

**PORTFOLIO ADDITIONAL
ESTIMATES STATEMENTS
2006-07**

**AGRICULTURE, FISHERIES AND
FORESTRY PORTFOLIO**

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HON PETER MCGAURAN MP

MINISTER FOR AGRICULTURE, FISHERIES AND FORESTRY

President of the Senate
Australian Senate
Parliament House
CANBERRA ACT 2600

Speaker
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Mr President
Dear Mr Speaker

I hereby submit Portfolio Additional Estimates Statements in support of the 2006-07 Additional Estimates for the Agriculture, Fisheries and Forestry Portfolio.

These statements have been developed, and are submitted to the Parliament, as a statement on the funding requirements being sought for the Portfolio.

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

Yours sincerely

A handwritten signature in black ink, appearing to read 'Peter McGauran', written in a cursive style.

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**USER GUIDE
TO THE
PORTFOLIO ADDITIONAL
ESTIMATES STATEMENTS**

USER GUIDE

INTRODUCTION

The purpose of the Portfolio Additional Estimates Statements (PAES), like that of the Portfolio Budget Statements, is to inform Senators and Members of Parliament of the proposed allocation of resources to government outcomes by agencies within the portfolio. However, unlike the Portfolio Budget Statements, the PAES summarise only the *changes* in resourcing by outcome since the Budget, that is, they do not include a complete resourcing table for the agency. The PAES include new Measures, summarise the changes by Appropriation Bill, and, where relevant, by Special Appropriation and Special Account.

The PAES facilitate understanding of the proposed appropriations in Appropriation Bills (Nos. 3 and 4) 2006–07. In this sense the PAES is declared by the Additional Estimates Appropriation Bills to be a ‘relevant document’ to the interpretation of the Bills according to section 15AB of the *Acts Interpretation Act 1901*.

Whereas the *Mid-Year Economic and Fiscal Outlook 2006–07* is a mid-year budget report which provides updated information to allow the assessment of the government’s fiscal performance against its fiscal strategy, the PAES update the most recent budget appropriations for agencies within the portfolio.

STRUCTURE OF THE PORTFOLIO ADDITIONAL ESTIMATES STATEMENTS

The PAES are presented in three parts with subsections.

User guide

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

Portfolio overview

Provides an overview of the portfolio, including a chart that outlines the outcomes for agencies in the portfolio.

Agency additional estimates statements

A statement (under the name of the agency) for each agency affected by Additional Estimates.

Section 1: Agency overview, variations and measures

This section details the link between the resources appropriated, savings, the impact of any post-Budget measures, and their application to the outputs and administered items (usually programmes) that contribute to the achievement of outcomes. This section also reports changes to receipts from independent sources; changes to estimates of expenses from Special Appropriations; and changes to estimated Special Account flows.

Section 2: Revisions to outcomes, administered items and outputs

This section details changes to planned government outcomes, or to the contributing administered items and agency outputs.

Section 3: Budgeted financial statements

This section contains revisions to the budgeted financial statements in accrual format covering Budget year, previous year and the three out-years for each agency.

Glossary

Explains key terms.

Index (Optional)

Alphabetical guide to the Statements

STYLES AND CONVENTIONS USED

(a) The following notations may be used:

NEC/nec	not elsewhere classified
AEST	Australian Eastern Standard Time
-	nil
..	not zero, but rounded to zero
na	not applicable (unless otherwise specified)
nfp	not for publication
\$m	\$ million

(b) Figures in tables and in the text may be rounded. Discrepancies in tables between totals and sums of components are due to rounding.

(c) The following acronyms may be used:

AAA	– Agriculture Advancing Australia
AAHL	– Australian Animal Health Laboratory
BA	– Biosecurity Australia
CSIRO	– Commonwealth Scientific and Industrial Research Organisation
CWA	– Country Women’s Association
DAFF	– Department of Agriculture, Fisheries and Forestry
FAO	– Food and Agriculture Organization of the United Nations
GST	– Goods and Services Tax
NRM	– natural resource management
NRS	– National Residue Survey
RDC	– Research and Development Corporation
R&D	– research and development

ENQUIRIES

Should you have any enquiries regarding this publication, please contact the Chief Finance Officer of the Department of Agriculture, Fisheries and Forestry on (02) 6272 4398.

A copy of this document can be located on the Australian Government Budget website at: <http://www.budget.gov.au>.

PORTFOLIO OVERVIEW

PORTFOLIO OVERVIEW

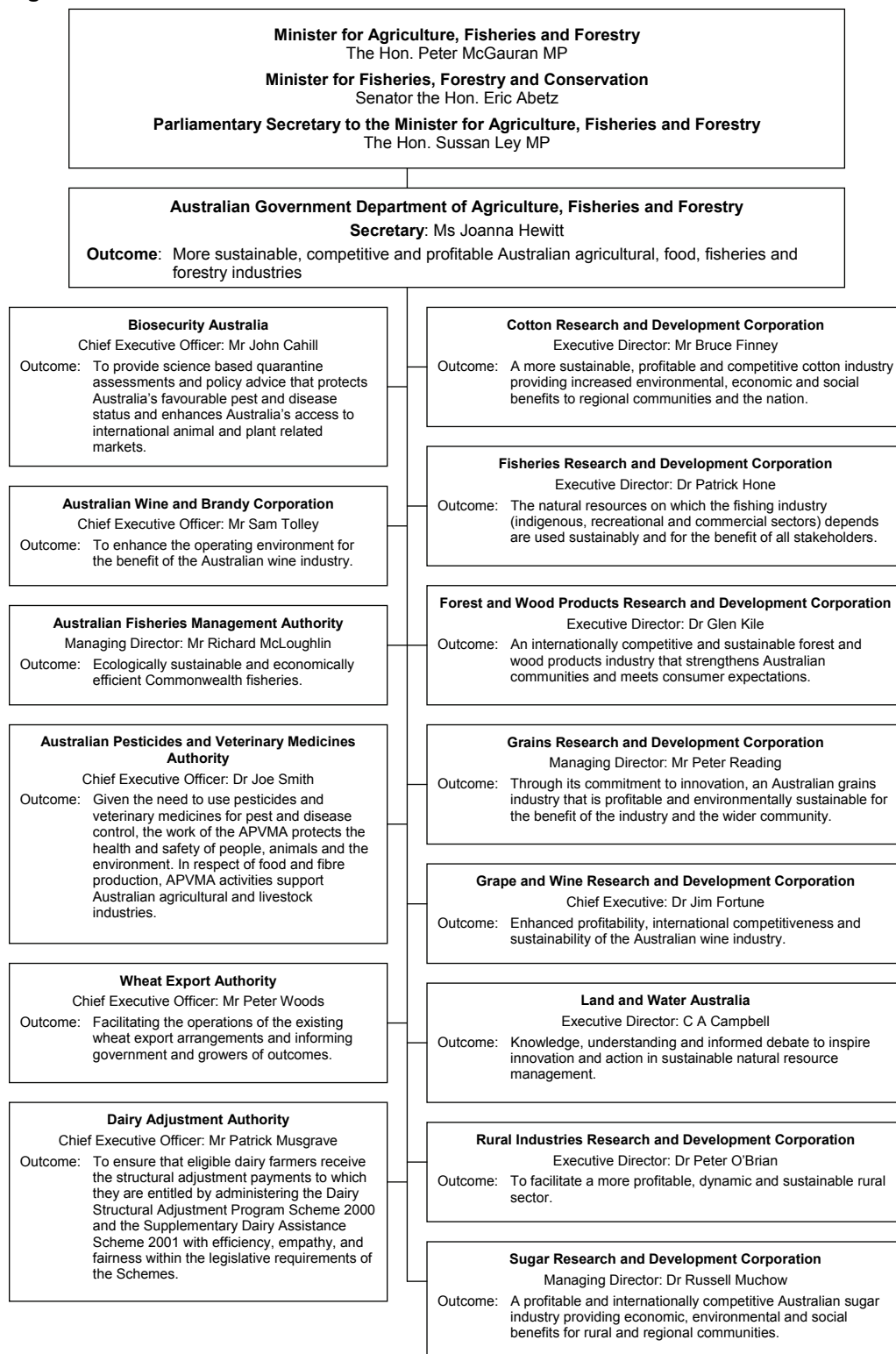
The Agriculture, Fisheries and Forestry portfolio consists of the Australian Government Department of Agriculture, Fisheries and Forestry (DAFF) and 14 portfolio bodies.

Thirteen of these portfolio bodies undertake a range of rural research and development, regulation, marketing and promotion functions. The other body, Biosecurity Australia, is engaged in the development of quarantine policy assessments.

Through these bodies, the portfolio seeks the Outcome of:

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

Figure 1: Portfolio structure and outcomes



ADDITIONAL ESTIMATES AND VARIATIONS — PORTFOLIO LEVEL

Additional Estimates, comprising new measures and other variations, are being sought for DAFF. Full details are provided in Section 1.

Revised financial Information is included for the Wheat Export Authority (WEA) which is receiving additional 2006-07 funding of \$1 million by way of a grant from the Department.

AGENCY ADDITIONAL ESTIMATES STATEMENTS

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AUSTRALIAN GOVERNMENT DEPARTMENT OF AGRICULTURE, FISHERIES AND FORESTRY

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AUSTRALIAN GOVERNMENT DEPARTMENT OF AGRICULTURE, FISHERIES AND FORESTRY

Section 1: Agency overview and resources; variations and measures

OVERVIEW

The Agriculture, Fisheries and Forestry portfolio aims to advance the interests of Australia's agriculture, food, fisheries and forest industries in ways that protect and enhance the natural resource base and are underpinned by sound scientific and economic research.

