE and MDBA work collaboratively to implement the Murray-Darling Basin Plan and the Intergovernmental Agreement on Murray-Darling Basin Reform.
Bureau of Meteorology
Program 1.1: Bureau of Meteorology
Contribution to Outcome 5 made by linked program: BOM's water information services inform Commonwealth water planning and decision making in relation to water resource availability
Department of the Treasury
Program 1.9: National Partnership Payments to the States
Contribution to Outcome 5 made by linked program: The Department of the Treasury contributes to Outcome 5 by making payments for the following national partnership agreements on behalf of DAWE: <ul style="list-style-type: none"> • National Partnership on the Development of Business Cases for Constraints Measures and Implementation (SPP706); • National Partnership on Implementing Water Reform in the Murray-Darling Basin (SPP632); • National Partnership on the Great Artesian Basin Sustainability Initiative (SPP127); • National Partnership on the On-Farm Emergency Water Infrastructure Rebate (SPP776); • National Partnership on the Water Efficiency Program (SPP787); • National Partnership on the Water for Fodder Program (SPP811); and • Sustainable Rural Water Use and Infrastructure Program (SPP533).

2.8.2: Budgeted expenses for Outcome 5

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 2.8.3: Budgeted expenses for Outcome 5

Outcome 5: 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.

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
Program 5.1: Water Reform					
Administered expenses					
<u>Ordinary annual services (Appropriation Bill (No. 1))</u>					
Commonwealth Contribution under the Murray-Darling Basin Agreement	12,729	13,913	14,632	14,205	14,700
Sustainable Rural Water Use and Infrastructure Program	62,333	147,885	560,180	333,987	272,045
Administered total	75,062	161,798	574,812	348,192	286,745
<u>Payments to corporate entities (Draw-down)^(a)</u>					
Murray-Darling Basin Authority	75,244	44,756	38,177	36,422	33,286
Murray-Darling Basin Authority – Murray-Darling Communities Investment Package	-	8,628	32,341	2,373	2,382
Murray-Darling Basin Authority – Strengthening Compliance in the Murray-Darling Basin	-	8,613	-	-	-
Payments to corporate entities total	75,244	61,997	70,518	38,795	35,668

Continued on following pages

Table 2.8.3: Budgeted expenses for Outcome 5 (continued)

Program 5.1: Water Reform					
Administered expenses					
<u>Special accounts</u>					
Water Efficiency Labelling Scheme Account	1,588	2,038	2,038	2,038	2,038
Water for the Environment Special Account	6,329	121,555	437,871	230,065	169,682
Water Resources Special Account	166	510	510	510	510
<i>Special account total</i>	8,083	124,103	440,419	232,613	172,230
Expenses not requiring appropriation in the budget year ^(b)	9,449	7,759	7,759	7,759	7,759
Total Program expenses	167,838	355,657	1,093,508	627,359	502,402
Administered expenses					
Administered appropriation	158,389	347,898	1,085,749	619,600	494,643
Expenses not requiring appropriation in the budget year ^(b)	9,449	7,759	7,759	7,759	7,759
<i>Administered total</i>	167,838	355,657	1,093,508	627,359	502,402
<u>Departmental expenses</u>					
Departmental expenses					
Departmental appropriation ^{(c),(d)}	25,459	39,348	40,263	31,146	29,707
Expenses not requiring appropriation in the budget year ^(b)	23	560	529	529	529
<i>Departmental total</i>	25,482	39,908	40,792	31,675	30,236
Total expenses for Outcome 5	193,320	395,565	1,134,300	659,034	532,638

Continued on following pages

Table 2.8.3: Budgeted expenses for Outcome 5 (continued)

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
Outcome 5 Totals by appropriation type					
Administered expenses					
Ordinary annual services (Appropriation Bill (No. 1))	75,062	161,798	574,812	348,192	286,745
Special accounts	8,083	124,103	440,419	232,613	172,230
Payments to corporate entities (Draw-down)	75,244	61,997	70,518	38,795	35,668
Expenses not requiring appropriation in the budget year ^(b)	9,449	7,759	7,759	7,759	7,759
Departmental expenses					
Departmental appropriation ^{(c),(d)}	25,459	39,348	40,263	31,146	29,707
Expenses not requiring appropriation in the budget year ^(b)	23	560	529	529	529
Total expenses for Outcome 5	193,320	395,565	1,134,300	659,034	532,638
	2019–20	2020–21			
Average staffing level (number)	127	138			

(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 (*Supply Act (No. 1)*) and (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 2.8.3: Budgeted expenses for Outcome 5 (continued)

Movements of administered funds between years^(e)	2019–20 \$'000	2020–21 \$'000	2021–22 \$'000	2022–23 \$'000	2023–24 \$'000
<u>Movement of Funds:</u>					
Sustainable Rural Water Use and Infrastructure Program	(19,279)	(36,061)	40,795	-	14,545
<u>Movements of Funds – Special Accounts:</u>					
Water for the Environment Special Account (WESA)	(136,924)	(100,000)	200,000	36,924	-
(SPP787) WESA – Water Efficiency Program	(1,555)	1,555	-	-	-
(SPP706) WESA – Development of Business Cases for Constraints Measures and Implementation	(15,172)	-	13,742	-	1,430
<u>Reallocation:</u>					
<u>Commonwealth Contribution under the Murray-Darling Basin Agreement</u>					
Between related entity codes [DAWE]	(564)	-	-	-	-
Between related entity codes [MDBA]	564	-	-	-	-
Total of administered funds	(172,930)	(134,506)	254,537	36,924	15,975
The Treasury					
<u>Measures:</u>					
<u>Drought and Flood Package</u>					
(SPP776) On-Farm Emergency Water Infrastructure Rebate	-	50,000	-	-	-
<u>Murray-Darling Communities Investment Package</u>					
(SPP632) Implementing Water Reform in the Murray-Darling Basin	-	-	20,000	20,000	20,000
(SPP533) Sustainable Rural Water Use and Infrastructure Program	-	1,000	10,700	9,700	3,600
(SPP811) Water for Fodder program	-	(49,600)	-	-	-
<u>Reallocations:</u>					
(SPP632) Implementing Water Reform in the Murray-Darling Basin	-	5,000	-	-	-
(SPP533) Sustainable Rural Water Use and Infrastructure Program	-	(5,000)	-	-	-
<u>Movements of Funds:</u>					
(SPP127) Great Artesian Basin Sustainability Initiative	(2,752)	1,252	1,500	-	-
(SPP776) On-Farm Emergency Water Infrastructure Rebate Scheme	(2,176)	2,176	-	-	-
(SPP533) Sustainable Rural Water Use and Infrastructure Program	(102,056)	(52,435)	269	111,005	43,217
(SPP811) Water for Fodder Program	(5,000)	5,000	-	-	-
Total of administered SPP funds	(111,984)	(42,607)	32,469	140,705	66,817

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

2.9 BUDGETED EXPENSES FOR OUTCOME 6

Outcome 6: Reduce Australia's greenhouse gas emissions, adapt to the impacts of climate change, contribute to effective global action on climate change, and support technological innovation in clean and renewable energy, through developing and implementing a national response to climate change.

2.9.1: Linked programs

Refer to 2020–21 *Industry, Science, Energy and Resources Portfolio Budget Statements*, Outcome 2.

2.9.2: Budgeted expenses for Outcome 6

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.

Forward year estimates are published in the 2020–21 *Industry, Science, Energy and Resources Portfolio Budget Statements*, refer to Outcome 2.

Table 2.9.3: Budgeted expenses for Outcome 6

Outcome 6: Reduce Australia's greenhouse gas emissions, adapt to the impacts of climate change, contribute to effective global action on climate change, and support technological innovation in clean and renewable energy, through developing and implementing a national response to climate change.

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
Program 6.2: Adapting to Climate Change					
Administered expenses					
Ordinary annual services (Appropriation Bill (No. 1))					
Implementing the Finkel Review	564	-	-	-	-
Administered total	564	-	-	-	-
Total Program expenses	564	-	-	-	-

Continued on following page

Table 2.9.3: Budgeted expenses for Outcome 6 (continued)

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
Program 6.3: Renewable Energy Technology Development					
Administered expenses					
Special appropriations					
Australian Renewable Energy Agency Act 2011	148,868	-	-	-	-
Less payments to corporate entities ^(a)	(148,868)	-	-	-	-
Payments to corporate entities ^(a)	148,868	-	-	-	-
Special Appropriation total	148,868	-	-	-	-
Total Program expenses	148,868	-	-	-	-
Outcome 6 Totals by appropriation type					
Administered expenses					
Ordinary annual services (Appropriation Bill (No. 1))	564	-	-	-	-
Special appropriations	148,868	-	-	-	-
Payments to corporate entities ^(a)	148,868	-	-	-	-
Less payments to corporate entities	(148,868)	-	-	-	-
Administered total	149,432	-	-	-	-
Departmental expenses					
Departmental appropriation ^(b)	20,205	-	-	-	-
Expenses not requiring appropriation in the budget year ^(c)	1	-	-	-	-
Department total	20,206	-	-	-	-
Total expenses for Outcome 6	169,638	-	-	-	-
	2019–20	2020–21			
Average staffing level (number)	151	-			

(a) Further information on payments to the Australian Renewable Energy Agency corporate entity can be found in the 'Third Party Payments' section of Table 1.1: Department of Agriculture, Water and the Environment Resource Statement.

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

(c) 'Expenses not requiring appropriation in the Budget year' are made up of depreciation and amortisation expenses, audit fees and an approved operating loss.

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

2.9.4: Performance criteria for Outcome 6

Refer to 2020–21 Industry, Science, Energy and Resources Portfolio Budget Statements, Outcome 2 for performance criteria for each program associated with Outcome 6.

2.10 BUDGETED EXPENSES FOR OUTCOME 7

Outcome 7: Support the reliable, sustainable and secure operations of energy markets through improving Australia's energy efficiency, performance and productivity for the community.

2.10.1: Linked programs

Refer to 2020–21 *Industry, Science, Energy and Resources Portfolio Budget Statements*, Outcome 3.

2.10.2: Budgeted expenses for Outcome 7

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.

Forward year estimates are published in the 2020–21 *Industry, Science, Energy and Resources Portfolio Budget Statements*, refer to Outcome 3.

Table 2.10.3: Budgeted expenses for Outcome 7

Outcome 7: Support the reliable, sustainable and secure operations of energy markets through improving Australia's energy efficiency, performance and productivity for the community.

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
Program 7.1: Energy					
Administered expenses					
<u>Ordinary annual services (Appropriation Bill (No. 1))</u>					
Business Electricity Advice and Support	1,194	-	-	-	-
Energy Efficiency Programs	205	-	-	-	-
GEMS National Legislative Framework	1,495	-	-	-	-
International Energy Agency Compliance – Collective Action Response	4,580	-	-	-	-
Micro-grids – Regional and Remote Communities	495	-	-	-	-
Powering Forward	133	-	-	-	-
Supporting Reliable Energy Infrastructure	165	-	-	-	-
Administered total	8,267	-	-	-	-
Total Program expenses	8,267	-	-	-	-

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Table 2.10.3: Budgeted expenses for Outcome 7 (continued)

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
Outcome 7 Totals by appropriation type					
<u>Administered expenses</u>					
Ordinary annual services (Appropriation Bill (No. 1))	8,267	-	-	-	-
Administered total	8,267	-	-	-	-
<u>Departmental expenses</u>					
Departmental appropriation ^(a)	20,252	-	-	-	-
Special accounts	3,699	-	-	-	-
Department total	23,951	-	-	-	-
Total expenses for Outcome 7	32,218	-	-	-	-
	2019–20	2020–21			
Average staffing level (number)	157	-			

(a) 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.

2.10.4: Performance criteria for Outcome 7

Refer to 2020–21 *Industry, Science, Energy and Resources Portfolio Budget Statements*, Outcome 3 for performance criteria for each program associated with Outcome 7.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for 2020–21, including the impact of 2020–21 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 incorporate all budget estimate changes since the 2019–20 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. PAES is used as comparative figures in the analysis.

3.1.2: Budgeted comprehensive departmental income statement

Since PAES, estimated revenue from government in 2020–21 has increased by \$142.6 million. The increase is mainly due to 2020–21 Budget measures listed in Table 1.2.

The increase is partly offset by a reduction of \$10.0 million in 2020–21 due to the finalisation of machinery of government funding transfers to the Department of Industry, Science, Energy and Resources and the National Drought and North Queensland Flood Response and Recovery Agency. There is also a minor reduction due to the transfer of \$0.5 million in 2020–21 to the Australian Public Service Commission.

The own source revenue estimate in 2020–21 has reduced by \$104.6 million since PAES, mainly due to lower than anticipated revenue from the department's cost recovered activities as a result of the COVID-19 pandemic and accounting changes relating to the Special Account.

The department is budgeting for a \$17.1 million operating loss in 2020–21 before unfunded depreciation.

3.1.3: Budgeted departmental balance sheet

The value of departmental net assets as at 30 June 2021 is anticipated to be \$38.1 million higher than the estimate published in PAES. The higher estimate is due to the impact of 2019–20 actuals that resulted in lower than expected opening balances for 2020–21. Also contributing to the revised net assets position are movements of funds and 2020–21 Budget measures detailed in Table 1.2.

3.1.4: 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 \$481.1 million in 2020–21, a decrease of \$128.8 million since PAES. The reduction is due to lower than previously estimated levy revenue, the COVID-19 pandemic and 2020–21 Budget measures detailed in Table 1.2.

Administered expenses are estimated to be \$3,035.1 million in 2020–21, an increase of \$709.2 million since PAES. The increase largely relates to 2020–21 Budget measures detailed in Table 1.2, movements of funds and reclassifications of funds detailed in the Budgeted Expenses tables for each Outcome.

3.1.5: Schedule of budgeted assets and liabilities administered on behalf of the Government

The value of administered net assets as at 30 June 2021 is anticipated to be \$1,943.9 million higher than the estimate published in PAES. The increase is mainly due to the additional loan funding for the Regional Investment Corporation of \$2,000.0 million in 2020–21 for Drought loans and \$75.0 million for AgriStarter loans.

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
EXPENSES					
Employee benefits	774,782	711,308	718,126	713,858	705,960
Suppliers	407,547	553,136	512,020	402,814	346,312
Grants	7,799	6,965	6,965	6,964	6,964
Depreciation and amortisation	157,037	166,569	168,631	171,852	172,453
Finance costs	5,053	8,228	7,870	7,552	7,577
Write-down and impairment of assets	1,333	919	919	919	919
Other expenses	41,006	17,360	17,360	17,360	17,328
Total expenses	1,394,557	1,464,485	1,431,891	1,321,319	1,257,513
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	406,850	371,851	427,534	425,364	425,730
Interest	347	144	144	144	144
Other revenue	35,218	24,765	26,443	26,602	17,961
Total own-source revenue	442,415	396,760	454,121	452,110	443,835
Gains					
Other	1,910	1,618	1,618	1,618	1,618
Total gains	1,910	1,618	1,618	1,618	1,618
Total own-source income	444,325	398,378	455,739	453,728	445,453
services	950,232	1,066,107	976,152	867,591	812,060
Revenue from Government	818,512	954,716	861,355	751,189	696,026
Surplus (Deficit) attributable to the Australian Government	(131,720)	(111,391)	(114,797)	(116,402)	(116,034)
Total other comprehensive income attributable to the Australian Government	(131,720)	(111,391)	(114,797)	(116,402)	(116,034)
Government	(131,720)	(111,391)	(114,797)	(116,402)	(116,034)

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

Note: Impact of Net Cash Appropriation Arrangements

	2019–20 \$'000	2020–21 \$'000	2021–22 \$'000	2022–23 \$'000	2023–24 \$'000
excluding depreciation/ amortisation expenses previously funded through revenue appropriation	(52,828)	(17,101)	(17,209)	(17,384)	(17,100)
less depreciation/amortisation expenses previously funded through revenue appropriations ^(a)	70,788	88,726	92,943	95,283	95,408
less depreciation/amortisation expenses for ROU ^(b)	67,936	64,176	62,021	62,778	63,379
add principal repayments on leased assets ^(b)	59,832	58,612	57,376	59,043	59,853
Total comprehensive income (loss) – as per the statement of comprehensive income	(131,720)	(111,391)	(114,797)	(116,402)	(116,034)

(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.

(b) Applies to leases under AASB 16 Leases. Right-of-Use (ROU).

Prepared on Australian Accounting Standards basis.

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	29,743	25,728	22,085	29,242	29,042
Trade and other receivables	306,442	270,147	262,454	250,380	245,322
Other investments	16,000	15,500	15,000	14,500	14,500
Total financial assets	352,185	311,375	299,539	294,122	288,864
Non-financial assets					
Land and buildings	661,550	636,376	591,790	549,141	502,810
Property, plant and equipment	578,447	667,098	666,034	658,519	653,765
Heritage and cultural assets	72,319	72,319	72,319	72,319	72,319
Intangibles & Computer Software	157,246	230,375	299,696	346,632	365,983
Inventories	10,004	10,004	10,004	10,004	10,004
Prepayments	14,282	14,282	14,282	14,282	14,282
Total non-financial assets	1,493,848	1,630,454	1,654,125	1,650,897	1,619,163
Total assets	1,846,033	1,941,829	1,953,664	1,945,019	1,908,027
LIABILITIES					
Payables					
Suppliers	45,762	45,501	45,502	45,501	45,501
Other payables	21,855	23,721	25,657	25,657	25,657
Total payables	67,617	69,222	71,159	71,158	71,158
Interest bearing liabilities					
Leases	425,452	406,353	389,170	374,356	356,100
Total interest bearing liabilities	425,452	406,353	389,170	374,356	356,100
Provisions					
Employee provisions	245,543	245,502	245,496	245,496	245,496
Other provisions	754,553	771,979	789,079	806,179	823,279
Total provisions	1,000,096	1,017,481	1,034,575	1,051,675	1,068,775
Total liabilities	1,493,165	1,493,056	1,494,904	1,497,189	1,496,033
Net assets	352,868	448,773	458,760	447,830	411,994
EQUITY^(a)					
Parent entity interest					
Contributed equity	1,096,405	1,303,701	1,428,485	1,533,957	1,614,155
Reserves	455,530	455,530	455,530	455,530	455,530
Retained surplus (accumulated deficit)	(1,199,067)	(1,310,458)	(1,425,255)	(1,541,657)	(1,657,691)
Total parent entity interest	352,868	448,773	458,760	447,830	411,994
Total equity	352,868	448,773	458,760	447,830	411,994

(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 2020–21)**

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2020					
Balance carried forward from previous period	(1,199,067)	403,627	51,903	1,096,405	352,868
Adjusted opening balance	(1,199,067)	403,627	51,903	1,096,405	352,868
Comprehensive income					
Surplus (deficit) for the period	(111,391)	-	-	-	(111,391)
Total comprehensive income	(111,391)	-	-	-	(111,391)
of which:					
Attributable to the Australian Government	(111,391)	-	-	-	(111,391)
Transactions with owners					
Contributions by owners					
Equity Injection – Appropriation	-	-	-	136,032	136,032
Departmental Capital Budget (DCB)	-	-	-	71,264	71,264
Sub-total transactions with owners	-	-	-	207,296	207,296
Estimated closing balance as at 30 June 2021	(1,310,458)	403,627	51,903	1,303,701	448,773
Closing balance attributable to the Australian Government	(1,310,458)	403,627	51,903	1,303,701	448,773

Prepared on Australian Accounting Standards basis.

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	866,367	954,401	861,879	763,463	700,365
Sale of goods and rendering of services	393,996	370,655	425,912	424,245	425,530
Interest	421	144	144	144	144
Net GST received	49,170	43,406	43,462	42,916	42,916
Other	119,363	23,713	25,177	25,336	16,695
Total cash received	1,429,317	1,392,319	1,356,574	1,256,104	1,185,650
Cash used					
Employees	773,517	709,419	716,196	713,858	705,960
Suppliers	479,703	593,827	552,727	442,846	386,344
Grants	7,860	6,965	6,965	6,964	6,964
Borrowing costs	5,053	8,228	7,870	7,552	7,577
Net GST paid	1,626	-	-	-	-
Other	92,249	259	259	260	228
Total cash used	1,360,008	1,318,698	1,284,017	1,171,480	1,107,073
Net cash from (used by) operating activities	69,309	73,621	72,557	84,624	78,577
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	516	-	-	-	-
Proceeds from sales of financial instruments	17,500	16,000	15,500	15,000	14,500
Total cash received	18,016	16,000	15,500	15,000	14,500
Cash used					
Purchase of property, plant and equipment	125,102	263,661	152,108	124,396	99,122
Purchase of financial instruments	16,000	15,500	15,000	14,500	14,500
Total cash used	141,102	279,161	167,108	138,896	113,622
Net cash from (used by) investing activities	(123,086)	(263,161)	(151,608)	(123,896)	(99,122)

Prepared on Australian Accounting Standards basis.

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
FINANCING ACTIVITIES					
Cash received					
Contributed equity	143,933	172,873	65,338	34,273	3,993
Departmental capital budget	-	71,264	67,446	71,199	76,205
Total cash received	143,933	244,137	132,784	105,472	80,198
Cash used					
Finance lease	59,831	58,612	57,376	59,043	59,853
Other financing cash used	16,081	-	-	-	-
Total cash used	75,912	58,612	57,376	59,043	59,853
Net cash from (used by) financing activities	68,021	185,525	75,408	46,429	20,345
Net increase (decrease) in cash held	14,244	(4,015)	(3,643)	7,157	(200)
Cash and cash equivalents at the beginning of the reporting period	15,498	29,743	25,728	22,085	29,242
Cash and cash equivalents at the end of the reporting period	29,743	25,728	22,085	29,242	29,042

Prepared on Australian Accounting Standards basis.

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget – Bill (No. 1) (DCB)	63,102	71,264	67,446	71,199	76,205
Equity injections – Bill (No. 2)	132,242	64,310	54,752	34,273	3,993
Total new capital appropriations	195,344	135,574	122,198	105,472	80,198
Provided for:					
Purchase of non-financial assets	195,344	135,574	122,198	105,472	80,198
Total items	195,344	135,574	122,198	105,472	80,198
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations ^(a)	62,916	173,473	65,738	34,273	3,993
Funded by capital appropriation – DCB ^(b)	63,102	71,264	67,446	71,199	76,205
Funded internally from departmental resources ^(c)	26,088	18,924	18,924	18,924	18,924
TOTAL	152,106	263,661	152,108	124,396	99,122
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	152,106	263,661	152,108	124,396	99,122
Total cash used to acquire assets	152,106	263,661	152,108	124,396	99,122

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

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

(c) Includes the following sources of funding:

- current Bill (No. 1) and prior year Act (No. 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 2020–21)

	Land	Buildings	Other property, plant and equipment	Heritage and cultural	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2020						
Gross book value	2,205	349,601	645,079	72,500	311,897	1,381,282
Gross book value – ROU assets	-	472,372	13,265	-	-	485,637
Accumulated depreciation/amortisation	-	(102,933)	(74,307)	(181)	(154,651)	(332,072)
Accumulated depreciation/amortisation and impairment – ROU assets	-	(59,695)	(5,590)	-	-	(65,285)
Opening net book balance	2,205	659,345	578,447	72,319	157,246	1,469,562
CAPITAL ASSET ADDITIONS						
Estimated expenditure on new or replacement assets						
By purchase – appropriation equity ^(a)	-	22,257	102,710	-	48,506	173,473
By purchase – appropriation ordinary annual services ^(b)	-	3,172	37,028	-	31,064	71,264
By purchase – Other	-	2,365	2,365	-	14,194	18,924
By purchase – appropriation ordinary annual services – ROU	-	38,030	1,484	-	-	39,514
Total additions	-	65,824	143,587	-	93,764	303,175
Other movements						
Depreciation/amortisation expense	-	(31,041)	(50,717)	-	(20,635)	(102,393)
Accumulated depreciation/amortisation – ROU – (excluding other intangibles)	-	(59,957)	(4,219)	-	-	(64,176)
Total other movements	-	(90,998)	(54,936)	-	(20,635)	(166,569)
As at 30 June 2021						
Gross book value	2,205	377,395	787,182	72,500	405,661	1,644,943
Gross book value – ROU assets	-	510,402	14,749	-	-	525,151
Accumulated depreciation/amortisation and impairment	-	(133,974)	(125,024)	(181)	(175,286)	(434,465)
Accumulated depreciation/amortisation and impairment – ROU	-	(119,652)	(9,809)	-	-	(129,461)
Closing net book balance	2,205	634,171	667,098	72,319	230,375	1,606,168

(a) "Appropriation equity" refers to equity injections, appropriations provided through *Supply Act (No. 2)* and Appropriation Bill (No. 2) 2020–21.

(b) "Appropriation ordinary annual services" refers to funding provided through *Supply Act (No. 1)* and Appropriation Bill (No. 1) 2020–21 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)

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Suppliers	220,865	246,956	211,196	219,804	98,680
Personal benefits	134,377	155,038	109,251	91,240	78,589
Grants	1,496,664	1,904,133	2,462,206	1,891,275	1,819,555
Depreciation	7,919	7,771	7,771	7,771	7,771
Borrowing costs and other	143,156	715,541	134,588	63,956	-
Write down and impairment of assets	31,624	5,706	5,706	5,706	5,706
Other Expenses	494	-	-	-	-
Total expenses administered on behalf of Government	2,035,099	3,035,145	2,930,718	2,279,752	2,010,301
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Taxation revenue					
Other taxes	474,258	481,126	495,737	515,660	528,036
Total taxation revenue	474,258	481,126	495,737	515,660	528,036
Non-taxation revenue					
Sales of Goods and rendering of services	19,561	12,295	15,227	15,407	15,595
Interest	21,349	107,216	164,757	180,706	198,577
Dividend	108,500	-	-	-	-
Other revenue	16,885	123,030	126,875	128,563	127,147
Total non-taxation revenue	166,295	242,541	306,859	324,676	341,319
Other Gains	118,154	-	-	-	-
Total Gains	118,154	-	-	-	-
Total own-source revenues administered on behalf of Government	758,707	723,667	802,596	840,336	869,355
Net cost of (contribution by) services	1,276,392	2,311,478	2,128,122	1,439,416	1,140,946
Surplus (Deficit) after income tax	(1,276,392)	(2,311,478)	(2,128,122)	(1,439,416)	(1,140,946)
Total comprehensive income (loss) attributable to the Australian Government	(1,276,392)	(2,311,478)	(2,128,122)	(1,439,416)	(1,140,946)

Prepared on Australian Accounting Standards basis.

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	1,896,517	1,907,572	1,334,619	928,046	556,770
Trade and other receivables	970,066	3,153,577	3,599,458	3,878,064	3,973,868
Investments accounted for using the equity method	1,175,958	1,227,377	1,357,092	1,419,491	1,423,813
Other financial assets	60,789	61,505	61,505	61,505	61,505
Total financial assets	4,103,330	6,350,031	6,352,674	6,287,106	6,015,956
Non-financial assets					
Land and buildings	582	582	582	582	582
Property, plant and equipment	540,664	532,893	525,122	517,351	509,580
Water assets and Intangibles	4,012,773	4,165,679	4,415,679	4,675,679	4,945,679
Inventories	11,078	11,078	11,078	11,078	11,078
Other non-financial assets	9,336	7,998	6,787	5,573	4,359
Total non-financial assets	4,574,433	4,718,230	4,959,248	5,210,263	5,471,278
Total assets administered on behalf of Government	8,677,763	11,068,261	11,311,922	11,497,369	11,487,234
LIABILITIES					
Payables					
Suppliers	58,013	58,013	58,013	58,013	58,013
Personal benefits	2,725	2,725	2,725	2,725	2,725
Grants	119,323	132,326	133,929	138,202	133,642
Other	35	35	35	35	35
Total payables	180,096	193,099	194,702	198,975	194,415
Provisions					
Loans commitments to Farm Business	95,278	95,278	95,278	95,278	95,278
Total provisions	95,278	95,278	95,278	95,278	95,278
Total liabilities administered on behalf of Government	275,374	288,377	289,980	294,253	289,693
Net assets/(liabilities)	8,402,389	10,779,884	11,021,942	11,203,116	11,197,541

Prepared on Australian Accounting Standards basis.

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Sales of goods and rendering of services	21,292	12,295	15,227	15,407	15,595
Taxes	495,750	480,410	495,737	515,660	528,036
Dividends	108,500	-	-	-	-
Net GST received	125,151	132,824	141,251	152,024	152,024
Other	12,712	115,448	119,293	120,981	127,147
Total cash received	763,405	740,977	771,508	804,072	822,802
Cash used					
Grants	1,197,937	1,701,324	2,297,247	1,760,173	1,707,429
Personal benefits	134,354	155,038	109,251	91,240	87,425
Suppliers	209,743	245,618	209,985	217,393	97,466
Net GST Paid	85,339	132,824	141,251	152,024	152,024
Payments to corporate entities	344,589	189,806	163,356	128,026	116,686
Total cash used	1,971,962	2,424,610	2,921,090	2,348,856	2,161,030
Net cash from (used by) operating activities	(1,208,557)	(1,683,633)	(2,149,582)	(1,544,784)	(1,338,228)
INVESTING ACTIVITIES					
Cash received					
Interest received from advances and loans	18,579	15,804	26,960	56,383	86,767
Repayments of advances and loans	122,293	94,513	59,204	20,136	19,136
Total cash received	140,872	110,317	86,164	76,519	105,903
Cash used					
Advances and loans made	390,550	2,900,277	500,000	236,499	-
Corporate entity investments	269,480	50,967	129,715	62,399	4,322
Purchase of entitlements	17,661	152,906	250,000	260,000	270,000
Total cash used	677,691	3,104,150	879,715	558,898	274,322
Net cash from (used by) investing activities	(536,819)	(2,993,833)	(793,551)	(482,379)	(168,419)
Net increase (decrease) in cash held	(1,745,376)	(4,677,466)	(2,943,133)	(2,027,163)	(1,506,647)

Prepared on Australian Accounting Standards basis.

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
Cash and cash equivalents at beginning of reporting period	7,165,144	1,896,517	1,907,572	1,334,619	928,046
Cash from Official Public Account for:					
– Appropriations	2,513,808	4,656,610	2,538,639	1,838,446	1,408,563
– Special Accounts	267,013	639,825	432,813	393,357	379,695
Total cash from Official Public Account	2,780,821	5,296,435	2,971,452	2,231,803	1,788,258
Cash to Official Public Account for:					
– Appropriations	(885,072)	(607,914)	(601,272)	(611,213)	(652,887)
– Special Accounts transferred due to restructure	(5,419,000)	-	-	-	-
Total cash to Official Public Account	(6,304,072)	(607,914)	(601,272)	(611,213)	(652,887)
Cash and cash equivalents at end of reporting period	1,896,517	1,907,572	1,334,619	928,046	556,770

Prepared on Australian Accounting Standards basis.

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Administered Assets and Liabilities – Bill (No. 2)	735,000	2,607,906	530,000	276,499	40,000
Total new capital appropriations	735,000	2,607,906	530,000	276,499	40,000
<i>Provided for:</i>					
Purchase of non-financial assets	-	32,906	30,000	40,000	40,000
Other Items	735,000	2,575,000	500,000	236,499	-
Total Items	735,000	2,607,906	530,000	276,499	40,000
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations ^(a)	17,720	32,906	30,000	40,000	40,000
Funded internally from departmental resources ^(b)	16,100	120,000	220,000	220,000	230,000
TOTAL	33,820	152,906	250,000	260,000	270,000
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total accrual purchases	33,820	152,906	250,000	260,000	270,000
Total cash used to acquire assets	33,820	152,906	250,000	260,000	270,000

(a) Includes both current *Supply Act (No. 2)* and 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 2020–21)

	Land \$'000	Other property, plant and equipment \$'000	Heritage and cultural \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2020					
Gross book value	582	910,526	998	4,059,524	4,971,630
Accumulated depreciation/amortisation	-	(370,838)	(22)	(46,751)	(417,611)
Opening net book balance	582	539,688	976	4,012,773	4,554,019
CAPITAL ASSET ADDITIONS					
replacement assets					
By purchase – appropriation equity	-	-	-	32,906	32,906
By purchase – other ^(a)	-	-	-	120,000	120,000
Total additions	-	-	-	152,906	152,906
Other movements					
Depreciation/amortisation expense	-	(7,759)	(12)	-	(7,771)
Total other movements	-	(7,759)	(12)	-	(7,771)
As at 30 June 2021					
Gross book value	582	910,526	998	4,212,430	5,124,536
Accumulated depreciation/amortisation and impairment	-	(378,597)	(34)	(46,751)	(425,382)
Closing net book balance	582	531,929	964	4,165,679	4,699,154

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

Prepared on Australian Accounting Standards basis.

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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 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' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: AgriFutures Australia – Resource Statement – Budget Estimates for 2020–21 as at October 2020

	2019–20 Estimated actual \$'000	2020–21 Estimate \$'000
Opening balance/cash reserves at 1 July	24,718	51,736
Funds from Government		
Amounts received from related entities		
Amounts from portfolio department ^(a)	10,220	9,358
Total amounts received from related entities	10,220	9,358
Special appropriations^(b)		
Primary Industries Research and Development Act 1989, s. 30(3) – Rural Industries R&D Corporation	40,824	28,147
Total special appropriations	40,824	28,147
Total funds from Government	51,044	37,505
Funds from industry sources		
Levies ^(c)	3,362	3,354
less amounts paid to the CRF	(3,362)	(3,354)
Total funds from industry sources	-	-
Funds from other sources		
Interest	419	900
Royalties	515	313
Industry contributions	13,251	7,225
Other	1,959	2,289
Total funds from other sources	16,144	10,727
Total net resourcing for AgriFutures	91,906	99,968
	2019–20	2020–21
Average staffing level (number)	20	22

(a) Appropriation Bill (No. 1) 2020–21.

(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, Water and the Environment (DAWE) and then paid to AgriFutures and are considered departmental for all purposes. Special appropriations in the Portfolio Budget Statements (PBS) 2019–20 Estimated Actuals is \$40.824 million. This amount includes a one-off back payment of \$21.405 million which was treated as revenue at the time the PBS data was submitted. Subsequently, this amount has been treated as the correction of a prior period error in the 2019–20 Financial Statements. Refer to the Prior Period Error note in the Overview section of the 2019–20 AgriFutures Australia financial statements for further information.

(c) The levies are imposed by the *Primary Industries (Excise) Levies Act 1999*. The levies are collected by DAWE under the *Primary Industries Levies and Charges Collection Act 1991* and are transferred to the CRF. An equivalent amount is paid by DAWE 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 AgriFutures Australia are detailed in *Budget Paper No. 2: Budget Measures 2020–21* and are summarised below.

Table 1.2: AgriFutures Australia – 2020–21 Budget measures – Measures announced after the Economic and Fiscal Update July 2020

AgriFutures does not have any 2020–21 Budget measures.

Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth 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 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 a complete picture of an entity's planned and actual performance.

The most recent corporate plan and annual performance statement for 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.

2.1.1: Linked programs

Department of Agriculture, Water and the Environment
Program 3.10: Agricultural Resources
Contribution to Outcome 1 made by linked program: AgriFutures works together with the Department of Agriculture, Water and the Environment to ensure sustainable, productive and profitable rural industries.

2.2.1: 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 2.1: Budgeted expenses 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.					
	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
Program 1.1: Rural Industries Research and Development Corporation					
<u>Revenue from Government</u>					
Payment from related entities	10,220	9,358	9,516	9,688	9,852
Special appropriations					
<i>Primary Industries Research and Development Act 1989, s. 30(3) –</i>					
Rural Industries R&D Corporation ^(a)	45,640	23,354	23,863	23,945	24,549
Revenues from industry sources	9,239	10,086	8,933	8,667	8,499
Revenues from other independent sources	3,287	3,478	2,862	2,957	3,021
Reserves	(30,680)	1,345	3,700	5,700	5,100
Total expenses for program 1.1	37,706	47,621	48,874	50,957	51,021
<u>Outcome 1 totals by resource type</u>					
<u>Revenue from Government</u>					
Payment from related entities	10,220	9,358	9,516	9,688	9,852
Special appropriations	45,640	23,354	23,863	23,945	24,549
Revenues from industry sources	9,239	10,086	8,933	8,667	8,499
Revenues from other independent sources	3,287	3,478	2,862	2,957	3,021
Reserves	(30,680)	1,345	3,700	5,700	5,100
Total expenses for Outcome 1	37,706	47,621	48,874	50,957	51,021
Average staffing level (number)					
	2019–20	2020–21			
	20	22			

(a) Special appropriations in the PBS 2019–20 Estimated Actuals is \$45.640 million. This amount includes a one-off back payment of \$21.405 million which was treated as revenue at the time the PBS data was submitted. Subsequently, this amount has been treated as the correction of a prior period error in the 2019–20 Financial Statements. Refer to the Prior Period Error note in the Overview section of the 2019–20 AgriFutures Australia financial statements for further information.

