

# 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) enables the Australian cotton industry to be globally competitive and responsible through strategically investing in research, development and extension (RD&E).

In 2016-17 CRDC plans to invest \$20.4 million in RD&E in alignment with the priorities established under its five-year Strategic Research and Development (R&D) Plan 2013-2018. This will be the fourth year of operation under the strategy and follows a second year of below average cotton production and revenue due to dry seasonal conditions. These circumstances have necessitated a reduction in R&D expenditure and use of financial reserves which were accumulated for the purpose of sustaining cotton industry RD&E during drought.

These circumstances are clear reminders as to why CRDC is strategically focused on future proofing the industry against challenges to profitability, competitiveness and sustainability. In doing so, CRDC's five-year strategy seeks ambitious R&D outcomes that can transform both the resilience and prosperity of the Australian cotton industry. We do this without losing sight of the fundamental importance of investing in the capacity of the Australian cotton industry to innovate, adapt and adopt the results of R&D.

More broadly, CRDC's strategy is based on connecting insights about changes in societal expectations and consumer demands with the evolving cotton sector issues, and identifies the critical importance of responding with better knowledge sharing and even stronger relationships between cotton farmers, the wider industry and the end cotton consumer.

CRDC's R&D investment is focused on five programmes: farmers, industry, customers, people and performance.

CRDC's investment in research to benefit farmers focuses on protecting the crop from pests as well as enhancing crop management for quality and yield outcomes. Australian cotton farmers achieve exceptionally high yields - three times the world average - but do so within an environment of rising input costs impacting on profitability. CRDC's strategy also places an emphasis on driving optimal resource efficiency and testing the feasibility of innovations, including digital technologies, to transform the future profitability of cotton production.

### *CRDC Budget Statements*

Nationally, the Australian cotton industry generates significant wealth, with exports ranging from \$1-\$3 billion annually. It also provides an economic foundation to many regional and remote economies with employment of up to 14,000 people. Despite this, the industry faces ongoing challenges from competition for land, water and labour, climate variability, a reliance on key technologies and, like all industries, is subject to a growing social and environmental awareness and scrutiny.

These challenges are equally opportunities for the Australian cotton industry, given its acceptance of responsibilities for improved environmental performance and demonstrated capacity to act collectively. In response, CRDC is investing in industry's biosecurity preparedness, stewardship of key production technologies and the responsible management of natural resources. CRDC's strategy places an emphasis on landscape-scale management approaches and recognition of the inter-relationships with other industries. The strategy includes a commitment to proactively developing an understanding of emerging social and environmental issues, including changes in technology, so that the Australian cotton industry can be a global leader in sustainable agriculture into the future.

CRDC also invests in supply chain and customer research to inform industry understanding of the needs of customers in the markets for Australian cotton and the value of our products. This knowledge continues to inform industry-led marketing initiatives that seek to secure access to preferred markets and increase demand along the supply chain for Australian cotton. This comes at a time where, globally, cotton's ongoing competitiveness as a fibre is subject to challenges from man-made fibres and the Australian cotton industry is critically exposed as one of the top five cotton exporters in the world.

CRDC's strategy places an emphasis on ensuring customers can be assured of the fibre quality, sustainable practices and impact of Australian cotton production. The strategy includes a commitment to instigating R&D that can prepare industry for market changes, transform consumer demand and enable the Australian cotton industry to capture the full value of its products into the future.

CRDC will continue to invest in the capacity and capability of people and the adoption of research through a unique joint venture – a cotton industry collaboration – CottonInfo. In addition, our strategy places a greater emphasis on providing knowledge to underpin the development of an industry workforce strategy and includes a new commitment to measuring the performance of the industry and its RD&E to inform continuous improvement.

CRDC recognises the importance of responding to stakeholder and corporate requirements for improvement to the efficiency and effectiveness of operations, and in doing so, CRDC is actively engaged with the national rural R&D effort to ensure its investments and activities are aligned and synergistic.