The portfolio comprises the Australian Government Department of Agriculture, Fisheries and Forestry, two prescribed agencies and a number of statutory authorities. These portfolio organisations implement policies, programmes and services to assist industries to deal with the challenges they face and improve their sustainability, competitiveness and profitability.

The portfolio is structured to contribute to the achievement of the government's objectives of:

- helping Australian agricultural, food, fisheries and forestry industries become more competitive, profitable and sustainable
- enhancing the natural resource base on which these industries rely
- delivering scientific advice and economic research, policy advice, programmes and services to help deal with the challenges faced by agricultural, food, fisheries and forestry industries
- maintaining Australia's highly favourable animal and plant health status through quarantine, export inspection and certification and food safety standards activities.
- improving trading opportunities for Australian agriculture and food industries.

The portfolio consists of:

- The Australian Government Department of Agriculture, Fisheries and Forestry, including the Australian Quarantine and Inspection Service (AQIS), the Bureau of

Rural Sciences (BRS) and the Australian Bureau of Agricultural and Resource Economics (ABARE)

- Two agencies prescribed under the *Financial Management and Accountability Act 1997*:
 - Biosecurity Australia
 - The Dairy Adjustment Authority
- One statutory marketing authority:
 - The Australian Wine and Brandy Corporation
- Three regulatory authorities:
 - The Australian Fisheries Management Authority
 - The Australian Pesticides and Veterinary Medicines Authority
 - The Wheat Export Authority
- Eight Research and Development Corporations:
 - Cotton; Fisheries; Forest and Wood Products; Grains; Grape and Wine; Land and Water Australia; Rural Industries; and Sugar.

Each agency within the portfolio has an Outcome(s) and Output(s) that contribute to the Portfolio Outcome.

The role of the Department is to help the government to achieve its policy objectives and administer legislation in these areas by contributing to the Portfolio Outcome of ‘more sustainable, competitive and profitable Australian agriculture, food, fisheries and forestry industries’.

The Departmental Outcome and the Department’s eight output groups are shown in Table 1.1. They are unchanged from the 2006–07 Portfolio Budget Statements.

Table 1.1: Department of Agriculture, Fisheries and Forestry outcome and output groups

Outcome	Description	Output groups
Outcome 1		
Australian agricultural, fisheries, food and forestry industries that are based on sustainable management of and access to natural resources, are more competitive, self-reliant and innovative, have increased access to markets, are protected from diseases and are underpinned by scientific advice and economic research.	The primary role of the Department is to help increase the profitability, competitiveness and sustainability of Australian agricultural, fisheries, food and forestry industries and enhance the natural resource base to achieve greater national wealth and stronger rural and regional communities.	<ol style="list-style-type: none"> 1. Natural resources access and management 2. Rural policy and innovation 3. Industry development 4. International Food and Agriculture Service 5. Product integrity, animal (including aquatic animal) and plant health 6. Quarantine and export services 7. Scientific advice 8. Economic research

ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

Additional appropriations have been allocated or existing appropriations reallocated for a number of measures and other variations through additional estimates.

The Department is seeking an additional \$483.918 million in administered and departmental appropriations. This increase is summarised as follows:

Increased administered appropriations totalling \$462.963 million

- \$66.844 million increase in Appropriation Bill (No. 3);
- \$222.469 million increase in Appropriation Bill (No. 4); and
- \$173.650 million increase in Special Appropriations.

Increased departmental appropriations totalling \$20.955 million

- \$18.923 million increase in Appropriation Bill (No. 3); and
- \$2.032 million increase in Appropriation Bill (No. 4).

For details of these amounts, please refer to the following sections titled 'Measures – Agency summary' and 'Other variations to appropriations'.

MEASURES — AGENCY SUMMARY

Table 1.2: Summary of measures since the 2006-07 Budget

Measure	Output groups affected	2006-07 (\$'000)			2007-08 (\$'000)			2008-09 (\$'000)			2009-10 (\$'000)		
		Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total
Expense measures													
Drought Assistance – Exceptional Circumstances Assistance	2	402,488	11,276	413,764	419,887	-	419,887	-	-	-	-	-	-
Drought Package 2006 – Interim Income Support Payments for Farmers	2	13,968	662	14,630	-	-	-	-	-	-	-	-	-
Drought Package 2006 – Interim Income Support Payments for Small Business	2	112	7	119	-	-	-	-	-	-	-	-	-
Drought Package 2006 – Assessments and Extensions	2	-	695	695	-	2,840	2,840	-	-	-	-	-	-
Drought Package 2006 – Rural Financial Counselling Service	2	2,900	-	2,900	4,100	-	4,100	-	-	-	-	-	-
Drought Package 2006 – Country Womens Association community grants	2	2,000	307	2,307	2,000	326	2,326	-	-	-	-	-	-
Drought Package 2006 – Professional advice	2	17,300	1,856	19,156	12,200	1,684	13,884	-	-	-	-	-	-
Gunns Pulp Mill – Additional funding	3	2,600	-	2,600	-	-	-	-	-	-	-	-	-
Tobacco grower adjustment assistance	3	40,900	1,061	41,961	-	-	-	-	-	-	-	-	-
Pandemic influenza preparedness – establishing rapid deployment teams for thermal scanning at airports	6	-	2,059	2,059	-	2,815	2,815	-	2,919	-	3,028	3,028	-
Additional funding for the Wheat Export Authority	-	-	1,000	1,000	-	-	-	-	-	-	-	-	-
Total expense measures		482,268	18,923	501,191	438,187	7,665	445,852	-	2,919	-	3,028	3,028	-

Continued next page

Table 1.2: Summary of measures since the 2006-07 Budget — continued

Measure	Output groups affected	2006-07 (\$'000)		2007-08 (\$'000)		2008-09 (\$'000)		2009-10 (\$'000)	
		Admin items	Dept outputs	Admin items	Dept outputs	Admin items	Dept outputs	Admin items	Dept outputs
Revenue measures									
Abolition of the domestic sugar levy	3	(13,200)	-	(15,200)	-	-	-	-	-
Total revenue measures		(13,200)	(13,200)	(15,200)	(15,200)	-	-	-	-
Summary of Expense Measures									
Appropriation Bill (no. 3)		79,780		18,300		-		-	
Appropriation Bill (no. 4)		222,469		230,255		-		-	
Special Appropriations		180,019		189,632		-		-	
Increase in Administered Appropriations		482,268	18,923	438,187	7,665	2,919	3,028		
Increase in Departmental Appropriations									
Total increase in Appropriations			506,191		445,852		2,919		3,028

OTHER VARIATIONS TO APPROPRIATIONS**Table 1.3: Additional estimates and variations to outcome — other variations**

	2006–07 (\$'000)	2007–08 (\$'000)	2008–09 (\$'000)	2009–10 (\$'000)
Outcome 1				
Variations (administered)				
AAA – Farm Help	(9,986)	-	-	-
AAA – Industry Partnerships	(150)	(250)	-	-
Australian HomeGrown Campaign	(100)	-	-	-
Commonwealth contribution to the operating costs of Animal Health Australia	13	-	-	-
Fisheries Resources Research	326	481	448	243
International Organisations Contributions	14	3	(6)	(5)
Other variations	(10,000)	(4,100)		
Movement of funds	6,213	(873)	-	-
New Industries Development Programme	250	250	-	-
Price adjustment of estimates	-	760	579	550
Reforecast of Special Appropriation estimates	(6,369)	2,123	8,249	56,740
United Nations Food and Agriculture Organization (FAO)	484	410	410	410
	(19,305)	(1,196)	9,680	57,938
Variations (departmental)				
Appropriation of previous year accrued revenue	2,032			
Price adjustment of estimates	-	1,421	1,613	1,013
	2,032	1,421	1,613	1,013

BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

Table 1.4: Appropriation Bill (No. 3) 2006-07

	2005-06 available (\$'000)	2006-07 Budget (\$'000)	2006-07 revised (\$'000)	Additional estimates (\$'000)	Reduced estimates (\$'000)
ADMINISTERED ITEMS					
Outcome 1					
More sustainable, competitive and profitable Australian agricultural, food, fisheries and forestry industries.	836,034	513,728	580,572	66,844	-
Total	836,034	513,728	580,572	66,844	-
DEPARTMENTAL OUTPUTS					
Outcome 1					
More sustainable, competitive and profitable Australian agricultural, food, fisheries and forestry industries.	329,012	320,918	339,841	18,923	-
Total	329,012	320,918	339,841	18,923	-
Total administered and departmental	1,165,046	834,646	920,413	85,767	-

2005-06 available appropriation is included to allow a comparison of this year's appropriation with that made available for use in the previous year.

Table 1.5: Appropriation Bill (No. 4) 2006-07

	2005-06 available (\$'000)	2006-07 Budget (\$'000)	2006-07 revised (\$'000)	Additional Estimates (\$'000)	Reduced estimates (\$'000)
PAYMENTS TO STATES, ACT, NT AND LOCAL GOVERNMENT					
Outcome 1					
More sustainable, competitive and profitable Australian agricultural, food, fisheries and forestry industries.	624,258	360,106	582,575	222,469	-
Total	624,258	360,106	582,575	222,469	-
Non-operating					
Equity injections	-	-	-	-	-
Loans	-	-	-	-	-
Previous years' outputs	-	-	2,032	2,032	-
Administered assets and liabilities	-	-	-	-	-
Total non-operating	-	-	2,032	2,032	-
Department of Agriculture, Fisheries, and Forestry					
Total	624,258	360,106	584,607	224,501	-

2005-06 available appropriation is included to allow a comparison of this year's appropriation with that made available for use in the previous year.

Table 1.6: Average staffing level

	2006–07 Budget	2006–07 Revised	Variation
Outcome 1			
More sustainable, competitive and profitable Australian agricultural, food, fisheries and forestry industries.	4210	4214	4
Total	4210	4214	4

OTHER RECEIPTS AVAILABLE TO BE USED

Table 1.7 provides details of other receipts available to be used.