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

Prepared on a Government Finance Statistics (fiscal) basis.

2.3.1: Performance criteria for Outcome 1

Table 2.3.1 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2020–21 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	<p>AgriFutures supports the people driving the future prosperity of Australian rural industries by:</p> <ul style="list-style-type: none"> • Attracting capable people into careers in agriculture through: <ul style="list-style-type: none"> ○ 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. <p>AgriFutures identifies and nurtures research and innovation opportunities that are productive across rural sectors by:</p> <ul style="list-style-type: none"> • 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)	<p>AgriFutures enhances the profitability and sustainability of our levied rural industries by:</p> <ul style="list-style-type: none"> • Engaging industry participants in determining R&D priorities through 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.
	<p>AgriFutures supports viable and sustainable new and emerging rural industries by:</p> <ul style="list-style-type: none"> • 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	2019–20 Actual Achievement/Targets
2019–20	a. Contribute to the increase of annual intakes of students into agriculture and agricultural science courses at universities.	Data for 2019–20 reporting period is not available.
	b. 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.	This information is not available as the Stakeholder Survey is still underway.
	c. Impact of AgriFutures Australia sponsored studies on debates of national significance to rural industries.	Eight.
	d. New technologies adapted for use in Australian rural industries.	Four.
	e. Evidence of collaboration between RDCs in cross sector investment initiatives.	15.
	f. Percentage of growers comfortable or very comfortable paying the R&D levy.	This information is not available as the Stakeholder Survey is still underway.
	g. Degree to which the objectives of the industry-based R&D plans are being achieved.	This information is not available as the Stakeholder Survey is still underway.
	h. Stakeholders rate the value of AgriFutures Australia's information products and services as high or very high.	This information is not available as the Stakeholder Survey is still underway.
	i. Number of new rural industries reaching or exceeding \$10 million per annum threshold.	Two.

Continued on following page

Contributions to Outcome 1 (continued)

Performance information		
Year	Performance criteria	2019–20 Actual Achievement/Targets
2020–21	a. As per 2019–20.	1,800 per annum. Information from the Australian Council of Deans of Agriculture annual survey show an increasing number of enrolments.
	b. As per 2019–20	80 per cent of surveyed participants.
	c. As per 2019–20.	Five.
	d. As per 2019–20.	One.
	e. As per 2019–20.	10.
	f. As per 2019–20.	80 per cent of surveyed participants.
	g. As per 2019–20.	85 per cent.
	h. As per 2019–20.	75 per cent of surveyed participants.
	i. As per 2019–20.	One.
	j. 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.	80 per cent of surveyed participants.
	k. Delivery of grow ^{AG} platform and ongoing engagement of evoke ^{AG} community.	grow ^{AG} platform launched
2021–22 and beyond	As per 2020–21.	As per 2020–21.

Note: The superscript AG. stands for “Agriculture”.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for 2020–21, including the impact of 2020–21 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.

3.2.1: Explanatory notes and analysis of budgeted financial statements

AgriFutures is budgeting for a deficit of \$1.3 million in 2020–21.

AgriFutures' balance sheet remains strong with estimated total assets of \$55.7 million in 2020–21 and in forward years. Of the total assets, approximately \$51.2 million is represented by cash and investments.

Total liabilities of \$3.2 million are mostly represented by payables to R&D providers and suppliers of \$2.0 million and employee entitlements of \$0.6 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)

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
EXPENSES					
Employee benefits	3,209	3,600	3,960	3,960	3,960
Suppliers	8,737	10,127	10,006	10,051	10,077
Grants	25,529	33,538	34,500	36,500	36,500
Depreciation and amortisation	202	355	397	439	480
Finance costs	29	1	11	7	4
Total expenses	37,706	47,621	48,874	50,957	51,021
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Industry contributions	9,239	10,086	8,933	8,667	8,499
Interest	448	875	750	645	525
Royalties	880	313	313	300	300
Other	1,959	2,290	1,799	2,012	2,196
Total own-source revenue	12,526	13,564	11,795	11,624	11,520
Total own-source income	12,526	13,564	11,795	11,624	11,520
Net cost of (contribution by) services	25,180	34,057	37,079	39,333	39,501
Revenue from Government ^(a)					
Commonwealth contribution	55,860	32,712	33,379	33,633	34,401
Total revenue from Government	55,860	32,712	33,379	33,633	34,401
Surplus/(deficit) attributable to the Australian Government	30,680	(1,345)	(3,700)	(5,700)	(5,100)
Total comprehensive income/(loss) attributable to the Australian Government^(b)	30,680	(1,345)	(3,700)	(5,700)	(5,100)

Continued on following page

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

Note: Impact of net cash appropriation arrangements

	2019–20 \$'000	2020–21 \$'000	2021–22 \$'000	2022–23 \$'000	2023–24 \$'000
Total comprehensive income/(loss) excluding depreciation/ amortisation expenses previously funded through revenue appropriations, depreciation on ROU, principal repayments on leased assets	30,694	(1,349)	(3,704)	(5,704)	(5,104)
less depreciation/amortisation expenses for ROU ^(c)	123	116	116	116	116
add principal repayments on leased assets ^(c)	109	120	120	120	120
Total comprehensive income/(loss) – as per the Statement of comprehensive income	30,680	(1,345)	(3,700)	(5,700)	(5,100)

(a) Revenue from Government includes a Commonwealth contribution under the PIRD Act and levies collected from industry by DAWE for R&D activities.

(b) Total comprehensive income/(loss) attributable to the Australian Government in the PBS 2019–20 Estimated Actuals is \$30.680 million. This amount includes a one-off back payment of \$21.405 million which was treated as revenue at the time the PBS data was submitted. Subsequently, this amount has been treated as the correction of a prior period error in the 2019–20 Financial Statements, resulting in total comprehensive income of \$9.275 million. Refer to the Prior Period Error note in the Overview section of the 2019–20 AgriFutures Australia financial statements for further information

(c) Applies to leases under AASB 16 Leases. Right of Use (ROU).

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	4,806	4,113	4,000	4,000	4,000
Trade and other receivables	8,583	3,005	3,005	3,005	3,005
Investments – Deposits	46,930	47,122	43,682	38,171	33,273
Total financial assets	60,319	54,240	50,687	45,176	40,278
Non-financial assets					
Land and buildings	728	612	496	380	264
Property, plant and equipment	149	140	139	96	12
Intangibles	21	541	461	381	301
Other	232	228	228	228	228
Total non-financial assets	1,130	1,521	1,324	1,085	805
Total assets	61,449	55,761	52,011	46,261	41,083
LIABILITIES					
Payables					
Suppliers	466	350	350	350	350
Grants	1,680	1,120	1,120	1,120	1,120
Other	4,122	500	500	500	500
Total payables	6,268	1,970	1,970	1,970	1,970
Interest bearing liabilities					
Leases	734	614	494	374	254
Total interest bearing-liabilities	734	614	494	374	254
Provisions					
Employee provisions	556	630	700	770	812
Other provisions	79	80	80	80	80
Total provisions	635	710	780	850	892
Total liabilities	7,637	3,294	3,244	3,194	3,116
Net assets	53,812	52,467	48,767	43,067	37,967
EQUITY*					
Parent entity interest					
Retained surplus	53,812	52,467	48,767	43,067	37,967
Total parent entity interest	53,812	52,467	48,767	43,067	37,967
Total Equity	53,812	52,467	48,767	43,067	37,967

*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 2020–21)**

	Retained earnings	Total equity
	\$'000	\$'000
Opening balance as at 1 July 2020		
Balance carried forward from previous period	53,812	53,812
Adjusted opening balance	53,812	53,812
Comprehensive income		
Surplus (deficit) for the period	(1,345)	(1,345)
Total comprehensive income	(1,345)	(1,345)
of which:		
Attributable to the Australian Government	(1,345)	(1,345)
Estimated closing balance as at 30 June 2021	52,467	52,467
Closing balance attributable to the Australian Government	52,467	52,467

Prepared on Australian Accounting Standards basis.

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Revenue from Government	49,717	37,505	33,379	33,633	34,401
Net GST received	64	(1)	-	-	-
Interest	419	900	750	645	525
Other	13,693	9,828	11,045	10,979	10,995
Total cash received	63,893	48,232	45,174	45,257	45,921
Cash used					
Employees	3,081	3,526	3,890	3,890	3,918
Suppliers	8,381	10,239	10,006	10,051	10,077
Grants	25,200	34,097	34,500	36,500	36,500
Lease liability – interest payments	15	1	11	7	4
Total cash used	36,677	47,863	48,407	50,448	50,499
Net cash from (used by) operating activities	27,216	369	(3,233)	(5,191)	(4,578)
INVESTING ACTIVITIES					
Cash received					
Proceeds from sale of investments	-	-	3,440	5,511	4,898
Total cash received	-	-	3,440	5,511	4,898
Cash used					
Purchase of property, plant and equipment	89	750	200	200	200
Purchase of investments	26,930	192	-	-	-
Total cash used	27,019	942	200	200	200
Net cash from (used by) investing activities	(27,019)	(942)	3,240	5,311	4,698
FINANCING ACTIVITIES					
Cash used					
Lease liability – principal payments	109	120	120	120	120
Total cash used	109	120	120	120	120
Net cash from (used by) financing activities	(109)	(120)	(120)	(120)	(120)
Net increase (decrease) in cash held	88	(693)	(113)	-	-
Cash and cash equivalents at the beginning of the reporting period	4,718	4,806	4,113	4,000	4,000
Cash and cash equivalents at the end of the reporting period	4,806	4,113	4,000	4,000	4,000

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for period end 30 June)

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
PURCHASE OF NON-FINANCIAL ASSETS					
Funded internally from departmental resources ^(a)	88	750	200	200	200
TOTAL	88	750	200	200	200
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	88	750	200	200	200
Total cash used to acquire assets	88	750	200	200	200

- (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 2020–21)

	Buildings	Other property, plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2020				
Gross book value	-	347	401	748
Gross book value – ROU ^(a)	844	-	-	844
Accumulated depreciation/amortisation and impairment	-	(198)	(380)	(578)
Accumulated depreciation/amortisation and impairment – ROU ^(a)	(116)	-	-	(116)
Opening net book balance	728	149	21	898
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase – appropriation equity ^(b)	-	100	650	750
Total additions	-	100	650	750
Other movements				
Depreciation/amortisation expense	-	(109)	(130)	(239)
Depreciation/amortisation expense – ROU ^(a)	(116)	-	-	(116)
Total other movements	(116)	(109)	(130)	(355)
As at 30 June 2021				
Gross book value	-	447	1,051	1,498
Gross book value – ROU ^(a)	844	-	-	844
Accumulated depreciation/amortisation and impairment	-	(307)	(510)	(817)
Accumulated depreciation/amortisation and impairment – ROU ^(a)	(232)	-	-	(232)
Closing net book balance	612	140	541	1,293

(a) Applies to leases under AASB 16 Leases. Right of Use (ROU).

(b) 'Appropriation ordinary annual services' refers to funding provided through and Appropriation Bill (No. 1) 2020–21 for depreciation/amortisation expenses, DCBs or other operational expenses.

Prepared on Australian Accounting Standards basis.

AUSTRALIAN FISHERIES MANAGEMENT AUTHORITY

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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 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 released 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 has 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 and the response to the impacts of climate change through a number of projects including: Adaptation of Commonwealth Fisheries Management to Climate Change, with CSIRO as the co-investigator.

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.

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 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 2020–21*.

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

Table 1.1: Australian Fisheries Management Authority – Resource Statement – Budget Estimates for 2020–21 as at October 2020

	2019–20 Estimated actual \$'000	2020–21 Estimate \$'000
<u>Departmental</u>		
Annual appropriations – ordinary annual services^(a)		
Departmental appropriation	20,345	20,430
Prior year appropriations available ^(b)	8,959	10,606
Total departmental annual appropriations	29,304	31,036
Special appropriation		
Assistance for Severely Affected Regions (Coronavirus Economic Response Package) Act 2020	10,334	-
Total special appropriation	10,334	-
Special accounts^(c)		
Appropriation receipts ^(d)	30,679	20,430
Non-appropriation receipts	9,821	17,037
Total special account receipts	40,500	37,467
less departmental appropriations drawn from annual/special appropriations and credited to special accounts	(30,679)	(20,430)
Total departmental resourcing	49,459	48,073
<u>Administered</u>		
Annual appropriations – ordinary annual services^(a)		
Outcome 1	5,588	5,672
Total administered annual appropriations	5,588	5,672
Total administered resourcing	5,588	5,672
Total resourcing for AFMA	55,047	53,745
	2019–20	2020–21
Average staffing level (number)	151	177

(a) Supply Act (No. 1) and Appropriation Bill (No. 1) 2020–21.

(b) These amounts reflect opening special account balances only.

(c) For further information on special appropriations and special accounts, please refer to *Budget Paper No. 4: Agency Resourcing 2020–21*. 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.

(d) 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 2020–21* and are summarised below.

Table 1.2: Australian Fisheries Management Authority – 2020–21 Budget measures – Measures announced after the Economic and Fiscal Update July 2020

AFMA does not have any 2020–21 Budget measures.

Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth 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 Commonwealth performance framework established by the PGPA Act. 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 a complete picture of an entity's planned and actual performance.

AFMA's most recent corporate plan can be found at:

https://www.afma.gov.au/sites/default/files/corporate_plan_2020-23_final.pdf

AFMA's most recent annual performance statement can be found at:

https://www.afma.gov.au/sites/default/files/annual_operational_plan_2020-21_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.

2.1.1: Linked programs

Department of Agriculture, Water and the Environment
<p>Program 1.4: Conservation of Australia's Heritage and the Environment</p> <p>Program 3.4: Fishing Industry</p> <p>Program 4.1: Biosecurity and Export Services</p>
<p>Contribution to Outcome 1 made by linked program:</p> <p>The Australian Fisheries Management Authority (AFMA) and the Department of Agriculture, Water and the Environment engage on fisheries management to ensure a sustainable, productive and profitable fishing industry.</p>
Department of Home Affairs
<p>Program 1.1: Border Enforcement</p>
<p>Contribution to Outcome 1 made by linked program:</p> <p>AFMA 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.</p>

2.2.1: 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 2.1: Budgeted expenses 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.

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
Program 1.1: Australian Fisheries Management Authority					
<u>Administered expenses</u>					
Ordinary annual services (Appropriation Bill (No. 1))					
Illegal Foreign Fishing Vessel Caretaking and Disposal	335	5,672	5,775	5,777	5,805
<u>Departmental expenses</u>					
Departmental appropriation ^(a)	20,305	21,414	21,783	21,827	22,065
<u>Special appropriation</u>					
Assistance for Severely Affected Regions (Coronavirus Economic Response Package) Act 2020	10,334	-	-	-	-
<u>Special account</u>					
AFMA Special Account	14,602	14,665	14,812	14,960	15,109
Expenses not requiring appropriation in the Budget year ^(b)	1,837	2,757	2,557	2,523	2,405
Total expenses for program 1.1	47,413	44,508	44,927	45,087	45,384
Outcome 1 Totals by appropriation type					
<u>Administered expenses</u>					
Ordinary annual services (Appropriation Bill (No. 1))	335	5,672	5,775	5,777	5,805
<u>Departmental expenses</u>					
Departmental appropriation ^(a)	20,305	21,414	21,783	21,827	22,065
<u>Special appropriation</u>	10,334	-	-	-	-
<u>Special account</u>	14,602	14,665	14,812	14,960	15,109
Expenses not requiring appropriation in the Budget year ^(b)	1,837	2,757	2,557	2,523	2,405
Total expenses for Outcome 1	47,413	44,508	44,927	45,087	45,384
	2019–20	2020–21			
Average staffing level (number)	151	177			

Continued on following page

Table 2.1: Budgeted expenses for Outcome 1 (continued)

- (a) Expenses funded from both 'ordinary annual services' (*Supply Act (No. 1)* and Appropriation Bill (No. 1) 2020–21) 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.

Prepared on Australian Accounting Standards basis.

2.3.1: Performance criteria for Outcome 1

Table 2.3.1 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2020–21 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	<p>AFMA manages Commonwealth fisheries resources consistent with principles of ecological sustainable development by:</p> <ul style="list-style-type: none"> Developing management arrangements that: <ul style="list-style-type: none"> 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. <p>AFMA maximises the net economic returns to the Australian community from the management of Commonwealth fisheries by:</p> <ul style="list-style-type: none"> 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)	<p>AFMA ensures compliance with Commonwealth fisheries laws and policies and relevant international fishing obligations and standards by:</p> <ul style="list-style-type: none"> • Operating an effective compliance and enforcement regime encompassing: <ul style="list-style-type: none"> ○ 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: <ul style="list-style-type: none"> ○ 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. <p>AFMA delivers effective, cost efficient and accountable management of Commonwealth fisheries resources by:</p> <ul style="list-style-type: none"> • Pursuing ministerial directives and government initiatives to improve regulation and administration generally in the Australian Government sector including: <ul style="list-style-type: none"> ○ 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: <ul style="list-style-type: none"> ○ 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: <ul style="list-style-type: none"> ○ 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)	2019–20 Actual Achievement/Targets
2019–20	1. Complete an Ecological Risk Assessment (ERA) and Fisheries Management Strategy (FMS) for each fishery every five years. (Number of fisheries).	Actual: six Target: five
	2. The number of high risk rated species from ERAs declines.	Actual: 87 Target: 80
	3. Fisheries reporting on general bycatch quantity each year. (Number of fisheries).	Actual: 12 Target: eight
	4. Fisheries reporting decreasing volume of general bycatch each year. (Number of fisheries).	Actual: eight Target: six
	5. Interaction rates with Threatened Endangered and Protected species (TEPs) decreasing each year. (Number of fisheries).	Actual: six Target: five
	6. For economically significant stocks: ^(b)	
	a. maximise the number of key commercial stocks with harvest strategy targets based on Maximum Economic Yield (MEY) or the best available proxy. ^{(c),(d)}	Actual: 14 Target: At least 14.
	b. improve the number of stocks in (a) assessed as being on target. ^(e)	Actual: four Target: four
	c. for those stocks in (a) that are assessed as not on target, improve the number that are heading towards their target reference point.	Actual: four Target: seven

Continued on following pages

Contributions to Outcome 1 (continued)

Performance information		
Year	Performance criteria^(a)	2019–20 Actual Achievement/Targets
2019–20 (continued)	7. Major fisheries have harvest strategies that meet the Harvest Strategy Policy 2018 (HSP2018) within three years. (Number of fisheries).	Actual: zero Target: six
	8. Other fisheries have harvest strategies that meet the HSP2018 within four years. (Number of fisheries).	Actual: two Target: 22
	9. Percentage of treatment targets for all priority domestic compliance risks met.	Actual: 78.1 per cent Target: 90 per cent
	10. Percentage of apprehended foreign IUU vessels and suspected illegal entry vessels (SIEVs) delivered to AFMA disposed of.	Actual: 100 per cent Target: 100 per cent
	11. Percentage of briefs of evidence relating to foreign offenders submitted to the Commonwealth Director of Public Prosecutions within 7 to 10 days from their arrival in Australia.	Actual: 100 per cent Target: 90 per cent
	12. Industry cost recovery charges do not exceed the levels derived by increasing the 2005–06 recoveries by the Consumer Price Index (CPI) each year.	Actual: \$14.3 million Target: <\$19.0 million
2020–21	1. <i>All major fisheries have Management Plans in place and managed in accordance with them (percentage of major fisheries).</i>	<i>100 per cent.</i>
	2. <i>Current ERA for all fisheries/sub fisheries and responses in place for high risk species (percentage of fisheries/sub fisheries).</i>	<i>100 per cent.</i>

Contributions to Outcome 1 (continued)

Performance information		
Year	Performance criteria ^(a)	2019–20 Actual Achievement/Targets
2020–21 (continued)	3. <i>Fishery Specific Harvest Strategies in place for all fisheries/ sub fisheries (percentage of fisheries/sub fisheries).</i>	90 per cent.
	4. <i>Individual species Total Allowable Catch and effort limits set in accordance with harvest control rules based on scientific advice (percentage of species).</i>	100 per cent.
	5. <i>Bycatch mitigation and management arrangements in place for protected species and general bycatch (percentage of fisheries/sub fisheries).</i>	70 per cent.
	6. <i>Appropriate assessment – primarily Wildlife Trade Operation renewals – under the Environment Protection and Biodiversity Conservation Act 1999 (percentage of fisheries/sub fisheries due per annum).</i>	100 per cent.
	7. <i>Number of solely Commonwealth managed stocks subject to overfishing by ABARES Fisheries Status Reports (percentage of fisheries/sub fisheries).</i>	<10 per cent.
	8. For economically significant stocks: ^(b)	
	a. As per 2019–20. ^{(c),(d)}	At least 15.
	b. As per 2019–20. ^(e)	Four
	c. As per 2019–20.	Seven
	9. Major fisheries have harvest strategies that meet the HSP2018 within three years. (Number of fisheries).	Eight

Contributions to Outcome 1 (continued)

Performance information		
Year	Performance criteria ^(a)	2019–20 Actual Achievement/Targets
2020–21 (continued)	10. Other fisheries have harvest strategies that meet the HSP2018 within four years (number of fisheries).	Four
	11. <i>National Compliance and Enforcement Policy reviewed every two years.</i>	✓
	12. <i>Risk assessment reviewed every two years.</i>	✓
	13. <i>National Compliance and Enforcement Program developed and implemented annually.</i>	✓
	14. <i>Non-compliance incident levels in targeted risk areas maintained at current levels or reduced.</i>	✓
	15. <i>Treatment targets for all priority compliance risks met.</i>	90 per cent.
	16. <i>AFMA's International Compliance and Engagement Program endorsed by the CEO, reviewed every two years and available on the AFMA website.</i>	N/A
	17. <i>Media releases for major activities and significant outcomes.</i>	100 per cent.
	18. <i>Number of illegal foreign fishing vessels detected in Australian waters remains low.</i>	✓ <i>Incident rates maintained at historical low levels.</i>
	19. <i>Disposal of apprehended foreign IUU vessels received by AFMA.</i>	100 per cent.
	20. <i>Foreign fishers charged are successfully prosecuted.</i>	100 per cent.

Contributions to Outcome 1 (continued)

Performance information		
Year	Performance criteria ^(a)	2019–20 Actual Achievement/Targets
2020–21 (continued)	21. <i>High risk foreign fishing vessels visiting Australian ports inspected.</i>	100 per cent.
	22. <i>High Seas Boarding and Inspection reports by Australian officers submitted, as required, to flag States and International Fisheries Management Organisations (IFMO).</i>	100 per cent.
	23. <i>AFMA priorities for meetings and bilateral engagement are incorporated in government briefings and negotiating frameworks.</i>	100 per cent.
	24. <i>Nominations of non-compliant vessels for IUU listing in accordance with IFMO are successful.</i>	100 per cent.
	25. <i>In-country programs to provide technical, policy and operational advice to build capacity are delivered.</i>	Two
	26. <i>Participation in Forum Fisheries Agency-led cooperative training activities and multilateral maritime surveillance activities, as appropriate.</i>	Four
	27. <i>Australian officers target IUU threats and engage flag States to implement remedial actions.</i>	100 per cent of identified suspected non-compliant actions acted on.
	28. <i>The percentage of overhead costs in total cost recovery expenditure remains below 20 per cent.</i>	✓
	29. <i>The variance between total actual and budgeted cost recovered expenditure should not exceed 5.0 per cent.</i>	✓

Contributions to Outcome 1 (continued)

Performance information		
Year	Performance criteria^(a)	2019–20 Actual Achievement/Targets
2020–21 (continued)	30. <i>The percentage of total cost recovery expenditure to the Gross Value of Production (GVP) of Commonwealth fisheries should be no greater than 5.0 per cent.</i>	✓
	31. <i>The cost recovered budget will remain at or below the budget in 2005–06 once adjusted for Consumer Price Index (CPI) increases.</i>	✓
	32. <i>An internal review of the AFMA CRIS will be undertaken each year prior to being provided to the Commonwealth fishing industry's peak body, the CFA, for their review.</i>	✓
	33. <i>Financial reports will be provided to the CFA detailing actual versus budget cost recovery expenditure by AFMA CRIS activity group and by fishery. A report will be provided for financial year to 31 December (by no later than 31 March) and for the full year (by no later than 30 September).</i>	✓
	34. <i>Information sessions for the Commonwealth fishing industry on the CRIS document and on activity cost formulation will be offered in March and October each year.</i>	✓

Continued on following pages

Contributions to Outcome 1 (continued)

Performance information		
Year	Performance criteria ^(a)	2019–20 Actual Achievement/Targets
2020–21 (continued)	35. <i>The change request register detailing industry feedback on the draft budget and CRIS will be published along with the final CRIS on the AFMA website each year before the commencement of the new financial year.</i>	✓
	36. <i>Implementation of Stakeholder Engagement Framework and Communication plan.</i>	✓
	37. <i>The percentage of stakeholders responding to AFMA surveys (including biennial perception and 'pop-up' style surveys) increases by 10 per cent per annum.</i>	✓
	38. <i>The level of overall satisfaction of stakeholders increases over time.</i>	✓
	39. <i>The level of satisfaction responses of stakeholders to 'pop up' surveys increases over time.</i>	✓
	40. <i>The level of engagement and feedback from engagement with stakeholders increases over time.</i>	✓
	41. <i>The Agency Data Strategy and Roadmap is delivered and endorsed.</i>	✓
	42. <i>The Agency Data Capture project is implemented successfully, and extended across the agency to all logbook, catch disposal and observer data.</i>	✓

Continued on following pages

Contributions to Outcome 1 (continued)

Performance information		
Year	Performance criteria ^(a)	2019–20 Actual Achievement/Targets
2020–21 (continued)	43. <i>AFMA continues to align to the Digital 2020 policy and ensures internal processes and technology are enhanced to meet this requirement.</i>	✓
	44. <i>Data Governance and Culture is embedded into AFMA practices</i>	✓
	45. <i>Significant increases to data analytical capability provided for AFMA staff.</i>	✓
	46. <i>The technical delivery of an integrated fisheries data architecture is implemented</i>	✓
2021–22 and beyond	1. As per 2020–21.	As per 2020–21.
	2. As per 2020–21.	As per 2020–21.
	3. <i>Fishery Specific Harvest Strategies in place for all fisheries/sub fisheries (percentage of fisheries/sub fisheries).</i>	(2021–22) 95 per cent. (2022–23) 100 per cent. (2023–24) 100 per cent.
	4. As per 2020–21.	As per 2020–21.
	5. <i>Bycatch mitigation and management arrangements in place for protected species and general bycatch (percentage of fisheries/sub fisheries).</i>	(2021–22) 70 per cent. (2022–23) 80 per cent. (2023–24) 100 per cent.
	6. As per 2020–21.	As per 2020–21.
	7. As per 2020–21.	As per 2020–21.
	8. <i>For economically significant stocks:</i> ^(b)	
	a. As per 2020–21. ^{(c),(d)}	As per 2020–21.
	b. As per 2020–21. ^(e)	As per 2020–21.

Continued on following pages

Contributions to Outcome 1 (continued)

Performance information		
Year	Performance criteria^(a)	2019–20 Actual Achievement/Targets
2021–22 and beyond	c. As per 2020–21.	As per 2020–21.
	9. As per 2020–21.	(all forward years) 10
	10. As per 2020–21.	(all forward years) Five
	11. As per 2020–21.	(2021–22) N/A (2022–23) ✓ (2023–24) N/A
	12. As per 2020–21.	(2021–22) N/A (2022–23) ✓ (2023–24) N/A
	13. As per 2020–21.	As per 2020–21.
	14. As per 2020–21.	As per 2020–21.
	15. As per 2020–21.	As per 2020–21.
	16. As per 2020–21.	(2021–22) ✓ (2022–23) N/A (2023–24) ✓
	17. As per 2020–21.	As per 2020–21.
	18. As per 2020–21.	As per 2020–21.
	19. As per 2020–21.	As per 2020–21.
	20. As per 2020–21.	As per 2020–21.
	21. As per 2020–21.	As per 2020–21.

Continued on following pages

Contributions to Outcome 1 (continued)

Performance information		
Year	Performance criteria^(a)	2019–20 Actual Achievement/Targets
2021–22 and beyond	22. As per 2020–21.	As per 2020–21.
	23. As per 2020–21.	As per 2020–21.
	24. As per 2020–21.	As per 2020–21.
	25. As per 2020–21.	<i>Dependent on funding (all forward years)</i>
	26. As per 2020–21.	<i>Dependent on funding (all forward years)</i>
	27. As per 2020–21.	As per 2020–21.
	28. As per 2020–21.	As per 2020–21.
	29. As per 2020–21.	As per 2020–21.
	30. As per 2020–21.	As per 2020–21.
	31. As per 2020–21.	As per 2020–21.
	32. As per 2020–21.	As per 2020–21.
	33. As per 2020–21.	As per 2020–21.
	34. As per 2020–21.	As per 2020–21.
	35. As per 2020–21.	As per 2020–21.
	36. As per 2020–21.	As per 2020–21.
	37. As per 2020–21.	As per 2020–21.
	38. As per 2020–21.	As per 2020–21.
	39. As per 2020–21.	As per 2020–21.

Continued on following page

Contributions to Outcome 1 (continued)

Performance information		
Year	Performance criteria ^(a)	2019–20 Actual Achievement/Targets
2021–22 and beyond	40. As per 2020–21.	As per 2020–21.
	41. <i>The Agency Data Strategy and Roadmap is delivered and endorsed.</i>	N/A
	42. <i>The Agency Data Capture project is implemented successfully, and extended across the agency to all logbook, catch disposal and observer data.</i>	(2021–22) ✓ (2022–23) ✓ (2023–24) N/A.
	43. As per 2020–21.	As per 2020–21.
	44. As per 2020–21.	As per 2020–21.
	45. As per 2020–21.	As per 2020–21.
	46. As per 2020–21.	As per 2020–21.
Purposes	<p>AFMA is responsible for:</p> <ul style="list-style-type: none"> 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. 	

(a) New or modified performance criteria that reflect new or materially changed programs are shown in italics.

(b) Please note that not all Commonwealth fish stocks can be managed by MEY; for example, those managed under international regional bodies.

(c) Where higher and lower value species are caught together, different targets for the lower value species may maximise net economic returns overall.

(d) Assessment methodologies are being reviewed. This may mean projections may vary.

(e) Key commercial stocks of a fishery as defined by the Commonwealth Fisheries Harvest Strategy Policy and Guidelines.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for 2020–21, including the impact of 2020–21 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.

3.2.1: 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)

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
EXPENSES					
Employee benefits	19,471	21,829	22,043	22,259	22,565
Suppliers	14,888	14,153	14,465	14,452	14,545
Finance costs	110	97	87	76	64
Depreciation and amortisation	2,126	2,757	2,557	2,523	2,405
Write-down and impairment of assets	7,942	-	-	-	-
Other expenses	2,541	-	-	-	-
Total expenses	47,078	38,836	39,152	39,310	39,579
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	2,990	2,237	2,281	2,327	2,374
Rental income	158	135	135	135	135
Interest	8	-	-	-	-
Levies and licence fees provided via crediting right to special account	14,602	14,665	14,812	14,960	15,109
Total own-source revenue	17,758	17,037	17,228	17,422	17,618
Gains					
Other	1,490	45	45	45	45
Total gains	1,490	45	45	45	45
Total own-source income	19,248	17,082	17,273	17,467	17,663
Net cost of (contribution by) services	27,830	21,754	21,879	21,843	21,916
Revenue from Government	30,224	19,973	20,337	20,362	20,441
Surplus (deficit) attributable to the Australian Government	2,394	(1,781)	(1,542)	(1,481)	(1,475)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	(192)	-	-	-	-
Total comprehensive income (loss)	2,202	(1,781)	(1,542)	(1,481)	(1,475)
Total comprehensive income (loss) attributable to the Australian Government	2,202	(1,781)	(1,542)	(1,481)	(1,475)

Continued on following page

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

Note: Impact of net cash appropriation arrangements

	2019–20 \$'000	2020–21 \$'000	2021–22 \$'000	2022–23 \$'000	2023–24 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations, depreciation on ROU, principal repayments on leased assets	3,155	-	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations ^(a)	748	1,711	1,511	1,486	1,320
less: depreciation/amortisation expenses for ROU assets ^(b)	1,089	1,046	1,046	1,037	1,085
add: Principal repayments on leased assets ^(b)	884	976	1,015	1,042	930
Total comprehensive income (loss) – as per the statement of comprehensive income	2,202	(1,781)	(1,542)	(1,481)	(1,475)

(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.

(b) Applies to leases under AASB 16 Leases. Right of Use (ROU).

Prepared on Australian Accounting Standards basis.

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	10,606	10,606	10,606	10,224	9,924
Trade and other receivables	1,269	1,269	1,269	1,269	1,269
Total financial assets	11,875	11,875	11,875	11,493	11,193
Non-financial assets					
Land and buildings	16,095	14,463	12,831	11,208	9,573
Property, plant and equipment	1,295	1,085	882	847	824
Intangibles	499	423	548	530	550
Other	538	538	538	538	538
Total non-financial assets	18,427	16,509	14,799	13,123	11,485
Total assets	30,302	28,384	26,674	24,616	22,678
LIABILITIES					
Payables					
Supplier payables	2,075	2,457	2,839	2,839	2,839
Other payables	649	649	649	649	649
Total payables	2,724	3,106	3,488	3,488	3,488
Provisions					
Employee provisions	5,474	5,474	5,474	5,474	5,474
Other provisions	181	181	181	181	181
Total provisions	5,655	5,655	5,655	5,655	5,655
Interest bearing liabilities					
Leases	8,836	7,860	6,845	5,803	4,873
Total interest bearing liabilities	8,836	7,860	6,845	5,803	4,873
Total liabilities	17,215	16,621	15,988	14,946	14,016
Net assets	13,087	11,763	10,686	9,670	8,662
EQUITY*					
Parent entity interest					
Contributed equity	13,264	13,721	14,186	14,651	15,118
Reserves	3,581	3,581	3,581	3,581	3,581
Retained surplus (accumulated deficit)	(3,758)	(5,539)	(7,081)	(8,562)	(10,037)
Total parent entity interest	13,087	11,763	10,686	9,670	8,662
Total Equity	13,087	11,763	10,686	9,670	8,662

*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 2020–21)

	Retained earnings \$'000	Revaluation Asset Reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2020				
Balance carried forward from previous period	(3,758)	3,581	13,264	13,087
Adjusted opening balance	(3,758)	3,581	13,264	13,087
Comprehensive income				
Surplus (deficit) for the period	(1,781)	-	-	(1,781)
Total comprehensive income	(1,781)	-	-	(1,781)
of which:				
Attributable to the Australian Government	(1,781)	-	-	(1,781)
Transactions with owners				
Contributions by owners				
Departmental Capital Budget (DCBs)	-	-	457	457
Sub-total transactions with owners	-	-	457	457
Estimated closing balance as at 30 June 2021	(5,539)	3,581	13,721	11,763
Closing balance attributable to the Australian Government	(5,539)	3,581	13,721	11,763

Prepared on Australian Accounting Standards basis.

