

# AUSTRALIAN GRAPE AND WINE AUTHORITY

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# AUSTRALIAN GRAPE AND WINE AUTHORITY

## Section 1: Entity overview and resources

### 1.1 STRATEGIC DIRECTION STATEMENT

The Australian Grape and Wine Authority (AGWA) supports a prosperous Australian grape and wine community by investing in research and development (R&D), building international and domestic markets, disseminating knowledge, encouraging adoption and protecting the reputation of Australian wine. We are governed by the *Australian Grape and Wine Authority Act 2013* (AGWA Act). Our role under the AGWA Act is to:

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

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

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

In 2017–18, AGWA will continue to invest in RD&E, regulatory services and marketing to support the two priorities in our five-year Strategic Plan 2015–2020:

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

This will be the third year of operation with these priorities. Over the last year, we have seen increased demand for Australian wine in international markets, and the rate of growth in exports has again been faster at higher price points. Wine exports priced at \$10 per litre and over free on board grew 19 per cent in 2016 to a record \$574 million and make up 25.8 per cent of exports. There were a record 1,859 active exporters in 2016 and Australian wine was exported to 127 destination.

## AGWA Budget Statements

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

In 2017–18, we will deliver the Export and Regional Wine Support Package. The \$50 million program is focused on wine promotion both internationally and domestically and wine tourism. Initiatives will benefit regional wine producers, their communities and assist export-focused businesses to continue to grow. We will also undertake the required planning to support the introduction of the Wine Tourism and Cellar Door Grant in 2018–19.

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

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

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

Our extension and adoption strategy encourages practice change by extending new knowledge so that stakeholders benefit from R&D outcomes. We also work closely with other research and development corporations (RDCs) in cross-sectoral collaborative research, including through the Rural Research and Development for Profit program, to deliver RD&E benefits to the broader community.

Since 2015–16, we have collected the Wine Export Charge on behalf of the Australian Government. This streamlined the payment process for companies that pay the charge. In 2017–18, we will continue to investigate ways to reduce the time spent on compliance for our levy payers. We will also work with the Department of Agriculture and Water Resources and other RDCs to commence establishment of a register of all levy payers. Continued successful investment in the development of the Australian wine sector will see the sector further improve its competitiveness and financial sustainability.

## 1.2 ENTITY RESOURCE STATEMENT

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

**Table 1.1: Australian Grape and Wine Authority – Resource Statement – Budget Estimates for 2017–18 as at May 2017**

|  | 2016–17<br>estimated<br>actual<br>\$'000 | 2017–18<br>estimate<br>\$'000 |
|--|--|-------------------------------|
| <b>Opening balance/cash reserves at 1 July</b>   | <b>8,180</b>                             | <b>10,231</b>                 |
| <b>Funds from Government</b>   |  |                               |
| Amounts received from related entities   |  |                               |
| Amounts from portfolio department <sup>(a)</sup>                                       | 2,000                                    | 16,014                        |
| <i>Total amounts received from related entities</i>                                    | <b>2,000</b>                             | <b>16,014</b>                 |
| <b>Special appropriations<sup>(b)</sup></b>  |  |                               |
| <i>Australian Grape and Wine Authority Act 2013, s. 32 – payments to the Authority</i> | 30,971                                   | 30,825                        |
| <i>Total special appropriations</i>  | <b>30,971</b>                            | <b>30,825</b>                 |
| <b>Total funds from Government</b>   | <b>32,971</b>                            | <b>46,839</b>                 |
| <b>Funds from industry sources</b>   |  |                               |
| Levies <sup>(c)</sup>  | 18,765                                   | 18,700                        |
| <i>less amounts paid to the CRF</i>  | (18,765)                                 | (18,700)                      |
| <b>Total funds from industry sources</b>   | <b>-</b>                                 | <b>-</b>                      |
| <b>Funds from other sources</b>  |  |                               |
| Interest   | 297                                      | 228                           |
| Other  | 10,577                                   | 7,604                         |
| <b>Total funds from other sources</b>  | <b>10,874</b>                            | <b>7,832</b>                  |
| <b>Total net resourcing for AGWA</b>   | <b>52,025</b>                            | <b>64,902</b>                 |
|  | <b>2016–17</b>                           | <b>2017–18</b>                |
| <b>Average staffing level (number)</b>   | <b>53</b>                                | <b>53</b>                     |

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

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

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

CRF – Consolidated Revenue Fund

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

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

### 1.3 BUDGET MEASURES

Budget measures in Part 1 relating to the Authority are detailed in *Budget Paper No. 2: Budget Measures 2017–18* and are summarised below.