## 1.2 ENTITY RESOURCE STATEMENT

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

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

	2015–16 estimated actual \$'000	2016–17 estimate \$'000
<b>Opening balance/cash reserves at 1 July</b>	<b>36,666</b>	<b>29,275</b>
<b>Funds from Government</b>		
<b>Special appropriations<sup>1</sup></b>		
<i>Primary Industries Research and Development Act 1989 s.30(3) – Cotton R&amp;D Corporation</i>	11,113	10,782
Total special appropriations	<b>11,113</b>	<b>10,782</b>
<b>Total funds from Government</b>	<b>11,113</b>	<b>10,782</b>
<b>Funds from industry sources</b>		
Levies <sup>2</sup>	5,335	5,445
<i>less amounts paid to the CRF</i>	(5,335)	(5,445)
<b>Total funds from industry sources</b>	<b>-</b>	<b>-</b>
<b>Funds from industry sources</b>		
Interest	1,182	700
Royalties	1,140	656
Other	5,396	1,207
<b>Total funds from other sources</b>	<b>7,718</b>	<b>2,563</b>
<b>Total net resourcing for CRDC</b>	<b>55,497</b>	<b>42,620</b>
<b>Average staffing level for CRDC</b>		
	2015–16	2016–17
Number of staff	13.4	13.8

1. CRDC is not directly appropriated as it is a corporate Commonwealth entity under the PGPA Act. Appropriations are made to the Department of Agriculture and Water Resources and then paid to CRDC and are considered departmental for all purposes.
2. 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

CRDC does not have any 2016–17 Budget measures.

## Section 2: Outcomes and planned performance

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

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

**Note:**

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

## 2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

**Outcome 1: 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.**

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

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

<b>Outcome 1: 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.</b>					
	2015–16 Estimated actual \$'000	2016–17 Budget \$'000	2017–18 Forward estimate \$'000	2018–19 Forward estimate \$'000	2019–20 Forward estimate \$'000
<b>Programme 1.1: Cotton Research and Development Corporation</b>					
Revenue from Government					
Special appropriations					
Primary Industries Research and Development Act 1989 s.30(3) – Cotton R&D Corporation	5,200	5,308	5,891	6,564	6,562
Special appropriations – Industry Levies	5,335	5,445	6,030	6,705	6,705
Revenues from other independent sources	6,848	2,420	1,877	1,705	1,705
Reserves	5,497	7,228	4,118	-	-
<b>Total expenses for programme 1.1</b>	<b>22,880</b>	<b>20,401</b>	<b>17,916</b>	<b>14,974</b>	<b>14,972</b>
<b>Outcome 1 totals by resource type</b>					
Revenue from Government					
Special appropriations	5,200	5,308	5,891	6,564	6,562
Special appropriations – Industry Levies	5,335	5,445	6,030	6,705	6,705
Revenues from other independent sources	6,848	2,420	1,877	1,705	1,705
Reserves	5,497	7,228	4,118	-	-
<b>Total expenses for Outcome 1</b>	<b>22,880</b>	<b>20,401</b>	<b>17,916</b>	<b>14,974</b>	<b>14,972</b>
	2015–16	2016–17			
<b>Average staffing level (number)</b>	<b>13.4</b>	<b>13.8</b>			

### 2.1.2 Performance criteria for Outcome 1

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

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

<b>Outcome 1: 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.</b>	
<b>Programme 1.1: Cotton Research and Development Corporation</b>	
<b>Objectives</b>	<p><b>Farmers – cotton is profitable and consistently farmers’ crop of choice</b></p> <p>Deliver RD&amp;E for cotton producers to increase productivity, successfully protect crops from threats, optimise resource efficiencies and innovate for improved profitability.</p>
	<p><b>Industry – the Australian cotton industry is the global leader in sustainable agriculture</b></p> <p>Deliver RD&amp;E for the cotton industry for stewardship of its production technologies and its biosecurity, to lead in responsible landscape management and achieve its vision for a sustainable future.</p>
	<p><b>Customers – the Australian cotton industry captures the full value of its products</b></p> <p>Deliver RD&amp;E for the cotton industry to set global benchmarks for cotton qualities and quality assurance, differentiate the value of Australian cotton products to customers and transform the competitive future for the Australian cotton industry.</p>
	<p><b>People – capable and connected people driving the cotton industry</b></p> <p>Deliver RD&amp;E for the cotton industry to ensure workforce capacity, effective networks and communication.</p>
	<p><b>Performance – measured performance of the Australian cotton industry and its RD&amp;E drives continuous improvement</b></p> <p>Deliver RD&amp;E which supports a best practice framework for the cotton industry, captures and demonstrates performance and conduct reviews which enable continuous improvement by CRDC and the industry.</p>