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Sale of goods and rendering of services	3,338	2,372	2,416	2,462	2,509
Appropriations	30,224	19,973	20,337	20,362	20,441
Net GST received	1,029	-	-	-	-
Other	6,886	14,665	14,812	14,960	15,109
Total cash received	41,477	37,010	37,565	37,784	38,059
Cash used					
Employees	19,606	21,829	22,043	22,259	22,565
Suppliers	16,524	13,726	14,038	14,407	14,500
Borrowing costs	108	97	87	76	64
Other	2,529	-	-	-	-
Total cash used	38,767	35,652	36,168	36,742	37,129
Net cash from (used by) operating activities	2,710	1,358	1,397	1,042	930
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant, equipment and intangibles	634	839	847	847	767
Total cash used	634	839	847	847	767
Net cash from (used by) investing activities	(634)	(839)	(847)	(847)	(767)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	455	457	465	465	467
Total cash received	455	457	465	465	467
Cash used					
Lease liability – principal payments	884	976	1,015	1,042	930
Total cash used	884	976	1,015	1,042	930
Net cash from (used by) financing activities	(429)	(519)	(550)	(577)	(463)
Net increase (decrease) in cash held	1,647	-	-	(382)	(300)
Cash and cash equivalents at the beginning of the reporting period	8,959	10,606	10,606	10,606	10,224
Cash and cash equivalents at the end of the reporting period	10,606	10,606	10,606	10,224	9,924

Prepared on Australian Accounting Standards basis.

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
CAPITAL APPROPRIATIONS					
Capital budget – Bill (No. 1) (DCB)	455	457	465	465	467
Total capital appropriations represented by:	455	457	465	465	467
Total new capital appropriations represented by:					
Purchase of non-financial assets	455	457	465	465	467
Total items	455	457	465	465	467
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation – DCB ^(a)	455	457	465	465	467
Funded internally from departmental resources ^(b)	179	382	382	382	300
TOTAL	634	839	847	847	767
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	634	839	847	847	767
Total cash used to acquire assets	634	839	847	847	767

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

(b) Includes the following sources of funding:

- annual and prior year appropriations;
- internally developed assets;
- section 74 External Revenue receipts;
- proceeds from the sale of assets; and
- the AFMA Special Account under section 94B of the *Fisheries Administration Act 1991*.

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 2020–21)

	Land	Buildings	Other property, plant and equipment	Intangibles	L&B, IP&E held for sale	Total
	\$'000	\$'000	\$'000	\$'000		\$'000
As at 1 July 2020						
Gross book value	1,775	5,613	1,295	6,487	2	15,172
Gross book value – ROU ^(a)	-	9,795	-	-	-	9,795
Accumulated depreciation/amortisation and impairment	-	1	-	(5,988)	(2)	(5,989)
Accumulated depreciation/ amortisation and impairment – ROU ^(a)	-	(1,089)	-	-	-	(1,089)
Opening net book balance	1,775	14,320	1,295	499	-	17,889
CAPITAL ASSET ADDITIONS						
Estimated expenditure on new or replacement assets						
By purchase – ordinary annual services ^(b)	-	-	300	539	-	839
Total additions	-	-	300	539	-	839
Other movements						
Depreciation/ amortisation expense	-	(586)	(510)	(615)	-	(1,711)
Depreciation/ amortisation expense – ROU ^(a)	-	(1,046)	-	-	-	(1,046)
Total other movements	-	(1,632)	(510)	(615)	-	(2,757)
As at 30 June 2021						
Gross book value	1,775	5,613	1,595	7,026	2	16,011
Gross book value – ROU ^(a)	-	9,795	-	-	-	9,795
Accumulated depreciation/amortisation and impairment	-	(585)	(510)	(6,603)	(2)	(7,700)
Accumulated depreciation/ amortisation and impairment – ROU ^(a)	-	(2,135)	-	-	-	(2,135)
Closing net book balance	1,775	12,688	1,085	423	-	15,971

(a) Applies to leases under AASB 16 Leases, Right of Use (RoU).

(b) 'Appropriation ordinary annual services' refers to funding provided through *Supply Act (No. 1)* and *Appropriation Bill (No. 1) 2020–21* 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)

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
EXPENSES					
Supplier	330	5,672	5,775	5,777	5,805
Write-down and impairment of assets	5	-	-	-	-
Total expenses administered on behalf of Government	335	5,672	5,775	5,777	5,805
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Fees	61	-	-	-	-
Total own-source revenue administered on behalf of Government	61	-	-	-	-
Total own-source income administered on behalf of Government	61	-	-	-	-
Net Cost of (contribution by) services	274	5,672	5,775	5,777	5,805
Surplus (Deficit)	(274)	(5,672)	(5,775)	(5,777)	(5,805)
Total comprehensive income (loss)	(274)	(5,672)	(5,775)	(5,777)	(5,805)

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
ASSETS					
Financial assets					
Receivables	34	34	34	34	34
Total financial assets	34	34	34	34	34
Total assets administered on behalf of Government	34	34	34	34	34
LIABILITIES					
Payables					
Suppliers	3	3	3	3	3
Total payables	3	3	3	3	3
Total liabilities administered on behalf of Government	3	3	3	3	3
Net assets/(liabilities)	31	31	31	31	31

Prepared on Australian Accounting Standards basis.

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Fees	49	-	-	-	-
Net GST received	107	-	-	-	-
Total cash received	156	-	-	-	-
Cash used					
Suppliers	738	5,672	5,775	5,777	5,805
Net GST Paid	70	-	-	-	-
Total cash used	808	5,672	5,775	5,777	5,805
Net cash from (used by) operating activities	(652)	(5,672)	(5,775)	(5,777)	(5,805)
Net increase (decrease) in cash held	(652)	(5,672)	(5,775)	(5,777)	(5,805)
Cash from Official Public Account for:					
– Appropriations	701	5,672	5,775	5,777	5,805
Total cash from Official Public Account	701	5,672	5,775	5,777	5,805
Cash to Official Public Account for:					
– Appropriations	49	-	-	-	-
Total cash to Official Public Account	49	-	-	-	-
Cash and cash equivalents at end of reporting period	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

Table 3.10: Statement of administered asset movements (Budget year 2020–21)

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

**AUSTRALIAN PESTICIDES AND VETERINARY MEDICINES
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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). APVMA's principal responsibilities are described in the Administration Act and the *Agricultural and Veterinary Chemicals Code Act 1994*.

APVMA regulates 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 regulatory action and decisions APVMA ensures the registration of agvet chemical products delivers appropriate protections for human health and safety, animals and the environment, and supports international trade.

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

APVMA has three key corporate strategies:

- Continue to be a world-class leader in agvet chemical regulation.
- Deliver high-quality decision making that is timely, science based and proportionate to risk.
- Improve regulatory delivery and feedback systems.

Operational and technological improvements at APVMA aim to improve regulatory efficiency for clients and stakeholders while delivering a service that is open, transparent, and provides opportunity for stakeholder feedback.

In the 2018-19 Budget, APVMA received digital transformation funding of \$10.1 million over three years to upgrade and enhance its information technology capability. The Enabling Technologies Program will continue to be delivered throughout 2020-21 and will stabilise and transform the agency's ICT environment, enhancing the agency's capacity and business operations.

A key component of the Enabling Technologies Program is the Applications Transformation Project, which will provide APVMA staff and stakeholders with integrated, end-to-end core business systems. These enhancements will enable the ICT environment to grow with business and legislative changes and produce a system that meets the needs of APVMA and its stakeholders.

Further details of the objectives and performance evaluation mechanisms attached to this strategy are detailed in Section 2 of this document.

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' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: Australian Pesticides and Veterinary Medicines Authority – Resource Statement – Budget Estimates for 2020–21 as at Budget October 2020

	2019–20 <i>Estimated actual \$'000</i>	2020–21 <i>Estimate \$'000</i>
Opening balance/cash reserves at 1 July	8,918	1,736
Funds from Government		
Annual appropriations – ordinary annual services^(a)		
Outcome 1	5,695	4,400
<i>Appropriation Act (No. 5) 2019–20</i>	17,735	-
Total annual appropriations	23,430	4,400
Amounts received from related entities		
Amounts from portfolio department ^(b)	133	135
Total amounts received from related entities	133	135
Total funds from Government	23,563	4,535
Special appropriations^(c)		
<i>Agricultural and Veterinary Chemicals (Administration) Act 1992 – s. 58 (6) amount payable to the APVMA</i>	32,717	34,998
Total special appropriations	32,717	34,998
Total funds from Government	56,280	39,533
Funds from industry sources		
Levies, fees and charges ^(d)	32,717	34,998
<i>less amounts paid to the CRF</i>	(32,717)	(34,998)
Total funds from industry sources	-	-
Funds from other sources		
Interest	21	50
Other	9	264
Total funds from other sources	30	314
Total net resourcing for APVMA	65,228	41,583
	2019–20	2020–21
Average staffing level (number)	167	187

(a) *Supply Act (No. 1)* and Appropriation Bill (No. 1) 2020–21. Appropriation is provided through the Department of Agriculture, Water and the Environment (DAWE) and is specified within the Annual Appropriation Bills as a payment to the Australian Pesticides and Veterinary Medicines Authority (APVMA) and is considered departmental for all purposes.

(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).

(c) APVMA's special appropriation is not directly appropriated as it is a corporate Commonwealth entity under the PGPA Act. Appropriations are made to DAWE and are then paid to APVMA and are considered departmental for all purposes.

Continued on following page

Table 1.1: Australian Pesticides and Veterinary Medicines Authority – Resource Statement – Budget Estimates for 2020–21 as at Budget October 2020 (continued)

(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. These amounts are 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 2020–21* and are summarised below.

**Table 1.2: Australian Pesticides and Veterinary Medicines Authority – 2020–21
Budget measures – Measures announced after the Economic and Fiscal Update
July 2020**

APVMA does not have any 2020–21 Budget measures.

Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth 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 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 a complete picture of an entity's planned and actual performance.

APVMA's most recent corporate plan can be found at:

<https://apvma.gov.au/node/69251>.

APVMA's most recent annual performance statement can be found at:

<https://apvma.gov.au/node/55871> 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.

2.1.1: Linked programs

Department of Agriculture, Water and the Environment
Program 3.10: Agricultural Resources
<p>Contribution to Outcome 1 made by linked programs:</p> <p>The Australian Pesticides and Veterinary Medicines Authority and the Department of Agriculture, Water and the Environment work together to ensure the protection of the health and safety of humans, animals and the environment.</p>

2.2.1: 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 2.1: Budgeted expenses 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.					
	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
Program 1.1: Australian Pesticides and Veterinary Medicines Authority					
Revenue from Government					
Ordinary annual services					
(Appropriation Bill (No. 1)) ^(a)	5,695	4,400	1,917	1,645	1,651
Payment from related entities	133	135	136	137	137
Special appropriations					
<i>Agricultural and Veterinary Chemicals</i>					
<i>(Administration) Act 1992 – s. 58 (6)</i>					
amount payable to the APVMA	33,809	35,713	36,665	36,665	36,665
Revenues from other independent sources	84	374	374	374	374
Expenses not requiring appropriation in the Budget year	1,433	301	248	193	136
Total expenses for program 1.1	41,154	40,923	39,340	39,014	38,963
Outcome 1 totals by resource type					
Revenue from Government					
Ordinary annual services					
(Appropriation Bill (No. 1)) ^(a)	5,695	4,400	1,917	1,645	1,651
Payment from related entities	133	135	136	137	137
Special appropriations	33,809	35,713	36,665	36,665	36,665
Revenues from other independent sources	84	374	374	374	374
Expenses not requiring appropriation in the Budget year	1,433	301	248	193	136
Total expenses for Outcome 1	41,154	40,923	39,340	39,014	38,963
	2019–20	2020–21			
Average staffing level (number)	167	187			

(a) *Supply Act (No. 1)* and Appropriation Bill (No. 1) 2020–21. The APVMA is a corporate Commonwealth entity (CCE) under the PGPA Act and does not receive direct appropriations. Instead, this funding passes through DAWE to APVMA.

(b) Expenses not requiring appropriation in the Budget year are made up of make good expenses, audit fees, and can include depreciation / amortisation expenses not requiring an appropriation.

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

Prepared on Australian Accounting Standards basis.

2.3.1: Performance criteria for Outcome 1

Table 2.3.1 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2020–21 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: <ul style="list-style-type: none">• 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	2019–20 Actual Achievement/Targets
2019–20	Registered chemicals are available for: <ul style="list-style-type: none">a. Product registrations;b. Actives; andc. Permits.	89 per cent of applications were completed within timeframes.
2020–21	As per 2019–20.	100 per cent of applications were completed within timeframes.
2021–22 and beyond	As per 2019–20.	As per 2020–21.
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 2020–21, including the impact of 2020–21 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.

3.2.1: Explanatory notes and analysis of budgeted financial statements

A new Cost Recovery Implementation Statement (CRIS) was approved by the Minister for Agriculture, Drought and Emergency Management in April 2020, and came in to effect on 1 July 2020.

The Government made available an additional \$17.7 million to the APVMA through *Appropriation Act (No. 5) 2019–20* in response to the COVID-19 pandemic, to ensure funding was available in the event of a fall in cost recovered revenue from industry. This appropriation was recorded as revenue in 2019–20 but has not yet been drawn down.

The APVMA has not covered its cost of operations over recent financial years, resulting in the erosion of its equity reserves. This situation has been ameliorated with the implementation of the new CRIS.

The implementation of a new accounting standard has required that APVMA's office leases now be recognised on the balance sheet as a right of use asset, and a corresponding liability representing the future lease payments. These balances can be seen to reduce over the forward estimates as the leases progress.

3.2 BUDGETED FINANCIAL STATEMENTS

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
EXPENSES					
Employee benefits	23,691	23,753	24,466	25,201	25,705
Suppliers	13,736	13,432	11,188	11,709	11,169
Depreciation and amortisation	3,520	3,537	3,498	1,929	1,929
Borrowing costs	207	201	188	175	160
Total expenses	41,154	40,923	39,340	39,014	38,963
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Interest	21	50	50	50	50
Other	196	459	460	461	461
Total own-source revenue	217	509	510	511	511
Gains					
Sale of assets	9	-	-	-	-
Total Gains	9	-	-	-	-
Total own-source income	226	509	510	511	511
Net cost of (contribution by) services	40,928	40,414	38,830	38,503	38,452
Revenue from Government					
Commonwealth contribution	23,430	4,400	1,917	1,645	1,651
Industry contributions	33,809	35,713	36,665	36,665	36,665
Total revenue from Government	57,239	40,113	38,582	38,310	38,316
Surplus/(deficit) attributable to the Australian Government	16,311	(301)	(248)	(193)	(136)
Total comprehensive income/(loss) attributable to the Australian Government	16,311	(301)	(248)	(193)	(136)
Note: Impact of net cash appropriation arrangements					
	2019–20 \$'000	2020–21 \$'000	2021–22 \$'000	2022–23 \$'000	2023–24 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations, depreciation on ROU, principal repayments on leased assets	16,635	-	-	-	-
less depreciation/amortisation expenses for ROU ^(a)	1,079	1,301	1,301	1,301	1,301
add principal repayments on leased assets ^(a)	755	1,000	1,053	1,108	1,165
Total comprehensive income/(loss) – as per the Statement of comprehensive income	16,311	(301)	(248)	(193)	(136)

(a) Applies to leases under AASB 16 Leases. Right of Use (ROU).

Prepared on Australian Accounting Standards basis.

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	1,736	1,696	1,745	1,552	1,842
Trade and other receivables	30,498	31,213	32,000	31,567	30,605
Total financial assets	32,234	32,909	33,745	33,119	32,447
Non-financial assets					
Land and buildings	18,333	16,862	15,491	14,120	12,749
Property, plant and equipment	1,089	1,931	2,673	3,415	4,157
Intangibles	3,177	1,569	-	-	-
Other	419	419	419	419	419
Total non-financial assets	23,018	20,781	18,583	17,954	17,325
Total assets	55,252	53,690	52,328	51,073	49,772
LIABILITIES					
Payables					
Suppliers	743	460	399	447	447
Other payables	910	910	910	880	880
Total payables	1,653	1,370	1,309	1,327	1,327
Interest bearing liabilities					
Leases	15,466	14,466	13,413	12,305	11,140
Total interest bearing liabilities	15,466	14,466	13,413	12,305	11,140
Provisions					
Employee provisions	4,825	4,847	4,847	4,875	4,875
Total provisions	4,825	4,847	4,847	4,875	4,875
Total liabilities	21,944	20,683	19,569	18,507	17,342
Net assets	33,308	33,007	32,759	32,566	32,430
EQUITY*					
Parent entity interest					
Contributed equity	6,675	6,675	6,675	6,675	6,675
Reserves	281	281	281	281	281
Retained surplus (accumulated deficit)	26,352	26,051	25,803	25,610	25,474
Total parent entity interest	33,308	33,007	32,759	32,566	32,430
Total equity	33,308	33,007	32,759	32,566	32,430

*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 2020–21)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2020				
Balance carried forward from previous period	26,352	281	6,675	33,308
Adjusted opening balance	26,352	281	6,675	33,308
Comprehensive income				
Surplus (deficit) for the period	(301)	-	-	(301)
Total comprehensive income	(301)	-	-	(301)
Estimated closing balance as at 30 June 2021	26,051	281	6,675	33,007
Closing balance attributable to the Australian Government	26,051	281	6,675	33,007

Prepared on Australian Accounting Standards basis.

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Grants received from Portfolio Department	38,536	39,537	37,931	38,880	39,415
Net GST received	76	1,578	1,354	1,414	1,365
Interest receipts	21	50	50	50	50
Other	9	264	264	264	264
Total cash received	38,642	41,429	39,599	40,608	41,094
Cash used					
Employees	27,527	23,731	24,466	25,173	25,705
Suppliers	14,513	15,237	12,543	13,045	12,474
Lease liability – interest payments	202	201	188	175	160
Other	1,509	-	-	-	-
Total cash used	43,751	39,169	37,197	38,393	38,339
Net cash from (used by) operating activities	(5,109)	2,260	2,402	2,215	2,755
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	9	-	-	-	-
Total cash received	9	-	-	-	-
Cash used					
Purchase of property, plant and equipment	1,327	1,300	1,300	1,300	1,300
Total cash used	1,327	1,300	1,300	1,300	1,300
Net cash from (used by) investing activities	(1,318)	(1,300)	(1,300)	(1,300)	(1,300)
FINANCING ACTIVITIES					
Cash used					
Lease liability – principal payments	755	1,000	1,053	1,108	1,165
Total cash used	755	1,000	1,053	1,108	1,165
Net cash from (used by) financing activities	(755)	(1,000)	(1,053)	(1,108)	(1,165)
Net increase (decrease) in cash held	(7,182)	(40)	49	(193)	290
Cash and cash equivalents at the beginning of the reporting period	8,918	1,736	1,696	1,745	1,552
Cash and cash equivalents at the end of the reporting period	1,736	1,696	1,745	1,552	1,842

Prepared on Australian Accounting Standards basis.

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
PURCHASE OF NON-FINANCIAL ASSETS					
Funded internally from departmental resources ^(a)	1,300	1,300	1,300	1,300	1,300
TOTAL	1,300	1,300	1,300	1,300	1,300
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	1,300	1,300	1,300	1,300	1,300
Total cash used to acquire assets	1,300	1,300	1,300	1,300	1,300

(a) Includes the following sources of funding:

- annual and prior year appropriations;
- internally developed assets;
- section 74 External Revenue; and
- proceeds from the sale of assets.

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 2020–21)

	Building	Other property, plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2020				
Gross book value	3,119	1,089	9,441	13,649
Gross book value – ROU ^(a)	16,293	-	-	16,293
Accumulated depreciation/amortisation and impairment	-	-	(6,264)	(6,264)
Accumulated depreciation/amortisation and impairment – ROU ^(a)	(1,079)	-	-	(1,079)
Opening net book balance	18,333	1,089	3,177	22,599
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase – appropriation equity ^(b)	-	1,300	-	1,300
Total additions	-	1,300	-	1,300
Other movements				
Depreciation/amortisation expense	(170)	(458)	(1,608)	(2,236)
Depreciation/amortisation expense – ROU ^(a)	(1,301)	-	-	(1,301)
Total other movements	(1,471)	(458)	(1,608)	(3,537)
As at 30 June 2021				
Gross book value	3,119	2,389	9,441	14,949
Gross book value – ROU ^(a)	16,293	-	-	16,293
Accumulated depreciation/amortisation and impairment	(170)	(458)	(7,872)	(8,500)
Accumulated depreciation/amortisation and impairment – ROU ^(a)	(2,380)	-	-	(2,380)
Closing net book balance	16,862	1,931	1,569	20,362

(a) Applies to leases under AASB 16 Leases. Right of Use (ROU).

(b) "Appropriation ordinary annual services" refers to funding provided through *Supply Act (No. 1)* and Appropriation Bill (No. 1) 2020–21 for depreciation / amortisation expenses, DCBs or other operational expenses.

Prepared on Australian Accounting Standards basis.

BUREAU OF METEOROLOGY

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BUREAU OF METEOROLOGY

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Bureau of Meteorology (the Bureau) is Australia's national weather, climate and water agency, providing essential and trusted products and services that contribute to the safety, prosperity and wellbeing of the Australian community all day, every day. The Bureau's work directly informs decisions by governments, the community and supports industry in key sectors such as emergency management, aviation, transport, water management, agriculture and environmental management.

The Bureau is committed to delivering its Strategy 2017–2022. The Strategy is focused on four pillars of success:

- Impact and Value – products and services that benefit the Australian community and drive competitive advantage for businesses and industries.
- Operational Excellence – outstanding people, science, systems, infrastructure and partnerships working together for maximum simplicity, productivity and agility.
- Insight and Innovation – deep understanding and creative thinking that generates novel solutions for our customers and our organisation.
- The Bureau Way – one enterprise, that is safe and diverse, where our people grow and are empowered to excel, and where our customers come first, trust us and consider that we are a pleasure to work with.

The Bureau will continue to improve the security and resilience of its Information Communications Technology systems and business processes under the measure *Bureau of Meteorology – Improved Security and Resilience for ICT Systems – Tranche Two*. This builds upon the measure *Bureau of Meteorology – Improved Security and Resilience* from 2017–18 and will assist the Bureau to continue to provide reliable, ongoing access to weather, climate, water and oceans information.

In addition, the Bureau will continue to contribute to the Assistance for Farmers and Farm Communities in Drought package announced in the 2018–19 Mid-Year Economic and Fiscal Outlook, which provided \$2.7 million over two years to create of localised weather intelligence guides to enable farmers to improve their ability to make quantitative business risk management decisions.

The Bureau will invest in, maintain and replace critical assets under the 2020–21 Budget measure *Bureau of Meteorology – Long-term Financial Sustainability*. This measure will benefit the community with improved response times and more consistent and resilient services delivered by the Bureau across urban, regional and remote areas. This investment will also enable Bureau forecasters and climate scientists to access cutting-edge tools and technologies needed to deal with the increasing number of multiple and concurrent severe weather events, now and into the future.

The Bureau will also continue to provide essential aviation meteorological services to support the recovery of the aviation industry, through the *Bureau of Meteorology – Improved Security and Resilience – Aviation Meteorological Services* measure in the 2020–21 Budget.

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 (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome' table in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: Bureau of Meteorology – Resource Statement – Budget Estimates for 2020–21 as at October 2020

	2019–20 <i>Estimated actual</i> \$'000	2020–21 Estimate \$'000
<u>Departmental</u>		
Annual appropriations – ordinary annual services^(a)		
Prior year appropriations available ^(b)	88,233	78,876
Departmental appropriation ^(c)	240,269	267,765
<i>Appropriation Act (No. 5) 2019–20</i>	23,000	-
Section 74 external revenue ^(d)	66,836	47,234
Departmental capital budget ^(e)	34,562	41,546
Annual appropriations – other services – non-operating ^(f)		
Prior year appropriations available ^(b)	77,056	74,252
Equity Injection	128,356	119,252
Total departmental appropriations	658,312	628,925
Total resourcing for Bureau of Meteorology	658,312	628,925
	2019–20	2020–21
Average staffing level (number)	1,487	1,562
Third Party Payments from and on behalf of other entities		
	2019–20 <i>Estimated actual</i> \$'000	2020–21 Estimate \$'000
Payments made to other entities for the provision of services (disclosed above)	13,209	13,004
Receipts received from other entities for the provision of services (disclosed above in section 74 external revenue section above)	-	10,610

(a) *Supply Act (No. 1)* and Appropriation Bill (No. 1) 2020–21.

(b) Excludes \$43 million subject to administrative quarantine by the Department of Finance or withheld under section 51 of the PGPA Act.

(c) Excludes departmental capital budget (DCB).

(d) Estimated external revenue receipts under section 74 of the PGPA Act.

(e) Departmental capital budgets are not separately identified in *Supply Act (No. 1)* and Appropriation Bill (No. 1) and form part of ordinary annual services items. Please refer to Table 3.7 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.

(f) *Supply Act (No. 2)* and Appropriation Bill (No. 2) 2020–21.

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.

1.3 BUDGET MEASURES

Budget measures in Part 1 relating to the Bureau of Meteorology are detailed in *Budget Paper No. 2: Budget Measures 2020–21* and are summarised below.

Table 1.2: Bureau of Meteorology – 2020–21 Budget measures – Measures announced after the Economic and Fiscal Update July 2020

	Program	2020–21 \$'000	2021–22 \$'000	2022–23 \$'000	2023–24 \$'000
Payment measures					
<u>Bureau of Meteorology — improved security and resilience</u>					
Aviation Meteorological Services Program	1.1				
Administered payment		-	-	-	-
Departmental payment		26,227	-	-	-
Total		26,227	-	-	-
Improved Security, Resilience and Reliability	1.1				
Administered payment		-	-	-	-
Departmental payment		nfp	nfp	nfp	-
Total		nfp	nfp	nfp	-
Long-Term Financial Sustainability	1.1				
Administered payment		-	-	-	-
Departmental payment		-	14,831	52,449	68,727
Total		-	14,831	52,449	68,727
Savings through Additional Revenue	1.1				
Administered payment		-	-	-	-
Departmental payment		(7,745)	(8,730)	(11,809)	(11,809)
Total		(7,745)	(8,730)	(11,809)	(11,809)
Total payment measures					
Administered		-	-	-	-
Departmental		18,482	6,101	40,640	56,918
Total		18,482	6,101	40,640	56,918
Payment measures (Capital)					
<u>Bureau of Meteorology — improved security and resilience</u>					
Aviation Meteorological Services Program	1.1				
Administered capital		-	-	-	-
Departmental capital		2,827	-	-	-
Total		2,827	-	-	-
Improved Security, Resilience and Reliability	1.1				
Administered capital		-	-	-	-
Departmental capital		nfp	nfp	nfp	-
Total		nfp	nfp	nfp	-
Long-Term Financial Sustainability	1.1				
Administered capital		-	-	-	-
Departmental capital		-	3,034	12,672	73,850
Total		-	3,034	12,672	73,850
Total payment measures (Capital)					
Administered		-	-	-	-
Departmental		2,827	3,034	12,672	73,850
Total		2,827	3,034	12,672	73,850

Prepared on a Government Finance Statistics (Underlying Cash) basis

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 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 a complete picture of an entity's planned and actual performance.

The most recent corporate plan for the Bureau of Meteorology can be found at: http://www.bom.gov.au/inside/2020-21_BOM_Corporate_Plan.pdf.

The most recent annual performance statement can be found at: http://www.bom.gov.au/inside/eiab/reports/ar18-19/annualReport/02.1_Annual_Performance_Statement.pdf

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Enabling a safe, prosperous, secure and healthy Australia through the provision of weather, water, climate and ocean services.

2.1.1: Linked programs

Australian Maritime Safety Authority
Program 1.1 Seafarer and ship safety, environment protection and search and rescue.
Contribution to Outcome 1 made by linked programs The Bureau provides marine weather information covering wind, weather, sea and swell conditions for safe maritime operations.
Civil Aviation Safety Authority
Program 1.1: Sub-program 2: Collaborative engagement with the aviation industry and wider community to promote and support aviation safety.
Contribution to Outcome 1 made by linked programs The Bureau provides aviation users with meteorological information necessary for safe and efficient civil aviation operations.
Commonwealth Scientific and Industrial Research Organisation
Program 1: Research – Science, Services and Innovation Fund
Contribution to Outcome 1 made by linked programs The Bureau works with CSIRO to undertake research as part of the Earth Systems and Climate Change Hub through the National Environmental Science Program.

Linked programs (continued)

Department of Agriculture, Water and the Environment
<p>Program 1.2: Environmental Information and Research</p> <p>Program 1.3: Commonwealth Environmental Water</p> <p>Program 2.2: Adapting to Climate Change</p> <p>Program 2.1: Antarctica: Science, Policy and Presence</p> <p>Program 3.2: Sustainable Management – Natural Resources</p> <p>Program 3.11: Drought Programs</p> <p>Program 5.1: Water Reform</p>
<p>Contribution to Outcome 1 made by linked programs</p> <p>The Bureau is a partner in the Earth Systems and Climate Change Hub in the National Environmental Science Program.</p> <p>In addition, the Bureau's water information services inform Commonwealth water planning and decision making in relation to water resource availability.</p> <p>The Bureau provides weather, climate and water modelling and information to the Department of Agriculture, Water and the Environment.</p> <p>The Bureau provides meteorological and related services in support of the Australian Antarctic Program under a Memorandum of Understanding. There are also joint science projects underway between the Bureau and the Australian Antarctic Division.</p>
Department of Defence
<p>Various programs</p>
<p>Contribution to Outcome 1 made by linked programs</p> <p>The Bureau has a strategic partnering agreement for the provision of meteorological and oceanographic services to support the Department of Defence.</p>
Department of Foreign Affairs and Trade
<p>Program 1.2: Official Development Assistance</p>
<p>Contribution to Outcome 1 made by linked programs</p> <p>The Bureau delivers a number of activities funded by official development assistance programs including:</p> <ul style="list-style-type: none"> the Climate and Ocean Support Program in the Pacific, which is delivering enhanced climate, ocean and tidal services for Pacific Island communities and governments; and the PNG Capacity Development Program which is restoring PNG's meteorological observation network and enhancing technical and governance capacity within the PNG National Weather Service.

Linked programs (continued)

Department of Home Affairs
Program 1.10: Australian Government Disaster Financial Support Payments
Contribution to Outcome 1 made by linked programs The Bureau collaborates with the Department of Home Affairs by providing alerts relating to severe weather events, including floods and tsunami, to protect the community, weather for maritime security operations and space weather alerts for critical infrastructure management and climatic advice for strategic risk management.
Department of Industry, Science, Energy and Resources
Program 2.1: Reducing Australia's Greenhouse Gas Emissions Program 3.1: Energy
Contribution to Outcome 1 made by linked programs The Bureau provides weather and climate information to the Department of Industry, Science, Energy and Resources to inform priority climate science investment areas and research needs and the reliable and secure operation of energy markets.
Geoscience Australia
Program 1.1: Geoscientific and Spatial Information Services
Contribution to Outcome 1 made by linked programs The Bureau partners with Geoscience Australia to provide the Joint Australian Tsunami Warning Centre.
Murray-Darling Basin Authority
Program 1.1: Equitable and sustainable use of the Murray-Darling Basin
Contribution to Outcome 1 made by linked programs The Bureau provides weather, climate and water modelling, insight and analysis to the Murray-Darling Basin Authority.

2.2.1: 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 2.1: Budgeted expenses for Outcome 1

Outcome 1: Enabling a safe, prosperous, secure and healthy Australia through the provision of weather, water, climate and ocean services.					
	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
Program 1.1: Bureau of Meteorology					
Departmental expenses					
Departmental appropriation	247,026	272,160	254,352	274,340	258,712
Section 74 external revenue ^(a)	78,828	44,877	79,586	84,842	87,666
Expenses not requiring appropriation in the budget year ^(b)	96,712	137,406	126,558	127,275	127,275
Total expenses for program 1.1	422,566	454,443	460,496	486,457	473,653
Outcome 1 totals by resource type					
Departmental expenses					
Departmental appropriation	247,026	272,160	254,352	274,340	258,712
Section 74 external revenue ^(a)	78,828	44,877	79,586	84,842	87,666
Expenses not requiring appropriation in the budget year ^(b)	96,712	137,406	126,558	127,275	127,275
Total expenses for Outcome 1	422,566	454,443	460,496	486,457	473,653
	2019–20	2020–21			
Average staffing level (number)	1,487	1,562			

(a) Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act.

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

Prepared on Australian Accounting Standards basis.

2.3.1: Performance criteria for Outcome 1

Table 2.3.1 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2020–21 Budget measures have created new programs or materially changed existing programs.

Outcome 1: Enabling a safe, prosperous, secure and healthy Australia through the provision of weather, water, climate and ocean services.		
Program 1.1: Bureau of Meteorology		
Objective	Provides trusted, reliable and responsive weather, water, climate and ocean services for Australia—all day, every day.	
Delivery	Program 1.1 will be delivered by: <ul style="list-style-type: none">• Weather, water, climate and ocean products and services that benefit the Australian community and drive competitive advantage for businesses and industries.• Outstanding people, science, systems, infrastructure and partnerships working together for maximum simplicity, productivity and agility.• Deep understanding and creative thinking that generates novel solutions for our customers and our organisation.• One enterprise, that is safe and diverse, where our people grow and are empowered to excel, and where our customers come first, trust us and consider that we are a pleasure to work with.	
Performance information		
Year	Performance criteria	2019–20 Actual Achievement/Targets
2019–20	<ul style="list-style-type: none">a. Financial and social value is delivered to Government, industry and the Australian community.b. Delivery of products and services that meet customer requirements, are delivered to budget, meet quality and security specifications and benchmark well in relation to international standards and peer organisations.c. The speed, maturity and quality of innovation and novel solutions meets customer needs or enhances internal capability.d. Feedback from staff, customers and partners demonstrates alignment of our actual behaviours with our stated intent to create a safe, diverse and empowered enterprise that puts customers first, and provides an outstanding experience every time that they engage with us.	<ul style="list-style-type: none">a. and b. <p>Performance met expectations against targets. Evidence of achievement is provided in the Bureau’s Annual Performance Statement 2019–20.</p> <ul style="list-style-type: none">c. and d. <p>Performance partially met expectations against targets. Evidence of achievement is provided in the Bureau’s Annual Performance Statement 2019–20.</p>

Contributions to Outcome 1 (continued)

Performance information		
Year	Performance criteria	2019–20 Actual Achievement/Targets
2020–21	<ul style="list-style-type: none"> Financial and social value is delivered to Government, industry and the Australian community. Delivery of products and services that meet customer requirements, are delivered to budget, meet quality and security specifications and benchmark well in relation to international standards and peer organisations. The speed, maturity and quality of innovation and novel solutions meets customer needs or enhances internal capability. Feedback from staff, customers and partners demonstrates alignment of our actual behaviours with our stated intent to create a safe, diverse and empowered enterprise that puts customers first, and provides an outstanding experience every time that they engage with us. 	The Bureau's enterprise level performance criteria have broad relevance across the agency as a whole. Both quantitative and qualitative targets that collectively demonstrate the achievement of the Bureau's enterprise level performance criteria are set out in the Bureau's Corporate Plan 2020–21 and will be reported in the Bureau's Annual Performance Statement 2020–21.
2021–22 and beyond	As per 2020–21.	As per 2020–21.
Purposes	To provide trusted, reliable and responsive weather, water, climate and ocean services for Australia – all day, every day.	

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for 2020–21, including the impact of 2020–21 Budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1: Explanatory notes and analysis of budgeted financial statements

Budgeted Comprehensive Departmental Income Statement

An analysis of the Bureau budgeted financial statements, as reflected in the Bureau's budgeted departmental financial statements and administered schedules for the 2020–21 Budget, is provided below.

Total revised revenue to the Bureau in 2020–21 is estimated to be \$312.8 million, a decrease of \$24.8 million from the 2019–20 actual revenue amount. The lower funding is the result of a number of factors including new Budget Measures, movements in the efficiency dividend, indexation rates and minor adjustments related to other items such as foreign exchange movements.

The overall appropriated revenue includes specific funding related to:

- funding associated with the 2014–15 Budget measure Supercomputer;
- funding associated with the 2016–17 Mid-Year Economic and Fiscal Outlook measure – Commonwealth Water Functions;
- funding associated with the Budget measure – Improved security and resilience in the 2017–18, 2018–19 and 2020–21 Budgets;
- funding associated with the 2019–20 Budget measure – Bureau of Meteorology – additional radars and gauges;
- funding associated with the 2019–20 Budget measure – Barkly Regional Deal;
- funding associated with the 2020–21 Budget measure – Long-Term Financial Sustainability;
- funding associated with 2019–20 and 2020–21 measures – Aviation Meteorology Services Program; and
- reduced funding associated with the 2020–21 Budget measure – Savings through Additional Revenue.