**Table 1.2: Australian Grape and Wine Authority 2017–18 Budget measures**

**Part 1: Measures announced since the 2016–17 Mid-Year Economic and Fiscal Outlook (MYEFO)**

AGWA does not have any 2017–18 Budget measures.

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

|  |     | 2016–17 | 2017–18 | 2018–19 | 2019–20       | 2020–21       |
|--|-----|---------|---------|---------|---------------|---------------|
| Program  |     | \$'000  | \$'000  | \$'000  | \$'000        | \$'000        |
| <b>Expense measures</b>                            |     |         |         |         |               |               |
| Wine Tourism and Cellar Door Grants <sup>(a)</sup> | 1.1 |         |         |         |               |               |
| Administered expenses                              |     | -       | -       | -       | 10,000        | 10,000        |
| Departmental expenses                              |     | -       | -       | -       | -             | -             |
| <b>Total</b>                                       |     | -       | -       | -       | <b>10,000</b> | <b>10,000</b> |
| <b>Total expense measures</b>                      |     |         |         |         |               |               |
| Administered                                       |     | -       | -       | -       | 10,000        | 10,000        |
| Departmental                                       |     | -       | -       | -       | -             | -             |
| <b>Total</b>                                       |     | -       | -       | -       | <b>10,000</b> | <b>10,000</b> |

(a) The measure description appears in the 2016–17 Mid-Year Economic and Fiscal Outlook under the Treasury portfolio. Funding for this measure passes through the Department of Agriculture and Water Resources to the Australian Grape and Wine Authority.

## Section 2: Outcomes and planned performance

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

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

**Note:**

Performance reporting requirements in the Portfolio Budget Statements are part of the Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide an entity's complete performance story.

The most recent corporate plan for the Australian Grape and Wine Authority can be found at:

<https://www.wineaustralia.com/WineAustralia/media/WineAustralia/About-us/AGWA-Strategic-Plan-2015-2020.pdf>

The most recent annual performance statement for the Australian Grape and Wine Authority can be found at: [https://www.wineaustralia.com/getmedia/12daa685-69a1-45b7-995e-762b71052b5e/AGWA\\_Annual-Report2015-16.pdf](https://www.wineaustralia.com/getmedia/12daa685-69a1-45b7-995e-762b71052b5e/AGWA_Annual-Report2015-16.pdf)

## 2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

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

### Linked programs

|  |
|--|
| <b>Department of Agriculture and Water Resources</b>   |
| <b>Program:</b> <ul style="list-style-type: none"><li>• Program 1.10: Agricultural Resources</li></ul>   |
| <b>Contribution to Outcome 1 made by linked program:</b> <p>The Australian Grape and Wine Authority and the Department of Agriculture and Water Resources work together to ensure a sustainable, productive and profitable grape and wine sector.</p>  |
| <b>Department of the Treasury</b>  |
| <b>Program:</b> <ul style="list-style-type: none"><li>• Program 1.3: Support for markets and business</li></ul>  |
| <b>Contribution to Outcome 1 made by linked program:</b> <p>The Australian Grape and Wine Authority delivers the Export and Regional Wine Support Package under the Department of the Treasury's Ten Year Enterprise Tax Plan - wine equalisation tax rebate integrity and wine tourism funding. This promotes wine and assists export-focused businesses to continue to grow. It will also benefit regional wine producers and their communities through increasing wine tourism. The Australian Grape and Wine Authority will also undertake the required planning to support the introduction of the Wine Tourism and Cellar Door Grant, commencing in 2018-19.</p> |