<b>Delivery</b>	<b>Farmers – cotton is profitable and consistently farmers’ crop of choice</b> Strategically prioritise investment in basic, applied and blue-sky research collaboratively with research and cross-sectoral partners to develop new knowledge, practices and technologies for on-farm application by cotton farmers.	
	<b>Industry – the Australian cotton industry is the global leader in sustainable agriculture</b> Strategically prioritise investment in basic, applied and blue-sky research collaboratively with research and cross-sectoral partners to develop new knowledge, practices and innovative approaches to solve industry issues.	
	<b>Customers – the Australian cotton industry captures the full value of its products</b> Strategically prioritise investment in basic, applied and blue-sky research collaboratively with research partners to develop new knowledge, practices, processes, higher value and novel products for the Australian cotton industry and its customers.	
	<b>People – capable and connected people driving the cotton industry</b> Strategically prioritise investment in research, development and extension collaboratively with research, industry and cross-sectoral partners to develop new knowledge, human capacity, support communication and adoption of R&D results.	
	<b>Performance – measured performance of the Australian cotton industry and its RD&amp;E drives continuous improvement</b> Strategically prioritise investment in research, development, data capture and analysis, reviews and extension with research, industry and cross-sectoral partners to drive performance outcomes.	
<b>Performance information</b>		
<b>Year</b>	<b>Performance criteria<sup>1</sup></b>	<b>Targets</b>
2015–16	<b>Farmers – cotton is profitable and consistently farmers’ crop of choice</b> Industry productivity growth per hectare per annum.	3 per cent per hectare per annum. Estimated achievement of 3.1 per cent average growth in yield per hectare per annum since 2013.
	<b>Industry – the Australian cotton industry is the global leader in sustainable agriculture</b> Industry reports to customer needs for sustainability indicators.	Achieved through responses to the 2014 Australian Grown Cotton Sustainability Report and Third Environmental Assessment.
	<b>People – capable and connected people driving the cotton industry</b> National Primary Industries RD&E Framework cotton and cross-sectoral RD&E strategies supported.	Achieved through implementation of the cotton RD&E strategy and increasing collaborative co-investment in cross-sectoral RD&E.

CRDC Budget Statements

<b>Performance information (continued)</b>		
<b>Year</b>	<b>Performance criteria<sup>1</sup></b>	<b>Targets</b>
2015–16 (continued)	<p><b>Performance – measured performance of the Australian cotton industry and its RD&amp;E drives continuous improvement</b></p> <p>Coverage of Best Management Practice systems across Australian cotton industry.</p>	75 per cent of cotton farms participating. Estimated achievement of 70 per cent participation.
2016–17	<p><b>Farmers – cotton is profitable and consistently farmers’ crop of choice</b></p> <p>Cotton farmers increase productivity by 3 per cent per hectare per year.</p>	3 per cent per hectare per year.
	<p><b>Industry – the Australian cotton industry is the global leader in sustainable agriculture</b></p> <p>As per 2015–16.</p>	As per 2015–16.
	<p><b>Customers – the Australian cotton industry captures the full value of its products</b></p> <p><i>Customers continue to demand Australian cotton products.</i></p>	<i>Double the premium for Australian cotton.</i>
	<p><b>People – capable and connected people driving the cotton industry</b></p> <p><i>Implementation of the Cotton Industry Workforce Strategy.</i></p>	<i>Measured improvement in the capacity of farmers to attract, retain and develop people.</i>
	<p><b>Performance – measured performance of the Australian cotton industry and its RD&amp;E drives continuous improvement</b></p> <p>As per 2015–16.</p>	<i>80 per cent of cotton farms participating.</i>
2017–18 and beyond	<p><b>Farmers – cotton is profitable and consistently farmers’ crop of choice</b></p> <p>As per 2016–17.</p>	As per 2016–17.
	<p><b>Industry – the Australian cotton industry is the global leader in sustainable agriculture</b></p> <p>As per 2016–17.</p>	As per 2016–17.