Total expenses are estimated to be \$454.4 million, an increase of \$31.9 million from 2019–20 actual expenditure. The increase mainly reflects increased Depreciation and Amortisation expenditure impacted by an Asset Revaluation in 2019–20. Whilst the Bureau is not funded for depreciation through the Appropriation Bills, the expenditure is still recognised on the Income Statement.

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
EXPENSES					
Employee benefits	178,097	172,461	167,893	166,978	168,951
Supplier	122,440	131,555	141,704	167,966	153,257
Depreciation and amortisation	117,030	145,894	146,393	146,908	146,908
Finance costs	1,517	2,386	2,458	2,532	2,532
Write-down and impairment of assets	532	1	1	1	1
Other expenses	2,950	2,146	2,047	2,072	2,004
Total expenses	422,566	454,443	460,496	486,457	473,653
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sales of goods and rendering of services	74,077	45,100	80,041	85,442	88,266
Total own-source revenue	74,077	45,100	80,041	85,442	88,266
Gains					
Foreign exchange	607	-	-	-	-
Sales of assets	(583)	(84)	-	-	-
Other gains	248	-	-	-	-
Total gains	272	(84)	-	-	-
Total own-source income	74,349	45,016	80,041	85,442	88,266
Net cost of (contribution by) services	348,217	409,427	380,455	401,015	385,387
Revenue from Government ^(a)	263,269	267,765	249,827	269,678	254,050
Total revenue from Government	263,269	267,765	249,827	269,678	254,050
Surplus/(deficit) attributable to the Australian Government	(84,948)	(141,662)	(130,628)	(131,337)	(131,337)
Total comprehensive income/(loss) attributable to the Australian Government	(84,948)	(141,662)	(130,628)	(131,337)	(131,337)

Continued on following page

Table 3.1: Comprehensive income statement (showing net cost of services) (for the period ended 30 June) (continued)**Note: Impact of Net Cash Appropriation Arrangements**

	2019–20 \$'000	2020–21 \$'000	2021–22 \$'000	2022–23 \$'000	2023–24 \$'000
Total comprehensive income (loss) excluding depreciation/ amortisation expenses previously funded through revenue appropriation, depreciation on ROU, principal repayments on leased assets	14,372	(10,861)	455	600	600
less depreciation/amortisation expenses previously funded through revenue appropriations ^(a)	96,712	126,406	126,558	127,275	127,275
less depreciation/amortisation expenses for ROU ^(b)	16,419	16,658	17,157	17,672	17,672
add principal repayments on leased assets ^(b)	13,811	12,263	12,632	13,010	13,010
Total comprehensive income (loss) – as per the statement of comprehensive income	(84,948)	(141,662)	(130,628)	(131,337)	(131,337)

(a) From 2010–11, the Government introduced net cash appropriation arrangements where Appropriation Bill (No. 1) or Appropriation Bill (No. 3) revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Appropriation Bill (No. 1) or Bill (No. 3) equity appropriations. For information regarding DCB, please refer to Table 3.6 Departmental Capital Budget Statement.

(b) Applies to leases under AASB 16 Leases. Right of Use (ROU).

Prepared on Australian Accounting Standards basis.

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	948	948	948	948	948
Trade and other receivables	164,751	90,528	91,278	92,028	92,778
Other financial assets	2,296	2,296	2,296	2,296	2,296
Total financial assets	167,995	93,772	94,522	95,272	96,022
Non-financial assets					
Land and buildings	208,530	199,036	190,701	182,336	177,986
Property, plant and equipment	461,302	489,778	547,136	557,108	531,191
Intangibles	178,725	237,330	296,682	339,338	362,087
Inventories	5,381	5,381	5,381	5,381	5,381
Other non-financial assets	9,155	9,155	9,155	9,155	9,155
Total non-financial assets	863,093	940,680	1,049,055	1,093,318	1,085,800
Assets held for sale	2,548	2,548	2,548	2,548	2,548
Total assets	1,033,636	1,037,000	1,146,125	1,191,138	1,184,370
LIABILITIES					
Payables					
Suppliers	43,031	29,031	29,031	29,031	29,031
Other payables	51,839	49,089	49,839	50,589	51,339
Total payables	94,870	78,120	78,870	79,620	80,370
Interest bearing liabilities					
Leases	123,755	127,066	130,475	133,988	137,501
Total interest bearing liabilities	123,755	127,066	130,475	133,988	137,501
Provisions					
Employee provisions	63,279	63,279	63,279	63,279	63,279
Other provisions	25,141	25,141	25,141	25,141	25,141
Total provisions	88,420	88,420	88,420	88,420	88,420
Total liabilities	307,045	293,606	297,765	302,028	306,291
Net assets	726,591	743,394	848,360	889,110	878,079
EQUITY*					
Parent entity interest					
Contributed equity	1,086,180	1,246,978	1,483,027	1,655,114	1,775,420
Reserves	334,049	334,049	334,049	334,049	334,049
Retained surplus (accumulated deficit)	(693,638)	(837,633)	(968,716)	(1,100,053)	(1,231,390)
Total parent entity interest	726,591	743,394	848,360	889,110	878,079
Total Equity	726,591	743,394	848,360	889,110	878,079

*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 2020–21)**

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contribution equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2020				
Balance carried forward from previous period	(693,638)	334,049	1,086,180	726,591
Adjusted opening balance	(693,638)	334,049	1,086,180	726,591
Comprehensive income				
Surplus (deficit) for the period	(141,662)	-	-	(141,662)
Total comprehensive income	(141,662)	-	-	(141,662)
Transactions with owners				
Contributions by owners				
Equity Injection – Appropriation	-	-	119,252	119,252
Departmental Capital Budget (DCB)	-	-	41,546	41,546
Other	(2,333)	-	-	(2,333)
Sub-total transactions with owners	(2,333)	-	160,798	158,465
Estimated closing balance as at 30 June 2021	(837,633)	334,049	1,246,978	743,394
Closing balance attributable to the Australian Government	(837,633)	334,049	1,246,978	743,394

Prepared on Australian Accounting Standards basis.

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	352,414	386,679	328,663	354,370	341,566
Sales of goods and rendering of services	84,011	45,099	80,040	85,441	88,265
Net GST received	22,162	-	-	-	-
Total cash received	458,587	431,778	408,703	439,811	429,831
Cash used					
Employees	186,071	175,211	167,143	166,228	168,201
Suppliers	155,238	145,555	141,704	167,966	153,257
Lease liability – interest payments	1,375	2,386	2,458	2,532	2,532
Section 74 external revenue transferred to the OPA	82,919	47,024	80,041	85,442	88,266
Other	2,862	2,146	2,047	2,072	2,004
Total cash used	428,465	372,322	393,393	424,240	414,260
Net cash from (used by) operating activities	30,122	59,456	15,310	15,571	15,571
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	3,280	2,135	1,225	1,225	1,225
Total cash received	3,280	2,135	1,225	1,225	1,225
Cash used					
Purchase of property, plant and equipment and intangibles	185,126	210,126	239,952	175,873	124,092
Total cash used	185,126	210,126	239,952	175,873	124,092
Net cash from (used by) investing activities	(181,846)	(207,991)	(238,727)	(174,648)	(122,867)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	165,670	160,798	236,049	172,087	120,306
Total cash received	165,670	160,798	236,049	172,087	120,306
Cash used					
Lease liability – principal payments	13,811	12,263	12,632	13,010	13,010
Total cash used	13,811	12,263	12,632	13,010	13,010
Net cash from (used by) financing activities	151,859	148,535	223,417	159,077	107,296
Net increase (decrease) in cash held	135	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	813	948	948	948	948
Cash and cash equivalents at the end of the reporting period	948	948	948	948	948

Prepared on Australian Accounting Standards basis.

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget – Bill (No. 1) (DCB)	34,562	41,546	45,877	58,936	120,292
Equity injections – Bill (No. 2)	128,356	119,252	190,172	113,151	14
Total new capital appropriations	162,918	160,798	236,049	172,087	120,306
<i>Provided for:</i>					
Purchase of non-financial assets	162,918	160,798	236,049	172,087	120,306
Total items	162,918	160,798	236,049	172,087	120,306
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations ^(a)	149,892	165,725	190,172	113,151	14
Funded by capital appropriation – DCB ^(b)	34,562	41,546	45,877	58,936	120,292
Funded internally from departmental resources ^(c)	19,236	2,855	3,903	3,786	3,786
TOTAL	203,690	210,126	239,952	175,873	124,092
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	203,690	210,126	239,952	175,873	124,092
less additions by creditors/ borrowings	18,564	-	-	-	-
Total cash used to acquire assets	185,126	210,126	239,952	175,873	124,092

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

(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:

- current Bill (No. 1) and prior year Act/Bill (No. 1/3/5) appropriations (excluding amounts from the DCBs);
- donations and gifts of non-financial assets;
- internally developed assets;
- section 74 external revenue; and
- proceeds from the sale of assets.

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 2020–21)

	Land	Buildings	Other property, plant and equipment	Computer software and intangibles	L&B, IPE held for sale	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2020						
Gross book value	10,790	84,259	547,758	358,783	2,548	1,004,138
Gross book value – ROU ^(a)	1,937	131,922	1,138	-	-	134,997
Accumulated depreciation/ amortisation and impairment	-	(4,363)	(87,190)	(180,058)	-	(271,611)
Accumulated depreciation/ amortisation and impairment – ROU ^(a)	(497)	(15,518)	(404)	-	-	(16,419)
Opening net book balance	12,230	196,300	461,302	178,725	2,548	851,105
CAPITAL ASSET ADDITIONS						
Estimated expenditure on new or replacement assets						
By purchase – appropriation equity ^(b)	-	-	94,563	71,162	-	165,725
By purchase – appropriation equity – ROU ^(a)	538	14,726	310	-	-	15,574
By purchase – appropriation ordinary annual services ^(c)	-	1,096	26,900	13,550	-	41,546
By purchase – other	-	-	2,855	-	-	2,855
Total additions	538	15,822	124,628	84,712	-	225,700
Other movements						
Depreciation/ amortisation expense	-	(7,398)	(95,731)	(26,107)	-	(129,236)
Depreciation/ amortisation expense – ROU ^(a)	(540)	(15,722)	(396)	-	-	(16,658)
Disposals ^(d)						
From disposal of entities or operations	-	(2,194)	(25)	-	-	(2,219)
Total other movements	(540)	(25,314)	(96,152)	(26,107)	-	(148,113)

Continued on following page

Table 3.6: Statement of asset movements (Budget year 2020–21)

	Land	Buildings	Other property, plant and equipment	Computer software and intangibles	L&B, IPE held for sale	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 30 June 2021						
Gross book value	10,790	83,161	672,051	443,495	2,548	1,212,045
Gross book value – ROU ^(a)	2,475	146,648	1,448	-	-	150,571
Accumulated depreciation/ amortisation and impairment	-	(11,761)	(182,921)	(206,165)	-	(400,847)
Accumulated depreciation/ amortisation and impairment – ROU ^(a)	(1,037)	(31,240)	(800)	-	-	(33,077)
Closing net book balance	12,228	186,808	489,778	237,330	2,548	928,692

(a) Applies to leases under AASB 16 Leases, Right of Use (RoU).

(b) 'Appropriation equity' refers to equity injections or Administered Assets and Liabilities appropriations provided through *Supply Act (No. 1)* and Appropriation Bill (No. 2) 2020–2021, including Collection Development Acquisition Budget.

(c) 'Appropriation ordinary annual services' refers to funding provided through *Supply Act (No. 1)* and Appropriation Bill (No. 1) 2020–2021 for depreciation/amortisation expenses, Departmental Capital Budget or other operational expenses.

(d) Net proceeds may be returned to the OPA.

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)

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
OWN-SOURCE INCOME					
Own-source revenue					
Non-taxation revenue					
Sale of goods and rendering of services	nfp	nfp	nfp	nfp	nfp
Total non-taxation revenue	nfp	nfp	nfp	nfp	nfp
Total own-source revenue administered on behalf of Government	nfp	nfp	nfp	nfp	nfp
Net Cost of (contribution by) services	nfp	nfp	nfp	nfp	nfp
Surplus (Deficit)	nfp	nfp	nfp	nfp	nfp
Total comprehensive income (loss)	nfp	nfp	nfp	nfp	nfp

Prepared on Australian Accounting Standards basis.

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 Bureau.

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 Bureau.

COTTON
RESEARCH AND DEVELOPMENT CORPORATION

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COTTON

RESEARCH AND DEVELOPMENT CORPORATION

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Cotton Research and Development Corporation (CRDC) delivers outcomes in cotton research, development and extension (RD&E) on behalf of Australia's cotton growers and the Australian Government.

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, New South Wales: 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 2020–21 being the third 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 \$19.0 million into cotton RD&E during 2020–21, across these key focus areas.

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 (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome' table in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: Cotton Research and Development Corporation – Resource Statement – Budget Estimates for 2020–21 as at October 2020

	2019–20 Estimated actual \$'000	2020–21 Estimate \$'000
Opening balance/cash reserves at 1 July	40,383	33,025
Funds from Government		
Special appropriations^(a)		
<i>Primary Industries Research and Development Act 1989 s.30(3) – Cotton R&D Corporation</i>	8,499	4,017
Total special appropriations	8,499	4,017
Total funds from Government	8,499	4,017
Funds from industry sources		
Levies ^(b)	3,070	2,007
<i>less amounts paid to the CRF</i>	(3,070)	(2,007)
Total funds from industry sources	-	-
Funds from other sources		
Interest	712	97
Royalties	7	5
Other	4,920	4,847
Total funds from other sources	5,639	4,949
Total net resourcing for CRDC	54,521	41,991
	2019–20	2020–21
Average staffing level (number)	15	15

(a) The CRDC is a corporate Commonwealth entity (CCE) under the PGPA Act and does not receive direct appropriations. Instead, this funding passes through DAWE 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 2020–21* and are summarised below.

Table 1.2: Cotton Research and Development Corporation – 2020–21 Budget measures – Measures announced after the Economic and Fiscal Update July 2020

CRDC does not have any 2020–21 Budget measures.

Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth 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 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 a complete picture of an entity's planned and actual performance.

The most recent corporate plan for the Cotton Research and Development Corporation can be found at: 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.

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.

2.1.1: Linked programs

Department of Agriculture, Water and the Environment

Program 3.10: Agricultural Resources

Contribution to Outcome 1 made by linked program:

The Cotton Research and Development Corporation works together with the Department of Agriculture, Water and the Environment to ensure a sustainable, productive and profitable cotton industry.

2.2.1: 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 2.1: Budgeted expenses 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.					
	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
Program 1.1: Cotton Research and Development Corporation					
<u>Revenue from Government</u>					
Special appropriations					
<i>Primary Industries Research and Development Act 1989 s. 30(3) – Cotton R&D Corporation</i>	3,070	2,007	3,980	7,490	8,705
Special appropriations – Industry Levies	3,070	2,007	3,980	7,490	8,705
Revenues from other independent sources	5,774	4,646	4,121	355	355
Expenses not requiring appropriation in the budget year ^(a)	8,129	10,389	6,476	(3,468)	(4,425)
Total expenses for program 1.1	20,043	19,049	18,557	11,867	13,340
<u>Outcome 1 totals by resource type</u>					
<u>Revenue from Government</u>					
Special appropriations	3,070	2,007	3,980	7,490	8,705
Special appropriations – Industry Levies	3,070	2,007	3,980	7,490	8,705
Revenues from other independent sources	5,774	4,646	4,121	355	355
Expenses not requiring appropriation in the budget year ^(a)	8,129	10,389	6,476	(3,468)	(4,425)
Total expenses for Outcome 1	20,043	19,049	18,557	11,867	13,340
	2019–20	2020–21			
Average staffing level (number)	15	15			

(a) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, make good 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.

Prepared on Australian Accounting Standards basis.

2.3.1: Performance criteria for Outcome 1

Table 2.3.1 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2020–21 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	<p>Increase productivity and profitability on cotton farms</p> <p>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.</p>
	<p>Improve cotton farming sustainability and value chain competitiveness</p> <p>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.</p>
	<p>Build adaptive capacity of the cotton industry</p> <p>Strategically prioritise investment in RD&E collaboratively with research, industry and cross-sectoral partners to develop new knowledge, futures thinking, science and innovation capability.</p>
	<p>Strengthening partnerships and adoption</p> <p>Strategically prioritise investment in the effective adoption of research by strengthening partnerships and collaboration, development of best practice and supporting innovation and commercialisation.</p>
	<p>Driving RD&E impact</p> <p>Strategically prioritise investment in research, data capture, analysis and reviews with stakeholders and partners to demonstrate that RD&E investments deliver impact.</p>

Continued on following pages

Contributions to Outcome 1 (continued)

Performance information		
Year	Performance criteria	2019–20 Actual Achievement/Targets
2019–20	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. <i>On target for irrigated cotton. Not on target for dryland due to drought conditions.</i>
	Improve cotton farming sustainability and value chain competitiveness CRDC collaborates in global leadership for sustainability initiatives.	Participates in six global initiatives. <i>On target.</i>
	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. <i>On target.</i>
	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. <i>On target.</i>
	Driving RD&E impact CRDC monitors and evaluates RD&E impact.	One RD&E impact report per annum. <i>On target.</i>
2020–21	As per 2019–20.	As per 2019–20.
2021–22 and beyond	As per 2019–20.	As per 2019–20.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for 2020–21, including the impact of 2020–21 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.

3.2.1: 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 1.0 million bales in 2020–21.

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, 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 planned 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 five year R&D plan. The current forward estimate is for a total investment of \$93.7 million.

CRDCs investments during drought have focussed on supporting core research activities to support industry needs and building research and innovation skills that will provide the foundation for the future of the cotton industry.

In 2020-21 CRDC has budgeted for a deficit of \$10.4 million based on revenues of \$8.6 million and RD&E expenditure of \$19.0 million.

Budgeted Balance Sheet

Reserves increased between 2010-11 and 2013-14 during years of high cotton production and decreased from 2014-15 to 2019-20 due to below average levels of cotton production. In 2020-21 CRDC estimates production will be 1.0 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)**

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
EXPENSES					
Employee benefits	1,880	1,979	2,123	2,210	2,301
Suppliers	917	1,363	1,367	1,413	1,348
Grants	17,019	15,541	14,881	8,038	9,518
Depreciation and amortisation	227	166	186	206	173
Total expenses	20,043	19,049	18,557	11,867	13,340
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Interest	620	150	125	100	100
Royalties	7	5	5	5	5
Other Grants	3,736	4,241	3,741	-	-
Other	1,411	250	250	250	250
Total own-source revenue	5,774	4,646	4,121	355	355
Net cost of (contribution by) services	14,269	14,403	14,436	11,512	12,985
Revenue from Government ^(a)					
Commonwealth contribution	3,070	2,007	3,980	7,490	8,705
Industry contributions	3,070	2,007	3,980	7,490	8,705
Total revenue from Government	6,140	4,014	7,960	14,980	17,410
Surplus/(deficit) attributable to the Australian Government	(8,129)	(10,389)	(6,476)	3,468	4,425
Total comprehensive income/(loss) attributable to the Australian Government	(8,129)	(10,389)	(6,476)	3,468	4,425

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

Prepared on Australian Accounting Standards basis.

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	16,025	6,196	5,263	4,166	4,563
Trade and other receivables	1,219	913	1,310	3,810	3,810
Investments in Shares	144	144	144	144	144
Investments	17,000	16,500	10,500	12,500	16,500
Total financial assets	34,388	23,753	17,217	20,620	25,017
Non-financial assets					
Land and buildings	711	746	781	816	851
Property, plant and equipment	355	373	411	474	467
Intangibles	37	144	131	98	98
Total non-financial assets	1,103	1,263	1,323	1,388	1,416
Total assets	35,491	25,016	18,540	22,008	26,433
LIABILITIES					
Payables					
Suppliers	189	200	200	200	200
Grants	4,137	4,000	4,000	4,000	4,000
Total payables	4,326	4,200	4,200	4,200	4,200
Provisions					
Employee provisions	414	454	454	454	454
Total provisions	414	454	454	454	454
Total liabilities	4,740	4,654	4,654	4,654	4,654
Net assets	30,751	20,362	13,886	17,354	21,779
EQUITY*					
Parent entity interest					
Reserves	307	307	307	307	307
Retained surplus	30,444	20,055	13,579	17,047	21,472
Total parent entity interest	30,751	20,362	13,886	17,354	21,779
Total Equity	30,751	20,362	13,886	17,354	21,779

*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 2020–21)

	Retained earnings	Asset revaluation reserve	Other reserves	Total equity
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2020				
Balance carried forward from previous period	30,444	273	34	30,751
Adjusted opening balance	30,444	273	34	30,751
Comprehensive income				
Surplus (deficit) for the period	(10,389)	-	-	(10,389)
Total comprehensive income	(10,389)	-	-	(10,389)
of which:				
Attributable to the Australian Government	(10,389)	-	-	(10,389)
Estimated closing balance as at 30 June 2021	20,055	273	34	20,362
Closing balance attributable to the Australian Government	20,055	273	34	20,362

Prepared on Australian Accounting Standards basis.

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Industry contributions	3,070	2,007	3,980	7,490	8,705
Revenue from Government	5,429	2,010	3,583	4,990	8,705
Interest	712	97	125	100	100
Net GST received	4	1,747	1,649	972	1,017
Other Grants	3,736	4,241	3,741	-	-
Other	1,170	601	255	255	255
Total cash received	14,121	10,703	13,333	13,807	18,782
Cash used					
Employees	1,779	1,939	2,123	2,210	2,301
Suppliers	830	1,352	1,367	1,413	1,348
Grants	18,717	17,415	16,530	9,010	10,535
Total cash used	21,326	20,706	20,020	12,633	14,184
Net cash from (used by) operating activities	(7,205)	(10,003)	(6,687)	1,174	4,598
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	22	-	-	-	-
Investments	52,500	30,000	20,000	20,000	20,000
Total cash received	52,522	30,000	20,000	20,000	20,000
Cash used					
Purchase of property, plant and equipment	175	326	246	271	201
Purchase of investment	45,000	29,500	14,000	22,000	24,000
Total cash used	45,175	29,826	14,246	22,271	24,201
Net cash from (used by) investing activities	7,347	174	5,754	(2,271)	(4,201)
Net increase (decrease) in cash held	142	(9,829)	(933)	(1,097)	397
Cash and cash equivalents at the beginning of the reporting period	15,883	16,025	6,196	5,263	4,166
Cash and cash equivalents at the end of the reporting period	16,025	6,196	5,263	4,166	4,563

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for period end 30 June)

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
PURCHASE OF NON-FINANCIAL ASSETS					
Funded internally from departmental resources ^(a)	175	326	246	271	201
TOTAL	175	326	246	271	201
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	175	326	246	271	201
Total cash used to acquire assets	175	326	246	271	201

(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 2020–21)

	Land \$'000	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2020					
Gross book value	190	549	607	833	2,179
Accumulated depreciation/amortisation and impairment	-	(28)	(252)	(796)	(1,076)
Opening net book balance	190	521	355	37	1,103
CAPITAL ASSET ADDITIONS					
Estimated expenditure on new or replacement assets					
By purchase – appropriation equity ^(a)	-	50	116	160	326
Total additions	-	50	116	160	326
Other movements					
Depreciation/ amortisation expense	-	(15)	(98)	(53)	(166)
Total other movements	-	(15)	(98)	(53)	(166)
As at 30 June 2021					
Gross book value	190	599	723	993	2,505
Accumulated depreciation/ amortisation and impairment	-	(43)	(350)	(849)	(1,242)
Closing net book balance	190	556	373	144	1,263

(a) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2020–21 for depreciation / amortisation expenses, DCBs or other operational expenses.

Prepared on Australian Accounting Standards basis.

DIRECTOR OF NATIONAL PARKS

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DIRECTOR OF NATIONAL PARKS

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

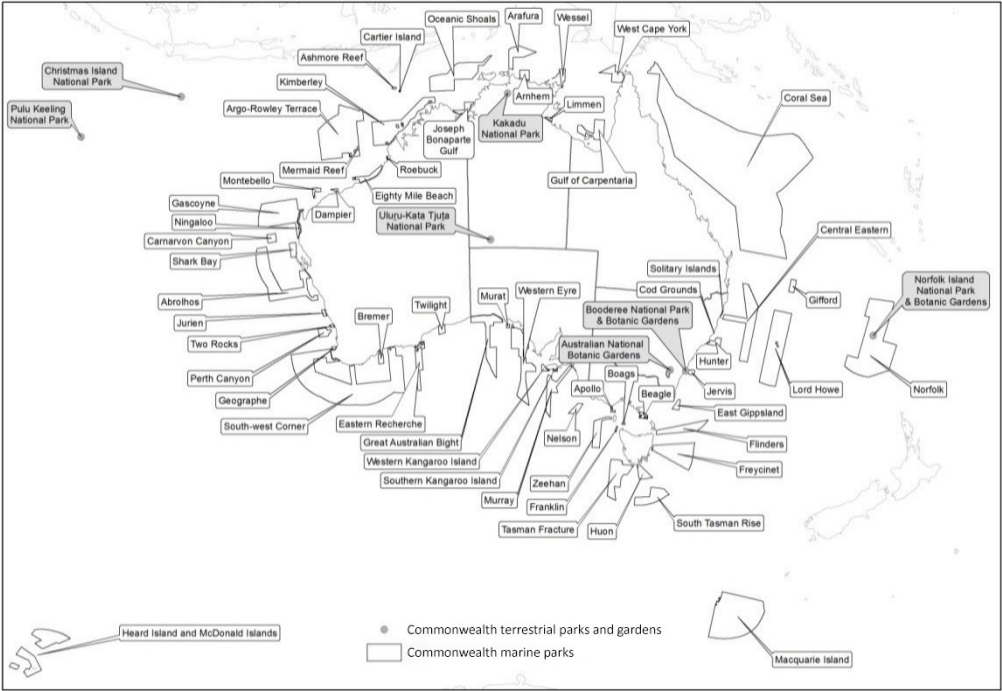
The Director of National Parks (DNP) is a Corporate Commonwealth Entity, operating under the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act) to administer and manage Commonwealth reserves (national parks, botanic gardens, marine and terrestrial reserves). These reserves include:

- Booderee, Kakadu and Uluru-Kata Tjuta National Parks, which are each jointly managed with their Aboriginal Traditional Owners. Kakadu and Uluru-Kata Tjuta National Parks are World Heritage listed.
- National parks in the Australian territories of Norfolk, Christmas and Cocos (Keeling) Islands.
- The Australian National Botanic Gardens, which is a major national institution for the study of Australian plants.
- The 58 marine parks managed by DNP in the South East, South West, North West, North and Temperate East marine regions and the Coral Sea. The Director of National Parks has delegated responsibilities under the EPBC Act in respect of the Heard Island and McDonald Islands Reserve to the Australian Antarctic Division.

The DNPs' purpose is to protect, conserve and enhance the values of Commonwealth parks and gardens for the use and wellbeing of all Australians.

To deliver these priorities within the Government's fiscal strategy, the DNP will continue to look to diversify and increase external revenue and partnerships, seek further improvements in the efficient use of our resources and continue to invest in the skills and capabilities of our staff.

Diagram 1: Location of Commonwealth Parks and Gardens



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 (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome' table in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: Director of National Parks – Resource Statement –Budget Estimates for 2020–21 as at October 2020

	2019–20 <i>Estimated actual \$'000</i>	2020–21 Estimate \$'000
Opening balance/cash reserves at 1 July	58,500	44,773
Funds from Government		
Annual appropriations – other services^(a)		
Equity injection – transferred by portfolio department	355	25,408
Total departmental annual appropriations	355	25,408
Amounts received from related entities		
Amounts from portfolio department ^(b)	45,572	57,063
Amounts from portfolio department – <i>Assistance for Severely Affected Regions</i> (Coronavirus Economic Response Package) Act 2020	4,589	7,370
Total amounts received from related entities	50,161	64,433
Total funds from Government	50,516	89,841
Funds from other sources		
Interest	1,297	1,234
Sale of goods and services	17,161	17,429
Other	4,498	322
Total funds from other sources	22,956	18,985
Total net resourcing for DNP	131,972	153,599
	2019–20	2020–21
Average staffing level (number)	327	327

(a) *Supply Act (No. 1)* and Appropriation Bill (No. 1) 2020–21. DNP is not directly appropriated as it is a corporate Commonwealth entity under the PGPA Act. Appropriations are made to DAWE and are then paid to DNP and are considered departmental for all purposes.

(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 the 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 Director of National Parks are detailed in *Budget Paper No. 2: Budget Measures 2020–21* and are summarised below.

Table 1.2: Director of National Parks – 2020–21 Budget measures – Measures announced after the Economic and Fiscal Update July 2020

	Program	2020–21 \$'000	2021–22 \$'000	2022–23 \$'000	2023–24 \$'000
Payment measures					
<u>Supporting Healthy Oceans</u>					
Expanding and enhancing management of Australia's Marine Parks	1.1	-	-	-	-
Administered payment		-	-	-	-
Departmental payment		5,144	7,603	7,737	7,840
Total		5,144	7,603	7,737	7,840
Tackling Ghost Nets in the Gulf of Carpentaria	1.1	-	-	-	-
Administered payment		-	-	-	-
Departmental payment		833	3,762	4,795	5,454
Total		833	3,762	4,795	5,454
Total payment measures					
Administered		-	-	-	-
Departmental		5,977	11,365	12,532	13,294
Total		5,977	11,365	12,532	13,294

Prepared on a Government Finance Statistics (Underlying Cash) basis

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 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 a complete picture of an entity's planned and actual performance.

The most recent corporate plan for Director of National Parks can be found at: <http://www.environment.gov.au/resource/corporate-plan-2020-21-director-national-parks>.

The most recent annual performance statement can be found at: <https://www.environment.gov.au/resource/annual-report-2018-19-director-national-parks>.

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Management of Commonwealth reserves as outstanding natural places that enhance Australia's well-being through the protection and conservation of their natural and cultural values, supporting the aspirations of Aboriginal and Torres Strait Islander people in managing their traditional land and sea country, and offering world class natural and cultural visitor experiences.

2.1.1: Linked programs

Department of the Agriculture, Water and the Environment
Program 1.1: Sustainable Management of Natural Resources and the Environment Program 1.2: Environmental Information and Research Program 1.4: Conservation of Australia's Heritage and Environment
Contribution to Outcome 1 made by linked programs The DNP and Department of Agriculture, Water and the Environment (DAWE) work together in setting policy directions for science, heritage and species management in Commonwealth managed parks and gardens. The DNP works with DAWE to transition Jabiru township from a mining to a tourism-based economy.
Great Barrier Reef Marine Park Authority
Program 1.1: Improving the Outlook for the Great Barrier Reef
Contribution to Outcome 1 made by linked programs The Coral Sea Marine Park managed by the DNP adjoins the Great Barrier Reef Marine Park and provides complementary protection for ecosystems and biodiversity in the region.
Department of Infrastructure, Transport, Regional Development and Communications
Program 1.1: Infrastructure Investment
Contribution to Outcome 1 made by linked programs The DNP is working with the Department of Infrastructure, Transport, Regional Development and Communications to secure the future of Jabiru by supporting the township's transition from a reliance on mining to a tourism-based economy that leverages its proximity to the Kakadu National Park. Funding of \$70 million for roads within Kakadu National Park under the Infrastructure Investment Program will complement an investment of more than \$100 million by the Australian Government to improve tourism infrastructure across the park and to bolster the local economy and support Indigenous businesses and employment.

2.2.1: 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 2.1: Budgeted expenses for Outcome 1

Outcome 1: Management of Commonwealth reserves as outstanding natural places that enhance Australia's well-being through the protection and conservation of their natural and cultural values, supporting the aspirations of Aboriginal and Torres Strait Islander people in managing their traditional land and sea country, and offering world class natural and cultural visitor experiences.

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
Program 1.1: Parks and Reserves					
<u>Revenue from Government</u>					
Payment from related entities	40,983	49,693	63,021	63,833	56,813
Payment from related entities – <i>Assistance for Severely Affected Regions</i> (Coronavirus Economic Response Package) Act 2020	4,589	7,370	-	-	-
Expenses not requiring appropriation in the budget year ^(a)	20,898	12,937	6,090	5,790	5,790
Revenues from other independent sources	33,834	30,710	30,397	28,813	27,247
Total expenses for program 1.1	100,304	100,710	99,508	98,436	89,850
Outcome 1 totals by resource type					
<u>Revenue from Government</u>					
Payment from related entities	40,983	49,693	63,021	63,833	56,813
Special appropriations	4,589	7,370	-	-	-
Expenses not requiring appropriation in the budget year ^(a)	20,898	12,937	6,090	5,790	5,790
Revenues from other independent sources	33,834	30,710	30,397	28,813	27,247
Total expenses for program 1.1	100,304	100,710	99,508	98,436	89,850
	2019–20	2020–21			
Average staffing level (number)	327	327			

(a) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, make good expense and audit fees and expenses funded in the prior year.

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

Prepared on Australian Accounting Standards basis.

2.3.1: Performance criteria for Outcome 1

Table 2.3.1 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2020–21 Budget measures have created new programs or materially changed existing programs.

Outcome 1: Management of Commonwealth reserves as outstanding natural places that enhance Australia’s well-being through the protection and conservation of their natural and cultural values, supporting the aspirations of Aboriginal and Torres Strait Islander people in managing their traditional land and sea country, and offering world class natural and cultural visitor experiences.		
Program 1.1: Parks and Reserves		
Objective	Healthy and resilient parks, gardens and marine reserves, protecting nature and culture and valued by the community now and into the future.	
Delivery	With traditional owners and stakeholders, develop and implement management plans for Commonwealth reserves.	
Performance information		
Year	Performance criteria	2019–20 Actual Achievement/Targets
2019–20	Populations of threatened and significant species are increasing.	Increase in populations of prioritised threatened and significant species. Not achieved
	Populations of priority invasive species are reduced.	Decrease in size of populations of prioritised invasive species. Achieved
	Increase in numbers of Indigenous staff and/or contractors directly or indirectly providing park services.	Increase in numbers of Indigenous staff. Not achieved Increase in value of services provided by Indigenous providers. Achieved
	Maintain or improve the level of visitor satisfaction and number of visitors.	Maintain or improve levels of visitor satisfaction. Achieved 5 per cent increase in visitor numbers. Not achieved

Continued on following pages

Contributions to Outcome 1 (continued)

Performance information		
Year	Performance criteria	2019–20 Actual Achievement/Targets
2019–20 (continued)	Enhance level of active management of Australian Marine Parks and engagement of users and stakeholders.	1. Number of management plans for Australian Marine Parks in effect. 2. Number of advisory committee meetings. Achieved
	Increase the knowledge base for long term adaptive management of the Australian Marine Parks.	Increase in the number of marine reserves long-term monitoring sites. Achieved
Purposes	<ul style="list-style-type: none"> Resilient places and ecosystems: to protect and conserve the natural and cultural values of Commonwealth reserves. Multiple benefits to traditional owners and local communities: to support the aspirations of traditional owners and local communities in managing land and sea country. Amazing destinations: to offer world class natural and cultural experiences, enhancing Australia's visitor economy. 	
2020–21	Sustainable use and enjoyment of Commonwealth parks and gardens by the Australian and international community.	Number of visitors is within 10 per cent of target total visitor numbers.
		Maintain or improve visitor satisfaction.
		Maintain or increase number of virtual visitors.
		95 per cent authorisations processed within target timeframe.
		100 per cent of non-compliance reports have an initial assessment within target timeframe
		Maintain or increase the economic contribution made to local economies.
		Maintain or increase the financial benefit to Traditional Owners through lease arrangements and other avenues in jointly managed parks.

Continued on following page

Contributions to Outcome 1 (continued)

Performance information		
Year	Performance criteria	2019–20 Actual Achievement/Targets
2020–21 (continued)		Maintain or increase number of peer reviewed publications resulting from research in Commonwealth parks.
	Opportunities and threats to natural and cultural values are effectively managed for all Australians.	Maintain or improve the condition of priority natural values in Commonwealth parks and gardens.
		Maintain or improve the condition of priority cultural values in Commonwealth parks.
		Review and define priority natural and cultural values for all Commonwealth parks and gardens by 2023.
	Partnerships with Traditional Owners and/or other stakeholders enhance the management of Commonwealth parks and gardens for all Australians.	Maintain or improve key stakeholder and partner satisfaction.
		Resources delivered through partnerships meet or exceed target level.
		Maintain or increase the number of people who identify as members of the local or Indigenous community who are employed directly or indirectly.
2021–22 and beyond	As per 2020–21.	As per 2020–21.
Purposes	Revised Purpose for 2020–21 and beyond: Protect, conserve and enhance the values of Commonwealth parks and gardens for the use and well-being of all Australians.	