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

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

| <b>Outcome 1: Foster and enable a competitive Australian wine industry by investing in research and development, building markets, disseminating knowledge and ensuring compliance.</b> |  |                             |  |  |  |
|---|--|-----------------------------|--|--|--|
|   | 2016–17<br>Estimated<br>actual<br>\$'000 | 2017–18<br>Budget<br>\$'000 | 2018–19<br>Forward<br>estimate<br>\$'000 | 2019–20<br>Forward<br>estimate<br>\$'000 | 2020–21<br>Forward<br>estimate<br>\$'000 |
| <b>Program 1.1: Australian Grape and Wine Authority</b>   |  |                             |  |  |  |
| Revenue from Government   |  |                             |  |  |  |
| Payment from related entities   | 2,000                                    | 16,014                      | 15,924                                   | 26,062                                   | 10,000                                   |
| Special appropriations  |  |                             |  |  |  |
| <i>Australian Grape and Wine Authority Act</i><br>2013, s. 32 – payments to the Authority   | 31,971                                   | 32,825                      | 30,825                                   | 30,825                                   | 30,825                                   |
| Revenues from other independent sources   | 9,719                                    | 10,061                      | 9,213                                    | 8,939                                    | 8,398                                    |
| <b>Total expenses for program 1.1</b>   | <b>43,690</b>                            | <b>58,900</b>               | <b>55,962</b>                            | <b>65,826</b>                            | <b>49,223</b>                            |
| <b>Outcome 1 totals by resource type</b>  |  |                             |  |  |  |
| Revenue from Government   |  |                             |  |  |  |
| Payment from related entities   | 2,000                                    | 16,014                      | 15,924                                   | 26,062                                   | 10,000                                   |
| Special appropriations  | 31,971                                   | 32,825                      | 30,825                                   | 30,825                                   | 30,825                                   |
| Revenues from other independent sources   | 9,719                                    | 10,061                      | 9,213                                    | 8,939                                    | 8,398                                    |
| <b>Total expenses for Outcome 1</b>   | <b>43,690</b>                            | <b>58,900</b>               | <b>55,962</b>                            | <b>65,826</b>                            | <b>49,223</b>                            |
| <b>Average staffing level (number)</b>  |  |                             |  |  |  |
|   | <b>2016–17</b>                           | <b>2017–18</b>              |  |  |  |
|   | 53                                       | 53                          |  |  |  |

## 2.1.2 Performance criteria for Outcome 1

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2017–18 Budget measures have created new programs or materially changed existing programs.

As an entity established under the AGWA Act, AGWA 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: Foster and enable a competitive Australian wine industry by investing in research and development, building markets, disseminating knowledge and ensuring compliance.</b> |   |                |
| <b>Program 1.1: Australian Grape and Wine Authority</b>   |   |                |
| <b>Objective</b>  | Invest in research and development, building markets, disseminating knowledge and ensuring compliance to foster and enable a competitive Australian wine sector.  |                |
| <b>Delivery</b>   | <p>We will invest in research and development (R&amp;D) in the seven strategic areas outlined in our Strategic Plan 2015–2020 for the benefit of wine grape growers, winemakers, wine businesses and the wider community.</p> <p>We will invest in marketing to promote Australian wine and grow international markets.</p> <p>We will invest in regulatory services to protect the reputation of Australian wine.</p> <p>We will support grape and wine businesses with market insights that allow them to make effective decisions.</p> |                |
| <b>Performance information</b>  |   |                |
| <b>Year</b>   | <b>Performance criteria<sup>(a)</sup></b>   | <b>Targets</b> |
| 2016–17   | <b>RD&amp;E</b>   |                |
|   | R&D projects are funded in line with the approved Annual Operational Plan (AOP).  | 100 per cent.  |
|   | R&D contracts are actively managed through regular and ongoing monitoring of the research.  | 100 per cent.  |
|   | An increased number of RD&E newsletter subscribers.   | 1,100          |
|   | The number of regional clusters participating in the Regional Program is maintained.  | 11             |

Continued on following pages

## Contributions to Outcome 1 (continued)

| Performance information (continued) |   |                |
|-------------------------------------|---|----------------|
| Year                                | Performance criteria <sup>(a)</sup>   | Targets        |
| 2016–17<br>(continued)              | <b>Marketing</b>  |                |
|                                     | The number of user-pays events hosted with wine sector partners to engage influencers in key markets.   | 42             |
|                                     | The number of AGWA-funded events to engage influencers in key markets.                                  | 70             |
|                                     | <b>Market insights</b>  |                |
|                                     | Improvement in customer satisfaction rating for market insights services.                               | 73.5 per cent. |
|                                     | <b>Regulatory services</b>  |                |
|                                     | Risk-based audits reinforce a culture of compliance and help protect the reputation of Australian wine. | 300            |
|                                     | Market export guides provide accurate information about import requirements for largest export markets. | 27 guides.     |
| 2017–18                             | <b>RD&amp;E</b>   |                |
|                                     | Projects are funded in line with the AOP.   | 100 per cent.  |
|                                     | Contracts are actively managed through regular and ongoing monitoring of the research.                  | 100 per cent.  |
|                                     | RD&E newsletter has more subscribers.   | 1,800          |
|                                     | The number of Regional Program partners is maintained.  | 11             |
|                                     | <b>Marketing</b>  |                |
|                                     | Export and Regional Wine Support Package activities are completed in line with the funding agreement.   | 100 per cent.  |
|                                     | The number of user-pays events hosted with wine sector partners to engage influencers in key markets.   | 42             |
|                                     | The number of AGWA-funded events to engage influencers in key markets.                                  | 70             |
|                                     | <b>Market insights</b>  |                |
|                                     | Improvement in customer satisfaction rating for market insights services.                               | 74 per cent.   |