<b>Performance information (continued)</b>		
<b>Year</b>	<b>Performance criteria<sup>1</sup></b>	<b>Targets</b>
2017–18 and beyond (continued)	<b>Customers – the Australian cotton industry captures the full value of its products;</b> As per 2016–17.	As per 2016–17.
	<b>People – capable and connected people driving the cotton industry;</b> As per 2016–17.	As per 2016–17.
	<b>Performance – measured performance of the Australian cotton industry and its RD&amp;E drives continuous improvement;</b> As per 2016–17.	As per 2016–17.

1. New or modified performance criteria that reflect new or materially changed programmes are shown in *italics*.

## Section 3: Budgeted financial statements

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

### **3.1 BUDGETED FINANCIAL STATEMENTS**

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

The resourcing statement is prepared on a cash basis. The financial statements are prepared on an accrual basis. Differences between the resourcing and financial statements represent timing differences between revenue recognition and cash received.

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

##### **Budgeted Comprehensive Income Statement**

Variability in CRDC's revenue and expenditure is a result of the significant variability in the production of Australian cotton each year. Cotton production has been as low as 0.56 million bales in 2008, as high as 5.4 million bales in 2012, and estimated to be 2.5 million bales in 2016.

Revenue from Levies, Commonwealth Matching and Royalties are determined by the level of cotton production and represent more than 85 per cent of total revenue. Since 2008–09 CRDC's revenue has fluctuated between \$7.7 million and \$31.4 million.

The impact of the 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.

The Australian Government general matching of industry contributions is expected to be limited by either the value of levies collected or 0.5 per cent of the cotton industry's three year average gross value of production. Which trigger will apply depends on the price of cotton, timing of the harvest and ginning, and the variability of the crop size. Royalties from the sale of domestic and international planting seed, interest on investments, external grant revenue and research project refunds make up the balance of the CRDC's income.

**Budgeted Comprehensive Income Statement (continued)**

To achieve the strategic priorities of the R&D plan for the period 2013-18, CRDC has invested \$44.8 million in 2013-14 to 2014-15 and has budgeted for expenditure of \$61.2 million in 2015-16 to 2017-18, a total of \$106.0 million for the five-year R&D plan.

In 2016-17 CRDC has budgeted for a deficit of \$7.2 million based on revenues of \$13.2 million and RD&E expenditure of \$20.4 million. CRDC expects to return to a balanced budget in 2018-19.

**Budgeted Balance Sheet**

Reserves increased during recent years of high cotton production and are expected to decrease in 2015-16 through to 2017-18 due to below average levels of cotton production. CRDC plans to use the 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.