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for 2020–21, including the impact of 2020–21 Budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for 2020–21, including the impact of 2020–21 Budget measures and resourcing on financial statements.

3.1.1: Differences between entity resourcing and financial statements

The estimated operating deficit for DNP has increased as a result of unexpected repairs, environmental factors and additional depreciation. Additional measures have provided support against the loss of revenue due to COVID-19 through the National Park commercial tour operator licence and permit fee waiver (\$772,000 over two years from 2019–20) and the temporary waiver of entry fees to Commonwealth-operated National Parks (\$11.2 million over two years from 2020–21) measures.

3.2.1: Explanatory notes and analysis of budgeted financial statements

The Agency Resource Statement (Table 1.1) is prepared on a cash basis and provides a consolidated view of all the cash resources available to DNP in 2020–21. For departmental items this includes equity injections and appropriation receivable that is yet to be drawn down to cover payables and provisions on the Departmental Balance Sheet (Table 3.2). The Comprehensive Income Statement (Table 3.1) shows only the operating appropriation provided each year and own source revenue generated by the agency.

The approved operating loss for DNP is attributed to the depreciation of the entity's asset base.

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
EXPENSES					
Employee benefits	40,173	40,101	39,498	39,058	40,316
Suppliers	43,299	45,021	44,416	43,778	33,934
Depreciation and amortisation	14,867	14,686	14,686	14,686	14,686
Losses from asset sales	16	-	-	-	-
Other expenses	1,949	902	908	914	914
Total expenses	100,304	100,710	99,508	98,436	89,850
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sales of goods and rendering of services	22,732	17,429	24,471	22,587	21,006
Interest	1,079	1,234	1,234	1,534	1,534
Other	10,023	12,047	4,692	4,692	4,707
Total own-source revenue	33,834	30,710	30,397	28,813	27,247
Net cost of (contribution by) services	66,470	70,000	69,111	69,623	62,603
Revenue from Government	45,572	57,063	63,021	63,833	56,813
Total revenue from Government	45,572	57,063	63,021	63,833	56,813
Surplus/(deficit) attributable to the Australian Government	(20,898)	(12,937)	(6,090)	(5,790)	(5,790)
Total other comprehensive income	(20,898)	(12,937)	(6,090)	(5,790)	(5,790)
Total comprehensive income/(loss) attributable to the Australian Government	(20,898)	(12,937)	(6,090)	(5,790)	(5,790)
Note: Impact of net cash appropriation arrangements					
	2019–20 \$'000	2020–21 \$'000	2021–22 \$'000	2022–23 \$'000	2023–24 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations, depreciation on ROU, principal repayments on leased assets	(20,293)	(12,606)	(5,758)	(5,455)	(5,455)
less depreciation/amortisation expenses for ROU ^(a)	605	511	513	516	516
add principal repayments on leased assets ^(a)	-	180	181	181	181
Total comprehensive income/(loss) – as per the Statement of comprehensive income	(20,898)	(12,937)	(6,090)	(5,790)	(5,790)

(a) Applies to leases under AASB 16 Leases. Right of Use (ROU).

Prepared on Australian Accounting Standards basis.

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	18,001	18,001	18,001	18,001	18,001
Trade and other receivables	2,391	2,391	2,391	2,391	2,391
Other investments	31,263	26,772	26,472	26,472	26,472
Other financial assets	26	26	26	26	26
Total financial assets	51,681	47,190	46,890	46,890	46,890
Non-financial assets					
Land and buildings	106,332	105,851	105,717	105,584	105,068
Property, plant and equipment	148,243	165,880	286,663	337,941	332,486
Intangibles	3,539	3,539	3,539	3,539	3,539
Other non-financial assets	461	461	461	461	461
Total non-financial assets	258,575	275,731	396,380	447,525	441,554
Total assets	310,256	322,921	443,270	494,415	488,444
LIABILITIES					
Payables					
Supplier payables	4,720	4,720	4,720	4,720	4,720
Other payables	9,895	9,895	9,895	9,895	9,895
Total payables	14,615	14,615	14,615	14,615	14,615
Interest bearing liabilities					
Leases	39,247	39,441	39,639	39,841	39,660
Total interest bearing liabilities	39,247	39,441	39,639	39,841	39,660
Provisions					
Employee provisions	11,423	11,423	11,423	11,423	11,423
Total provisions	11,423	11,423	11,423	11,423	11,423
Total liabilities	65,285	65,479	65,677	65,879	65,698
Net assets	244,971	257,442	377,593	428,536	422,746
EQUITY*					
Parent entity interest					
Contributed equity	37,976	63,384	189,625	246,358	246,358
Reserves	196,412	196,412	196,412	196,412	196,412
Retained surplus (accumulated deficit)	10,583	(2,354)	(8,444)	(14,234)	(20,024)
Total parent entity interest	244,971	257,442	377,593	428,536	422,746
Total Equity	244,971	257,442	377,593	428,536	422,746

*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 2020–21)**

	Retained earnings	Asset revaluation reserve	Contribution equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2020				
Balance carried forward from previous period	10,583	196,412	37,976	244,971
Adjusted opening balance	10,583	196,412	37,976	244,971
Comprehensive income				
Surplus (deficit) for the period	(12,937)	-	-	(12,937)
Total comprehensive income	(12,937)	-	-	(12,937)
Transactions with owners				
Distributions to owners				
Distribution of equity	-	-	25,408	25,408
Sub-total transactions with owners	-	-	25,408	25,408
Estimated closing balance as at 30 June 2021	(2,354)	196,412	63,384	257,442
Closing balance attributable to the Australian Government	(2,354)	196,412	63,384	257,442

Prepared on Australian Accounting Standards basis.

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Sales of goods and rendering of services	28,544	17,429	24,471	22,587	21,006
Interest	1,297	1,234	1,234	1,534	1,534
Receipts from Government	50,161	64,433	63,021	63,833	56,813
Other	4,498	322	337	337	352
Total cash received	84,500	83,418	89,063	88,291	79,705
Cash used					
Employees	38,243	40,101	39,498	39,058	40,316
Suppliers	43,376	40,666	40,061	39,423	29,579
Borrowing costs	781	902	908	914	914
Other	214	-	-	-	-
Total cash used	82,614	81,669	80,467	79,395	70,809
Net cash from (used by) operating activities	1,886	1,749	8,596	8,896	8,896
INVESTING ACTIVITIES					
Cash received					
Disposal of investments	15,950	4,491	300	-	-
Total cash received	15,950	4,491	300	-	-
Cash used					
Purchase of property, plant and equipment and intangibles	11,477	31,468	134,956	65,448	8,715
Total cash used	11,477	31,468	134,956	65,448	8,715
Net cash from (used by) investing activities	4,473	(26,977)	(134,656)	(65,448)	(8,715)
FINANCING ACTIVITIES					
Cash received					
Equity injection – transferred by Portfolio Department	355	25,408	126,241	56,733	-
Total cash received	355	25,408	126,241	56,733	-
Cash used					
Lease liability – principal payments	-	180	181	181	181
Total cash used	-	180	181	181	181
Net cash from (used by) financing activities	355	25,228	126,060	56,552	(181)
Net increase (decrease) in cash held	6,714	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	11,287	18,001	18,001	18,001	18,001
Cash and cash equivalents at the end of the reporting period	18,001	18,001	18,001	18,001	18,001

Prepared on Australian Accounting Standards basis.

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Equity injection – transferred by Portfolio Department	355	25,408	126,241	56,733	-
Total new capital appropriations	355	25,408	126,241	56,733	-
Provided for:					
Purchase of non-financial assets	355	25,408	126,241	56,733	-
Total items	355	25,408	126,241	56,733	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations ^(a)	355	25,408	126,241	56,733	-
Funded internally from departmental resources ^(b)	11,122	6,060	8,715	8,715	8,715
TOTAL	11,477	31,468	134,956	65,448	8,715
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	11,477	31,468	134,956	65,448	8,715
Total cash used to acquire assets	11,477	31,468	134,956	65,448	8,715

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

(b) Includes the following sources of funding:

- current Bill (No. 1) and prior year Act/Bill (No. 1/3/5) appropriations (excluding amounts from the DCBs);
- donations and gifts of non-financial assets;
- internally developed assets;
- proceeds from the sale of assets.

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 2020–21)

	Land	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2020					
Gross book value	13,105	63,011	178,897	5,620	260,633
Gross book value – ROU ^(a)	39,550	-	-	-	39,550
Accumulated depreciation/amortisation and impairment	-	(8,729)	(30,654)	(2,081)	(41,464)
Accumulated depreciation/amortisation and impairment – ROU ^(a)	(605)	-	-	-	(605)
Opening net book balance	52,050	54,282	148,243	3,539	258,114
CAPITAL ASSET ADDITIONS					
Estimated expenditure on new or replacement assets					
By purchase – appropriation equity ^(b)	-	2,500	28,968	-	31,468
By purchase – appropriation equity – ROU	374	-	-	-	374
Total additions	374	2,500	28,968	-	31,842
Other movements					
Depreciation/amortisation expense	-	(2,844)	(11,331)	-	(14,175)
Depreciation/amortisation expense – ROU ^(b)	(511)	-	-	-	(511)
Total other movements	(511)	(2,844)	(11,331)	-	(14,686)
As at 30 June 2021					
Gross book value	13,105	65,511	207,865	5,620	292,101
Gross book value – ROU ^(a)	39,924	-	-	-	39,924
Accumulated depreciation/amortisation and impairment	-	(11,573)	(41,985)	(2,081)	(55,639)
Accumulated depreciation/amortisation and impairment – ROU ^(a)	(1,116)	-	-	-	(1,116)
Closing net book balance	51,913	53,938	165,880	3,539	275,270

(a) Applies to leases under AASB 16 Leases. Right of Use (ROU).

(b) 'Appropriation ordinary annual services' refers to funding provided through *Supply Act (No. 1)* and Appropriation Bill (No. 1) 2020–21 for depreciation/amortisation expenses, DCBs or other operational expenses.

Prepared on Australian Accounting Standards basis.

FISHERIES
RESEARCH AND DEVELOPMENT CORPORATION

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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 land-based aquaculture facilities.

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 ensure best use of previous research, maximise leverage and reduce duplication. FRDC also contributes to the broader national strategic approach to fishing and aquaculture RD&E to build cohesion and establish common goals between sectors.

The FRDC leads investment in fisheries RD&E, partnering with organisations that have the necessary capabilities to undertake the varied and specialised activities. The focus for impact from FRDC activities, encompasses a number of end users, including those who participate in fishing and aquaculture and Australian seafood consumers. To this end, FRDC invests and facilitates extension of the research and development (R&D) that will lead to adoption and commercialisation.

In terms of its internal operations, FRDC is a quality-certified organisation (AS/NZS ISO 9001:2015) working to ensure continuous improvement. The RD&E investment activities are underpinned by a quality management system including mechanisms for reviewing performance and implementing changes.

The new FRDC 2020–25 R&D Plan is pursuing outcomes in five key strategic areas, with a strong focus on capacity building, culture, relationships, shared principles and values. The proposed approach towards implementation allows for adaptive and creative approaches to problem solving in anticipation of the increasing uncertainty and volatility faced by Australia's fishing and aquaculture sectors. Further, the commercial sector will contribute to the National Farmers' Federation 2030 target of Agriculture being worth \$100 billion, which is supported by the Australian Government. This achievement will require more production value from less use of resources. To achieve this will require the commercial sector to embrace the principles of the circular economy, innovation and to drive productivity.

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 (that is, appropriations/cash available) basis, whilst the ‘Budgeted expenses by Outcome’ table in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: Fisheries Research and Development Corporation – Resource Statement – Budget Estimates for 2020–21 as at Budget October 2020

	2019–20 <i>Estimated actual</i> \$'000	2020–21 Estimate \$'000
Opening balance/cash reserves at 1 July	24,553	26,411
Funds from Government		
Amounts received from related entities		
Amounts from portfolio department ^(a)	500	-
Total amounts received from related entities	500	-
Special appropriations^(b)		
Primary industries Research and Development Act 1989, s. 30A(3) & s. 30B(9) – Fisheries R&D Corporation	22,084	22,878
Total special appropriations	22,084	22,878
Total funds from Government	22,584	22,878
Funds from industry sources		
Levies ^(c)	1,200	1,100
less amounts paid to the CRF	(1,200)	(1,100)
Industry contributions	8,425	8,073
Total funds from industry sources	8,425	8,073
Funds from other sources		
Interest	323	200
Other	3,855	2,719
Total funds from other sources	4,178	2,919
Total net resourcing for FRDC	59,740	60,281
	2019–20	2020–21
Average staffing level (number)	17	17

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

(b) FRDC's special appropriation is not directly appropriated as it is a corporate Commonwealth entity under the PGPA Act. Appropriations are made to DAWE 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 DAWE and transferred to the CRF. An equivalent amount of FRDC management levy is paid to FRDC by DAWE 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 2020–21* and are summarised below.

Table 1.2: Fisheries Research and Development Corporation – 2020–21 Budget measures – Measures announced after the Economic and Fiscal Update July 2020

FRDC does not have any 2020–21 Budget measures.

Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth 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 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 a complete picture of an entity's planned and actual performance.

While the FRDC reports against an annual framework, as an organisation that invests in science, the benefit of those investments endures over a longer time period.

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://frdc.com.au/en/about/corporate-documents/annual-operational-plan> and
<http://frdc.com.au/en/research/rde-planning-and-priorities>.

The most recent annual performance statement for the Fisheries Research and Development Corporation can be found at:

<http://frdc.com.au/en/about/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.

2.1.1: Linked programs

Department of Agriculture, Water and the Environment
Program 3.4: Fishing Industry
<p>Contribution to Outcome 1 made by linked program:</p> <p>The Fisheries Research Development Corporation works together with the Department of Agriculture, Water and the Environment to ensure fishing and aquaculture in Australia is sustainable, productive and profitable.</p>

2.2.1: 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 2.1: Budgeted expenses 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.					
	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
Program 1.1: Fisheries Research and Development Corporation					
<u>Revenue from Government</u>					
Payment from related entities	500	-	-	-	-
Special appropriations					
<i>Primary industries Research and Development Act 1989, s. 30A(3) & s. 30B(9) – Fisheries R&D Corporation</i>	23,277	22,847	23,166	25,187	26,436
Revenues from industry sources	7,533	8,062	7,256	7,512	7,772
Revenues from other independent sources	3,131	2,207	2,198	2,198	2,196
Total expenses for program 1.1	34,441	33,116	32,620	34,897	36,404
Outcome 1 totals by resource type					
<u>Revenue from Government</u>					
Payment from related entities	1,000	-	-	-	-
Special appropriations	23,277	22,847	23,166	25,187	26,436
Revenues from industry sources	7,533	8,062	7,256	7,512	7,772
Revenues from other independent sources	2,631	2,207	2,198	2,198	2,196
Total expenses for Outcome 1	34,441	33,116	32,620	34,897	36,404
	2019–20	2020–21			
Average staffing level (number)	17	17			

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

Prepared on Australian Accounting Standards basis.

2.3.1: Performance criteria for Outcome 1

Table 2.3.1 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2020–21 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	<p>Australian fishing and aquaculture products are sustainable and acknowledged to be so.</p> <p>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.</p>
Delivery	<p>Australian fishing and aquaculture products are sustainable and acknowledged to be so.</p> <p>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.</p>
Desired R&D Outcomes	<p>Growth for enduring prosperity.</p> <p>Enduring and balanced ecological, social and economic growth for the community benefit.</p>
	<p>Best practices and production systems.</p> <p>Diverse benefits from aquatic resources to be consistent with shared principles.</p>
	<p>A culture that is inclusive and forward thinking.</p> <p>A fishing and aquaculture community that is cooperative, diverse and well equipped to enable growth and adaptability in a complex and uncertain world.</p>
	<p>Fair and secure access to aquatic resources.</p> <p>Integrated management of Australia's aquatic resources, providing certainty and confidence.</p>
	<p>Community trust, respect and value.</p> <p>People feel good about using the products, services and experiences provided by fishing and aquaculture.</p>

Continued on following pages

Contributions to Outcome 1 (continued)

Performance information		
Year	Performance criteria	2019–20 Actual Achievement/Targets
2019–20	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.
	Demonstrate the benefits of RD&E investments by positive benefit cost analysis results.	Benefit analysis undertaken on one investment area.
	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.
	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.

Continued on following page

Contributions to Outcome 1 (continued)

Performance information		
Year	Performance criteria	2019–20 Actual Achievement/Targets
2019–20 (continued)	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.
	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.
2020–21 ^{Note}	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.
	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.
	Demonstrate the benefits of RD&E investments by positive benefit cost analysis results.	Benefit analysis undertaken on one investment area.
2021–22 and beyond	As per 2020–21.	As per 2020–2021.

Note: Performance criteria and targets were changed in 2020–21 for subsequent years following the approval of the FRDC Research, Development and Extension Plan 2020–25.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for 2020–21, including the impact of 2020–21 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 2020–21 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.

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
EXPENSES					
Employee benefits	3,037	3,119	3,244	3,374	3,509
Suppliers	1,512	1,322	1,390	1,462	1,682
Grants	28,937	27,572	26,830	28,860	30,110
Depreciation and amortisation	189	190	200	200	200
Depreciation Buildings	175	133	137	141	-
Finance costs	10	-	-	-	-
Fair value losses – investments	5	-	-	-	-
Other	576	780	819	860	903
Total expenses	34,441	33,116	32,620	34,897	36,404
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Interest	302	200	200	200	200
Contributions	8,425	8,073	7,264	7,518	7,779
Other	2,221	2,010	2,000	2,000	2,000
Total own-source revenue	10,948	10,283	9,464	9,718	9,979
Total own-source income	10,948	10,283	9,464	9,718	9,979
Net cost of (contribution by) services	23,493	22,833	23,156	25,179	26,425
Total funds from other sources					
Commonwealth contribution	22,084	22,878	23,191	25,207	26,462
Total revenue from Government	22,084	22,878	23,191	25,207	26,462
Surplus/(deficit) attributable to the Australian Government	(1,409)	45	35	28	37
Total comprehensive income/(loss) attributable to the Australian Government	(1,409)	45	35	28	37

Continued on following page

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

Note: Impact of net cash appropriation arrangements

	2019–20 \$'000	2020–21 \$'000	2021–22 \$'000	2022–23 \$'000	2023–24 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations, depreciation on ROU, principal repayments on leased assets	(1,396)	46	36	29	37
less depreciation/amortisation expenses for ROU ^(b)	175	133	137	141	-
add principal repayments on leased assets ^(b)	162	132	136	140	-
Total comprehensive income/(loss) – as per the Statement of comprehensive income	(1,409)	45	35	28	37

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

(b) Applies to leases under AASB 16 Leases. Right of USE (ROU).

Prepared on Australian Accounting Standards basis.

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	26,411	27,090	27,624	27,437	27,592
Trade and other receivables	2,306	1,597	1,044	1,194	1,026
Total financial assets	28,717	28,687	28,668	28,631	28,618
Non-financial assets					
Property, plant and equipment	964	978	978	984	974
Intangibles	601	661	721	781	841
Other	14	14	14	14	14
Total non-financial assets	1,579	1,653	1,713	1,779	1,829
Total assets	30,296	30,340	30,381	30,410	30,447
LIABILITIES					
Payables					
Suppliers	194	204	204	204	204
Projects	1,414	1,414	1,414	1,414	1,414
Total payables	1,608	1,618	1,618	1,618	1,618
Interest bearing liabilities					
Leases	848	849	850	851	851
Total interest bearing liabilities	848	849	850	851	851
Provisions					
Employee provisions	695	683	688	688	688
Total provisions	695	683	688	688	688
Total liabilities	3,151	3,150	3,156	3,157	3,157
Net assets	27,145	27,190	27,225	27,253	27,290
EQUITY*					
Parent entity interest					
Reserves	526	526	526	526	526
Retained earnings	26,619	26,664	26,699	26,727	26,764
Total parent entity interest	27,145	27,190	27,225	27,253	27,290
Total Equity	27,145	27,190	27,225	27,253	27,290

* 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 2020–21)**

	Retained earnings	Asset revaluation reserve	Total equity
	\$'000	\$'000	\$'000
Opening balance as at 1 July 2020			
Balance carried forward from previous period	26,619	526	27,145
Adjusted opening balance	26,619	526	27,145
Comprehensive income			
Surplus (deficit) for the period	45	-	45
Total comprehensive income	45	-	45
of which:			
Attributable to the Australian Government	45	-	45
Estimated closing balance as at 30 June 2021	26,664	526	27,190
Closing balance attributable to the Australian Government	26,664	526	27,190

Prepared on Australian Accounting Standards basis.

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Receipts from Australian Government	24,275	23,122	23,435	25,451	26,706
Other operating receipts	12,107	10,534	9,563	9,108	9,703
Interest	323	200	200	200	200
Net GST received	2,524	-	-	-	-
Total cash received	39,229	33,856	33,198	34,759	36,609
Cash used					
Employees	3,361	3,131	3,239	3,374	3,509
Suppliers	2,534	612	690	762	1,682
Projects	30,627	27,572	26,830	28,860	30,110
Lease liability – interest payments	10	-	-	-	-
Other operating payments	633	1,480	1,519	1,560	903
Total cash used	37,165	32,795	32,278	34,556	36,204
Net cash from (used by) operating activities	2,064	1,061	920	203	405
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	44	250	250	250	250
Total cash used	44	250	250	250	250
Net cash from/(used by) investing activities	(44)	(250)	(250)	(250)	(250)
FINANCING ACTIVITIES					
Cash used					
Lease liability – principal payments	162	132	136	140	-
Total cash used	162	132	136	140	-
Net cash from/(used by) financing activities	(162)	(132)	(136)	(140)	-
Net increase (decrease) in cash held	1,858	679	534	(187)	155
Cash and cash equivalents at the beginning of the reporting period	24,553	26,411	27,090	27,624	27,437
Cash and cash equivalents at the end of the reporting period	26,411	27,090	27,624	27,437	27,592

Prepared on Australian Accounting Standards basis.

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
PURCHASE OF NON-FINANCIAL ASSETS					
Funded internally from departmental resources ^(a)	44	250	250	250	250
TOTAL	44	250	250	250	250
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	44	250	250	250	250
Total cash used to acquire assets	44	250	250	250	250

(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 2020–21)

	Other property, plant and equipment \$'000	Intangibles \$'000	Total \$'000
As at 1 July 2020			
Gross book value	188	1,315	1,503
Gross book value – ROU ^(a)	1,010	-	1,010
Accumulated depreciation/amortisation and impairment	(60)	(714)	(774)
Accumulated depreciation/amortisation and impairment – ROU ^(a)	(175)	-	(175)
Opening net book balance	963	601	1,564
CAPITAL ASSET ADDITIONS			
Estimated expenditure on new or replacement assets			
By purchase – appropriation equity ^(b)	50	200	250
By purchase – appropriation equity – ROU ^(b)	133	-	133
Total additions	183	200	383
Other movements			
Depreciation/ amortisation expense	(50)	(140)	(190)
Depreciation/ amortisation expense – ROU ^(a)	(133)	-	(133)
Total other movements	(183)	(140)	(323)
As at 30 June 2021			
Gross book value	253	1,515	1,768
Gross book value – ROU ^(a)	1,143	-	1,143
Accumulated depreciation/ amortisation and impairment	(110)	(854)	(964)
Accumulated depreciation/ amortisation and impairment – ROU ^(a)	(308)	-	(308)
Closing net book balance	978	661	1,639

(a) Applies to leases under AASB 16 Leases. Right of Use (ROU).

(b) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2020–21 for depreciation / amortisation expenses, DCBs or other operational expenses.

Prepared on Australian Accounting Standards basis.

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GRAINS

RESEARCH AND DEVELOPMENT CORPORATION

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Grains Research and Development Corporation'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 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 1' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: Grains Research and Development Corporation – Resource Statement – Budget Estimates for 2020–21 as at Budget October 2020

	2019–20 <i>Estimated actual \$'000</i>	2020–21 Estimate \$'000
Opening balance/cash reserves at 1 July	199,848	165,225
Funds from Government		
Special appropriations^(a)		
<i>Primary Industries Research and Development Act 1989, s. 30(3) – Grains and Wheat R&D Corporation</i>	167,960	165,613
Total special appropriations	167,960	165,613
Total funds from Government	167,960	165,613
Funds from industry sources		
Levies ^(b)	95,767	116,017
<i>less amounts paid to the CRF</i>	(95,767)	(116,017)
Total funds from industry sources	-	-
Funds from other sources		
Interest	4,358	4,547
Royalties	4,946	4,500
Other	10,240	5,903
Total funds from other sources	19,544	14,950
Total net resourcing for GRDC	387,352	345,788
	2019–20	2020–21
Average staffing level (number)	79	79

Continued on following page

**Table 1.1: Grains Research and Development Corporation –
Resource Statement – Budget Estimates for 2020–21 as at Budget October 2020
(continued)**

- (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, Water and the Environment (DAWE) 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 DAWE and transferred to the CRF. An equivalent amount is paid to GRDC by DAWE under 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 2020–21* and are summarised below.

Table 1.2: Grains Research and Development Corporation – 2020–21 Budget measures – Measures announced after the Economic and Fiscal Update July 2020

GRDC does not have any 2020–21 Budget measures.

Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth 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 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 a complete picture of an entity's planned and actual performance.

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.

2.1.1: Linked programs

Department of Agriculture, Water and the Environment

Program 3.7: Grains Industry

Contribution to Outcome 1 made by linked program:

The Grains Research Development Corporation works together with the Department of Agriculture, Water and the Environment to ensure sustainable, productive and profitable grains industry.

2.2.1: 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 2.1: Budgeted expenses 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.

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
Program 1.1: Grains Research and Development Corporation					
Revenue from Government					
Special appropriations					
<i>Primary Industries Research and Development Act 1989, s. 30(3) – Grains and Wheat R&D Corporation</i>	59,362	60,851	61,900	66,680	67,050
Revenues from industry sources	95,767	116,017	115,781	115,540	116,279
Revenues from other independent sources	18,097	16,846	14,621	15,572	16,828
Expenses not requiring appropriation in the budget year ^(a)	46,760	30,217	17,400	2,851	1,945
Total expenses for program 1.1	219,986	223,931	209,702	200,643	202,102

Outcome 1 totals by resource type

Revenue from Government					
Special appropriations	59,362	60,851	61,900	66,680	67,050
Revenues from industry sources	95,767	116,017	115,781	115,540	116,279
Revenues from other independent sources	18,097	16,846	14,621	15,572	16,828
Expenses not requiring appropriation in the budget year ^(a)	46,760	30,217	17,400	2,851	1,945
Total expenses for Outcome 1	219,986	223,931	209,702	200,643	202,102

	2019–20	2020–21
Average staffing level (number)	79	79

(a) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, make good 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.

Prepared on Australian Accounting Standards basis.

2.3.1: Performance criteria for Outcome 1

Table 2.3.1 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2020–21 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	2019–20 Actual Achievement/Targets
2019–20	Average farm business rates of return.	<p>In 2019–20 Rates of Return (RoR) were 3.98 per cent.</p> <p>The result is lower than the five-year average RoR from 2014–2018, which is 4.24 per cent, but above the 10-year average RoR (2009–2018) of 3.69 per cent.</p> <p>Data source: ABARES Australian grains: financial performance of grain farms 2016–17 to 2018–19.</p>

Continued on following pages

Contributions to Outcome 1 (continued)

Performance information^(a)		
Year	Performance criteria	2019–20 Actual Achievement/Targets
2019–20 (continued)	Improvements in yield and yield stability.	<p>In 2019–20 the yield increase results* were:</p> <ul style="list-style-type: none"> • Cereals – 1.02 per cent increase in yield; • Oilseeds – 0.99 per cent increase in yield; and • Pulses – 0.87 per cent increase in yield. <p>Data source: ABARES yield values 2019–20.</p> <p>*Results are derived from the year on year percentage changes in the five-year average yields.</p>
	Yield stability.	<p>Over a five-year average (2015–16 to 2019–20) newer wheat varieties provided a 1.78 per cent yield gain per year relative to a set of varieties which were between three and 10 years old.</p> <p>Data source: 2019 National Variety Trials.</p> <p>Over a four-year period (2015–2018), 70 per cent of surveyed wheat, barley and canola crops had no discernible yield gap.</p> <p>Data source: Final Technical Report, GRDC National.</p>

Continued on following pages

Contributions to Outcome 1 (continued)

Performance information^(a)		
Year	Performance criteria	2019–20 Actual Achievement/Targets
2019–20 (continued)	Maintaining and improving price.	<p>Australian Export Grains Innovation Centre (AEGIC) have been collaborating with a Chinese university to undertake sensory analysis on new oat products. Oats are high in beta glucan which can provide consumers with cardiovascular health benefits. To date the investment has delivered several new oat products including oat rice and an oat milk drink.</p> <p>Other relevant investments that were current in 2019–20 include:</p> <ul style="list-style-type: none"> • An AEGIC study has found that red bran not only has a large impact on the colour of whole grain bread, it also imparts a bitter flavour. The white bran of Australian wheat does not have these issues, giving it a significant advantage in Asian countries. • Understanding the opportunities for Australian sorghum in domestic and export food markets. • Improving Australian malt barley flavour to address Chinese brewing requirements. • The malt market in Vietnam has seen substantial growth over the past five years. AEGIC has conducted choice analysis with various brewers and identified their preference for malt traits. • Study on increasing barley protein levels for the Asian brewing market. • Diagnostic development and surveillance for biosecurity threats to Australian grains, horticulture, cotton and forestry industries.

Contributions to Outcome 1 (continued)

Performance information^(a)		
Year	Performance criteria	2019–20 Actual Achievement/Targets
2019–20 (continued)	Optimising input costs.	<p>\$82.68 per hectare (2018–19) or a ratio of 0.130.</p> <p>Data source: ABARES Australian Agricultural and Grazing Industry Surveys.</p> <p>\$82.35 per hectare (2018–19) or a ratio 0.131.</p> <p>Data source: ABARES Australian Agricultural and Grazing Industry Surveys.</p>
2020–21	As per 2019–20.	As per 2019–20.
2021–22 and beyond	As per 2019–20.	As per 2019–20.

(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 2020–21, including the impact of 2020–21 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.

3.2.1: 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 2020–21, GRDC is budgeting for an operating deficit of \$30.2 million which will be funded from its own accumulated reserves. Industry contributions are expected to increase by \$20.3 million on the current year estimates and in line with long term trends. Australian Government contributions are expected to increase by \$1.5 million. Own source income is expected to hold steady with the slight increase in interest offset by a reduction in royalties and dividends. 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 \$2.3 million in 2020–21.

The budgeted net asset position for 2020–21 is \$187.3m million which is \$30.2 million less than the 2019–20 estimated actual. This decrease is due to the reduction in investments required to manage losses that were greater than budgeted 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)**

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
EXPENSES					
Employee benefits	13,687	14,259	14,682	15,118	15,567
Suppliers	199,164	202,462	187,984	178,523	179,078
Depreciation and amortisation	5,668	6,292	6,496	6,482	6,956
Borrowing costs	593	918	540	520	501
Write-down and impairment of assets	874	-	-	-	-
Total expenses	219,986	223,931	209,702	200,643	202,102
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Interest	4,358	4,547	3,435	2,614	2,407
Rental income	170	176	182	188	195
Royalties	4,946	4,500	6,484	6,549	6,756
Dividends	1,207	1,000	1,500	1,500	1,500
Other	7,416	6,623	3,020	4,721	5,970
Total own-source revenue	18,097	16,846	14,621	15,572	16,828
Total own-source income	18,097	16,846	14,621	15,572	16,828
Net cost of (contribution by) services	201,889	207,085	195,081	185,071	185,274
Revenue from Government ^(a)					
Commonwealth contributions	59,362	60,851	61,900	66,680	67,050
Industry contributions	95,767	116,017	115,781	115,540	116,279
Total revenue from Government	155,129	176,868	177,681	182,220	183,329
Surplus/(deficit) attributable to the Australian Government	(46,760)	(30,217)	(17,400)	(2,851)	(1,945)
Total comprehensive income (loss)	(46,760)	(30,217)	(17,400)	(2,851)	(1,945)
Total comprehensive income/(loss) attributable to the Australian Government	(46,760)	(30,217)	(17,400)	(2,851)	(1,945)

Continued on following page

Table 3.1: Comprehensive income statement (showing net cost of services) (for the period ended 30 June) (continued)**Note: Impact of net cash appropriation arrangements**

	2019–20 \$'000	2020–21 \$'000	2021–22 \$'000	2022–23 \$'000	2023–24 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations, depreciation on ROU, principal repayments on leased assets	(46,202)	(29,963)	(17,220)	(2,750)	(1,922)
less depreciation/amortisation expenses for ROU ^(b)	2,423	2,346	2,312	2,301	2,300
add principal repayments on leased assets ^(b)	1,865	2,092	2,132	2,200	2,277
Total comprehensive income/(loss) – as per the Statement of comprehensive income	(46,760)	(30,217)	(17,400)	(2,851)	(1,945)

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

(b) Applies to leases under AASB 16 Leases. Right of Use (ROU).

Prepared on Australian Accounting Standards basis.

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	13,636	5,601	7,571	8,732	12,516
Trade and other receivables	10,968	24,154	24,109	26,603	23,399
Investments	151,589	110,470	83,340	70,625	67,791
Other investments	65,052	69,652	81,542	86,142	85,742
Other financial assets	7,403	7,569	454	454	454
Total financial assets	248,648	217,446	197,016	192,556	189,902
Non-financial assets					
Land and buildings	16,770	14,614	12,492	10,380	8,270
Property, plant and equipment	2,179	2,185	1,271	799	1,069
Intangibles	10,762	12,065	12,605	12,887	12,851
Other non-financial assets	963	206	206	206	206
Total non-financial assets	30,674	29,070	26,574	24,272	22,396
Total assets	279,322	246,516	223,590	216,828	212,298
LIABILITIES					
Payables					
Suppliers	40,205	38,497	35,497	33,497	33,497
Other payables	1,892	1,858	1,358	1,358	(142)
Total payables	42,097	40,355	36,855	34,855	33,355
Interest bearing liabilities					
Leases	15,820	14,808	12,676	10,656	9,459
Total interest bearing liabilities	15,820	14,808	12,676	10,656	9,459
Provisions					
Employee provisions	3,352	3,517	3,623	3,732	3,844
Other provisions	542	542	542	542	542
Total provisions	3,894	4,059	4,165	4,274	4,386
Total liabilities	61,811	59,222	53,696	49,785	47,200
Net assets	217,511	187,294	169,894	167,043	165,098
EQUITY*					
Parent entity interest					
Reserves	113,956	104,056	98,556	98,556	98,556
Retained earnings	103,555	83,238	71,338	68,487	66,542
Total parent entity interest	217,511	187,294	169,894	167,043	165,098
Total Equity	217,511	187,294	169,894	167,043	165,098

* 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 2020–21)**

	Retained earnings	Asset revaluation reserve	Other reserves	Total equity
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2020				
Balance carried forward from previous period	103,555	12,206	101,750	217,511
Adjusted opening balance	103,555	12,206	101,750	217,511
Comprehensive income				
Surplus (deficit) for the period	(30,217)	-	-	(30,217)
Total comprehensive income	(30,217)	-	-	(30,217)
Transfers between equity				
Transfers between equity components	9,900	-	(9,900)	-
Estimated closing balance as at 30 June 2021	83,238	12,206	91,850	187,294
Closing balance attributable to the Australian Government	83,238	12,206	91,850	187,294

Prepared on Australian Accounting Standards basis.