Table 1.7: Other receipts available to be used

	Budget estimate 2006–07 (\$'000)	Revised estimate 2006–07 (\$'000)	Variation 2006–07 (\$'000)
Departmental other receipts			
Sales of goods and services	220,579	245,981	25,402
Interest	715	715	-
Other	10,220	14,210	3,990
Total departmental other receipts available to be used	231,514	260,906	29,392
Administered other receipts			
Levies, Fee and Charges			
AFMA Fishing Management Levy	8,088	8,338	250
Agricultural and Veterinary Chemical Levy, Fees and Charges	24,694	24,694	-
All Milk Levy	32,379	32,379	-
Buffalo Slaughter Export Charge	22	22	-
Buffalo Slaughter Levy	6	6	-
Cattle and Livestock Exporters Charge	3,000	2,579	(421)
Cattle Producers Export Charge	217	217	-
Cattle Transaction Levy	67,735	67,735	-
Coarse Grains Levy	17,995	14,967	(3,028)
Cotton Research Levy	5,895	5,200	(695)
Dairy Industry Restructure Package Levy	226,556	226,556	-
Deer Export Charge	12	10	(2)
Deer Slaughter Levy	145	110	(35)
Deer Velvet Export Charge	35	25	(10)
Deer Velvet Levy	11	5	(6)
Egg Promotion Levy	3,200	3,200	-
Farmed Prawns Export Charge	5	5	-
Farmed Prawns Levy	110	110	-
Fishing Levy – Commonwealth	1,155	1,155	-
Fishing Levy – Domestic	235	235	-
Forestry Import Charge	800	700	(100)
Forestry Levy	3,465	3,150	(315)
Goat Fibre Levy	35	40	5
Grain Legumes Levy	4,300	3,605	(695)
Grape Research Levy	3,841	3,680	(161)
Honey Export Charge	121	121	-
Honey Levy	295	295	-

Continued next page

Table 1.7: Other receipts available to be used — continued

	Budget estimate 2006–07 (\$'000)	Revised estimate 2006–07 (\$'000)	Variation 2006–07 (\$'000)
Horticultural Export Charge	2,406	2,406	-
Horticultural Levy	27,500	27,500	-
Laying Chicken Levy	900	900	-
Live Animal Export Charge	2,665	2,665	-
Live Bee Levy	14	14	-
Livestock Export Charge – Disease Eradication	4	1	(3)
Livestock Transactions Levy	31,000	31,000	-
Macropod Levy	100	110	10
Meat Chicken Levy	1,176	1,200	24
NRS Game Pigs Levy	45	30	(15)
NRS Horse Levy	75	75	-
NRS Ratite Slaughter Levy	25	20	(5)
Oilseeds Levy	5,500	3,457	(2,043)
Pasture Seeds Levy	250	219	(31)
Pig Slaughter Levy	13,000	13,000	-
Rice Levy	2,375	1,200	(1,175)
Sugar Cane Research Levy	5,376	5,100	(276)
Sugar Levy	24,000	12,800	(11,200)
Wheat Levy	41,500	31,000	(10,500)
Wine Export Charge	3,409	2,750	(659)
Wine Grapes Levy	11,800	12,430	630
Wool Levy and Export Charge	43,268	40,500	(2,768)
	620,740	587,516	(33,224)
Interest on state and territory debt			
Adelaide Northern Town Water	949	949	-
Sewerage Agreements	722	722	-
	1,671	1,671	-
Other non-taxation revenue			
War Service Land Settlement – Rent	516	343	(173)
<i>Australian Animal Health Council (Live-stock Industries) Funding Act 1996</i>	211	211	-
	727	554	(173)
Total administered other resources	623,138	589,741	(33,397)

ESTIMATES OF EXPENSES FROM SPECIAL APPROPRIATIONS

Table 1.8: Estimates of expenses from special appropriations

	Budget estimate 2006–07 (\$'000)	Revised estimate 2006–07 (\$'000)	Variation 2006-07 \$'000
Estimated expenses			
Output 2: Rural policy and innovation			
<i>Australian Meat and Live-stock Industry Act 1997, s63(2) – Payments to the Industry Marketing Body</i>	64,367	73,000	8,633
<i>Australian Meat and Live-stock Industry Act 1997, s64(2) – Payments to the Industry Research Body</i>	20,904	21,380	476
<i>Australian Meat and Live-stock Industry Act 1997, s64A(2) – Payments to the Livestock Export Marketing Body</i>	2,213	2,313	100
<i>Australian Meat and Livestock Industry Act 1997, s64B(2) – Payments to the Live-stock Export Research Body</i>	246	300	54
<i>Australian Meat and Livestock Industry Act 1997, s66(1) – Commonwealth contribution to research body</i>	40,500	39,800	(700)
<i>Australian Wine and Brandy Corporation Act 1980, s32</i>	5,982	5,982	-
<i>Dairy Produce Act 1986, s6(1) – Appropriation for payments under funding contract</i>	47,770	47,770	-
<i>Egg Industry Service Provision Act 2002, s8(1) – Appropriations for payments under funding contract</i>	4,900	4,614	(286)
<i>Farm Household Support Act 1992, s57(3) – Exceptional Circumstances Relief Payments</i>	34,700	214,719	180,019
<i>Financial Management and Accountability Act 1997, s28(2) – payment of refunds not elsewhere appropriated</i>	2725	2725	-
<i>Fisheries Administration Act 1991, s80(2)</i>	8,323	8,573	250
<i>Horticultural Marketing and Research and Development Services Act 2000, s16(9) – Commonwealth Payments to the industry services body</i>	61,110	63,600	2,490
<i>Pig Industry Act 2001, s10(1) – Appropriation for payments under funding contract</i>	16,694	16,872	178
<i>Plant Health Australia (Plant Industries) Funding Act 2002, s6 – Appropriation</i>	795	795	-
<i>Primary Industries and Energy Research and Development Act 1989, s30(3) – Cotton R&D Corporation</i>	8,941	10,165	1,224
<i>Primary Industries and Energy Research and Development Act 1989, s30(3) – Forest and Wood Products R&D Corporation</i>	8,000	7,050	(950)
<i>Primary Industries and Energy Research and Development Act 1989, s30(3) – Grains R&D Corporation – Other Grains</i>	42,696	38,811	(3,885)
<i>Primary Industries and Energy Research and Development Act 1989, s30(3) – Grains R&D Corporation – Wheat</i>	66,314	52,717	(13,597)
<i>Primary Industries and Energy Research and Development Act 1989, s30(3) – Grape and Wine R&D Corporation</i>	25,315	26,738	1,423
<i>Primary Industries and Energy Research and Development Act 1989, s30(3) – Rural Industries R&D Corporation</i>	5,505	6,236	731
<i>Primary Industries and Energy Research and Development Act 1989, s30(3) – Sugar R&D Corporation</i>	10,712	10,080	(632)
<i>Primary Industries and Energy Research and Development Act 1989, s30A(3) – Fisheries R & D Corporation</i>	16,670	16,670	-
<i>Wheat Marketing Act 1989, s10A(2) – Money to be paid to the Authority</i>	3,716	3,322	(394)
<i>Wool Services Privatisation Act 2000, s31(4)</i>	52,000	50,545	(1,455)
	551,098	724,777	173,679

Continued next page

Table 1.8: Estimates of expenses from special appropriations — continued

	Budget estimate 2006–07 (\$'000)	Revised estimate 2006–07 (\$'000)	Variation 2006-07 \$'000
Output 2: Industry development			
<i>Dairy Produce Act 1986</i> , Schedule 2, 83(3) – Payment of dairy adjustment levy to the industry services body	226,556	226,556	-
	226,556	226,556	-
Output 5: Product integrity, animal (including aquatic animal) and plant health			
<i>Agricultural and Veterinary Chemicals Administration Act 1992</i> , s58(3)	24,694	24,694	-
<i>Australian Animal Health Council (Live-stock Industries) Funding Act 1996</i> , s5 – Appropriation	6,977	6,977	-
<i>National Cattle Disease Eradication Trust Account Act 1991</i> , Schedule 5, 21(6)	1	5	4
<i>National Residue Survey Administration Act 1992</i> , s6 – National Residue Survey Account	6,812	6,779	(33)
	38,484	38,455	(29)
Total estimated expenses	816,138	989,788	173,650

ESTIMATES OF EXPENSES FROM ANNUAL APPROPRIATIONS

Table 1.9: Estimates of administered expenses from appropriation bill (no. 3)