Continued on following pages

**Contributions to Outcome 1 (continued)**

| <b>Performance information (continued)</b> |   |  |
|--|---|--|
| <b>Year</b>                                | <b>Performance criteria<sup>(a)</sup></b>   | <b>Targets</b>   |
| 2017–18<br>(continued)                     | <b>Regulatory services</b>  |  |
|  | Risk-based audits reinforce a culture of compliance and help protect the reputation of Australian wine. | 300 audits.  |
|  | Market export guides provide accurate information about import requirements for largest export markets. | 32 guides.   |
| 2018–19 and<br>beyond                      | <b>RD&amp;E</b>   |  |
|  | Projects are funded in line with the AOP.   | 100 per cent.  |
|  | Contracts are actively managed through regular and ongoing monitoring of the research.                  | 100 per cent.  |
|  | RD&E newsletter has more subscribers.   | (2017–18) 1,800.<br>(2018–19) 1,900.<br>(2019–20) 2,000.<br>(2020–21) 2,100.                                 |
|  | The number of Regional Program partners is maintained.  | 11   |
|  | <b>Marketing</b>  |  |
|  | The number of user-pays events hosted with wine sector partners to engage influencers in key markets.   | 42   |
|  | The number of AGWA-funded events to engage influencers in key markets.                                  | 70   |
|  | <b>Market insights</b>  |  |
|  | Customer satisfaction rating for services.  | (2017–18) 74.5 per cent.<br>(2018–19) 75.0 per cent.<br>(2019–20) 75.5 per cent.<br>(2020–21) 76.0 per cent. |
|  | <b>Regulatory services</b>  |  |
|  | Risk-based audits reinforce a culture of compliance and help protect the reputation of Australian wine. | 300 audits.  |
|  | Market export guides provide accurate information about import requirements for largest export markets. | 32 guides to 2019–20.  |

(a) New or modified performance criteria that reflect new or materially changed programs 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 2017–18 budget year, including the impact of budget measures and resourcing on financial statements.

### 3.1 BUDGETED FINANCIAL STATEMENTS

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

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

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

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

AGWA receives levies on the tonnage of fruit grown (Grape Research Levy); grape products used in the manufacture of wine (Wine Grapes Levy); and on the value of wine exported (Wine Export Charge). Revenue from these levies is expected to be approximately \$18.7 million for the 2017–18 year, based on an expected 2017 vintage of 1.8 million tonnes.

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

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

AGWA will receive additional revenue from government of \$50.0 million from 2016–17 to 2019–20 for the measure Ten Year Enterprise Tax Plan – wine equalisation tax rebate integrity and wine tourism funding.

### 3.2 BUDGETED FINANCIAL STATEMENTS TABLES

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

|  | 2016–17<br>Estimated<br>actual<br>\$'000 | 2017–18<br>Budget<br>\$'000 | 2018–19<br>Forward<br>estimate<br>\$'000 | 2019–20<br>Forward<br>estimate<br>\$'000 | 2020–21<br>Forward<br>estimate<br>\$'000 |
|--|--|-----------------------------|--|--|--|
| <b>EXPENSES</b>  |  |                             |  |  |  |
| Employee benefits  | 8,415                                    | 9,131                       | 9,131                                    | 9,131                                    | 9,131                                    |
| Supplier   | 9,683                                    | 10,171                      | 8,261                                    | 8,383                                    | 8,131                                    |
| Grants   | 25,359                                   | 39,019                      | 37,991                                   | 47,993                                   | 31,729                                   |
| Other  | 6  | 21                          | 21                                       | 21                                       | 21                                       |
| Depreciation and amortisation  | 227                                      | 558                         | 558                                      | 298                                      | 211                                      |
| <b>Total expenses</b>  | <b>43,690</b>                            | <b>58,900</b>               | <b>55,962</b>                            | <b>65,826</b>                            | <b>49,223</b>                            |
| <b>LESS:</b>   |  |                             |  |  |  |
| <b>OWN-SOURCE INCOME</b>   |  |                             |  |  |  |
| <b>Own-source revenue</b>  |  |                             |  |  |  |
| Interest   | 297                                      | 228                         | 228                                      | 228                                      | 228                                      |
| Sale of goods and rendering of services  | 7,319                                    | 7,791                       | 7,791                                    | 7,791                                    | 7,791                                    |
| Other  | 2,103                                    | 2,042                       | 1,194                                    | 920                                      | 379                                      |
| <b>Total own-source revenue</b>  | <b>9,719</b>                             | <b>10,061</b>               | <b>9,213</b>                             | <b>8,939</b>                             | <b>8,398</b>                             |
| <b>Total own-source income</b>   | <b>9,719</b>                             | <b>10,061</b>               | <b>9,213</b>                             | <b>8,939</b>                             | <b>8,398</b>                             |
| <b>Net cost of (contribution by) services</b>                                      | <b>33,971</b>                            | <b>48,839</b>               | <b>46,749</b>                            | <b>56,887</b>                            | <b>40,825</b>                            |
| Revenue from Government <sup>(a)</sup>   |  |                             |  |  |  |
| Commonwealth contribution  | 12,206                                   | 12,125                      | 12,125                                   | 12,125                                   | 12,125                                   |
| Industry contributions   | 18,765                                   | 18,700                      | 18,700                                   | 18,700                                   | 18,700                                   |
| Other  | 2000                                     | 16,014                      | 15,924                                   | 26,062                                   | 10,000                                   |
| <b>Total revenue from Government</b>   | <b>32,971</b>                            | <b>46,839</b>               | <b>46,749</b>                            | <b>56,887</b>                            | <b>40,825</b>                            |
| <b>Surplus/(deficit) attributable to the Australian Government</b>                 | <b>(1,000)</b>                           | <b>(2,000)</b>              | -  | -  | -  |
| <b>Total comprehensive income/(loss) attributable to the Australian Government</b> | <b>(1,000)</b>                           | <b>(2,000)</b>              | -  | -  | -  |