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Industry contributions	95,767	119,687	109,333	115,986	116,275
Revenue from Government	72,193	49,596	61,799	62,618	70,265
Sale of goods and rendering of services	1,005	(3,431)	3,366	(1,704)	195
Interest	4,225	4,260	3,410	2,601	2,400
Dividends	1,207	1,000	1,500	3,000	1,500
Net GST received	18,907	18,245	18,798	17,852	17,908
Other	9,393	11,453	9,004	9,770	11,226
Total cash received	202,697	200,810	207,210	210,123	219,769
Cash used					
Employees	13,345	14,094	14,576	15,009	15,455
Suppliers	219,372	223,838	209,960	198,553	196,986
Borrowing costs	176	518	140	120	101
Other	-	(178)	(179)	(178)	-
Total cash used	232,893	238,272	224,497	213,504	212,542
Net cash from (used by) operating activities	(30,196)	(37,462)	(17,287)	(3,381)	7,227
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	3,000	-	-	-	-
Investments	95,001	45,000	30,000	15,000	15,000
Other	-	-	3,506	3,027	-
Total cash received	98,001	45,000	33,506	18,027	15,000
Cash used					
Purchase of property, plant and equipment	5,536	4,365	4,000	4,000	4,000
Investments	49,101	9,047	8,045	7,285	12,166
Other	-	69	72	-	-
Total cash used	54,637	13,481	12,117	11,285	16,166
Net cash from (used by) investing activities	43,364	31,519	21,389	6,742	(1,166)

Continued on following page

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
FINANCING ACTIVITIES					
Cash used					
Lease liability – principal payments	1,865	2,092	2,132	2,200	2,277
Total cash used	1,865	2,092	2,132	2,200	2,277
Net cash from/(used by) financing activities	(1,865)	(2,092)	(2,132)	(2,200)	(2,277)
Net increase (decrease) in cash held	11,303	(8,035)	1,970	1,161	3,784
Cash and cash equivalents at the beginning of the reporting period	2,333	13,636	5,601	7,571	8,732
Cash and cash equivalents at the end of the reporting period	13,636	5,601	7,571	8,732	12,516

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
PURCHASE OF NON-FINANCIAL ASSETS					
Funded internally from departmental resources ^(a)	4,875	4,365	4,000	4,000	4,000
TOTAL	4,875	4,365	4,000	4,000	4,000
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	4,875	4,365	4,000	4,000	4,000
Total cash used to acquire assets	4,875	4,365	4,000	4,000	4,000

(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 2020–21)

	Buildings	Other property, plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2020				
Gross book value	4,283	3,706	18,235	26,224
Gross book value – ROU ^(a)	16,748	937	-	17,685
Accumulated depreciation/amortisation and impairment	(2,366)	(1,936)	(7,473)	(11,775)
Accumulated depreciation/amortisation and impairment – ROU ^(a)	(1,895)	(528)	-	(2,423)
Opening net book balance	16,770	2,179	10,762	29,711
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase – appropriation equity ^(b)	-	-	4,365	4,365
By purchase – appropriation equity – ROU ^(a)	-	1,080	-	1,080
Total additions	-	1,080	4,365	5,445
Other movements				
Depreciation/amortisation expense	(230)	(654)	(3,062)	(3,946)
Depreciation/amortisation expense – ROU ^(a)	(1,926)	(420)	-	(2,346)
Total other movements	(2,156)	(1,074)	(3,062)	(6,292)
As at 30 June 2021				
Gross book value	4,283	3,706	22,600	30,589
Gross book value – ROU ^(a)	16,748	2,017	-	18,765
Accumulated depreciation/amortisation and impairment	(2,596)	(2,590)	(10,535)	(15,721)
Accumulated depreciation/amortisation and impairment – ROU ^(a)	(3,821)	(948)	-	(4,769)
Closing net book balance	14,614	2,185	12,065	28,864

(a) Applies to leases under AASB 16 Leases. Right of Use (ROU).

(b) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No.1) 2020–21 for depreciation / amortisation expenses, DCBs or other operational expenses.

Prepared on Australian Accounting Standards basis.

GREAT BARRIER REEF MARINE PARK AUTHORITY

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GREAT BARRIER REEF MARINE PARK AUTHORITY

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Great Barrier Reef Marine Park Authority (the Authority) is a world leader in marine park management, and for more than 40 years has acted to protect and conserve the Great Barrier Reef Marine Park (Marine Park) and World Heritage Area. The Great Barrier Reef (the Reef) is a vast and spectacular ecosystem and one of the most complex natural wonders on Earth. It is an iconic symbol of the nation and helps shape Australia's global reputation. The health of the Reef is critical to the Australian and Queensland economies, supporting 64,000 full-time jobs and contributing \$6.4 billion a year to the economy.

The COVID-19 pandemic has created significant, long-term challenges for Reef-dependent businesses, particularly tourism operators. The Authority is supporting those communities throughout the recovery process, and prioritising our work accordingly in consultation with the Authority's Board. The Authority has adapted rapidly and effectively to respond to COVID-19 impacts on our internal operations, as well as how we engage with Reef stakeholders.

The Authority continues to take a strategic approach to ensuring the long-term protection, ecologically sustainable use, understanding and enjoyment of the Great Barrier Reef for all Australians and the international community through the care and development of the Marine Park. The Authority was established under the *Great Barrier Reef Marine Park Act 1975* to fulfil this purpose.

The Authority protects the Reef from its key threats, the most concerning of which come from outside the Marine Park boundary. As identified in the Authority's 2019 Outlook Report, the most concerning threats to the Reef are the impacts of climate change, and land-based runoff from Reef catchments and coastal development. To address these challenges, the Authority will continue to oversee a range of Reef management programs and provide advice to decision makers on managing, reducing or avoiding significant threats to the Reef.

While action to address climate change remains critical, the Authority also recognises the need to intensify efforts and adopt new approaches to build the Reef's resilience to current and future disturbances, as well as support its ongoing recovery from previous disturbances. The Authority's Zoning Plan and established management practices are the foundation upon which new approaches can be tailored to promote recovery and resilience of the ecosystem. The Policy and Planning Strategic Roadmap has been developed to focus the Authority's efforts to deliver a proactive, contemporary and risk-based approach to Marine Park policy, planning and regulation that will protect key

values and enable ecologically sustainable use for a changed and changing Reef. The Authority will continue to implement our innovative and adaptive Blueprint for Resilience, which emphasises the need for collaborative, targeted actions that include:

- Building a resilience network.
- Delivering on-ground actions to enhance resilience.
- Empowering others to be part of the solution.

The Authority's management of the Marine Park is enhanced by its partnership with the Queensland Government through the award-winning Reef Joint Field Management Program. This Program is an essential part of managing the Marine Park through conservation actions, monitoring Reef health, responding to incidents, and enforcing the Zoning Plan. The Australian Government provided an additional \$42.7 million over six years from 2018–19 and an ongoing commitment of \$10.2 million (indexed) beyond that point to the Reef Joint Field Management Program, which will increase the presence and delivery of field activities essential for the Reef's resilience. This new funding has been matched by the Queensland Government. Later this year, the new patrol vessel, the *Reef Resilience*, will join our fleet of Field Management vessels, to expand our management capabilities. The Authority also partners with Parks Australia as the Coral Sea Commonwealth Marine Reserve adjoins the Marine Park and provides complementary environmental protection for the region.

The Authority works with Traditional Owners of the Reef to implement the Aboriginal and Torres Strait Islander Heritage Strategy to keep their Indigenous heritage strong, safe and healthy, and move towards a future where the enduring culture and connection of Reef Traditional Owners with their Sea Country is widely recognised. More broadly, the Authority continues to empower communities and industry to protect and conserve the Reef through activities that support recovery and resilience.

In 2015, the Australian and Queensland Governments released the Reef 2050 Long-Term Sustainability Plan (the Reef 2050 Plan). The Authority will continue to play a key role implementing the Reef 2050 Plan which sets an overarching framework for protection of the Reef's Outstanding Universal Value. The Reef 2050 Plan is the subject of a significant review in 2020, which will outline the strategic direction of the Australian and Queensland Government's management of the Reef.

The Authority engages with the international community in support of the protection of coral reefs world-wide. Australia, through the Authority, was one of eight countries that founded the International Coral Reef Initiative (ICRI) in 1994 – and has been an active member over the past 25 years. Australia is currently co-chairing the ICRI Secretariat with Monaco and Indonesia. ICRI also provides a united voice to raise awareness, and encourage action, to combat pressures on coral reefs that are occurring at a global scale.

The Authority remains optimistic that, by advancing multi-pronged solutions, including enhanced on-ground management, we can improve the resilience of this magnificent ecosystem.

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 1' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: Great Barrier Reef Marine Park Authority – Resource Statement – Budget Estimates for 2020–21 as at October 2020

	2019–20 <i>Estimated actual</i> \$'000	2020–21 Estimate \$'000
<u>Departmental</u>		
Annual appropriations – ordinary annual services^(a)		
Prior year appropriations available	34,603	41,371
Departmental appropriation	44,240	58,811
Section 74 external revenue ^(b)	20,175	13,539
Departmental capital budget ^(c)	756	751
Annual appropriations – other services – non-operating^{(d),(e)}		
Equity injection	8,385	13,858
Total departmental annual appropriations	108,159	128,330
<u>Special appropriation</u>		
Assistance for Severely Affected Regions (Coronavirus Economic Response Package) Act 2020	-	14,448
Great Barrier Reef Marine Park Act 1975	8,711	-
Total special appropriations^(f)	8,711	14,448
<u>Special accounts^(f)</u>		
Opening balance	34,283	31,969
Appropriation receipts ^(g)	12,740	16,576
Non-appropriation receipts	15,486	18,415
Total special accounts	62,509	66,960
<i>less departmental appropriations drawn from annual/ special appropriations and credited to special accounts</i>	<i>12,740</i>	<i>16,576</i>
Total departmental appropriations	166,639	193,162
Total resourcing for GBRMPA	166,639	193,162
	2019–20	2020–21
Average staffing level (number)	224	238

(a) *Supply Act (No. 1)* Appropriation Bill (No. 1) 2020–2021.

(b) Estimated external revenue receipts under section 74 of the PGPA Act.

(c) Departmental capital budgets are not separately identified in *Supply Act (No. 1)* and Appropriation Bill (No. 1) and form part of ordinary annual services items. Please refer to Table 3.7 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.

(d) Amounts credited to the Authority as special appropriation under Section 65(a) of the *Great Barrier Reef Marine Park Act 1975*.

(e) *Supply Act (No. 2)* and Appropriation Bill (No. 2) 2020–21.

(f) Excludes trust moneys held in Services for Other Entities and Trust Moneys (SOETM) and other special accounts. For further information on 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.

(g) Amounts credited to the special account(s) from the Authority's annual and special 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 Great Barrier Reef Marine Park Authority are detailed in *Budget Paper No. 2: Budget Measures 2020–21* and are summarised below.

Table 1.2: Great Barrier Reef Marine Park Authority – 2020–21 Budget measures – Measures announced after the Economic and Fiscal Update July 2020

	Program	2020–21 \$'000	2021–22 \$'000	2022–23 \$'000	2023–24 \$'000
Payment measures					
<u>COVID-19 Response Package – Relief and Recovery Fund – additional projects</u>					
Great Barrier Reef Tourism Industry					
Activation and Reef Protection	1.1				
Administered payment		-	-	-	-
Departmental payment		3,200	-	-	-
Total		3,200	-	-	-
<u>COVID-19 Response Package – supporting the Great Barrier Reef tourism industry</u>					
Environmental Management Charge	1.1				
Administered payment		-	-	-	-
Departmental payment		3,211	2,820	-	-
Total		3,211	2,820	-	-
Reef Headquarters Aquarium	1.1				
Administered payment		-	-	-	-
Departmental payment		243	1,057	1,040	-
Total		243	1,057	1,040	-
Total payment measures					
Administered		-	-	-	-
Departmental		11,659	3,877	1,040	-
Total		11,659	3,877	1,040	-
Payment measures (Capital)					
<u>COVID-19 Response Package – Relief and Recovery Fund – additional projects</u>					
Capital Works Funding for the Reef					
Headquarters	1.1				
Administered payment		-	-	-	-
Departmental payment		5,005	-	-	-
Total		5,005	-	-	-
<u>COVID-19 Response Package – supporting the Great Barrier Reef tourism industry</u>					
Reef Headquarters Aquarium	1.1				
Administered capital		-	-	-	-
Departmental capital		-	993	2,260	-
Total		-	993	2,260	-
Total payment measures (Capital)					
Administered		-	-	-	-
Departmental		5,005	993	2,260	-
Total		5,005	993	2,260	-

Prepared on a Government Finance Statistics (Underlying Cash) basis

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 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 a complete picture of an entity's planned and actual performance.

The most recent corporate plan for the Great Barrier Reef Marine Park Authority can be found at: <http://www.gbrmpa.gov.au/about-us/corporate-plan>.

The most recent annual performance statement can be found at: <http://www.gbrmpa.gov.au/about-us/annual-report>.

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: The long-term protection, ecologically sustainable use, understanding and enjoyment of the Great Barrier Reef for all Australians and the international community, through the care and development of the Marine Park.

2.1.1: Linked programs

Australian Institute of Marine Science
Program 1: Marine Research
Contribution to Outcome 1 made by linked programs The Great Barrier Reef Marine Park Authority (GBRMPA) and the Australian Institute of Marine Science work together on implementation of the Reef 2050 Plan to protect and conserve the Great Barrier Reef.
Clean Energy Finance Corporation
Program 1.1: Clean Energy Finance Corporation
Contribution to Outcome 1 made by linked programs The Clean Energy Finance Corporation is making available up to \$1 billion of investment finance over 10 years for the Reef Funding Program. This program will deliver financial investment in clean energy projects delivered in the Great Barrier Reef catchment region. In targeting the financing of clean energy projects and businesses in the region, the Reef Funding Program supports delivery of the Australian and Queensland Governments' Reef 2050 Plan.
Department of Agriculture, Water and the Environment
Program 1.1: Sustainable Management of Natural Resources and the Environment Program 1.4: Conservation of Australia's Heritage and Environment Program 1.5: Environmental Regulation
Contribution to Outcome 1 made by linked programs The Department of Agriculture, Water and the Environment (DAWE) and GBRMPA work together on heritage management, environment health, species conservation and fisheries management as well as joint implementation of the Reef 2050 Plan to protect and conserve the Great Barrier Reef. Climate Change is the most significant threat to the Great Barrier Reef. DAWE is responsible for policy to support an effective global response to climate change and for adapting to climate change.

2.1.1: Linked programs (continued)

Director of National Parks
Program 1.1: Parks and Reserves: healthy and resilient parks, gardens and marine reserves, protecting nature and culture and valued by the community now and into the future
Contribution to Outcome 1 made by linked programs The Coral Sea Commonwealth Marine Reserve managed by the Director of National Parks adjoins the Great Barrier Reef Marine Park and provides complementary protection for ecosystems and biodiversity in the region.

2.2.1: 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 2.1: Budgeted expenses for Outcome 1

Outcome 1: The long-term protection, ecologically sustainable use, understanding and enjoyment of the Great Barrier Reef for all Australians and the international community, through the care and development of the Marine Park.

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
Program 1.1: Great Barrier Reef Marine Park Authority					
Departmental expenses					
Departmental appropriation	29,513	30,458	27,886	22,751	22,047
Section 74 external revenue ^(a)	15,007	15,486	10,557	8,753	6,506
Special appropriations					
<i>Assistance for Severely Affected Regions</i> (Coronavirus Economic Response Package) Act 2020	-	14,448		-	-
<i>Great Barrier Reef Marine Park Act 1975</i>	8,711	-	8,180	11,000	11,000
Special accounts					
Great Barrier Reef Field Management Special Account	24,881	33,044	38,757	38,319	38,319
Expenses not requiring appropriation in the Budget year ^(b)	1,170	1,917	1,933	1,951	1,951
Total expenses for program 1.1	79,282	95,353	87,313	82,774	79,823
Outcome 1 totals by resource type					
Departmental expenses					
Departmental appropriation	29,513	30,458	27,886	22,751	22,047
Section 74 external revenue ^(a)	15,007	15,486	10,557	8,753	6,506
Special appropriations	8,711	14,448	8,180	11,000	11,000
Special accounts	24,881	33,044	38,757	38,319	38,319
Expenses not requiring appropriation in the Budget year ^(b)	1,170	1,917	1,933	1,951	1,951
Total expenses for Outcome 1	79,282	95,353	87,313	82,774	79,823
	2019–20	2020–21			
Average staffing level (number)	224	238			

(a) Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act.

(b) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, lease expenses, make good expense 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.

Prepared on Australian Accounting Standards basis.

2.3.1: Performance criteria for Outcome 1

Table 2.3.1 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2020–21 Budget measures have created new programs or materially changed existing programs.

Outcome 1: The long-term protection, ecologically sustainable use, understanding and enjoyment of the Great Barrier Reef for all Australians and the international community through the care and development of the Marine Park.		
Program 1.1: Great Barrier Reef Marine Park Authority		
Objective	Protects and manages the environment, biodiversity, and heritage values of the Great Barrier Reef Region, and ensures the ecologically sustainable use and benefits of the Great Barrier Reef Marine Park for current and future generations.	
Delivery	Program 1.1 will be delivered by: <ul style="list-style-type: none">Enhancing Reef resilience by providing expert knowledge to advise key decision makers on managing, reducing or avoiding significant threats to the Reef.Enhancing Reef resilience through innovation, management and regulation of the Marine Park and our in-field presence.Enhancing Reef resilience through partnerships, collaboration and education.Supporting a high-performing organisation.	
Performance information		
Year	Performance criteria	2019–20 Actual Achievement/Targets
2019–20	The Authority is the authoritative voice on the Reef; its positions on values and threats to the Reef shape its priorities and investment and that of its key stakeholders. On track	Key stakeholders policies, positions and priorities are influenced by the Authority's strategic advice and position statements for key issues, values and threats. In progress. The Reef Knowledge System framework delivers improved access to data to support Reporting, Incident Response and Reef 2050 planning and adaptive management of the Great Barrier Reef. In progress.

Contributions to Outcome 1 (continued)

Performance information		
Year	Performance criteria	2019–20 Actual Achievement/Targets
2019–20 (continued)		Reef Outlook report is delivered by June 2019 and recognised as the authoritative source on the state of the Reef and utilised by key partners, stakeholders, and international bodies and internal and Reef 2050 programs and activities. Achieved.
	Planning, permissions and compliance activities enable use of the Marine Park that is ecologically sustainable. On track	A risk based approach for regulation of Marine Park activities is developed. Achieved.
		Permissions facilitate sustainable use in the Marine Park. Achieved.
		Reduced non-compliance of Marine Park users. Not achieved.
	The Authority, its partners, and the public improve stewardship of the Reef through their commitment to, and adoption of, sustainable behaviours and best practices relevant to the Reef. On track	Reef HQ exhibitions, public and community education activities improve awareness, attitudes and aspirations. Achieved.
		Stewardship partnerships, networks and programs deliver outcomes informed by and consistent with the Authority's positions. Achieved.

Contributions to Outcome 1 (continued)

Performance information		
Year	Performance criteria	2019–20 Actual Achievement/Targets
2019–20 (continued)	Incident responses and interventions by the Authority and partners improve Reef health, and enhance future knowledge and capability. On track	Incident response is effective and efficient, and mitigates damage to the Reef. Achieved. Stakeholders and partners are aware of and understand future intervention priorities and locations. In progress. Management activities and priority conservation actions are delivered on budget, provide the intended impact and inform future activities. In progress. Capability is developed to implement effective new approaches to conservation. In progress.
2020–21	The Reef is Protected: Percentage allocated short-term actions that are 'on track' or 'completed' in the Aboriginal and Torres Strait Islander Heritage Strategy for the Great Barrier Reef Marine Park.	75 per cent. On track.
	The Reef is Protected: Proportion of Policy and Planning Roadmap agreed actions for 2020–21 that are either 'on track' or 'completed'.	85 per cent. On track.
	Sustainable use of the Reef: Proportion of effective KPIs identified in the Authority's Regulator Performance Framework Self-Assessment 2020–21.	100 per cent of key performance indicators are 'effective' or 'mostly effective'. On track.
	Sustainable use of the Reef: Proportion of Joint Field Management Program Annual Business Plan targets achieved or with significant progress 2020–21.	85 per cent. On track.

Contributions to Outcome 1 (continued)

Performance information		
Year	Performance criteria	2019–20 Actual Achievement/Targets
2020–21 (continued)	The Reef is Understood: Identify priority knowledge gaps for Reef management.	Develop revised Science for Information Needs Strategy by end 2020–21. On track.
	The Reef is Understood: Reef Integrated Monitoring and Reporting Business Strategy defines the activities of the Reef 2050 Reef Integrated Monitoring and Reporting program (RIMReP) and includes a measurable Annual Business Plan for 2021–22.	Develop Business Strategy 2020–2025, which is endorsed by partners, and develop an Annual Business Plan for 2021–22 by the end of 2020–21. On track.
2021–22 and beyond	As per 2020–21.	As per 2020–21.
Purpose	Our Purpose is to ensure the long-term protection, ecologically sustainable use, understanding and enjoyment of the Great Barrier Reef for all Australians and the international community through the care and development of the Marine Park.	

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for 2020–21, including the impact of 2020–21 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.

3.2.1: Explanatory notes and analysis of budgeted financial statements

Changes in appropriation from 2019–20 to 2020–21 are the result of the additional funding received in 2020–21 for the Joint Field Management Program, National Education Centre for the Great Barrier Reef – refurbishment, funding through the COVID-19 Economic Response Package and 2020–21 Budget measures in Table 1.2

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
EXPENSES					
Employee benefits	28,268	26,543	27,344	27,639	27,959
Suppliers	26,110	38,610	28,911	24,335	21,064
Grants	279	3,295	95	96	96
Depreciation and amortisation ^{(a),(b)}	2,574	3,244	3,294	3,347	3,347
Finance costs ^(b)	44	32	33	34	34
Provision for Douglas Shoal	1,646	-	-	-	-
Losses from asset sales	2	-	-	-	-
Payments to Queensland Government for Field Management Program	20,359	23,629	27,636	27,323	27,323
Total expenses	79,282	95,353	87,313	82,774	79,823
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	2,112	1,925	2,441	2,814	2,814
Fees and fines	214	-	340	340	340
Grants received from Government and Industry Partners	9,330	13,561	7,878	5,701	3,454
Receipts from Queensland Government for Field Management Program	12,710	16,468	19,227	19,227	19,227
Other	11,361	-	-	-	-
Total own-source revenue	35,727	31,954	29,886	28,082	25,835
Gains					
Purchase of property, plant and equipment and intangibles	1	-	-	-	-
Other	52	54	54	54	54
Total gains	53	54	54	54	54
Total own-source income	35,780	32,008	29,940	28,136	25,889
Net cost of (contribution by) services	43,502	63,345	57,373	54,638	53,934
Revenue from Government	55,573	78,264	55,494	52,741	52,037
Total revenue from Government	55,573	78,264	55,494	52,741	52,037
Surplus/(deficit) attributable to the Australian Government	12,071	14,919	(1,879)	(1,897)	(1,897)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	-	-	-	-	-
Total other comprehensive income	12,071	14,919	(1,879)	(1,897)	(1,897)
Total comprehensive income/(loss) attributable to the Australian Government	12,071	14,919	(1,879)	(1,897)	(1,897)

Continued on following page

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June (continued)**Note: Impact of Net Cash Appropriation Arrangements**

	2019–20 \$'000	2020–21 \$'000	2021–22 \$'000	2022–23 \$'000	2023–24 \$'000
Total comprehensive income (loss) excluding depreciation/ amortisation expenses previously funded through revenue appropriation, depreciation on ROU, principal repayments on leased assets	13,233	16,782	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations ^(a)	1,162	1,300	1,300	1,300	1,300
less depreciation/amortisation expenses for ROU ^(b)	1,412	1,944	1,994	2,047	2,047
add principal repayments on leased assets ^(b)	1,412	1,381	1,415	1,450	1,450
Total comprehensive income (loss) – as per the statement of comprehensive income	12,071	14,919	(1,879)	(1,897)	(1,897)

(a) From 2010–11, the Government introduced net cash appropriation arrangements where Appropriation Bill (No. 1) or Bill (No. 2) revenue appropriations for the depreciation/amortisation expenses of non-Corporate Commonwealth Entities were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Appropriation Bill (No. 1) or Bill (No. 2) equity appropriations. For information regarding DCBs, please refer to Table 3.5 Departmental Capital Budget Statement.

(b) Applies to leases under AASB 16 Leases. Right of Use (ROU).

Prepared on Australian Accounting Standards basis

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	32,349	32,349	32,349	32,349	32,349
Trade and other receivables	43,483	39,111	39,111	39,111	39,111
Total financial assets	75,832	71,460	71,460	71,460	71,460
Non-financial assets					
Land and buildings	11,578	27,325	30,985	35,060	36,059
Property, plant and equipment	3,634	3,413	3,197	2,991	2,651
Intangibles	2,749	2,586	2,420	2,243	2,093
Inventories	29	29	29	29	29
Other non-financial assets	407	407	407	407	407
Total non-financial assets	18,397	33,760	37,038	40,730	41,239
Total assets	94,229	105,220	108,498	112,190	112,699
LIABILITIES					
Payables					
Suppliers	2,912	2,912	2,912	2,912	2,912
Permit bonds	1,358	1,358	1,358	1,358	1,358
Other payables	427	427	427	427	427
Total payables	4,697	4,697	4,697	4,697	4,697
Interest bearing liabilities					
Leases	1,913	1,957	2,002	2,048	2,094
Total interest bearing liabilities	1,913	1,957	2,002	2,048	2,094
Provisions					
Employee provisions	7,859	7,859	7,859	7,859	7,859
Other provisions	28,069	28,069	28,069	28,069	28,069
Total provisions	35,928	35,928	35,928	35,928	35,928
Total liabilities	42,538	42,582	42,627	42,673	42,719
Net assets	51,691	62,638	65,871	69,517	69,980
EQUITY*					
Parent entity interest					
Contributed equity	37,385	46,989	52,101	57,644	60,004
Reserves	2,497	2,497	2,497	2,497	2,497
Retained surplus (accumulated deficit)	11,809	13,152	11,273	9,376	7,479
Total parent entity interest	51,691	62,638	65,871	69,517	69,980
Total Equity	51,691	62,638	65,871	69,517	69,980

*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 2020–21)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contribution equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2020				
Balance carried forward from previous period	11,809	2,497	37,385	51,691
Adjustment for repealed appropriation	(13,576)	-	-	(13,576)
Adjusted opening balance	(1,767)	2,497	37,385	38,115
Comprehensive income				
Surplus (deficit) for the period	14,919	-	-	14,919
Total comprehensive income	14,919	-	-	14,919
Transactions with owners				
Contributions by owners				
Equity Injection – Appropriation	-	-	8,853	8,853
Departmental Capital Budget (DCB)	-	-	751	751
Sub-total transactions with owners	-	-	9,604	9,604
Estimated closing balance as at 30 June 2021	13,152	2,497	46,989	62,638
Closing balance attributable to the Australian Government	13,152	2,497	46,989	62,638

Prepared on Australian Accounting Standards basis.

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	34,795	69,060	55,494	52,741	52,037
Receipts from Government and industry	20,691	13,561	7,878	5,701	3,454
Sale of goods and rendering of services	2,255	1,925	2,781	3,154	3,154
Receipts from Queensland Government for Field Management Program	12,714	16,468	19,227	19,227	19,227
Net GST received	795	-	-	-	-
Total cash received	71,250	101,014	85,380	80,823	77,872
Cash used					
Employees	27,627	26,543	27,344	27,639	27,959
Suppliers	26,236	38,556	28,857	24,281	21,010
Grants	279	3,295	95	96	96
Payment to Queensland Government for Field Management Program	19,769	23,629	27,636	27,323	27,323
Interest payment on lease liability	44	32	33	34	34
Total cash used	73,955	92,055	83,965	79,373	76,422
Net cash from (used by) operating activities	(2,705)	8,959	1,415	1,450	1,450
INVESTING ACTIVITIES					
Cash received					
Purchase of property, plant and equipment and intangibles	1	-	-	-	-
Total cash received	1	-	-	-	-
Cash used					
Purchase of property, plant and equipment and intangibles	7,279	17,182	5,112	5,543	2,360
Total cash used	7,279	17,182	5,112	5,543	2,360
Net cash from (used by) investing activities	(7,278)	(17,182)	(5,112)	(5,543)	(2,360)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	9,141	9,604	5,112	5,543	2,360
Total cash received	9,141	9,604	5,112	5,543	2,360
Cash used					
Lease liability – principal payments	1,412	1,381	1,415	1,450	1,450
Total cash used	1,412	1,381	1,415	1,450	1,450
Net cash from (used by) financing activities	7,729	8,223	3,697	4,093	910
Net increase (decrease) in cash held	(2,254)	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	34,603	32,349	32,349	32,349	32,349
Cash and cash equivalents at the end of the reporting period	32,349	32,349	32,349	32,349	32,349

Prepared on Australian Accounting Standards basis.

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget – Bill (No. 1) (DCB)	753	751	1,746	3,488	1,236
Equity injections – Bill (No. 2)	8,385	8,853	3,366	2,055	1,124
Total new capital appropriations	9,138	9,604	5,112	5,543	2,360
Provided for:					
Purchase of non-financial assets	9,138	9,604	5,112	5,543	2,360
Total items	9,138	9,604	5,112	5,543	2,360
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations ^(a)	6,526	8,853	3,366	2,055	1,124
Funded by capital appropriation – DCB ^(b)	753	751	1,746	3,488	1,236
Funded by special appropriations	-	7,578	-	-	-
TOTAL	7,279	17,182	5,112	5,543	2,360
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	7,279	17,182	5,112	5,543	2,360
Total cash used to acquire assets	7,279	17,182	5,112	5,543	2,360

(a) Includes current Appropriation Bill (No. 2) and prior year Appropriation Bill No. 2/4/6.

(b) Does not include annual finance lease costs. Includes purchases from current and previous years' Departmental capital budgets (DCBs).

(c) Includes the following sources of funding:

- current Bill (No. 1) and prior year Act/Bill (No. 1/3/5) appropriations (excluding amounts from the DCBs);
- donations and gifts of non-financial assets;
- internally developed assets;
- section 74 external revenue; and
- proceeds from the sale of assets.

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 2020–21)

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2020				
Gross book value	10,495	3,834	2,972	17,301
Gross book value – ROU ^(a)	2,802	523	-	3,325
Accumulated depreciation/amortisation and impairment	(456)	(574)	(223)	(1,253)
Accumulated depreciation/amortisation and impairment – ROU ^(a)	(1,263)	(149)	-	(1,412)
Opening net book balance	11,578	3,634	2,749	17,961
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase – appropriation equity ^(b)	16,681	364	137	17,182
By purchase – appropriation equity – ROU ^(a)	1,300	125	-	1,425
Total additions	17,981	489	137	18,607
Other movements				
Depreciation/amortisation expense	(400)	(600)	(300)	(1,300)
Depreciation/amortisation expense – ROU ^(a)	(1,834)	(110)	-	(1,944)
Total other movements	(2,234)	(710)	(300)	(3,244)
As at 30 June 2021				
Gross book value	27,176	4,198	3,109	34,483
Gross book value – ROU ^(a)	4,102	648	-	4,750
Accumulated depreciation/amortisation and impairment	(856)	(1,174)	(523)	(2,553)
Accumulated depreciation/amortisation and impairment – ROU ^(a)	(3,097)	(259)	-	(3,356)
Closing net book balance	27,325	3,413	2,586	33,324

(a) Applies to leases under AASB 16 Leases. Right of Use (ROU).

(b) "Appropriation ordinary annual services" refers to funding provided through *Supply Act (No. 1)* and Appropriation Bill (No. 1) 2020–21 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)

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
Expenses					
Suppliers expense	498	-	-	-	-
Total expenses administered on behalf of Government	498	-	-	-	-
OWN-SOURCE INCOME					
Own-source revenue					
Non-taxation revenue					
Environmental management charge	8,711	-	8,180	11,000	11,000
Infringement notices	249	80	80	80	80
Rental income	249	186	375	381	387
Total non-taxation revenue	9,209	266	8,635	11,461	11,467
Total own-source revenue administered on behalf of Government	9,209	266	8,635	11,461	11,467
Net (cost of)/ contribution by services	(8,711)	(266)	(8,635)	(11,461)	(11,467)
Surplus/ (Deficit)	8,711	266	8,635	11,461	11,467
OTHER COMPREHENSIVE INCOME					
Items not subject to subsequent reclassification to profit or loss					
Changes in asset revaluation reserve	384	-	-	-	-
Total other comprehensive income	384	-	-	-	-
Total comprehensive income (loss) attributable to the Australian Government	9,095	266	8,635	11,461	11,467

Prepared on Australian Accounting Standards basis.

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
ASSETS					
Financial assets					
Trade and other receivables	841	841	841	841	841
Total financial assets	841	841	841	841	841
Non-financial assets					
Land and buildings	2,996	2,996	2,996	2,996	2,996
Total non-financial assets	2,996	2,996	2,996	2,996	2,996
Total assets administered on behalf of Government	3,837	3,837	3,837	3,837	3,837
LIABILITIES					
Payables					
Suppliers payable	841	841	841	841	841
Total payables	841	841	841	841	841
Total liabilities administered on behalf of Government	841	841	841	841	841
Net assets/(liabilities)	2,996	2,996	2,996	2,996	2,996

Prepared on Australian Accounting Standards basis.

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Environmental management charge	10,660	-	8,180	11,000	11,000
Infringement notices	249	80	80	80	80
Rental income	206	186	375	381	387
Total cash received	11,115	266	8,635	11,461	11,467
Cash used					
Suppliers	2,404	-	-	-	-
Total cash used	2,404	-	-	-	-
Net cash from (used by) operating activities	8,711	266	8,635	11,461	11,467
Net increase (decrease) in cash held	8,711	266	8,635	11,461	11,467
Cash to Official Public Account for:					
– Special Appropriations	8,711	-	8,180	11,000	11,000
– Other	-	266	455	461	467
Cash from Official Public Account for:	8,711	266	8,635	11,461	11,467
Cash and cash equivalents at end of reporting period	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

Table 3.10: Statement of asset movements (Budget year 2020–21)

	Land	Buildings	Total
	\$'000	\$'000	\$'000
As at 1 July 2020			
Gross book value	2,386	610	2,996
Opening net book balance	2,386	610	2,996
As at 30 June 2021			
Gross book value	2,386	610	2,996
Closing net book balance	2,386	610	2,996

Prepared on Australian Accounting Standards basis.

MURRAY-DARLING BASIN AUTHORITY

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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 programs, 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 achieve a healthy working Basin through the integrated management of water resources for the long-term benefit of the Australian community.

Our objectives

During 2020–21, the MDBA will continue to focus its efforts on implementing the Basin Plan.

Key priorities are to:

- Drive the successful implementation of the Basin Plan;
- Strengthen the culture of compliance in the Murray-Darling Basin;
- Efficiently and effectively operate the River Murray System for partner governments;
- Improve transparency and confidence in the Basin Plan; and
- Apply the best available science and knowledge to the management of the Murray-Darling Basin.

Throughout 2020–21, the MDBA will also continue to work with and on behalf of the Basin governments to deliver the following priorities:

- The Basin Plan and water reform are understood with a strong baseline of commitment from all key stakeholders, including State and Territory governments, to a healthy working basin;
- Compliance with water management arrangements is in place and effective;
- Water management arrangements in the Southern Basin are modernised to effectively integrate delivery of water to all users;
- The evidence base to monitor Basin Plan conditions is robust and clearly reported, and used to inform Basin Plan adaptation;
- MDBA is trusted, provides effective service through a regionally distributed workforce, and is appropriately funded; and
- Risks to water resources are understood and effectively managed.

The MDBA is committed to establishing and maintaining a regional footprint, in line with the Australian Government’s decentralisation approach. The purpose of the MDBA’s enhanced regional presence is to develop a greater understanding of stakeholder concerns, improve relationships with Basin stakeholders, and enhance our regional water management connections. In 2020–21, the MDBA will continue to increase its regional presence, with the goal to have 103 staff in regional locations by mid-2021. From 2020–21 the Government has also provided funding for an additional part time Regional Engagement Officer in Goolwa, South Australia.

The 2020–21 Budget measure to establish the Inspector-General of Water Compliance will impact the role of MDBA from 2021–22.