### 3.2.1 BUDGETED FINANCIAL STATEMENTS TABLES

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

	2015–16 Estimated actual \$'000	2016–17 Budget \$'000	2017–18 Forward estimate \$'000	2018–19 Forward estimate \$'000	2019–20 Forward estimate \$'000
<b>EXPENSES</b>					
Employee benefits	1,997	1,914	1,847	1,885	1,921
Supplier expenses	1,332	1,283	1,321	1,178	1,329
Grants	19,325	17,047	14,571	11,724	11,565
Depreciation and amortisation	226	157	177	187	157
<b>Total expenses</b>	<b>22,880</b>	<b>20,401</b>	<b>17,916</b>	<b>14,974</b>	<b>14,972</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Interest	1,120	700	650	625	625
Rental income	5	5	5	5	5
Royalties	1,140	656	812	824	824
Other	4,583	1,059	410	251	251
<b>Total own-source revenue</b>	<b>6,848</b>	<b>2,420</b>	<b>1,877</b>	<b>1,705</b>	<b>1,705</b>
<b>Net cost of (contribution by) services</b>	<b>16,032</b>	<b>17,981</b>	<b>16,039</b>	<b>13,269</b>	<b>13,267</b>
Revenue from Government <sup>1</sup>					
Commonwealth contribution	5,200	5,308	5,891	6,564	6,562
Industry contributions	5,335	5,445	6,030	6,705	6,705
<b>Total revenue from Government</b>	<b>10,535</b>	<b>10,753</b>	<b>11,921</b>	<b>13,269</b>	<b>13,267</b>
<b>Surplus/(deficit) attributable to the Australian Government</b>	<b>(5,497)</b>	<b>(7,228)</b>	<b>(4,118)</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income/(loss) attributable to the Australian Government</b>	<b>(5,497)</b>	<b>(7,228)</b>	<b>(4,118)</b>	<b>-</b>	<b>-</b>

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

Prepared on Australian Accounting Standards basis.

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

	2015–16 Estimated actual \$'000	2016–17 Budget \$'000	2017–18 Forward estimate \$'000	2018–19 Forward estimate \$'000	2019–20 Forward estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	1,643	1,752	1,591	1,503	1,560
Trade and other receivables	2,900	2,900	2,900	2,900	2,900
Investments	35,023	27,523	23,523	23,523	23,523
<b>Total financial assets</b>	<b>39,566</b>	<b>32,175</b>	<b>28,014</b>	<b>27,926</b>	<b>27,983</b>
<b>Non-financial assets</b>					
Land and buildings	750	860	860	860	860
Property, plant and equipment	92	160	148	236	224
Intangibles	314	299	354	354	309
Other	10	10	10	10	10
<b>Total non-financial assets</b>	<b>1,166</b>	<b>1,329</b>	<b>1,372</b>	<b>1,460</b>	<b>1,403</b>
<b>Total assets</b>	<b>40,732</b>	<b>33,504</b>	<b>29,386</b>	<b>29,386</b>	<b>29,386</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	200	200	200	200	200
Grants	4,000	4,000	4,000	4,000	4,000
<b>Total payables</b>	<b>4,200</b>	<b>4,200</b>	<b>4,200</b>	<b>4,200</b>	<b>4,200</b>
<b>Provisions</b>					
Employee provisions	384	384	384	384	384
<b>Total provisions</b>	<b>384</b>	<b>384</b>	<b>384</b>	<b>384</b>	<b>384</b>
<b>Total liabilities</b>	<b>4,584</b>	<b>4,584</b>	<b>4,584</b>	<b>4,584</b>	<b>4,584</b>
<b>Net assets</b>	<b>36,148</b>	<b>28,920</b>	<b>24,802</b>	<b>24,802</b>	<b>24,802</b>
<b>EQUITY*</b>					
Reserves	255	255	255	255	255
Retained surplus	35,893	28,665	24,547	24,547	24,547
<b>Total Equity</b>	<b>36,148</b>	<b>28,920</b>	<b>24,802</b>	<b>24,802</b>	<b>24,802</b>

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

Prepared on Australian Accounting Standards basis.

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

	Retained earnings	Revaluation Asset Reserve	Total equity
	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2016</b>			
Balance carried forward from previous period	35,893	255	36,148
<b>Adjusted opening balance</b>	<b>35,893</b>	<b>255</b>	<b>36,148</b>
<b>Comprehensive income</b>			
Surplus (deficit) for the period	(7,228)	-	(7,228)
<b>Total comprehensive income</b>	<b>(7,228)</b>	<b>-</b>	<b>(7,228)</b>
of which:			
Attributable to the Australian Government	(7,228)	-	(7,228)
<b>Estimated closing balance as at 30 June 2017</b>	<b>28,665</b>	<b>255</b>	<b>28,920</b>
<b>Closing balance attributable to the Australian Government</b>	<b>28,665</b>	<b>255</b>	<b>28,920</b>

Prepared on Australian Accounting Standards basis.