	Budget estimate 2006-07 \$'000	Revised estimate 2006-07 \$'000	Variation 2006-07 \$'000
Output 1: Natural resources access and management			
Defeating the Weed Menace	11,415	11,415	-
Great Artesian Basin Sustainability Initiative	283	283	-
Murray Environmental Flows	7,500	7,500	-
Murray–Darling Basin Commission	10,899	10,899	-
Murray–Darling Basin Commission – Contribution to Salinity Mitigation	3,557	3,557	-
National Action Plan for Salinity and Water Quality	12,156	12,156	-
National Landcare Programme – (for payment to NRM special account)	11,722	11,722	-
Water Resources Assessment and Research – Grants	175	175	-
	57,707	57,707	-
Output 2: Rural policy and innovation			
AAA – Farm Help	24,986	15,000	(9,986)
AAA – Industry Partnerships	5,124	5,316	192
AAA – Rural Financial Counselling Service	8,423	11,323	2,900
Drought Package 2006 – Country Women's Association community grants	-	4,000	4,000
FedLink Supplementation for RIRDC	81	81	-
Drought Assistance – Interim Income Support Payments	521	14,601	14,080
Drought Package 2006 – Professional Advice	-	17,300	17,300
Land and Water Resources R&D Corporation	12,751	12,751	-
Rural Industries R&D Corporation	13,057	13,057	-
	64,943	93,429	28,486
Output 3: Industry development			
Assistance to the Vegetable Industry	1,760	1,760	-
Australian HomeGrown Campaign	2,460	2,710	250
Australian Seafood Industry Council	100	100	-
Fisheries Resources Research	2,811	3,137	326
Fishing Structural Adjustment Package	186,045	187,091	1,046
Food Processing in Regional Australia	4,491	4,491	-
For expenditure under the <i>Fisheries Administration Act 1991</i>	42,777	42,777	-
International Organisations Contributions	1,615	1,615	-
National Food Industry Strategy – Centres of Excellence	2,294	2,294	-
National Food Industry Strategy – Food Innovation Grants	13,075	13,075	-
National Food Industry Strategy – Food Safety and Quality Initiative	250	250	-
New Industries Development Programme	1,788	2,038	250
Other decisions yet to be announced	10,000	-	(10,000)
Payment to Meat & Livestock Australia	643	682	39
RecFish Australia	100	100	-
Recreational Fishing Community Grants	6,300	6,300	-
Sugar Industry Reform Programme 2004	55,192	57,128	1,936
Tasmanian Community Forest Agreement	27,500	28,000	500
Tasmanian Pulp Mill	-	2,600	2,600
Tobacco Adjustment Assistance Package 2006	-	40,900	40,900
Torres Strait Prawn Fisheries	600	600	-
	359,801	397,648	37,847

Continued next page

Table 1.9: Estimates of administered expenses from appropriation bill (no. 3) — continued

	Budget estimate 2006-07 \$'000	Revised estimate 2006-07 \$'000	Variation 2006-07 \$'000
Output 4: International food and agriculture service			
AAA – International Agricultural Cooperation	650	650	-
International Agricultural Cooperation – Live Animal Trade Programme	1,720	1,720	-
United Nations Food and Agriculture Organisation (FAO)	8,090	8,574	484
	10,460	10,944	484
Output 5: Product integrity, animal (including aquatic animal) and plant health			
Agricultural and Veterinary Chemicals Minor Use Programme	129	129	-
Australian Animal Welfare Strategy	1,292	1,292	-
Commonwealth contribution to the operating costs of Animal Health Australia	1,096	1,109	13
FedLink Supplementation for APVMA	92	92	-
International Organisations Contributions	211	225	14
National Cattle Disease Eradication – Interest on special account	600	600	-
National Livestock Identification System	5,000	5,000	-
Other Exotic Disease Preparedness Programme	545	545	-
Ovine Johnes Disease Control & Evaluation Programme	-	-	-
Payment to CSIRO – Contribution to the operating costs of the AAHL	6,998	6,998	-
Securing the Future: Protecting our Industries from Biological, Chemical and Physical Risks	3,070	3,070	-
Tuberculosis Freedom Assurance Programme	100	100	-
	19,133	19,160	27
Output 7: Scientific advice			
Centre of Excellence for Biosecurity Risk Analysis and Research	1,684	1,684	-
	1,684	1,684	-
Total estimated expenses from appropriation bill (no. 3)	513,728	580,572	66,844

Table 1.10: Estimates of administered expenses from appropriation bill (no. 4)

	Budget estimate 2006-07 \$'000	Revised estimate 2006-07 \$'000	Variation 2006-07 \$'000
Output 1: Natural resources access and management			
Great Artesian Basin Sustainability Initiative – States	10,216	10,216	-
Living Murray Initiative	55,226	55,226	-
National Action Plan for Salinity and Water Quality	128,797	128,797	-
National Landcare Programme – Payments to States	25,275	25,275	-
Tasmania Water Infrastructure	1,100	1,100	-
	220,614	220,614	-
Output 2: Rural policy and innovation			
AAA – FarmBis	13,350	13,350	-
Exceptional Circumstances	100,913	323,382	222,469
Regional Assistance	989	989	-
	115,252	337,721	222,469
Output 3: Industry development			
Tasmanian Community Forest Agreement	18,000	18,000	-
	18,000	18,000	-
Output 5: Product integrity, animal (including aquatic animal) and plant health			
Citrus Canker Eradication Programme	724	724	-
Eradication of the Red Imported Fire Ant	5,137	5,137	-
Exotic Disease Preparedness Programme	295	295	-
Other Exotic Disease Preparedness Programme	84	84	-
	6,240	6,240	-
Total estimated expenses from appropriation bill (no. 4)	360,106	582,575	222,469

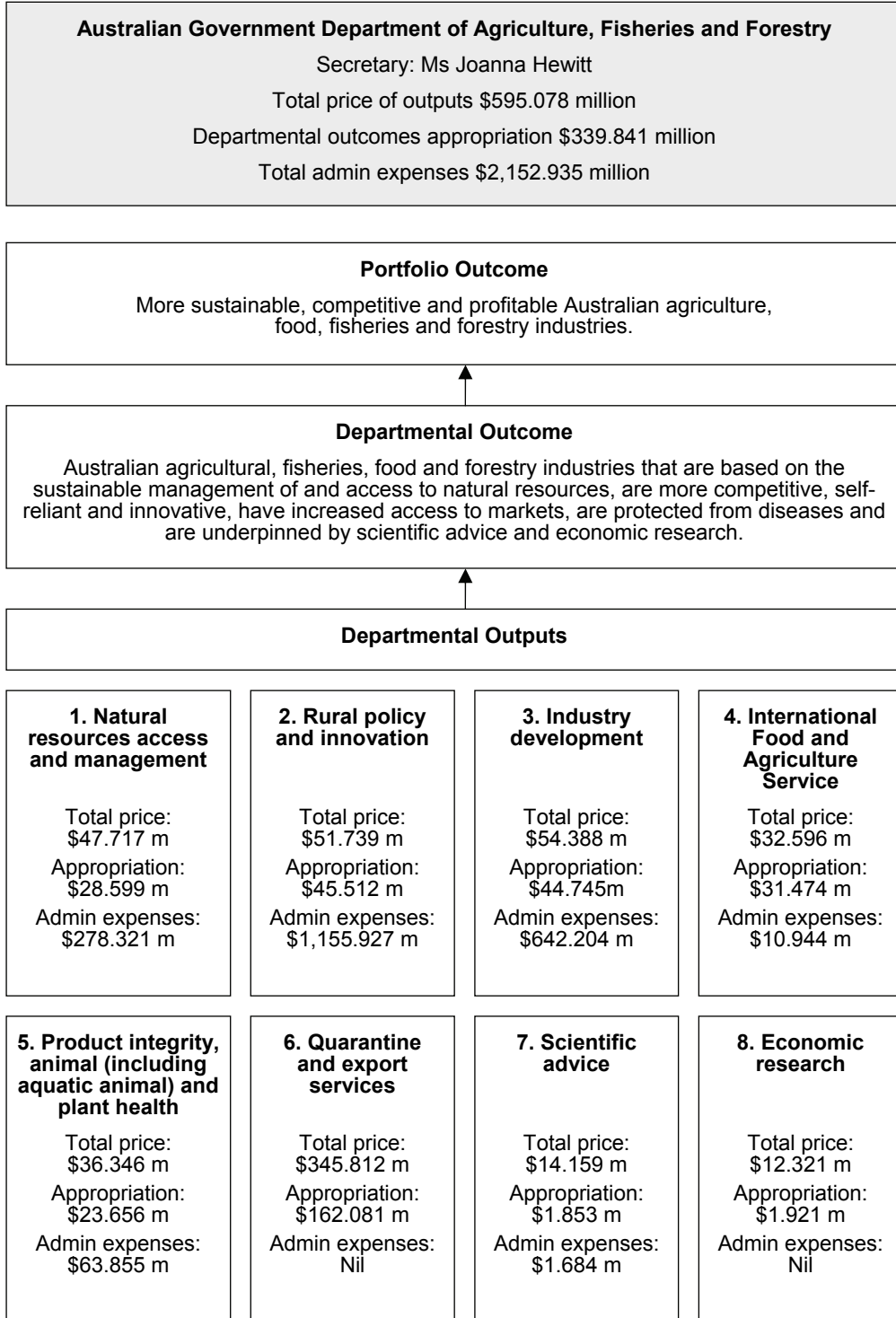
Section 2: Revisions to agency outcomes

OUTCOMES, ADMINISTERED ITEMS AND OUTPUTS

There have been no changes to the Outcome and Outputs for the Australian Government Department of Agriculture, Fisheries and Forestry as a direct result of Additional Estimates.

Table 2.1 'Agency outcome and output structure for Outcome 1' provides information on the outcome statements and output groups for the Department.

Table 2.1: Agency outcome and output structure for Outcome 1



Revised performance information — 2006-07

Table 2.2: Performance information for outputs affected by additional estimates — Outcome 1

Expense Measure	Output	Performance information
Tobacco grower adjustment assistance	2	<ul style="list-style-type: none"> • Timely and effective delivery of the programme in accordance with programme guidelines. • Client awareness of the programme and its purpose. • Number of growers who have been assisted.
Pandemic influenza preparedness — establishing rapid deployment teams for thermal scanning at airports	6	<ul style="list-style-type: none"> • Implementation of rapid deployment teams

Section 3: Budgeted financial statements

The budgeted financial statements for the Australian Government Department of Agriculture, Fisheries and Forestry are presented in this section.

ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

Departmental financial statements

Budgeted departmental income statement

The expected increase of \$19m in 2006–07 revenues from government since the 2006–07 Budget reflects the funding of various post-Budget measures provided in Table 1.2. The reduction in appropriation funding across the forward years reflects the lapsing of previous budget measures. The movement in employee and supplier expenses reflects the changes in appropriations and programme delivery over the same period.