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' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: Murray-Darling Basin Authority – Resource Statement – Budget Estimates for 2020–21 as at Budget October 2020

	2019–20 <i>Estimated actual</i> \$'000	2020–21 Estimate \$'000
Opening balance/cash reserves at 1 July	126,241	147,005
Funds from Government		
Annual appropriations – ordinary annual services^(a)		
Outcome 1	75,244	62,007
Annual appropriations – other services – non-operating^(b)		
Equity injection	7,425	1,922
Total annual appropriations	82,669	63,929
Amounts received from related entities		
Amounts from portfolio department ^(c)	12,165	12,560
Total amounts received from related entities	12,165	12,560
Total funds from Government	94,834	76,489
Funds from other sources		
Royalties	3,517	2,400
Sale of goods and services	1,339	238
Grant	74,215	79,441
Other	27,118	27,879
Total funds from other sources	106,189	109,958
Total net resourcing for MDBA	327,264	333,452
	2019–20	2020–21
Average staffing level (number)	289	266

Continued on following page

Table 1.1: Murray-Darling Basin Authority – Resource Statement – Budget Estimates for 2020–21 as at Budget October 2020 (continued)

- (a) *Supply Act (No. 1)* and Appropriation Bill (No. 1) 2020–21. Appropriation is provided through the Department of Agriculture, Water and the Environment (DAWE) and is specified with the Annual Appropriation Bills as payment to the MDBA.
- (b) *Supply Act (No. 1)* and Appropriation Bill (No. 1) and Bill (No. 2) 2020–21. Appropriation is provided through DAWE 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).

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 Murray-Darling Basin Authority are detailed in *Budget Paper No. 2: Budget Measures 2020–21* and are summarised below.

Table 1.2: Murray-Darling Basin Authority – 2020–21 Budget measures – Measures announced after the Economic and Fiscal Update July 2020

	Program	2020–21 \$'000	2021–22 \$'000	2022–23 \$'000	2023–24 \$'000
Payment measures					
<u>Murray-Darling Communities Investment Package</u>					
Build Trust, Transparency and Accountability in the Delivery of the Basin Plan – Compliance Activities	1.0				
Administered payment		-	-	-	-
Departmental payment		8,613	-	-	-
Total		8,613	-	-	-
Build Trust, Transparency and Accountability in the Delivery of the Basin Plan – Second Pass Business Case	1.0				
Administered payment		-	-	-	-
Departmental payment		665	-	-	-
Total		665	-	-	-
Build Trust, Transparency and Accountability in the Delivery of the Basin Plan – Track and Monitor Ecological, Economic and Social Conditions in the Basin	1.0				
Administered payment		-	-	-	-
Departmental payment		343	2,371	2,373	2,382
Total		343	2,371	2,373	2,382
Invest in Community Resilience and River Health – Sustaining Riverland Environments	1.0				
Administered payment		-	-	-	-
Departmental payment		7,630	29,970	-	-
Total		7,630	29,970	-	-
Total payment measures					
Administered		-	-	-	-
Departmental		17,251	32,341	2,373	2,382
Total		17,251	32,341	2,373	2,382

Prepared on a Government Finance Statistics (Underlying Cash) basis

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 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 a complete picture of an entity's planned and actual performance.

MDBA's most recent corporate plan can be found at:

<https://www.mdba.gov.au/publications/policies-guidelines/corporate-plan>.

MDBA's most recent annual performance statement 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.

2.1.1: Linked programs

Department of Agriculture, Water and the Environment
<p>Program 1.3: Commonwealth Environmental Water</p> <p>Program 5.1: Water Reform</p>
<p>Contribution to Outcome 1 made by linked programs:</p> <p>The Murray-Darling Basin Authority (MDBA) works collaboratively with the Department of Agriculture, Water and the Environment (DAWE) to implement the Murray-Darling Basin Plan and the Intergovernmental Agreement on Murray-Darling Basin Reform.</p> <p>MDBA and DAWE also work together on the 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.</p>
Bureau of Meteorology
<p>Program 1.1: Bureau of Meteorology</p>
<p>Contribution to Outcome 1 made by linked program:</p> <p>The Bureau of Meteorology provides weather, climate and water modelling, insight and analysis to the MDBA.</p>

2.2.1: 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 2.1: Budgeted expenses 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.

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
Program 1.1: Murray–Darling Basin Authority					
Revenue from Government					
Ordinary annual services					
(Appropriation Bill (No. 1)) ^(a)	75,244	62,007	70,518	38,795	35,668
Payment from related entities	12,165	12,560	14,429	13,506	13,579
Revenues from other independent sources ^(b)	94,847	118,036	127,310	100,710	99,549
Total expenses for program 1.1	182,256	192,603	212,257	153,011	148,796
Outcome 1 totals by resource type					
Revenue from Government					
Ordinary annual services					
(Appropriation Bill (No. 1))	75,244	62,007	70,518	38,795	35,668
Payment from related entities	12,165	12,560	14,429	13,506	13,579
Revenues from other independent sources	94,847	118,036	127,310	100,710	99,549
Total expenses for Outcome 1	182,256	192,603	212,257	153,011	148,796
	2019–20	2020–21			
Average staffing level (number)	289	266			

(a) *Supply Act (No. 1)* and Appropriation Bill (No. 1) 2020–21. The MDBA is a corporate Commonwealth entity (CCE) under the PGPA Act and does not receive direct appropriations. Appropriation is provided through DAWF and is specified with the Annual Appropriation Bills as payment to the MDBA and is considered departmental for all purposes.

(b) 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.

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

Prepared on Australian Accounting Standards basis.

2.3.1: Performance criteria for Outcome 1

Table 2.3.1 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2020–21 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 <i>Water Act 2007</i> , Murray-Darling Basin Agreement and the Murray-Darling Basin Plan.	
Performance information		
Year	Performance criteria	2019–20 Actual Achievement/Targets ^(a)
2019–20	Lead the implementation of the Basin Plan in collaboration with Basin state and territory governments and other Australian government agencies.	The measures and evidence of progress against this measure will be described in the Authority’s Annual Performance Statement 2019–20 in line with the evidence targets described in the 2019–20 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 2019–20 in line with the evidence targets described in the 2019–20 Corporate Plan.
2020–21	Lead the implementation of the Basin Plan in collaboration with Basin state and territory governments and other Australian government agencies.	The measures and evidence of progress against this measure will be described in the Authority’s Annual Performance Statement 2020–21 in line with the evidence targets described in the 2020–21 Corporate Plan.

Contributions to Outcome 1 (continued)

Performance information		
Year	Performance criteria	2019–20 Actual Achievement/Targets ^(a)
2020–21 (continued)	Efficiently and effectively operate the River Murray system for partner governments.	The measures and evidence of progress against this measure will be described in the Authority's Annual Performance Statement 2020–21 in line with the evidence targets described in the 2020–21 Corporate Plan
2021–22 and beyond	As per 2020–21.	As per 2020–21.
Purpose ^(b)	To achieve a healthy working Basin through the integrated management of water resources for the long-term benefit of the Australian Community.	

(a) 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.

(b) Refers to updated purpose reflected in the 2020–21 Corporate Plan.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for 2020–21, including the impact of 2020–21 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.

3.2.1: 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, Water and the Environment 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 2020–21, represent amounts approved by Ministerial Council.

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 2020–21 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 funding for the South Australia Riverland Floodplain Integrated Infrastructure Program (SARFIIP). SARFIIP had an initial cost of \$155 million and was due to be completed in 2019–20. However, the 2020–21 Budget includes an additional \$37.6 million over two years for SARFIIP, bringing the Government’s total investment in the program to \$192.6 million. This funding will be used for the following three additional projects:

- Restoring natural river patterns in Lock 6 reach;
- River infrastructure and operational investments in the Lock 3 reach; and
- Reinstating natural habitat conditions in the Bookmark Creek area.

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
EXPENSES					
Depreciation and amortisation	4,117	4,353	4,353	3,890	3,890
Employee benefits	38,341	40,533	39,585	40,585	41,536
Finance cost	282	316	267	214	170
Grants ^(a)	36,535	16,578	39,691	10,572	10,572
Suppliers	102,981	130,823	128,361	97,750	92,628
Total expenses	182,256	192,603	212,257	153,011	148,796
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Grants ^(b)	86,380	92,001	107,266	102,325	103,015
Royalties	3,517	2,400	2,400	2,400	2,400
Other	27,374	28,117	10,430	9,438	7,635
Total own-source revenue	117,271	122,518	120,096	114,163	113,050
Total own-source income	117,271	122,518	120,096	114,163	113,050
Gains					
Other	78	78	78	78	78
Total gains	78	78	78	78	78
Net cost of (contribution by) services	64,907	70,007	92,083	38,770	35,668
Revenue from Government	75,244	62,007	70,518	38,795	35,668
Total revenue from Government	75,244	62,007	70,518	38,795	35,668
Surplus/(deficit) attributable to the Australian Government^(c)	10,337	(8,000)	(21,565)	25	-
Total comprehensive income/(loss) attributable to the Australian Government^(c)	10,337	(8,000)	(21,565)	25	-

Continued on following pages

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

Note: Impact of net cash appropriation arrangements

	2019–20 \$'000	2020–21 \$'000	2021–22 \$'000	2022–23 \$'000	2023–24 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations, depreciation on ROU, principal repayments on leased assets	10,730	(7,790)	(21,472)	-	636
less depreciation/amortisation expenses for ROU ^(d)	2,583	2,697	2,697	2,234	2,795
add principal repayments on leased assets ^(d)	2,190	2,487	2,604	2,259	2,159
Total comprehensive income/(loss) – as per the Statement of comprehensive income	10,337	(8,000)	(21,565)	25	-

(a) The amount includes payment to South Australia under the South Australia Riverland Floodplain Integrated Infrastructure Program (SARFIIP). This program was due to completed in 2019–20. However, the program has been extended by two years in the 2020–21 Budget, with an additional funding of \$37.600 million (\$7.630 million in 2020–21 and \$29.970 million in 2021–22). Other payments relate to grants paid to other jurisdictions, non-profit organisations and the private sector.

(b) For 2020–21 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 \$441.500 million recognised as revenue during transition from Murray-Darling Basin Commission to MDBA in 2008–09.

(d) Applies to leases under AASB 16 Leases. Right of Use (ROU).

Prepared on Australian Accounting Standards basis.

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	147,005	136,651	113,175	113,207	113,314
Trade and other receivables	3,652	3,652	3,652	3,652	3,652
Total financial assets	150,657	140,303	116,827	116,859	116,966
Non-financial assets					
Land and buildings	21,744	19,116	16,488	14,262	11,467
Property, plant and equipment	1,701	1,632	1,563	1,555	2,762
Intangibles	294	4,776	7,603	7,603	7,294
Others	1,957	1,957	1,957	1,957	1,957
Total non-financial assets	25,696	27,481	27,611	25,377	23,480
Total assets	176,353	167,784	144,438	142,236	140,446
LIABILITIES					
Payables					
Suppliers	21,173	21,557	21,941	21,941	21,941
Employee	1,271	860	860	860	860
Other payables	653	653	653	653	653
Total payables	23,097	23,070	23,454	23,454	23,454
Interest bearing liabilities					
Leases	16,693	13,786	10,762	8,503	6,344
Total interest bearing-liabilities	16,693	13,786	10,762	8,503	6,344
Provisions					
Employee provisions	10,921	11,332	11,332	11,332	11,332
Other provisions	1,205	1,237	1,269	1,301	1,333
Total provisions	12,126	12,569	12,601	12,633	12,665
Total liabilities	51,916	49,425	46,817	44,590	42,463
Net assets	124,437	118,359	97,621	97,646	97,983
EQUITY*					
Parent entity interest					
Contributed equity	(3,774)	(1,852)	(1,025)	(1,025)	(688)
Reserves	2	2	2	2	2
Retained surplus (accumulated deficit)	128,209	120,209	98,644	98,669	98,669
Total parent entity interest	124,437	118,359	97,621	97,646	97,983
Total Equity	124,437	118,359	97,621	97,646	97,983

*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 2020–21)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contribution equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2020				
Balance carried forward from previous period	128,209	2	(3,774)	124,437
Adjusted opening balance	128,209	2	(3,774)	124,437
Comprehensive income				
Surplus (deficit) for the period	(8,000)	-	-	(8,000)
Total comprehensive income	(8,000)	-	-	(8,000)
Transactions with owners				
Contributions by owners				
Equity injection – Appropriation	-	-	1,922	1,922
Sub-total transactions with owners	-	-	1,922	1,922
Estimated closing balance as at 30 June 2021	120,209	2	(1,852)	118,359
Closing balance attributable to the Australian Government	120,209	2	(1,852)	118,359

Prepared on Australian Accounting Standards basis.

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Receipts from Government	75,244	62,007	70,518	38,795	35,668
Sale of goods and rendering of services	1,339	238	238	238	238
Grants cash received	86,380	92,001	107,266	102,325	103,015
Interest received	1,503	1,502	1,502	1,502	1,502
Net GST received	11,415	14,734	16,801	10,826	10,312
Other	29,132	28,777	11,090	10,098	8,295
Total cash received	205,013	199,259	207,415	163,784	159,030
Cash used					
Employees	37,682	40,533	39,585	40,585	41,536
Suppliers	111,355	143,858	141,151	107,441	101,805
Grants	36,535	18,235	43,660	11,629	11,629
Lease liability – interest payments	332	284	235	182	138
Total cash used	185,904	202,910	224,631	159,837	155,108
Net cash from (used by) operating activities	19,109	(3,651)	(17,216)	3,947	3,922
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	3,580	6,138	4,483	1,656	1,993
Total cash used	3,580	6,138	4,483	1,656	1,993
Net cash from (used by) investing activities	(3,580)	(6,138)	(4,483)	(1,656)	(1,993)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	7,425	1,922	827	-	337
Total cash received	7,425	1,922	827	-	337
Cash used					
Lease liability – principal payments	2,190	2,487	2,604	2,259	2,159
Total cash used	2,190	2,487	2,604	2,259	2,159
Net cash from (used by) financing activities	5,235	(565)	(1,777)	(2,259)	(1,822)
Net increase (decrease) in cash held	20,764	(10,354)	(23,476)	32	107
Cash and cash equivalents at the beginning of the reporting period	126,241	147,005	136,651	113,175	113,207
Cash and cash equivalents at the end of the reporting period	147,005	136,651	113,175	113,207	113,314

Prepared on Australian Accounting Standards basis.

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Equity injections – transferred by portfolio department	7,425	1,922	827	-	337
Total new capital appropriations	7,425	1,922	827	-	337
Provided for:					
Purchase of non-financial assets	7,425	1,922	827	-	337
Total items	7,425	1,922	827	-	337
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation	2,000	4,482	2,827	-	337
Funded internally from departmental resources	1,656	1,656	1,656	1,656	1,656
TOTAL	3,656	6,138	4,483	1,656	1,993
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	3,580	6,138	4,483	1,656	1,993
Total cash used to acquire assets	3,580	6,138	4,483	1,656	1,993

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 2020–21)

	Land and Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2020				
Gross book value	7,057	2,687	7,754	17,498
Gross book value – ROU ^(a)	18,543	372	-	18,915
Accumulated depreciation/amortisation and impairment	(1,397)	(1,178)	(7,460)	(10,035)
Accumulated depreciation/amortisation and impairment – ROU ^(a)	(2,459)	(180)	-	(2,639)
Opening net book balance	21,744	1,701	294	23,739
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase – appropriation equity ^(b)	569	481	5,088	6,138
Total additions	569	481	5,088	6,138
Other movements				
Depreciation/amortisation expense	(569)	(481)	(606)	(1,656)
Depreciation/amortisation expense – ROU ^(a)	(2,628)	(69)	-	(2,697)
Total other movements	(3,197)	(550)	(606)	(4,353)
As at 30 June 2021				
Gross book value	7,626	3,168	12,842	23,636
Gross book value – ROU ^(a)	18,543	372	-	18,915
Accumulated depreciation/amortisation and impairment	(1,966)	(1,659)	(8,066)	(11,691)
Accumulated depreciation/amortisation and impairment – ROU ^(a)	(5,087)	(249)	-	(5,336)
Closing net book balance	19,116	1,632	4,776	25,524

(a) Applies to leases under AASB 16 Leases. Right of Use (ROU).

(b) 'Appropriation ordinary annual services' refers to funding provided through *Supply Act (No. 1)* and Appropriation Bill (No.1) 2020–21 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)

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

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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 farm-related small businesses.

The RIC Board also provides independent advice to the Minister for Agriculture, Drought and Emergency Management on the making of individual grants or arrangements for projects and activities that build drought resilience to be funded by the Future Drought Fund.

The RIC streamlines the administration of concessional loans by delivering loans that are assessed in a nationally consistent, prudent and timely manner. Loans are targeted at farm businesses and farm-related small businesses impacted by drought and those that are in financial need that mainly supply, or intend to mainly supply, products into supply chains that are interstate or overseas. RIC also provided loans to those affected by the North Queensland flooding event of 2019 (applications closed on 30 June 2020).

The concessional loan programs support the long-term strength, resilience and profitability of eligible farm businesses and farm-related small businesses.

In 2020–21, there is \$2.575 billion in loan funding available for the RIC, which is a significant increase from prior years. This additional funding recognises the importance of RIC loans for farmers and small businesses in need of practical assistance and the high demand for RIC loan products. The RIC has also been provided with additional operational funding of \$50.0 million over four years from 2020–21 to deliver the additional loans and to process the significant volume of loan applications already on hand.

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 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 1' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: Regional Investment Corporation – Resource Statement – Budget Estimates for 2020–21 as at Budget October 2020

	2019–20 <i>Estimated actual</i> \$'000	2020–21 Estimate \$'000
Opening balance/cash reserves at 1 July	8,242	10,489
Funds from Government		
Annual appropriations – ordinary annual services ^(a)		
Outcome 1	15,477	45,762
Total annual appropriations	15,477	45,762
Amounts received from related entities		
Amounts from portfolio department ^(b)	147	-
Total amounts received from related entities	147	-
Total funds from Government	15,624	45,762
Total net resourcing for RIC	23,866	56,251
	2019–20	2020–21
Average staffing level (number)	32	88

(a) *Supply Act (No. 1)* and Appropriation Bill (No. 1) 2020–21. Appropriation is provided through the Department of Agriculture, Water and the Environment and is specified within the Annual Appropriation Bills as a payment to the RIC.

(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).

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 2020–21* and are summarised below.

Table 1.2: Regional Investment Corporation – 2020–21 Budget measures – Measures announced after the Economic and Fiscal Update July 2020

RIC does not have any 2020–21 Budget measures.

Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth 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 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 a complete picture of an entity's planned and actual performance.

The most recent corporate plan for the Regional Investment Corporation can be found at: www.ric.gov.au/about/corporate-plan.

The most recent annual report for the Regional Investment Corporation can be found at: <http://www.ric.gov.au/about/reporting/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.

2.1.1: Linked programs

Department of Agriculture, Water and the Environment

- Program 3.11: Drought Programs

Contribution to Outcome 1 made by linked program:

The Regional Investment Corporation (RIC) works together with the Department of Agriculture, Water and the Environment to ensure more sustainable, productive, internationally competitive and profitable Australian agricultural industries.

2.2.1: 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 2.1: Budgeted expenses 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.					
	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
Program 1.1: Regional Investment Corporation					
<u>Revenue from Government</u>					
Ordinary annual services (Appropriation Bill (No. 1)) ^(a)	15,810	45,705	25,385	22,659	22,022
Total expenses for program 1.1	15,810	45,705	25,385	22,659	22,022
Outcome 1 totals by resource type					
<u>Revenue from Government</u>					
Ordinary annual services (Appropriation Bill (No. 1))	15,810	45,705	25,385	22,659	22,022
Total expenses for Outcome 1	15,810	45,705	25,385	22,659	22,022
Average staffing level (number)					
	2019–20	2020–21			
	32	88			

(a) *Supply Act (No. 1)* and Appropriation Bill (No. 1) 2020–21. 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, Water and the Environment to the RIC.

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

Prepared on Australian Accounting Standards basis.

2.3.1: Performance criteria for Outcome 1

Table 2.3.1 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2020–21 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	<p>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 and flood recovery loans.</p> <p>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.</p> <p>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.</p>	
Delivery	Concessional loans are delivered directly to eligible farm businesses in a streamlined and nationally consistent way.	
Performance information		
Year	Performance criteria	2019–20 Actual Achievement/Targets
2019–20	\$500 million is made available to eligible farm businesses in need to improve their circumstances.	Achieved.
	All eligible farm business have access to farm business loans and flood recovery loans.	Achieved.
	The water loan facility is available to states and territories.	Achieved.

Continued on following pages

Contributions to Outcome 1 (continued)

Performance information		
Year	Performance criteria	2019–20 Actual Achievement/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.	Achieved.
2020–21	a. Loan transactions completed in accordance with funding appropriation.	Support provided within funding appropriation limits. Implementation of the AgriStarter loan program. 90 per cent of loan approvals fall within risk profile determined by the Board. Fraud awareness training undertaken at staff induction with regular refresher programs.
	b. Improve loan processes.	80 per cent of loans with an end-to-end delivery timeframe of 65 days. Implement refined process and documentation for farm business loans. Average cost per loan decision decreases over time.
	c. Customer and stakeholder satisfaction.	10 per cent increase in satisfaction rates.

Continued on following page

Contributions to Outcome 1 (continued)

Performance information		
Year	Performance criteria	2019–20 Actual Achievement/Targets
2021–22 and beyond	a. Loan transactions completed in accordance with funding appropriation.	Support provided within funding appropriation limits. Implementation of the AgriStarter loan program. 90 per cent of loan approvals fall within risk profile determined by the Board. Fraud awareness training undertaken at staff induction with regular refresher programs.
	b. As per 2020–21.	As per 2020–21.
	c. As per 2020–21.	As per 2020–21.
Purpose	To provide loans that support the long-term strength, resilience and profitability of Australian farm businesses 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 2020–21, including the impact of 2020–21 Budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1: Explanatory notes and analysis of budgeted financial statements

The RIC is budgeting for a balanced budget position in 2020–21. The RIC’s expected employee and supplier expense budget is \$15.4 million in 2019–20 and \$45.7 million in 2020–21.

In 2020–21, the RIC will continue to develop its corporate ability to support the provision of loans to eligible farm businesses and farm-related small businesses. It will be the first full financial year the RIC will be staffed by its own ongoing workforce.

The expense budget reflects the work programs for the RIC in receiving and evaluating loan applications and managing approved loans to eligible farm businesses and farm-related small businesses and providing independent advice to the Government.

3.2 Budgeted financial statements tables

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
EXPENSES					
Employee benefits	4,340	10,581	7,371	7,118	7,061
Suppliers	11,214	34,980	17,870	15,397	14,961
Finance costs	12	10	10	10	-
Depreciation and amortisation	244	134	134	134	-
Total expenses	15,810	45,705	25,385	22,659	22,022
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Other	50	-	-	-	-
Total own-source revenue	50	-	-	-	-
Total own-source income	50	-	-	-	-
Net cost of (contribution by) services	15,760	45,705	25,385	22,659	22,022
Revenue from Government ^(a)	15,477	45,762	25,442	22,716	22,022
Total revenue from Government	15,477	45,762	25,442	22,716	22,022
Surplus/(deficit) attributable to the Australian Government	(283)	57	57	57	-
Total comprehensive income/(loss) attributable to the Australian Government	(283)	57	57	57	-
Note: Impact of net cash appropriation arrangements					
	2019–20 \$'000	2020–21 \$'000	2021–22 \$'000	2022–23 \$'000	2023–24 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations, depreciation on ROU, principal repayments on leased assets	(132)	-	-	-	-
less depreciation/amortisation expenses for ROU ^(b)	151	134	134	134	-
add principal repayments on leased assets ^(b)	-	191	191	191	-
Total comprehensive income/(loss) – as per the Statement of comprehensive income	(283)	57	57	57	-

(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.

(b) Applies to leases under AASB 16 Leases. Right of Use (ROU).

Prepared on Australian Accounting Standards basis.

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	10,489	10,515	10,532	10,546	10,546
Total financial assets	10,489	10,515	10,532	10,546	10,546
Non-financial assets					
Property, plant and equipment	347	347	347	347	347
Intangibles	-	-	337	337	337
Buildings	681	738	795	852	852
Other	71	71	71	71	71
Total non-financial assets	1,099	1,156	1,550	1,607	1,607
Total assets	11,588	11,671	12,082	12,153	12,153
LIABILITIES					
Payables					
Suppliers	2,576	2,591	2,598	2,601	2,601
Other payables	173	183	193	204	204
GST payables	115	115	115	115	115
Other tax payable	101	101	101	101	101
Total payables	2,965	2,990	3,007	3,021	3,021
Interest bearing liabilities					
Leases	646	646	646	646	646
Total interest bearing liabilities	646	646	646	646	646
Provisions					
Employee provisions	473	474	474	474	474
Total provisions	473	474	474	474	474
Total liabilities	4,084	4,110	4,127	4,141	4,141
Net assets	7,504	7,561	7,955	8,012	8,012
EQUITY*					
Parent entity interest					
Contributed equity	-	-	337	337	337
Retained surplus (accumulated deficit)	7,504	7,561	7,618	7,675	7,675
Total parent entity interest	7,504	7,561	7,955	8,012	8,012
Total Equity	7,504	7,561	7,955	8,012	8,012

*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 2020–21)**

	Retained earnings	Total equity
	\$'000	\$'000
Opening balance as at 1 July 2020		
Balance carried forward from previous period	7,504	7,504
Adjusted opening balance	7,504	7,504
Comprehensive income		
Surplus (deficit) for the period	57	57
Total comprehensive income	57	57
Estimated closing balance as at 30 June 2021	7,561	7,561
Closing balance attributable to the Australian Government	7,561	7,561

Prepared on Australian Accounting Standards basis.

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Receipts from Government	15,477	45,762	25,442	22,716	22,022
Net GST received	725	-	-	-	-
Sale of goods and services	97	-	-	-	-
Other Operating Receipts	50	-	-	-	-
Total cash received	16,349	45,762	25,442	22,716	22,022
Cash used					
Employees	4,057	10,570	7,361	7,107	7,061
Suppliers	10,648	34,965	17,863	15,394	14,961
Income taxes paid	(101)	-	-	-	-
Interest payments	(634)	10	10	10	-
Other operating payments	(20)	-	-	-	-
Total cash used	13,950	45,545	25,234	22,511	22,022
Net cash from (used by) operating activities	2,399	217	208	205	-
INVESTING ACTIVITIES					
Cash used					
Purchase of non-financial assets	152	-	337	-	-
Total cash used	152	-	337	-	-
Net cash from (used by) investing activities	(152)	-	(337)	-	-
FINANCING ACTIVITIES					
Cash received					
Contributed equity	-	-	337	-	-
Total cash received	-	-	337	-	-
Cash used					
Lease liability – principal payments	-	191	191	191	-
Total cash used	-	191	191	191	-
Net cash from (used by) financing activities	-	(191)	146	(191)	-
Net increase (decrease) in cash held	2,247	26	17	14	-
Cash and cash equivalents at the beginning of the reporting period	8,242	10,489	10,515	10,532	10,546
Cash and cash equivalents at the end of the reporting period	10,489	10,515	10,532	10,546	10,546

Prepared on Australian Accounting Standards basis.

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Equity injections – transferred by portfolio department	-	-	337	-	-
Total new capital appropriations	-	-	337	-	-
Provided for:					
Purchase of non-financial assets	-	-	337	-	-
Total items	-	-	337	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations	-	-	337	-	-
TOTAL	-	-	337	-	-
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	152	-	337	-	-
Total cash used to acquire assets	152	-	337	-	-

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 2020–21)

	Buildings	Other property, plant and equipment	Total
	\$'000	\$'000	\$'000
As at 1 July 2020			
Gross book value	-	486	486
Gross book value – ROU ^(a)	832	-	832
Accumulated depreciation/amortisation and impairment	-	(139)	(139)
Accumulated depreciation/amortisation and impairment – ROU ^(a)	(151)	-	(151)
Opening net book balance	681	347	1,028
CAPITAL ASSET ADDITIONS			
Estimated expenditure on new or replacement assets			
By purchase – appropriation equity – ROU ^(a)	191	-	191
Total additions	191	-	191
Other movements			
Depreciation/amortisation expense – ROU ^(a)	(134)	-	(134)
Total other movements	(134)	-	(134)
As at 30 June 2021			
Gross book value	-	486	486
Gross book value – ROU ^(a)	1,023	-	1,023
Accumulated depreciation/amortisation and impairment	-	(139)	(139)
Accumulated depreciation/amortisation and impairment – ROU ^(a)	(285)	-	(285)
Closing net book balance	738	347	1,085

(a) Applies to leases under AASB 16 Leases. Right of Use (ROU).

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 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.

SYDNEY HARBOUR FEDERATION TRUST

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SYDNEY HARBOUR FEDERATION TRUST

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Sydney Harbour Federation Trust (the Trust) manages some of Sydney's most renowned and prominent foreshore lands on Sydney Harbour. These sites are the former Defence lands at Middle Head, Georges Heights and Chowder Bay in Mosman, the North Head former School of Artillery, Macquarie Lightstation near South Head, Woolwich Dock and Parklands, Cockatoo Island, the former Marine Biological Station at Watsons Bay and the former HMAS Platypus (Sub Base Platypus) at Neutral Bay. The *Sydney Harbour Federation Trust Act 2001* also provides the potential for other Commonwealth lands in Sydney Harbour to be vested in the Trust.

The Trust is adapting and reusing heritage buildings to bring life and activity to these harbour foreshores and, at the same time, generate revenue towards operating and maintaining the sites. Its overarching objective is to transform its sites into precincts and parklands that will enhance the cultural and historical values of the city, whilst conserving the environmental integrity and unique heritage of the sites.

The impact of COVID-19 has been significant for the Trust. Generating the majority of revenue from leasing and accommodation activities, both the restrictions put in place and the prevailing economic climate have meant that a substantial decline in revenue has been experienced. Through this period, the Trust has sought to aid tenants through the provision of rental assistance, where eligible. The Government agreed to release \$14 million in funding to help the Trust provide short-term relief for commercial and residential tenants and to address other revenue shortfalls in the context of COVID-19.

Whilst the Trust has rehabilitated buildings for preservation as well as revenue generation, the majority of the Trust's investment to date has been in enabling public access to the sites, conserving historic buildings, remediation activities and enhancing the public domain. These social investments are necessary to support visitation to the sites and provide a social return, however they generate minimal financial return on investment. While decontamination, conservation, refurbishment and rehabilitation of sites has been substantial, there remains significant works and unrealised potential at a number of sites, most notably Cockatoo Island and North Head Sanctuary.

The Trust was the subject of an Independent Review in 2019–20, examining its legislative, financial and governance arrangements. With the Trust now approaching 20 years of age, the Review provided an opportunity to take stock and ensure that arrangements are fit for the future.

Released on the 18 June 2020 by the Minister for the Environment, the Hon. Sussan Ley MP, the Independent Review Report contains 21 recommendations on the future of the Trust and our operations. Chief amongst these recommendations is for the Trust to become an ongoing entity, with current provisions contained in the *Sydney Harbour Federation Trust Act 2001* mandating the repeal of the Trust to be removed.

Another significant event to occur in 2019–20 was the completion of Stage 1B works at Sub Base Platypus. The project has allowed for further public access to former Defence land, while also welcoming new tenancies to the historic buildings on site. In addition, planning has progressed for projects announced in last year's budget at Headland Park (10 Terminal) and Sub Base Platypus (Stage 2).

A focus for the Trust in 2020–21 is to further advance works at Sub Base Platypus and Headland Park with the continuation of investment from the Government allowing for landscaping works, and the refurbishment of key buildings to allow for their adaptive reuse. Once completed, both projects will add to and enhance the vibrancy of both Sub Base Platypus and Headland Park.

Much of the Trust's focus for the coming year will be to work with the Department of Agriculture, Water and the Environment to implement the recommendations of the Independent Review. Work has already begun with the Trust's Statement of Intent outlining – in broad terms – the response to the recommendations. The Trust looks forward to progressing these actions, which will help alleviate current pressures and safeguard the future of the Trust.

Responding to Recommendations 21 a) and b) of the Independent Review, the Government has provided funding of \$50 million for maintenance and upkeep of the Harbour Trust's sites, including addressing a backlog of repairs and maintenance, and to enable the development of the masterplan for Cockatoo Island, an asset audit for Cockatoo Island and a rehabilitation plan for North Head Sanctuary, providing a basis for site-specific capital plans. \$9 million of the \$50 million was provided in 2019–20 through the release of the Markham Close funds while the remaining \$40.6 million has been provided through appropriations over four years, starting in 2020–21.

Specifically, this funding will help the Harbour Trust:

- refine the future directions for Cockatoo Island and North Head Sanctuary, enabling the protection, conservation, and interpretation of environmental and heritage values, public access and providing a pathway to the creation of vibrant places whilst placing the Harbour Trust in a more sustainable financial position over the medium-term.
- undertake restoration works to the cranes on Cockatoo Island; restoration and conservation of the Commonwealth Heritage Listed Greenway Stone Wall at

Macquarie Lighthouse; and stabilisation and restoration of the World War II era Gun Emplacements, Observation Post and Tunnels at North Head.

- protect our unique sites for the enjoyment of current and future generations via essential repair and maintenance works to mitigate safety risks across Harbour Trust sites, and to prevent the further deterioration of assets and protect their unique values.

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 (that is, appropriations/cash available) basis, whilst the ‘Budgeted expenses by Outcome’ table in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: Sydney Harbour Federation Trust – Resource Statement – Budget Estimates for 2020–21 as at October 2020

	2019–20 <i>Estimated actual</i> \$'000	2020–21 Budget \$'000
Opening balance/cash reserves at 1 July	25,330	29,192
Funds from Government		
Annual appropriations – ordinary annual services ^(a)		
Outcome 1	-	20,584
Annual appropriations – other services – non-operating ^(a)		
Equity injection	1,700	23,637
Total annual appropriations	1,700	23,637
Total funds from Government	1,700	44,221
Funds from other sources		
Interest	535	269
Sale of goods and services ^(b)	12,875	5,857
Other	939	87
Total funds from other sources	14,349	6,213
Total net resourcing for the Trust	41,379	79,626
	2019–20	2020–21
Average staffing level (number)	61	63

(a) *Supply Act (No. 2)* and Appropriation Bill (No. 1) 2020–2021. The Trust is not directly appropriated as it is a corporate Commonwealth entity under the PGPA Act. Appropriations are made to DAWE and are then paid to the Trust and are considered departmental for all purposes.

(b) Funds from Sales of Goods and Services excludes cash received and held on trust as security for the performance of tenants' obligation under various lease agreements.

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 Sydney Harbour Federation Trust (the Trust) are detailed in *Budget Paper No. 2: Budget Measures 2020–21* and are summarised below.

Table 1.2: Sydney Harbour Federation Trust – 2020–21 Budget measures – Measures announced after the Economic and Fiscal Update July 2020

	Program	2020–21 \$'000	2021–22 \$'000	2022–23 \$'000	2023–24 \$'000
Payment measures					
Sydney Harbour Federation Trust – Infrastructure Improvements	1.1				
Administered payment		-	-	-	-
Departmental payment		20,584	2,458	1,037	532
Total		20,584	2,458	1,037	532
Total payment measures					
Administered		-	-	-	-
Departmental		20,584	2,458	1,037	532
Total		20,584	2,458	1,037	532
Payment measure (Capital)					
Sydney Harbour Federation Trust – Infrastructure Improvements	1.1				
Administered capital		-	-	-	-
Departmental capital		4,484	1,810	5,666	3,985
Total		4,484	1,810	5,666	3,985
Total payment measure (Capital)					
Administered		-	-	-	-
Departmental		4,484	1,810	5,666	3,985
Total		4,484	1,810	5,666	3,985

Prepared on a Government Finance Statistics (Underlying Cash) basis

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 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 a complete picture of an entity's planned and actual performance.

The most recent corporate plan and annual performance statement (contained within the annual report) for the Sydney Harbour Federation Trust can be found at:

<https://www.harbourtrust.gov.au/en/corporate/publications/>.

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Enhanced appreciation and understanding of the natural and cultural values of Sydney for all visitors, through the remediation, conservation and adaptive re-use of, and access to, Trust lands on Sydney Harbour.

2.1.1: Linked programs

Department of Agriculture, Water and the Environment
Program 1.4: Conservation of Australia’s Heritage and Environment
Contribution to Outcome 1 made by linked program: The Department of Agriculture, Water and the Environment and the Sydney Harbour Federation Trust collaborate through engagement on policy direction and site management to conserve and enhance the natural and cultural heritage of Sydney Harbour Federation Trust land and maximise public access and enjoyment of its sites.