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

	2015–16 Estimated actual \$'000	2016–17 Budget \$'000	2017–18 Forward estimate \$'000	2018–19 Forward estimate \$'000	2019–20 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Industry contributions	5,511	5,445	6,030	6,705	6,705
Revenue from Government	5,602	5,337	5,921	6,596	6,595
Interest	1,182	700	650	625	625
Net GST received	1,478	1,693	1,490	1,210	1,191
Other	6,536	1,863	1,320	1,156	1,155
<b>Total cash received</b>	<b>20,309</b>	<b>15,038</b>	<b>15,411</b>	<b>16,292</b>	<b>16,271</b>
<b>Cash used</b>					
Employees	1,956	1,914	1,847	1,884	1,922
Suppliers	1,516	1,413	1,447	1,295	1,440
Grants	21,022	18,752	16,028	12,896	12,722
Other	30	30	30	30	30
<b>Total cash used</b>	<b>24,524</b>	<b>22,109</b>	<b>19,352</b>	<b>16,105</b>	<b>16,114</b>
<b>Net cash from (used by) operating activities</b>	<b>(4,215)</b>	<b>(7,071)</b>	<b>(3,941)</b>	<b>187</b>	<b>157</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Investments	-	7,500	4,000	-	-
<b>Total cash received</b>	<b>-</b>	<b>7,500</b>	<b>4,000</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	400	320	220	275	100
<b>Total cash used</b>	<b>400</b>	<b>320</b>	<b>220</b>	<b>275</b>	<b>100</b>
<b>Net cash from (used by) investing activities</b>	<b>(400)</b>	<b>7,180</b>	<b>3,780</b>	<b>(275)</b>	<b>(100)</b>
<b>Net increase (decrease) in cash held</b>	<b>(4,615)</b>	<b>109</b>	<b>(161)</b>	<b>(88)</b>	<b>57</b>
Cash and cash equivalents at the beginning of the reporting period	6,258	1,643	1,752	1,591	1,503
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>1,643</b>	<b>1,752</b>	<b>1,591</b>	<b>1,503</b>	<b>1,560</b>

Prepared on Australian Accounting Standards basis.

**Table 3.5: Departmental capital budget statement**

	2015–16 Estimated actual \$'000	2016–17 Budget \$'000	2017–18 Forward estimate \$'000	2018–19 Forward estimate \$'000	2019–20 Forward estimate \$'000
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded internally from departmental resources <sup>1</sup>	400	320	220	275	100
<b>TOTAL</b>	<b>400</b>	<b>320</b>	<b>220</b>	<b>275</b>	<b>100</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	400	320	220	275	100
<b>Total cash used to acquire assets</b>	<b>400</b>	<b>320</b>	<b>220</b>	<b>275</b>	<b>100</b>

1. 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 2016–17)**

	Land \$'000	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
<b>As at 1 July 2016</b>					
Gross book value	190	580	269	557	1,596
Accumulated depreciation/amortisation and impairment	-	(20)	(177)	(243)	(440)
<b>Opening net book balance</b>	<b>190</b>	<b>560</b>	<b>92</b>	<b>314</b>	<b>1,156</b>
<b>CAPITAL ASSET ADDITIONS</b>					
<b>Estimated expenditure on new or replacement assets</b>					
By purchase – other	-	130	105	85	320
<b>Total additions</b>	<b>-</b>	<b>130</b>	<b>105</b>	<b>85</b>	<b>320</b>
<b>Other movements</b>					
Depreciation/amortisation expense	-	(20)	(37)	(100)	(157)
<b>Total other movements</b>	<b>-</b>	<b>(20)</b>	<b>(37)</b>	<b>(100)</b>	<b>(157)</b>
<b>As at 30 June 2017</b>					
Gross book value	190	710	374	642	1,916
Accumulated depreciation/amortisation and impairment	-	(40)	(214)	(343)	(597)
<b>Closing net book balance</b>	<b>190</b>	<b>670</b>	<b>160</b>	<b>299</b>	<b>1,319</b>

Prepared on Australian Accounting Standards basis.