Budgeted departmental balance sheet

The increase in receivables and cash and reduction in land and buildings in 2006–07 and similar increases in 2007–08 is due to a reassessment of the timing of the expenses and capital outlays associated with the Department's new accommodation requirements. The inclusion of \$10m in other provisions from 2006–07 is to recognise the make-good requirements of the existing accommodation.

Budgeted departmental statement of cash flows

The changes in cash flows, particularly in revenues and expenses, are due to the changes outlined in the explanations for the budgeted departmental income statement above.

Departmental statement of changes in equity — summary of movement

The reduction of \$6m in the opening balance in the equity table reflects end of year adjustments arising from the 2005–06 audited financial statements.

Departmental capital budget statement

The reduction of \$26m in purchase of non-financial assets in 2006–07 and a matching increase in 2007–08 follow a reassessment of the timing of the capital requirements for the Department's new accommodation.

Departmental property, plant, equipment and intangibles — summary of movement

The reduction of \$26m in the acquisition of buildings and the closing value of buildings in this table follow a reassessment of the timing of the capital requirements for the Department's new accommodation.

Schedule of administered activity

Schedule of budgeted income and expenses administered on behalf of government

The \$30m reduction in other taxes, fees and fines from 2006–07 reflects the abolition of the sugar industry reform package levy and a reduction in other industry levies, particularly wheat, due to the economic downturn from the impact of the drought. The large increases in grants and personal benefits are due to the increase in drought assistance.

Schedule of budgeted assets and liabilities administered on behalf of government

The movements in this table, which largely offset each other, particularly in investments and other non-financial assets, are due to the revaluation of the Department's holdings in subsidiary portfolio agencies and reclassifications of accounting treatments.

Schedule of budgeted administered cash flows

The changes in cash flows in 2006–07, particularly the reduction in other taxes, fees and fines, and the increases in grants and personal benefits, are due to the changes outlined in the explanations for the budgeted income and expenses administered on behalf of the government statement, above.

Table 3.1: Budgeted departmental income statement (for the period ended 30 June)

	Actual 2005–06 \$'000	Revised budget 2006–07 \$'000	Forward estimate 2007–08 \$'000	Forward estimate 2008–09 \$'000	Forward estimate 2009–10 \$'000
INCOME					
Revenue					
Revenues from government	330,594	339,841	321,765	301,145	172,907
Goods and services	227,875	244,302	230,307	233,558	280,276
Interest	862	715	720	720	720
Other	1,818	9,930	9,930	10,930	10,930
Total revenue	561,149	594,788	562,722	546,353	464,833
Gains					
Other	1,745	290	300	300	300
Total gains	1,745	290	300	300	300
Total income	562,894	595,078	563,022	546,653	465,133
EXPENSE					
Employees	324,256	323,166	318,530	313,702	253,056
Suppliers	201,012	244,077	217,873	206,351	185,477
Grants	11,575	10,839	9,017	9,000	9,000
Depreciation and amortisation	13,517	16,742	16,854	16,852	16,852
Finance costs	1,057	-	-	-	-
Write-down of assets and impairment of assets	300	-	-	-	-
Net losses from sale of assets	634	-	-	-	-
Other	3,316	-	-	-	-
Total expenses	555,667	594,824	562,274	545,905	464,385
Operating result from continuing operations	7,227	254	748	748	748
Net surplus or (deficit) attributable to the Australian Government	7,227	254	748	748	748

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

	Actual 2005–06 \$'000	Revised budget 2006–07 \$'000	Forward estimate 2007–08 \$'000	Forward estimate 2008–09 \$'000	Forward estimate 2009–10 \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	10,161	12,198	12,203	12,208	12,213
Receivables	135,363	140,668	117,001	118,290	121,038
Investments (s.39 FMA Act)	11,900	12,400	12,994	12,994	12,994
Accrued revenues	7,522	7,522	8,080	8,080	8,080
Total financial assets	164,946	172,788	150,278	151,572	154,325
Non-financial assets					
Land and buildings	22,697	27,950	49,201	47,201	45,201
Infrastructure, plant and equipment	13,909	12,334	12,329	12,324	12,319
Inventories	1,835	1,835	1,835	1,835	1,835
Intangibles	12,768	7,563	7,563	7,563	7,563
Other non-financial assets	3,575	3,575	3,575	3,575	3,575
Total non-financial assets	54,784	53,257	74,503	72,498	70,493
Total assets	219,730	226,045	224,781	224,070	224,818
LIABILITIES					
Payables					
Suppliers	22,806	19,478	19,508	19,160	19,160
Other payables	42,080	48,154	47,755	47,755	47,755
Total payables	64,886	67,632	67,263	66,915	66,915
Interest bearing liabilities					
Leases	8,478	8,478	8,478	8,478	8,478
Total interest bearing liabilities	8,478	8,478	8,478	8,478	8,478
Provisions					
Employees	90,303	93,618	91,975	90,864	90,864
Other provisions	10,994	10,994	10,994	10,994	10,994
Total provisions	101,297	104,612	102,969	101,858	101,858
Total liabilities	174,661	180,722	178,710	177,251	177,251
EQUITY^a					
Parent entity interest					
Contributed equity	13,731	13,731	13,731	13,731	13,731
Reserves	8,156	8,156	8,156	8,156	8,156
Retained surpluses or accumulated deficits	23,182	23,436	24,184	24,932	25,680
Total parent entity interest	45,069	45,323	46,071	46,819	47,567
Total equity	45,069	45,323	46,071	46,819	47,567
Current assets	162,220	169,758	148,668	149,885	152,473
Non-current assets	57,510	56,287	76,113	74,185	72,345
Current liabilities	112,190	116,062	115,003	114,189	114,189
Non-current liabilities	62,471	64,660	63,707	63,062	63,062

a Note: 'equity' is the residual interest in assets after deduction of liabilities.

Table 3.3: Budgeted departmental statement of cash flows (for the period ended 30 June)

	Actual 2005–06 \$'000	Revised budget 2006–07 \$'000	Forward estimate 2007–08 \$'000	Forward estimate 2008–09 \$'000	Forward estimate 2009–10 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	233,159	245,981	230,975	233,481	280,276
Appropriations	333,343	334,579	340,430	299,933	170,159
Interest	892	715	720	720	720
Grants	34	-	-	-	-
Net GST received	18,441	17,809	17,904	17,500	18,527
Cash transferred from the Official Public Account	15,206	-	-	-	-
Other cash received	1,497	14,210	13,667	10,930	10,930
Total cash received	602,572	613,294	603,696	562,564	480,612
Cash used					
Employees	318,214	322,979	320,988	315,633	253,867
Suppliers	220,483	243,915	216,703	205,579	184,366
Grants	11,575	10,839	9,017	9,000	9,000
Financing costs	644	-	-	-	-
Net GST paid	4,223	17,809	17,904	17,500	18,527
Cash transferred to the Official Public Account	29,982	-	-	-	-
Other cash used	624	-	385	-	-
Total cash used	585,745	595,542	564,997	547,712	465,760
Net cash from or (used by) operating activities	16,827	17,752	38,699	14,852	14,852
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	136	-	-	-	-
Proceeds from sales of financial instruments (s. 39 FMA Act)	400	-	-	-	-
Total cash received	536	-	-	-	-
Cash used					
Purchase of property, plant, equipment and intangibles	10,361	15,215	38,100	14,847	14,847
Purchase of financial instruments (s. 39 FMA Act)	-	500	594	-	-
Total cash used	10,361	15,715	38,694	14,847	14,847
Net cash from or (used by) investing activities	(9,825)	(15,715)	(38,694)	(14,847)	(14,847)

Continued next page

Table 3.3: Budgeted departmental statement of cash flows (for the period ended 30 June) — continued

	Actual 2005–06 \$'000	Revised budget 2006–07 \$'000	Forward estimate 2007–08 \$'000	Forward estimate 2008–09 \$'000	Forward estimate 2009–10 \$'000
FINANCING ACTIVITIES					
Cash received					
Other cash received	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Repayments of debt (including finance lease principal)	4,752	-	-	-	-
Total cash used	4,752	-	-	-	-
Net cash from or (used by) financing activities	(4,752)	-	-	-	-
Net increase or (decrease) in cash held	2,250	2,037	5	5	5
Cash at the beginning of the reporting period	7,911	10,161	12,198	12,203	12,208
Cash at the end of the reporting period	10,161	12,198	12,203	12,208	12,213

Table 3.4: Departmental statement of changes in equity — summary of movement (Budget 2006-07)

	Accumulated results \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2006					
Balance carried forward from previous period	23,182	8,156	-	13,731	45,069
Adjustment for changes in accounting policies	-	-	-	-	-
Adjusted opening balance	23,182	8,156	-	13,731	45,069
Income and expense					
Income and expenses recognised directly in equity:	-	-	-	-	-
Sub-total income and expense recognised directly in equity	-	-	-	-	-
Net operating result	254	-	-	-	-
Total income and expenses	254	-	-	-	254
Sub-total income and expense attributable to Australian Government					
Transactions with owners					
<i>Distributions to owners</i>	-	-	-	-	-
<i>Contribution by owners</i>	-	-	-	-	-
Sub-total transactions with owners	-	-	-	-	-
Transfers between equity components	-	-	-	-	-
Closing balance less minority interests	-	-	-	-	-
Estimated closing balance as at 30 June 2007	23,436	8,156	-	13,731	45,323