2.2.1: 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 2.1: Budgeted expenses for Outcome 1

Outcome 1: Enhanced appreciation and understanding of the natural and cultural values of Sydney for all visitors, through the remediation, conservation and adaptive re-use of, and access to, Trust lands on Sydney Harbour.

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
Program 1.1: Sydney Harbour Federation Trust					
<u>Revenue from Government</u>					
Ordinary annual services (Appropriation Bill (No. 1))	-	20,584	2,458	1,037	532
Revenues from other independent sources	20,956	19,429	19,586	20,557	20,919
Total expenses for program 1.1	20,956	40,013	22,044	21,594	21,451
Outcome 1 totals by resource type					
<u>Revenue from Government</u>					
Ordinary annual services (Appropriation Bill (No. 1))	-	20,584	2,458	1,037	532
Revenues from other independent sources	20,956	19,429	19,586	20,557	20,919
Total expenses for program 1.1	20,956	40,013	22,044	21,594	21,451
	2019–20	2020–21			
Average staffing level (number)	61	63			

(a) Appropriation Bill (No. 1) 2020–21. The SHFT is a corporate Commonwealth entity (CCE) under the PGPA Act and does not receive direct appropriations. Appropriation is provided through DAWE and is specified with the Annual Appropriation Bills as payment to the SHFT and is considered departmental for all purposes.

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

Prepared on a Government Finance Statistics (fiscal) basis.

2.3.1: Performance criteria for Outcome 1

Table 2.3.1 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2020–21 Budget measures have created new programs or materially changed existing programs.

Outcome 1: Enhanced appreciation and understanding of the natural and cultural values of Sydney for all visitors, through the remediation, conservation and adaptive re-use of, and access to, Trust lands on Sydney Harbour.		
Program 1.1: Sydney Harbour Federation Trust		
Objective	To manage emblematic lands around Sydney Harbour, preserve their natural and cultural heritage and foster and promote them as place of leisure, enjoyment and interest for all Australians.	
Delivery	Undertake works and develop programs and facilities to ensure the Trust sites are progressively rehabilitated, conserved and made available for public use and enjoyment.	
Performance information		
Year	Performance criteria	2019–20 Actual Achievement/Targets
2019–20	Steward Our Parklands – to care for, conserve, and enhance our parklands and built assets, applying the principles of ecological sustainable development.	90 per cent of our land open to public. <div>Achieved</div> 77 per cent of our built assets in active use. <div>Achieved.</div> Visitor satisfaction with public domain greater than 90 per cent. <div>Not achieved – the unprecedented events (NSW bushfires and COVID-19) significantly disrupted programming, events and accessibility to sites, impacting visitation and visitor satisfaction levels.</div>

Continued on following pages

Contributions to Outcome 1 (continued)

Performance information		
Year	Performance criteria	2019–20 Actual Achievement/Targets
2019–20 (continued)	Welcome Everyone – our parklands are for all Australians and we welcome both domestic and international visitors. We want to ensure our sites tell their rich stories, are easy to access, and are places of exploration and discovery.	<p>1.9 million visits to Trust sites.</p> <p>Not achieved – as noted above, unprecedented events impacted Harbour Trust performance in visitation.</p> <p>Visitor satisfaction greater than 90 per cent.</p> <p>Not achieved – as noted above, unprecedented events impacted Harbour Trust performance in visitor satisfaction.</p>
	Build Partnerships – underpin our work through collaboration and engagement with partners to help us deliver our vision. We are responsible for important public places, and we want to encourage dialogue and debate about their future and the choices we make to ensure sustainability.	<p>Number of volunteer hours of 30,500.</p> <p>Not achieved – due to COVID-19 all public volunteer roles were suspended on 17 March 2020 until September 2020.</p> <p>Eight significant, multi-year cultural, environmental and heritage partners.</p> <p>Achieved \$20,000 in philanthropic and sponsorship contributions.</p> <p>Not achieved – progress deferred pending the implementation of several recommendations contained in the Independent Review.</p>

Continued on following pages

Contributions to Outcome 1 (continued)

Performance information		
Year	Performance criteria	2019–20 Actual Achievement/Targets
2020–21	Steward Our Parklands – to care for, conserve, and enhance our parklands and built assets, applying the principles of ecological sustainable development.	90 per cent of our land open to public. 77 per cent of our built assets in active use. Visitor satisfaction with public domain greater than 90 per cent.
	Welcome Everyone – our parklands are for all Australians and we welcome both domestic and international visitors. We want to ensure our sites tell their rich stories, are easy to access, and are places of exploration and discovery.	1.85 million visits to Trust sites. Visitor satisfaction greater than 85 per cent.
	Build Partnerships – underpin our work through collaboration and engagement with partners to help us deliver our vision. We are responsible for important public places, and we want to encourage dialogue and debate about their future and the choices we make to ensure sustainability.	Number of volunteer hours of 16,665. 10 significant, multi-year cultural, environmental and heritage partners. \$0 in philanthropic and sponsorship contributions (target to be reassessed in 2021–22)
2021–22 and beyond	As per 2020–21.	<i>As per 2020–21 except where indicated below.</i>
		79 per cent of our built assets in active use in 2021–22 onwards.
		Visitor satisfaction greater than 90 per cent in 2021–22 onwards.
		20,000 volunteer hours in 2021–22 and 25,000 in 2022–23 onwards. 11 significant, multi-year cultural, environmental and heritage partners in 2021–22, 12 in 2022–23 and 13 in 2023–24.

Continued on following page

Contributions to Outcome 1 (continued)

Performance information		
Year	Performance criteria	2019–20 Actual Achievement/Targets
Purposes	<p>The Trust's purpose, as set out in the <i>Sydney Harbour Federation Trust Act 2001</i>, is:</p> <ol style="list-style-type: none"> (1) To ensure that management of Harbour Trust land contributes to enhancing the amenity of the Sydney Harbour region; (2) To protect, conserve and interpret the environmental and heritage values of Harbour Trust land; (3) To maximise public access to Harbour Trust land; (4) To establish and manage suitable Harbour Trust land as a park on behalf of the Commonwealth as the national government; (5) To cooperate with other Commonwealth bodies that have a connection with any Harbour land in managing that land; and (6) To cooperate with New South Wales, affected councils and the community in furthering the above objects. <p>We achieve our purpose by vision planning, remediating and enabling the adaptive reuse of Commonwealth lands to create a network of urban parklands for the enjoyment of all Australians.</p>	

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for 2020–21, including the impact of 2020–21 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.

3.2.1: Explanatory notes and analysis of budgeted financial statements

Budgeted Comprehensive Income Statement

The Sydney Harbour Federation Trust has budgeted for an operating deficit of \$12.0 million in 2020–21 with the ongoing uncertainty regarding COVID-19 and periodic changes to public health restrictions delaying a return to normal operations and severely impacting the Harbour Trust's revenue streams. The budget assumes a recovery in income beginning in the second half of 2020–21. Small operating surpluses are maintained in the forward years with improvement in own source revenue.

The Harbour Trust typically receives no operating funding from the Government, with its final operating appropriation received in 2009–10. However, following a recommendation of the Independent Review into the Harbour Trust, a departmental grant of \$20.6 million has been budgeted in 2020–21 to fund backlog repairs and maintenance works. The acquittal of the grant will have no net impact on the Harbour Trust's operating result. Further grants are forecast over the forward estimates.

Harbour Trust generated income comes primarily from the leasing of its rehabilitated heritage buildings. Harbour Trust generated revenue (\$7.4 million) is budgeted to decrease by 53 per cent in 2020–21 with property leasing income slowly recovering from COVID-19 impacts. The Harbour Trust anticipates difficult leasing conditions will continue into 2021 with pressure on rents and challenges in maintaining occupancy levels. Visitation based revenue across the Trust's various sites is not budgeted to recover in any meaningful way until the second half of 2020–21. Event and accommodation revenue in particular will be materially impacted in the first half of the year as COVID-19 restrictions in NSW continue. Property leasing growth is estimated in the out years as the full impact of new lease stock is realised.

Overall expenditure forecast for the 2020–21 financial year is \$40.0 million, including \$20.6 million for the acquittal of the departmental grant to fund backlog repairs and maintenance. Excluding the grant acquittal, budget expenditure is \$19.4 million, a seven per cent decline on 2019–20 reflecting ongoing cost savings measures. Resources will be focused on key strategic and planning works to enable the Trust to develop appropriate business plans for its forward operations under an environment of limited funds and following the completion of the review into the Trust. The Trust will continue to focus on the preservation and conservation of our aging assets and the capture of asset condition information to assist in forward resource allocation decision making. The Trust will continue to improve tenant and visitor experiences at our sites, both supported by the introduction of property and marketing customer relationship management solutions.

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
EXPENSES					
Employee benefits	7,521	7,724	7,878	8,035	8,195
Suppliers	9,968	29,141	11,052	10,535	10,327
Depreciation and amortisation	3,030	3,125	3,091	3,002	2,907
Write down and impairment of assets	433	19	19	19	19
Finance costs	4	4	4	3	3
Total expenses	20,956	40,013	22,044	21,594	21,451
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sales of goods and rendering of services	14,132	7,037	19,202	20,185	20,555
Grant revenue	140	-	16	16	16
Grants received from Portfolio Department	-	20,584	2,458	1,037	532
Fees and fines	208	20	330	335	339
Interest	532	325	67	57	57
Other non-taxation revenue	99	-	-	-	-
Other revenue	725	-	-	-	-
Total own-source revenue	15,836	27,966	22,073	21,630	21,499
Total own-source income	15,836	27,966	22,073	21,630	21,499
Net cost of (contribution by) services	5,120	12,047	(29)	(36)	(48)
Surplus/(deficit) attributable to the Australian Government	(5,120)	(12,047)	29	36	48
Total comprehensive income/(loss) attributable to the Australian Government	(5,120)	(12,047)	29	36	48
Note: Impact of net cash appropriation arrangements					
	2019–20 \$'000	2020–21 \$'000	2021–22 \$'000	2022–23 \$'000	2023–24 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations, depreciation on ROU, principal repayments on leased assets	(5,120)	(12,071)	8	15	77
less depreciation/amortisation expenses for ROU ^(a)	-	-	-	-	29
add principal repayments on leased assets ^(a)	-	24	21	21	-
Total comprehensive income/(loss) – as per the Statement of comprehensive income	(5,120)	(12,047)	29	36	48

(a) Applies to leases under AASB 16 Leases. Right of Use (ROU).

Prepared on Australian Accounting Standards basis.

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	8,001	7,001	6,746	6,059	5,127
Trade and other receivables	710	1,113	1,113	1,113	1,113
Other investments	22,094	21,191	18,695	19,386	19,409
Total financial assets	30,805	29,305	26,554	26,558	25,649
Non-financial assets					
Land and buildings	321,721	320,438	323,757	323,954	324,647
Property, plant and equipment	45,500	43,800	43,158	42,613	42,729
Intangibles	436	565	493	435	558
Inventories	89	-	-	-	-
Heritage and Cultural assets	53,197	70,281	72,516	78,607	82,592
Other non-financial assets	195	20	20	20	20
Total non-financial assets	421,138	435,104	439,944	445,629	450,546
Total assets	451,943	464,409	466,498	472,187	476,195
LIABILITIES					
Payables					
Suppliers	1,119	2,243	2,271	2,258	2,233
Personal benefits	112	100	100	100	100
Other payables	4,369	4,100	3,762	3,762	3,762
Total payables	5,600	6,443	6,133	6,120	6,095
Interest bearing liabilities					
Leases	355	316	316	316	316
Total interest bearing liabilities	355	316	316	316	316
Provisions					
Employee provisions	1,460	1,532	1,592	1,592	1,592
Total provisions	1,460	1,532	1,592	1,592	1,592
Total liabilities	7,415	8,291	8,041	8,028	8,003
Net assets	444,528	456,118	458,457	464,159	468,192
EQUITY*					
Parent entity interest					
Contributed equity	279,435	303,072	305,382	311,048	315,033
Reserves	161,535	161,535	161,535	161,535	161,535
Retained surplus (accumulated deficit)	3,558	(8,489)	(8,460)	(8,424)	(8,376)
Total parent entity interest	444,528	456,118	458,457	464,159	468,192
Total Equity	444,528	456,118	458,457	464,159	468,192

*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 2020–21)**

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contribution equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2020					
Balance carried forward from previous period	3,558	156,204	5,331	279,435	444,528
Adjusted opening balance	3,558	156,204	5,331	279,435	444,528
Comprehensive income					
Other comprehensive income					
Surplus (deficit) for the period	(12,047)	-	-	-	(12,047)
Total comprehensive income	(12,047)	-	-	-	(12,047)
Transactions with owners					
Contributions by owners					
Equity Injection – Appropriation	-	-	-	23,637	23,637
Sub-total transactions with owners	-	-	-	23,637	23,637
Estimated closing balance as at 30 June 2021	(8,489)	156,204	5,331	303,072	456,118
Closing balance attributable to the Australian Government	(8,489)	156,204	5,331	303,072	456,118

Prepared on Australian Accounting Standards basis.

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Receipts from Government	140	20,584	2,474	1,053	548
Sales of goods and rendering of services	12,875	6,525	18,845	20,166	20,536
Interest	535	269	67	57	57
Other	799	87	330	335	339
Total cash received	14,349	27,465	21,716	21,611	21,480
Cash used					
Employees	7,182	7,664	7,818	8,035	8,195
Suppliers	10,749	27,943	11,024	10,548	10,352
Interest	4	4	4	3	3
Other	744	-	-	-	-
Total cash used	18,679	35,611	18,846	18,586	18,550
Net cash from (used by) operating activities	(4,330)	(8,146)	2,870	3,025	2,930
INVESTING ACTIVITIES					
Cash received					
Investments	17,136	9,465	2,466	-	-
Total cash received	17,136	9,465	2,466	-	-
Cash used					
Investments	-	8,562	(30)	691	23
Purchase of property, plant, and equipment and intangibles	9,741	17,370	7,910	8,666	7,824
Total cash used	9,741	25,932	7,880	9,357	7,847
Net cash from (used by) investing activities	7,395	(16,467)	(5,414)	(9,357)	(7,847)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	1,700	23,637	2,310	5,666	3,985
Total cash received	1,700	23,637	2,310	5,666	3,985
Cash used					
Lease liability – principal payments	-	24	21	21	-
Total cash used	-	24	21	21	-
Net cash from (used by) financing activities	1,700	23,613	2,289	5,645	3,985
Net increase (decrease) in cash held	4,765	(1,000)	(255)	(687)	(932)
Cash and cash equivalents at the beginning of the reporting period	3,236	8,001	7,001	6,746	6,059
Cash and cash equivalents at the end of the reporting period	8,001	7,001	6,746	6,059	5,127

Prepared on Australian Accounting Standards basis.

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Equity injection – transferred by Portfolio Department	1,700	23,637	2,310	5,666	3,985
Total new capital appropriations	1,700	23,637	2,310	5,666	3,985
Provided for:					
Purchase of non-financial assets	1,700	23,637	2,310	5,666	3,985
Total items	1,700	23,637	2,310	5,666	3,985
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations ^(a)	1,700	17,370	2,310	5,666	3,985
Funded internally from departmental resources ^(b)	8,041	-	5,600	3,000	3,839
TOTAL	9,741	17,370	7,910	8,666	7,824
Total cash used to acquire assets	9,741	17,370	7,910	8,666	7,824

(a) Includes current Appropriation Bill (No. 1) and prior year Appropriation Bill No. 2/4/6.

(b) Includes the following sources of funding:

- current Bill (No. 1) and prior year Act/Bill (No. 1/3/5) appropriations (excluding amounts from the DCBs);
- donations and gifts of non-financial assets;
- section 74 External Revenue;
- internally developed assets; and
- proceeds from the sale of assets.

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 2020–21)

	Land \$'000	Buildings \$'000	Other property, plant and equipment \$'000	Heritage and culture \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2020						
Gross book value	244,942	76,779	49,809	53,197	976	425,703
Gross book value – ROU ^(a)	-	-	365	-	-	365
Accumulated depreciation/ amortisation and impairment	-	-	(4,664)	-	(540)	(5,204)
Accumulated depreciation/ amortisation and impairment – ROU ^(a)	-	-	(25)	-	-	(25)
Opening net book balance	244,942	76,779	45,485	53,197	436	420,839
CAPITAL ASSET ADDITIONS						
Estimated expenditure on new or replacement assets						
By purchase – appropriation equity ^(b)	-	-	36	17,084	250	17,370
Total additions	-	-	36	17,084	250	17,370
Other movements						
Depreciation/amortisation expense	-	(1,283)	(1,692)	-	(121)	(3,096)
Depreciation/amortisation expense – ROU ^(a)	-	-	(29)	-	-	(29)
Total other movements	-	(1,283)	(1,721)	-	(121)	(3,125)
As at 30 June 2021						
Gross book value	244,942	76,779	49,845	70,281	1,226	443,073
Gross book value – ROU ^(a)	-	-	365	-	-	365
Accumulated depreciation/ amortisation and impairment	-	(1,283)	(6,356)	-	(661)	(8,300)
Accumulated depreciation/amortisation and impairment – ROU ^(a)	-	-	(54)	-	-	(54)
Closing net book balance	244,942	75,496	43,800	70,281	565	435,084

(a) Applies to leases under AASB 16 Leases. Right of Use (ROU).

(b) 'Appropriation ordinary annual services' refers to funding provided through *Supply Act (No. 2)* and Appropriation Bill (No.1) 2020–21 for depreciation / amortisation expenses, DCBs or other operational expenses.

Prepared on Australian Accounting Standards basis.

WINE AUSTRALIA

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WINE AUSTRALIA

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

Wine Australia seeks to foster and encourage profitable, resilient and sustainable Australian winegrape and wine businesses by investing in research and development (R&D), building markets, disseminating market information and knowledge, encouraging adoption and ensuring compliance through our regulatory functions. 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 R&D 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, winemakers and exporters through levies and user-pays charges; and by the Australian Government, which provides matching funding for research, development and adoption (RD&A) 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, 146,244 hectares of vines, 2,468 wineries and produces 1.2 billion litres of wine. In 2019, 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 163,790 full-time and part-time jobs, most of which are in regional Australia, and contributed \$45.5 billion to the value of gross output to the Australian economy.

International demand for fine Australian wine declined slightly in 2019–20, with the growth in the first two quarters disrupted by the COVID-19 pandemic, which led to a one per cent fall in the value of exports to \$2.8 billion free on board (FOB). Three consecutive lower vintages in 2018, 2019 and 2020 contributed to the ongoing decline in volume of nine per cent to 730 million litres (81 million nine-litre case equivalents), driven mainly by lower price segments. There is now less wine available for export. The average value of exported wine grew to \$3.89 per litre FOB. There were 2,813 active exporters in 2019–20 and 28,057 products exported to 116 destinations.

Our goal is profitable, resilient and sustainable winegrape and wine businesses and how we achieve our responsibilities under the Act is outlined in our five-year *Strategic Plan 2020–25*. In 2020–21, the first year of our strategic plan, we will invest in five strategies:

- Strategy 1: Promote Australian wine
- Strategy 2: Protect Australian wine
- Strategy 3: Build grape and wine excellence
- Strategy 4: Build sustainable environments
- Strategy 5: Build business sustainability, excellence and leadership.

Our marketing strategy is focused on our four largest markets: Canada, China, the United Kingdom and the United States of America. Our marketing activities aim to continually improve the perception of the quality of Australian wine; to create a platform for the commercial success of our brand owners; and to facilitate in-market support and engagement for brand owners.

Our regulatory services activities seek to protect the reputation and integrity of Australian wine in all our markets, including the domestic market. We will ensure that the regulatory regime remains fit for purpose, we will explore new opportunities for traceability technologies, we will build relationships with counterpart regulators in import markets and we will continue to streamline our export approval process through our new Wine Australia Licensing and Approvals System (WALAS). We will also support the Geographical Indications Committee that defines the wine grape producing regions of Australia.

In Strategy 3, our R&D investments seek to enhance grape and wine excellence by identifying enhanced grapevine varieties and clones and breeding new varieties and rootstocks that suit our environment and consumer tastes. To maintain the supply of genetically diverse and high-health planting material, we will work towards the establishment of a national germplasm collection. To increase viticultural efficiency and sustainability, we will develop, test and commercialise new vineyard technologies and establish agricultural technology demonstration farms, and we will encourage adoption of new methods and strategies to increase winery efficiency and sustainability.

In Strategy 4, our R&D investments will provide knowledge and tools to help growers and producers to be more environmentally sustainable, including information to manage the challenges of short-term climate cycles and long-term climate change. We will determine how best to measure carbon emissions and waste production in a grape and wine production setting so that the sector can develop benchmarks as a first step towards its goal of zero net carbon emissions and zero waste production by 2050.

We will continue investing in research to allow more efficient and effective use of water in the vineyard, and focus on the value of soil remediation processes, lower chemical use in the vineyard, more sustainably managing endemic pests and diseases and being better prepared for exotic pests and diseases. We will actively support the sector's *Sustainable Winegrowing Australia* program to help the sector demonstrate its sustainability credentials.

In Strategy 5, our R&D adoption investments seek to accelerate the adoption of research outcomes and best practice. We will implement our Extension and Adoption Strategy to build capacity and drive behaviour and practice change, including through our Regional Program. We will continue developing the leaders of tomorrow – and building the skills of the leaders of today – through regional governance and leadership programs and by supporting postgraduate students and early-career researchers.

In 2020–21, we will deliver the final elements of the Export and Regional Wine Support Package under the Ten-Year Enterprise Tax Plan – wine equalisation tax rebate integrity and wine tourism funding measure. The \$50 million program has focused on wine promotion both internationally and domestically. Initiatives will benefit regional wine producers and assist export-focused businesses to continue to grow. We also administer the Wine Tourism and Cellar Door Grant program that commenced in 2019–20.

We also work closely with other research and development corporations (RDCs) in cross-sectoral collaborative research, including through Agricultural Innovation Investments Limited, to deliver RD&A 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 2020–21, we will continue to investigate ways to reduce the time spent on compliance for our levy payers. We will engage with all of our levy payers through our new levy payer register.

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 (that is, appropriations/cash available) basis, whilst the ‘Budgeted expenses by Outcome’ table in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: Wine Australia – Resource Statement – Budget Estimates for 2020–21 as at October 2020

	2019–20 <i>Estimated actual</i> \$'000	2020–21 Estimate \$'000
Opening balance/cash reserves at 1 July	3,144	4,994
Funds from Government		
Amounts received from related entities		
Amounts from portfolio department ^(a)	26,500	10,329
Total amounts received from related entities	26,500	10,329
Special appropriations^(b)		
Wine Australia Act 2013, s. 32 – payments to the Authority	32,325	30,540
Total special appropriations	32,325	30,540
Total funds from Government	58,825	40,869
Funds from industry sources		
Levies ^(c)	18,822	17,040
less amounts paid to the CRF	(18,822)	(17,040)
Total funds from industry sources	-	-
Funds from other sources		
Interest	194	120
Sale of goods and services	6,903	3,747
Other	157	188
Total funds from other sources	7,254	4,055
Total net resourcing for Wine Australia	69,223	49,918
	2019–20	2020–21
Average staffing level (number)	53	53

(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, Water and the Environment 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 2020–21* and are summarised below.

Table 1.2: Wine Australia – 2020–21 Budget measures – Measures announced after the Economic and Fiscal Update July 2020

Wine Australia does not have any 2020–21 Budget measures.

Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth 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 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 a complete picture of an entity's planned and actual performance.

The most recent corporate plan for Wine Australia can be found at:
https://www.wineaustralia.com/getmedia/83f33cf4-a1c6-42d7-85b4-08cb9415e44c/WA_StrategicPlan_2020-25_W_1.pdf.

The most recent annual performance statement for Wine Australia can be found at:
https://www.wineaustralia.com/getmedia/ffdc0314-7c89-4dd1-9a2e-4bc987f54b7f/WA_AnnualReport_2018-19_F2_1.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.

2.1.1: Linked programs

Department of Agriculture, Water and the Environment
Program 3.10: Agricultural Resources
<p>Contribution to Outcome 1 made by linked program:</p> <p>Wine Australia and the Department of Agriculture, Water and the Environment work together to ensure a sustainable, productive and profitable grape and wine sector.</p>
Department of the Treasury
Program 1.3: Support for markets and business
<p>Contribution to Outcome 1 made by linked program:</p> <p>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 measure. This promotes wine and assists export-focused businesses to continue to grow. It also benefits regional wine producers and their communities through increasing wine tourism. Wine Australia also administers the Wine Tourism and Cellar Door Grant program, which commenced in 2019–20.</p>

2.2.1: 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 2.1: Budgeted expenses 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.

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
Program 1.1: Wine Australia					
<u>Revenue from Government</u>					
Payment from related entities	26,500	10,329	10,050	50	50
Special appropriations					
<i>Wine Australia Act 2013</i> , s. 32 – payments to the Authority	32,325	30,540	32,677	30,846	30,916
Revenues from other independent sources	8,412	9,117	9,529	9,477	9,573
Expenses not requiring appropriation in the Budget year ^(a)	377	5,000	2,000	-	-
Total expenses for program 1.1	67,614	54,986	54,256	40,373	40,539
Outcome 1 totals by resource type					
<u>Revenue from Government</u>					
Payment from related entities	26,500	10,329	10,050	50	50
Special appropriations	32,325	30,540	32,677	30,846	30,916
Revenues from other independent sources	8,789	14,117	11,529	9,477	9,573
Total expenses for Outcome 1	67,614	54,986	54,256	40,373	40,539
Average staffing level (number)					
	2019–20	2020–21			
	53	53			

(a) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, make good expense and audit fees and expenses funded in the prior year.

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

Prepared on Australian Accounting Standards basis.

2.3.1: Performance criteria for Outcome 1

Table 2.3.1 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2020–21 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 R&D, building markets, disseminating knowledge and ensuring compliance to foster and enable a competitive Australian wine sector.
Delivery	<p>We will invest in R&D in the five strategic areas outlined in our Strategic Plan 2020–2025 for the benefit of wine grape growers, winemakers, wine businesses and the wider community.</p> <p>We will invest in RD&A to build grape and wine excellence, build sustainable environments and build business sustainability, excellence and leadership.</p> <p>We will invest in marketing to promote Australian wine and grow international markets.</p> <p>We will invest in regulatory services to protect the reputation of Australian wine.</p> <p>We will support grape and wine businesses with market insights that allow them to make effective decisions.</p>

Continued on following pages

Contributions to Outcome 1 (continued)

Performance information		
Year	Performance criteria	2019–20 Actual Achievement/Targets
2019–20	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		
Year	Performance criteria	2019–20 Actual Achievement/Targets
2020–21	Wine Australia	
	We improve our stakeholder net promoter score from 2019 baseline.	Above +12.
	RD&A	
	Research contracts are actively managed through regular and ongoing monitoring of the research.	100 per cent.
	Market Insights customers are satisfied or very satisfied with the services they receive.	> 90 per cent.
	Levy payers who participate in Wine Australia-supported extension and adoption programs consider them a good or very good use of levy funds.	80 per cent.
	Marketing	
	Tier A influencers actively engage with Wine Australia.	81 per cent.
	The perception of Australian wine increases in Canada, China, the UK and the USA.	Increase above 2019 baseline.
	Wineries and distributors who participate in Wine Australia events report that they are satisfied or very satisfied.	> 90 per cent.
	Regulatory services	
	Achieve the six key performance indicators in our Regulator Performance Framework.	Achieved.
	Through our Label Integrity Program, we inspect producers' records, focusing on those relating to wine regions and varieties in particular demand.	Up to 300 records.

Continued on following page

Contributions to Outcome 1 (continued)

Performance information		
Year	Performance criteria	2019–20 Actual Achievement/Targets
2021–22 and beyond	Wine Australia	
	As per 2020–21.	As per 2020–21.
	RD&A	
	As per 2020–21.	As per 2020–21.
	As per 2020–21.	As per 2020–21.
	As per 2020–21.	As per 2020–21.
	Marketing	
	Tier A influencers actively engage with Wine Australia.	82 per cent in 2021–22 83 per cent in 2022–23 84 per cent in 2023–24 85 per cent in 2024–25.
	As per 2020–21.	As per 2020–21.
	As per 2020–21.	As per 2020–21.
	Regulatory services	
	As per 2020–21.	As per 2020–21.
	As per 2020–21.	As per 2020–21.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for 2020–21, including the impact of 2020–21 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.

3.2.1 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 \$17.0 million for the 2020–21 year, based on an expected 2020 vintage of 1.52 million tonnes.

Research, development and extension 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 and promotional user-pays events.

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
EXPENSES					
Employee benefits	13,079	12,767	12,767	12,767	12,767
Suppliers	18,347	6,684	7,528	7,489	7,894
Grants	34,405	32,876	31,335	17,457	17,508
Depreciation and amortisation	1,665	2,639	2,606	2,638	2,349
Write-down and impairment of assets	16	1	1	1	-
Finance costs	23	19	19	21	21
Foreign exchange costs	79	-	-	-	-
Total expenses	67,614	54,986	54,256	40,373	40,539
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	8,060	8,809	9,245	9,217	9,313
Interest	194	120	96	72	72
Rental income	157	188	188	188	188
Total own-source revenue	8,411	9,117	9,529	9,477	9,573
Total own-source income	8,411	9,117	9,529	9,477	9,573
Net cost of (contribution by) services	59,203	45,869	44,727	30,896	30,966
Revenue from Government ^(a)	58,826	40,869	42,727	30,896	30,966
Total revenue from Government	58,826	40,869	42,727	30,896	30,966
Surplus/(deficit) attributable to the Australian Government	(377)	(5,000)	(2,000)	-	-
Total comprehensive income/(loss) attributable to the Australian	(377)	(5,000)	(2,000)	-	-
Note: Impact of net cash appropriation arrangements					
	2019–20 \$'000	2020–21 \$'000	2021–22 \$'000	2022–23 \$'000	2023–24 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations, depreciation on ROU, principal repayments on leased assets	(389)	(4,888)	(1,885)	117	-
less depreciation/amortisation expenses for ROU ^(b)	990	1,242	1,273	1,305	-
add principal repayments on leased assets ^(b)	1,002	1,130	1,158	1,188	-
Total comprehensive income/(loss) – as per the Statement of comprehensive income	(377)	(5,000)	(2,000)	-	-

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

(b) Applies to leases under AASB 16 Leases. Right of Use (ROU).

Prepared on Australian Accounting Standards basis.

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	4,994	4,044	4,037	5,145	3,845
Trade and other receivables	2,379	2,446	2,561	2,678	2,678
Other investments	10,028	8,235	7,337	7,583	9,558
Total financial assets	17,401	14,725	13,935	15,406	16,081
Non-financial assets					
Land and buildings	674	556	469	380	464
Property, plant and equipment	118	11	101	36	96
Intangibles	4,486	3,471	2,288	1,130	447
Other	2,143	2,009	1,943	1,875	1,803
Total non-financial assets	7,421	6,047	4,801	3,421	2,810
Total assets	24,822	20,772	18,736	18,827	18,891
LIABILITIES					
Payables					
Suppliers	529	315	106	106	34
Grants	646	1,637	1,998	1,998	1,998
Other	439	439	82	5	-
Total payables	1,614	2,391	2,186	2,109	2,032
Provisions					
Employee provisions	1,520	1,666	1,807	1,947	2,088
Other provisions	103	103	103	103	103
Total provisions	1,623	1,769	1,910	2,050	2,191
Interest bearing liabilities					
Leases	609	636	664	692	692
Total interest bearing liabilities	609	636	664	692	692
Total liabilities	3,846	4,796	4,760	4,851	4,915
Net assets	20,976	15,976	13,976	13,976	13,976
EQUITY*					
Parent entity interest					
Retained surplus (accumulated deficit)	20,976	15,976	13,976	13,976	13,976
Total parent entity interest	20,976	15,976	13,976	13,976	13,976
Total Equity	20,976	15,976	13,976	13,976	13,976

* 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 2020–21)**

	Retained earnings	Total equity
	\$'000	\$'000
Opening balance as at 1 July 2020		
Balance carried forward from previous period	20,976	20,976
Adjusted opening balance	20,976	20,976
Comprehensive income		
Surplus (deficit) for the period	(5,000)	(5,000)
Total comprehensive income	(5,000)	(5,000)
of which:		
Attributable to the Australian Government	(5,000)	(5,000)
Estimated closing balance as at 30 June 2021	15,976	15,976
Closing balance attributable to the Australian Government	15,976	15,976

Prepared on Australian Accounting Standards basis.

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Receipts from Government	40,003	40,869	42,727	30,896	30,966
Sale of goods and rendering of services	9,735	6,298	6,829	6,801	6,898
Interest	200	120	96	72	72
Net GST received	273	2,586	2,488	2,486	2,603
Other	19,285	45	-	-	-
Total cash received	69,496	49,918	52,140	40,255	40,539
Cash used					
Employees	12,813	12,621	12,626	12,627	12,626
Suppliers	20,933	6,764	7,737	7,489	7,894
Grant payments	34,066	31,885	30,974	17,457	17,508
Borrowing costs	23	19	19	21	21
Other	(2,405)	-	291	9	5
Total cash used	65,430	51,289	51,647	37,603	38,054
Net cash from (used by) operating activities	4,066	(1,371)	493	2,652	2,485
INVESTING ACTIVITIES					
Cash received					
Investments	27,096	10,000	10,000	10,000	10,000
Total cash received	27,096	10,000	10,000	10,000	10,000
Cash used					
Purchase of property, plant and equipment	1,202	242	240	110	610
Investments	27,108	8,207	9,102	10,246	11,975
Total cash used	28,310	8,449	9,342	10,356	12,585
Net cash from (used by) investing activities	(1,214)	1,551	658	(356)	(2,585)
FINANCING ACTIVITIES					
Cash used					
Lease liability – principal payments	1,002	1,130	1,158	1,188	1,200
Total cash used	1,002	1,130	1,158	1,188	1,200
Net cash from/(used by) financing activities	(1,002)	(1,130)	(1,158)	(1,188)	(1,200)
Net increase (decrease) in cash held	1,850	(950)	(7)	1,108	(1,300)
Cash and cash equivalents at the beginning of the reporting period	3,144	4,994	4,044	4,037	5,145
Cash and cash equivalents at the end of the reporting period	4,994	4,044	4,037	5,145	3,845

Prepared on Australian Accounting Standards basis.

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
PURCHASE OF NON-FINANCIAL ASSETS					
Funded internally from departmental resources ^(a)	1,202	242	240	110	610
TOTAL	1,202	242	240	110	610
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	1,202	242	240	110	610
Total cash used to acquire assets	1,202	242	240	110	610

(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.

Prepared on Australian Accounting Standards basis.

Table 3.6: Statement of asset movements (Budget year 2020–21)

	Buildings	Other property, plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2020				
Gross book value	1,014	1,017	5,780	7,811
Gross book value – ROU ^(a)	1,612	-	-	1,612
Accumulated depreciation/amortisation and impairment	(962)	(899)	(1,294)	(3,155)
Accumulated depreciation/amortisation and impairment – ROU ^(a)	(990)	-	-	(990)
Opening net book balance	674	118	4,486	5,278
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase – appropriation equity ^(b)	-	110	132	242
By purchase – appropriation equity – ROU ^(a)	1,157	-	-	1,157
Total additions	1,157	110	132	1,399
Other movements				
Depreciation/amortisation expense	(33)	(217)	(1,147)	(1,397)
Depreciation/amortisation expense – ROU ^(a)	(1,242)	-	-	(1,242)
Total other movements	(1,275)	(217)	(1,147)	(2,639)
As at 30 June 2021				
Gross book value	1,014	1,127	5,912	8,053
Gross book value – ROU ^(a)	2,769	-	-	2,769
Accumulated depreciation/amortisation and impairment	(995)	(1,116)	(2,441)	(4,552)
Accumulated depreciation/amortisation and impairment – ROU ^(a)	(2,232)	-	-	(2,232)
Closing net book balance	556	11	3,471	4,038

(a) Applies to leases under AASB 16 Leases. Right of Use (ROU).

(b) 'Appropriation ordinary annual services' refers to funding provided through and Appropriation Bill (No. 1) 2020–21 for depreciation / amortisation expenses, DCBs or other operational expenses.

Prepared on Australian Accounting Standards basis.