Table 3.5: Departmental capital budget statement

	Actual	Revised budget	Forward estimate	Forward estimate	Forward estimate
	2005–06	2006–07	2007–08	2008–09	2009–10
	\$'000	\$'000	\$'000	\$'000	\$'000
CAPITAL APPROPRIATIONS					
Appropriation of previous year accrued revenue	4,341	2,032	-	-	-
Total capital appropriations	4,341	2,032	-	-	-
Represented by:					
Purchase of non-financial assets					
Other	4,341	2,032	-	-	-
Total represented by	4,341	2,032	-	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation					
Funded internally by					
Departmental resources	7,448	15,215	38,100	14,847	14,847
Total	7,448	15,215	38,100	14,847	14,847

Table 3.6: Departmental property, plant, equipment and intangibles — summary of movement (Budget year 2006-07)

	Land	Buildings	Other infrastructure plant and equipment	Computer software	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2006					
Gross book value	1,290	28,929	26,345	32,542	89,106
Accumulated depreciation	6	7,517	12,437	19,772	39,732
Opening net book value	1,284	21,412	13,908	12,770	49,374
Additions:					
by purchase	-	10,448	486	4,281	15,215
Depreciation/amortisation expense	-	5,194	2,060	9,488	16,742
Other movements					
Disposals:					
other disposals	-	-	-	-	-
As at 30 June 2007					
Gross book value	1,290	39,377	26,831	36,823	104,321
Accumulated depreciation	6	12,711	14,497	29,260	56,474
Estimated closing net book value	1,284	26,666	12,334	7,563	47,847

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

	Actual 2005–06 \$'000	Revised budget 2006–07 \$'000	Forward estimate 2007–08 \$'000	Forward estimate 2008–09 \$'000	Forward estimate 2009–10 \$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Revenue					
Taxation					
Other taxes, fees and fines	611,774	587,516	588,717	597,137	413,636
Total taxation	611,774	587,516	588,717	597,137	413,636
Non-taxation					
Interest	1,853	1,671	1,551	1,420	1,275
Other sources of non-taxation revenues	12,021	554	511	461	343
Total non-taxation	13,874	2,225	2,062	1,881	1,618
Total revenues administered on behalf of government	625,648	589,741	590,779	599,018	415,254
Gains					
Other gains	-	-	-	-	-
Total gains administered on behalf of government	-	-	-	-	-
Total income administered on behalf of government	625,648	589,741	590,779	599,018	415,254
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Grants	2,007,347	1,819,228	1,473,158	966,366	755,456
Personal benefits	213,854	310,348	208,974	690	-
Suppliers	23,086	20,307	19,120	11,302	11,225
Write down and impairment of assets	1,702	-	-	-	-
Other goods and services	-	3,052	1,882	971	-
Losses					
Other losses	-	-	-	-	-
Total expenses administered on behalf of government	2,245,989	2,152,935	1,703,134	979,329	766,681

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

	Actual 2005–06 \$'000	Revised budget 2006–07 \$'000	Forward estimate 2007–08 \$'000	Forward estimate 2008–09 \$'000	Forward estimate 2009–10 \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Receivables	36,652	137,605	134,425	132,986	131,402
Investments (s. 39 FMA Act)	611,077	611,077	611,077	611,077	611,077
Accrued revenues	47,770	47,629	47,209	47,209	47,209
Total financial assets	695,499	796,311	792,711	791,272	789,688
Non-financial assets					
Other	20,637	20,637	20,637	20,637	20,637
Total non-financial assets	20,637	20,637	20,637	20,637	20,637
Total assets administered on behalf of Government	716,136	816,948	813,348	811,909	810,325
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Interest bearing liabilities					
Loans	-	6,174	6,174	6,174	6,174
Total interest bearing liabilities	-	6,174	6,174	6,174	6,174
Payables					
Suppliers	-	63	63	63	63
Grants and subsidies	83,426	81,906	79,614	79,614	79,614
Personal benefits payable	-	3,067	3,067	3,067	3,067
Other payables	9,376	3	3	3	3
Total payables	92,802	85,039	82,747	82,747	82,747
Liabilities included in disposal groups held for sale	-	-	-	-	-
Total liabilities administered on behalf of government	92,802	91,213	88,921	88,921	88,921

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

	Actual 2005–06 \$'000	Revised budget 2006–07 \$'000	Forward estimate 2007–08 \$'000	Forward estimate 2008–09 \$'000	Forward estimate 2009–10 \$'000
OPERATING ACTIVITIES					
Cash received					
Other taxes, fees and fines	610,394	587,532	588,297	597,137	413,636
Appropriations former years	1,157	-	-	-	-
Industry contributions	922	-	-	-	-
Interest	1,789	1,812	1,971	1,420	1,275
GST refunds from ATO	34,346	46,613	44,473	34,569	25,228
Other	9,942	554	511	461	343
Total cash received	658,550	636,511	635,252	633,587	440,482
Cash used					
Borrowing costs					
Employees					
Grant payments	2,028,369	1,848,400	1,515,823	1,000,935	780,684
Interest paid					
Subsidies paid					
Personal benefits	212,866	307,771	208,974	690	-
Suppliers	33,933	21,025	19,836	12,018	13,249
Other	-	3,052	1,882	971	-
Total cash used	2,275,168	2,180,248	1,746,515	1,014,614	793,933
Net cash from operating activities	(1,616,618)	(1,543,737)	(1,111,263)	(381,027)	(353,451)
INVESTING ACTIVITIES					
Cash received					
Repayments from advances	1,689	3,130	3,332	2,155	3,608
Total cash received	1,689	3,130	3,332	2,155	3,608
Cash used					
Repayments from advances	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from investing activities	1,689	3,130	3,332	2,155	3,608
FINANCING ACTIVITIES					
Cash received					
Other	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Other	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from financing activities	-	-	-	-	-

Continued next page

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

	Actual 2005–06 \$'000	Revised budget 2006–07 \$'000	Forward estimate 2007–08 \$'000	Forward estimate 2008–09 \$'000	Forward estimate 2009–10 \$'000
Net increase or (decrease) in cash held	(1,614,929)	(1,540,607)	(1,107,931)	(378,872)	(349,843)
Cash at beginning of reporting period	-	-	-	-	-
Cash from Official Public Account for:					
– appropriations	2,236,904	2,131,572	1,700,018	979,329	766,681
– special accounts	12,678	-	-	-	-
– administered GST annotation	42,431	46,613	44,473	34,569	25,228
	2,292,013	2,178,185	1,744,491	1,013,898	791,909
Cash to Official Public Account for:					
– appropriations	626,307	590,965	592,087	600,457	416,838
– special accounts	9,419	-	-	-	-
– GST refunds transferred to the OPA	41,358	46,613	44,473	34,569	25,228
	677,084	637,578	636,560	635,026	442,066
Cash at end of reporting period	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

Under the Australian Government’s accrual-based budgeting framework, and consistent with adoption of the Australian Equivalents to International Financial Reporting Standards (AEIFRS), transactions that agencies control (departmental transactions) are separately budgeted for and reported on from transactions, agencies do not have control over (administered transactions). This ensures that agencies are only held fully accountable for the transactions over which they have control.

- Departmental items are those assets, liabilities, revenues and expenses in relation to an agency or authority that are controlled by the agency. Departmental expenses include employee and supplier expenses and other administrative costs, which are incurred by the agency in providing its goods and services.
- Administered items are revenues, expenses, assets and liabilities that are managed by an agency or authority on behalf of the government according to set government directions. Administered expenses include subsidies, grants and personal benefit payments and administered revenues include taxes, fees, fines and excises.

Basis of accounting

The agency budget statements are prepared in compliance with the AEIFRS and Accounting Guidance Releases, and having regard to Statements of Accounting Concepts.

Appropriations in the accrual budgeting framework

Under the Australian Government’s accrual budgeting framework, separate annual appropriations are provided for:

- departmental price of outputs appropriations: representing the government’s funding for outputs from agencies
- departmental capital appropriations: for investments by the government for either additional equity or loans in agencies
- administered expense appropriations: for the estimated administered expenses relating to an existing outcome, a new outcome or a Specific Purpose Payment to the states
- administered capital appropriations: for increase in administered equity through funding non-expense administered payments.

WHEAT EXPORT AUTHORITY

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WHEAT EXPORT AUTHORITY

Section 1: Agency overview and resources; variations and measures

OVERVIEW

The Wheat Export Authority (WEA) is a statutory authority established under the *Wheat Marketing Act 1989* (the Act).

The statutory functions of the WEA are:

- to control the export of wheat from Australia (in practice, the WEA only controls exports in containers and bags by non-AWB (International) Ltd (AWB(I)) exporters, which have historically constituted between 1% and 4% of total exports); and
- to monitor AWB(I)'s performance in relation to the export of wheat and examine and report on the benefits to growers that result from that performance.

The WEA operates independently of AWB Ltd and its subsidiaries in accordance with the provisions of the Act.

The WEA's operations are dependent on revenue received through the Wheat Export Charge (WEC) in accordance with the Primary Industries (Customs) Charges Regulations 2000. At the time of preparation of the 2006-07 Portfolio Budget Statements in February 2006, WEC revenue collection was due to cease on 30 June 2006 under a sunset clause in the Regulations. The sunset clause was removed in May 2006 and revised estimates are based on the WEA's continued operation to 30 June 2007.

Although financial information for the General Government Sector is generally based on a 1 July to 30 June reporting cycle, the WEA operates on a 1 October to 30 September reporting cycle as required by section 13 of the *Wheat Marketing Act 1989*.

Readers should be aware that this means that all actual financial information in the following pages is based on the WEA's audited financial statements as at 30 September 2006. Budget estimations are based on forecasts until 30 June 2007 to allow for government's usual financial reporting timeframe.

The WEA’s output groups are shown in Table 1.1. They are unchanged from the 2006-07 Portfolio Budget Statements.

Table 1.1: Wheat Export Authority outcome and output groups

Outcome	Description	Output groups
Outcome 1		
Facilitating the operations of the existing wheat export arrangements and informing government and growers of outcomes.	The primary role of the WEA is to facilitate the operations of Australia’s legislated wheat export arrangements, and examine and report to government and growers on the benefits to growers that result from performance under these arrangements.	<ul style="list-style-type: none"> • Administration of consents to export wheat • Monitoring of AWB (International) Ltd’s performance

ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

The WEA receives the majority of its funding through a charge on wheat exports, the Wheat Export Charge (WEC). Due to the significant reduction in forecast wheat production for 2006-07 and the subsequent reduction in wheat exports, the WEA advised government in November 2006 that it was expecting an operating loss in the vicinity of \$2 million for the year ending 30 September 2007.

The government has agreed to provide funding of up to \$1m to supplement a downturn in income from the WEC due to the drought-affected wheat harvest.

Table 1.2: Additional estimates and variations to outcome — other variations

	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)	2009-10 (\$'000)
Outcome 1				
Variations (departmental)				
Additional funding	1,000	-	-	-

SUMMARY OF STAFFING CHANGES

Previous staffing forecasts reflected operations for three months only (1 July 2006 to 30 September 2006)¹. Revised figures of 12 ASL cover nine months (1 October 2006 until 30 June 2007) of the WEA's reporting period.

Table 1.3: Average staffing level

	2006–07 Budget ^a	2006–07 Revised ^b	Variation
Outcome 1			
Facilitating the operations of the existing wheat export arrangements and informing government and growers of outcomes.	4	12	8
Total	4	12	8

a PBS reporting cycle of 1 July 2006 to 30 June 2007.

b WEA reporting cycle of 1 October 2006 to 30 September 2007, but for the nine-month period ending 30 June 2007.

¹ reflecting expected wind-down of operations.

OTHER RECEIPTS AVAILABLE TO BE USED

Table 1.4 provides details of other receipts available to be used. Revenue estimates reflect ongoing collection of the WEC due to the removal of the sunset clause in Primary Industries (Customs) Charges Regulations 2000, which would have ceased collection after 30 June 2006. However, the WEA's overall forecast revenue has decreased from 2005–06 due to the significant reduction in forecast wheat exports for 2006–07. On this basis, an operating loss in the order of \$786,000 has been forecast for the period ending 30 June 2007.

Table 1.4: Other receipts available to be used

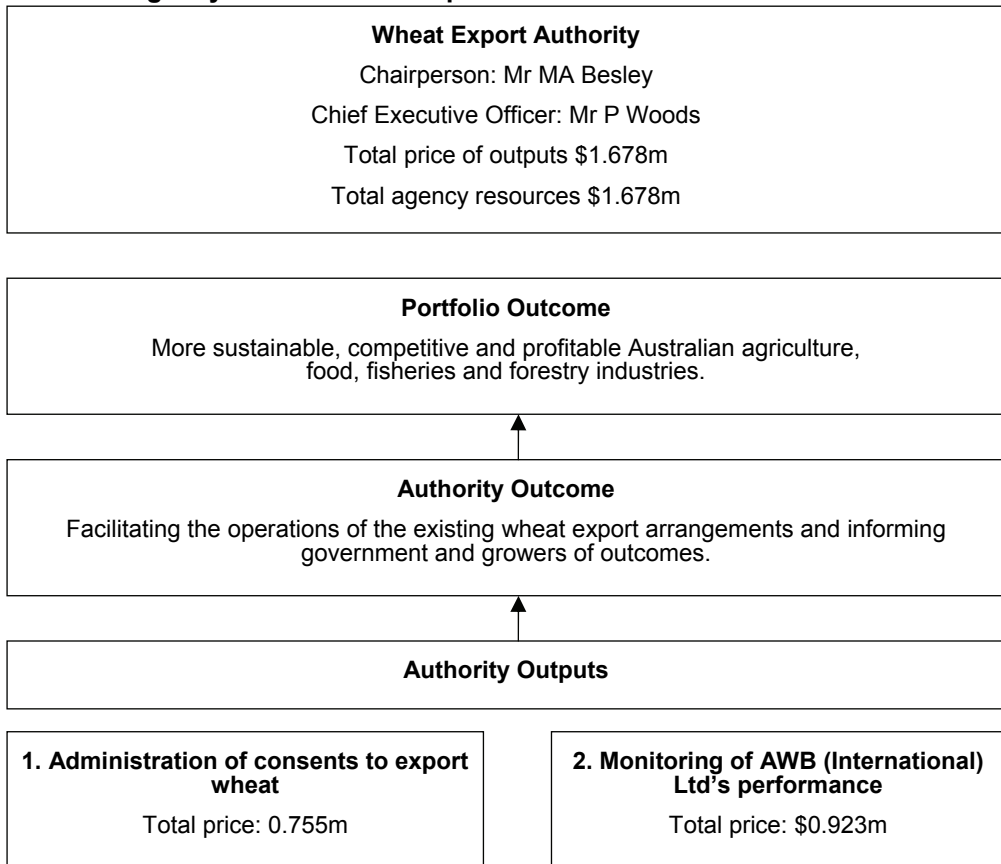
	Budget estimate 2006–07 (\$'000)	Revised estimate 2006–07 (\$'000)
Departmental other receipts		
Wheat export charge	-	660
Consent to export wheat – application fee	5	11
Interest	7	6
Other	-	1
Total departmental other receipts available to be used	12	678

Section 2: Revisions to agency outcomes

OUTCOMES AND OUTPUTS

Table 2.1 ‘Agency outcome and output structure for Outcome 1’ lists the outcome statement and output groups for the Wheat Export Authority.

Table 2.1: Agency outcome and output structure for Outcome 1



Revised performance information — 2006-07

The change in dollar values reflects removal of the legislative sunset clause which would have discontinued the WEA’s operations after 30 June 2006. It also includes supplementary funding of \$1m to offset the drought-related reduction in wheat forecasts, pending the outcome of the review of wheat marketing arrangements.

There is no change to the performance information from the 2006–07 PBS.

Section 3: Budgeted financial statements

ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

An analysis of the WEA budgeted financial statements, as reflected in the published tables, is provided below. The WEA has no administered items.

BUDGETED FINANCIAL STATEMENTS

For the purposes of the *Commonwealth Authorities and Companies Act 1997*, the authority's financial year is a period of 12 months commencing 1 October.

Actual financial statements have been reported on a 1 October to 30 September financial year basis and consistent with the WEA Annual Report 2005–06. Revised budget 2006–07 statements have been determined for the period 1 October 2006 – 30 June 2007 in line with the WEA's current known funding situation.

Departmental financial statements

Revenue

For the remainder of the 2006–07 financial year, the WEA's funding is now derived from four sources: a charge on wheat exports, a fee on applications seeking consent to export wheat, interest income, and a grant of up to \$1m from the Australian Government. Due to the significant reductions in forecast wheat exports, the grant was provided to ensure the WEA's continued financial viability pending the outcome of the government's review of future wheat marketing arrangements.

Future funding arrangements will be subject to the outcome of this review.

Expenditure

In light of the downturn in income from the WEC and the consequent uncertainty concerning the WEA's revenue sources, forecast expenditure for the period ending 30 June 2007 has been revised. This uncertainty differs from that which existed at the time of publication of the PBS, and relates to the removal of the sunset clause.

Table 3.1: Budgeted departmental income statement (for the period ended 30 June)

	Actual 2005–06 \$'000	Revised budget 2006–07 \$'000	Forward estimate 2007–08 \$'000	Forward estimate 2008–09 \$'000	Forward estimate 2009–10 \$'000
INCOME					
Revenue					
Revenues from government	3,321	1,660	-	-	-
Goods and services	15	11	-	-	-
Interest	60	6	-	-	-
Dividends	-	-	-	-	-
Rents	-	-	-	-	-
Royalties	-	-	-	-	-
Other	-	1	-	-	-
Total revenue	3,396	1,678	-	-	-
Gains					
Net foreign exchange gains	-	-	-	-	-
Reversals of previous asset write-downs	-	-	-	-	-
Net gains from sale of assets	-	-	-	-	-
Other	-	-	-	-	-
Total gains	-	-	-	-	-
Total income	3,396	1,678	-	-	-
EXPENSE					
Employees	1,381	1,545	-	-	-
Suppliers	1,589	821	-	-	-
Grants	-	-	-	-	-
Subsidies	-	-	-	-	-
Depreciation and amortisation	131	98	-	-	-
Finance costs	-	-	-	-	-
Write-down of assets and impairment of assets	-	-	-	-	-
Net losses from sale of assets	-	-	-	-	-
Net foreign exchange losses	-	-	-	-	-
Other	-	-	-	-	-
Total expenses	3,101	2,464	-	-	-
Operating result from continuing operations	295	(786)	-	-	-
Net surplus or (deficit) attributable to the Australian Government	295	(786)	-	-	-

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

	Actual 2005–06 \$'000	Revised budget 2006–07 \$'000	Forward estimate 2007–08 \$'000	Forward estimate 2008–09 \$'000	Forward estimate 2009–10 \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	1,470	772	-	-	-
Receivables	68	3	-	-	-
Other financial assets	-	-	-	-	-
Total financial assets	1,538	775	-	-	-
Non-financial assets					
Land and buildings	11	10	-	-	-
Infrastructure, plant and equipment	126	91	-	-	-
Intangibles	190	138	-	-	-
Other non-financial assets	28	-	-	-	-
Total non-financial assets	355	239	-	-	-
Total assets	1,893	1,014	-	-	-
LIABILITIES					
Payables					
Suppliers	239	303	-	-	-
Other payables	15	-	-	-	-
Total payables	254	303	-	-	-
Provisions					
Employees	249	107	-	-	-
Other provisions	-	-	-	-	-
Total provisions	249	107	-	-	-
Total liabilities	503	410	-	-	-
EQUITY^a					
Parent entity interest					
Contributed equity	6,000	6,000	-	-	-
Reserves	-	-	-	-	-
Statutory funds	-	-	-	-	-
Retained surpluses or accumulated deficits	(4,610)	(5,396)	-	-	-
Total parent entity interest	1,390	604	-	-	-
Total equity	1,390	604	-	-	-
Current assets	1,566	775	-	-	-
Non-current assets	327	239	-	-	-
Current liabilities	372	263	-	-	-
Non-current liabilities	131	147	-	-	-

a Note: 'equity' is the residual interest in assets after deduction of liabilities.

Table 3.3: Budgeted departmental statement of cash flows (for the period ended 30 June)

	Actual 2005–06 \$'000	Revised budget 2006–07 \$'000	Forward estimate 2007–08 \$'000	Forward estimate 2008–09 \$'000	Forward estimate 2009–10 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	15	11	-	-	-
Appropriations	3,657	1,660	-	-	-
Interest	60	6	-	-	-
Net GST received	186	-	-	-	-
Other cash received	-	1	-	-	-
Total cash received	3,918	1,678	-	-	-
Cash used					
Employees	1,377	1,545	-	-	-
Suppliers	1,989	821	-	-	-
Other cash used	-	-	-	-	-
Total cash used	3,366	2,366	-	-	-
Net cash from or (used by) operating activities	552	(688)	-	-	-
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	-	-	-	-	-
Other cash received	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Purchase of property, plant and equipment	261	10	-	-	-
Other cash used	-	-	-	-	-
Total cash used	261	10	-	-	-
Net cash from or (used by) investing activities	(261)	(10)	-	-	-
FINANCING ACTIVITIES					
Cash received					
Other cash received	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Other cash used	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from or (used by) financing activities	-	-	-	-	-
Net increase or (decrease) in cash held	291	(698)	-	-	-
Cash at the beginning of the reporting period	1,179	1,470	-	-	-
Cash at the end of the reporting period	1,470	772	-	-	-

Table 3.4: Departmental statement of changes in equity — summary of movement (Budget 2006-07)

	Accumulated results \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2006					
Balance carried forward from previous period	(4,610)	-	-	6,000	1,390
Adjustment for changes in accounting policies	-	-	-	-	-
Adjusted opening balance	(4,610)	-	-	6,000	1,390
Net operating result	(786)	-	-	-	(786)
Total income and expenses	(786)	-	-	-	(786)
Estimated closing balance as at 30 June 2007	(5,396)	-	-	6,000	604

Table 3.5: Departmental capital budget statement

	Actual	Revised	Forward	Forward	Forward
	2005–06	budget	estimate	estimate	estimate
	2005–06	2006–07	2007–08	2008–09	2009–10
	\$'000	\$'000	\$'000	\$'000	\$'000
CAPITAL APPROPRIATIONS					
Total equity injections	-	-	-	-	-
Total loans	-	-	-	-	-
Total capital appropriations	-	-	-	-	-
Represented by:					
Purchase of non-financial assets	-	-	-	-	-
Other	-	-	-	-	-
Total represented by	-	-	-	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation	-	-	-	-	-
Funded internally by					
Departmental resources	261	10	-	-	-
Total	261	10	-	-	-

Table 3.6: Departmental property, plant, equipment and intangibles — summary of movement (Budget year 2006-07)

	Land	Buildings	Specialist military equipment	Other infrastructure plant and equipment	Computer software	Other intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2006							
Gross book value	-	13	-	182	-	343	538
Accumulated depreciation	-	2	-	56	-	153	211
Opening net book value	-	11	-	126	-	190	327
Additions:							
by purchase	-	-	-	-	-	10	10
by finance lease	-	-	-	-	-	-	-
internally developed	-	-	-	-	-	-	-
Revaluations and impairment through equity	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-
Depreciation/amortisation expense	-	-	-	-	-	-	-
Impairments recognised in operating result	-	1	-	35	-	62	98
Other movements	-	-	-	-	-	-	-
Disposals:							
from disposal of entities or operations (including restructuring)	-	-	-	-	-	-	-
other disposals	-	-	-	-	-	-	-
As at 30 June 2007							
Gross book value	-	13	-	182	-	353	548
Accumulated depreciation	-	3	-	91	-	215	309
Estimated closing net book value	-	10	-	91	-	138	239

NOTES TO THE FINANCIAL STATEMENTS

Basis of Accounting

The agency budget statements are prepared in compliance with the Australian Equivalents to International Financial Reporting Standards (AEIFRS) and Accounting Guidance Releases, and having regard to Statements of Accounting Concepts.

GLOSSARY

Accrual Accounting	System of accounting where items are brought to account and included in the financial statements as they are earned or incurred, rather than as they are received or paid.
Accumulated Depreciation	The aggregate depreciation recorded for a particular depreciating asset.
Additional estimates	Where amounts appropriated at Budget time are insufficient, Parliament may appropriate more funds to portfolios through the Additional Estimates Acts.
Administered Items	Expenses, revenues, assets or liabilities managed by agencies on behalf of the Commonwealth. Agencies do not control administered items. Administered expenses include grants, subsidies and benefits. In many cases, administered expenses fund the delivery of third party outputs.
AEIFRS	Australian Equivalents to International Financial Reporting Standards which were issued by the Australian Accounting Standards Board in July 2004.
Appropriation	An authorisation by Parliament to spend moneys from the Consolidated Revenue Fund for a particular purpose.
Annual Appropriation	Acts of Parliament, which provide appropriation for the government's activities during a specific financial year. Three appropriation Bills are introduced into Parliament in May and comprise the Budget. Further supplementary Bills are introduced later in the financial year as part of the Additional Estimates process. The Parliamentary Departments have their own appropriation Bills.
Capital expenditure	Expenditure by an agency on capital projects, for example purchasing a building.

<p>Consolidated Revenue Fund</p>	<p>Section 81 of the Constitution stipulates that all revenue raised or money received by the Commonwealth forms the one consolidated revenue fund (CRF). The CRF is not a bank account. The Official Public Account reflects most of the operations of the CRF.</p>
<p>Departmental items</p>	<p>Assets, liabilities, revenues and expenses that are controlled by the agency to produce outputs. Departmental items would generally include computers, plant and equipment assets used by agencies in providing goods and services and most employee expenses, supplier costs and other administrative expenses incurred.</p>
<p>Depreciation</p>	<p>Apportionment of an asset's capital value as an expense over its estimated useful life to take account of normal usage, obsolescence, or the passage of time.</p>
<p>Effectiveness indicators</p>	<p>Indicators to assess the degree of success in achieving outcomes. As outcomes are generally long-term in nature, effectiveness indicators often relate to intermediate outcomes (shorter-term impacts) below the planned outcomes specified.</p>
<p>Efficiency indicators</p>	<p>Measures the adequacy of an agency's management of its outputs (and where applicable, administered items). Includes Price, Quality and Quantity indicators. The interrelationship between the three efficiency indicators of any one output should be considered when judging efficiency.</p>
<p>Equity or net assets</p>	<p>Residual interest in the assets of an entity after deduction of its liabilities.</p>

Expense	Expenses represent the full costs of an activity, that is, the total value of all the resources consumed in producing goods and services or the loss of future economic benefits in the form of reductions in assets or increases in liabilities of the entity. Expenses include cash items such as salary payments as well as expenses that have been incurred, such as accruing employee entitlements that will be paid in the future.
Fair value	Valuation methodology: The amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. Australian Government entities will move to this method incrementally by 30 June 2006 for valuing most infrastructure, plant and equipment.
Intermediate outcomes	More specific medium-term impacts (eg. trend data, targets or milestones) below the level of the planned outcomes specified in the Budget. A combination of several intermediate outcomes can at times be considered as a proxy for determining the achievement of outcomes or progress towards outcomes. (See outcomes)
Operating result	Equals revenue less expenses.
Outcomes	The government's objectives in each portfolio area. Outcomes are desired results, impacts or consequences for the Australian community as influenced by the actions of the Australian Government. Actual outcomes are assessments of the end-results or impacts actually achieved.
Output Groups	A logical aggregation of agency outputs, where useful, and based either on homogeneity, type of product, business line or beneficiary target group. Aggregation of outputs may also be needed for the provision of adequate information for performance monitoring, or based on a materiality test.

Outputs	The goods and services produced by agencies on behalf of government for external organisations or individuals. Outputs also include goods and services for other areas of government external to the agency.
Price	One of the three key efficiency indicators. The amount the government or the community pays for the delivery of agreed outputs.
Quality	One of the three key efficiency indicators. Relates to the characteristics by which customers or stakeholders judge an organisation, product or service. Assessment of quality involves use of information gathered from interested parties to identify differences between user's expectations and experiences.
Quantity	One of the three key efficiency indicators. Examples include: the size of an output; count or volume measures; how many or how much.
Revenue	Total value of resources earned or received to cover the production of goods and services.
Special Account	Balances existing within the Consolidated Revenue Fund (CRF) that are supported by standing appropriations (Financial Management and Accountability (FMA) Act 1997, ss.20 and 21). Special accounts allow money in the CRF to be acknowledged as set-aside (hypothecated) for a particular purpose. Amounts credited to a Special Account may only be spent for the purposes of the Special Account. Special Accounts can only be established by a written determination of the Finance Minister (s.20 FMA Act) or through an Act of Parliament (referred to in s.21 of the FMA Act).

<p>Special Appropriations (including Standing Appropriations)</p>	<p>An amount of money appropriated by a particular Act of Parliament for a specific purpose and number of years. For special appropriations the authority to withdraw funds from the Consolidated Revenue Fund does not generally cease at the end of the financial year.</p> <p>Standing appropriations are a sub-category consisting of ongoing special appropriations – the amount appropriated will depend on circumstances specified in the legislation.</p>
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