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

Prepared on Australian Accounting Standards basis.

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

|  | 2016–17<br>Estimated<br>actual<br>\$'000 | 2017–18<br>Budget<br>\$'000 | 2018–19<br>Forward<br>estimate<br>\$'000 | 2019–20<br>Forward<br>estimate<br>\$'000 | 2020–21<br>Forward<br>estimate<br>\$'000 |
|--|--|-----------------------------|--|--|--|
| <b>ASSETS</b>                          |  |                             |  |  |  |
| <b>Financial assets</b>                |  |                             |  |  |  |
| Cash and cash equivalents              | 1,393                                    | 1,449                       | 1,705                                    | 2,024                                    | 2,280                                    |
| Trade and other receivables            | 7,301                                    | 6,529                       | 6,831                                    | 6,810                                    | 6,765                                    |
| Other investments                      | 8,838                                    | 2,566                       | 2,566                                    | 2,566                                    | 2,566                                    |
| <b>Total financial assets</b>          | <b>17,532</b>                            | <b>10,544</b>               | <b>11,102</b>                            | <b>11,400</b>                            | <b>11,611</b>                            |
| <b>Non-financial assets</b>            |  |                             |  |  |  |
| Property, plant and equipment          | 343                                      | 293                         | 33                                       | 33                                       | 33                                       |
| Intangibles                            | 1,454                                    | 3,102                       | 2,804                                    | 2,506                                    | 2,295                                    |
| Other                                  | 329                                      | 109                         | 109                                      | 109                                      | 109                                      |
| <b>Total non-financial assets</b>      | <b>2,126</b>                             | <b>3,504</b>                | <b>2,946</b>                             | <b>2,648</b>                             | <b>2,437</b>                             |
| <b>Total assets</b>                    | <b>19,658</b>                            | <b>14,048</b>               | <b>14,048</b>                            | <b>14,048</b>                            | <b>14,048</b>                            |
| <b>LIABILITIES</b>                     |  |                             |  |  |  |
| <b>Payables</b>                        |  |                             |  |  |  |
| Suppliers                              | 2,324                                    | 1,998                       | 1,998                                    | 1,998                                    | 1,998                                    |
| Grants                                 | 7,733                                    | 4,439                       | 4,439                                    | 4,439                                    | 4,439                                    |
| Other                                  | 257                                      | 146                         | 146                                      | 146                                      | 146                                      |
| <b>Total payables</b>                  | <b>10,314</b>                            | <b>6,583</b>                | <b>6,583</b>                             | <b>6,583</b>                             | <b>6,583</b>                             |
| <b>Provisions</b>                      |  |                             |  |  |  |
| Employee provisions                    | 862                                      | 983                         | 983                                      | 983                                      | 983                                      |
| <b>Total provisions</b>                | <b>862</b>                               | <b>983</b>                  | <b>983</b>                               | <b>983</b>                               | <b>983</b>                               |
| <b>Total liabilities</b>               | <b>11,176</b>                            | <b>7,566</b>                | <b>7,566</b>                             | <b>7,566</b>                             | <b>7,566</b>                             |
| <b>Net assets</b>                      | <b>8,482</b>                             | <b>6,482</b>                | <b>6,482</b>                             | <b>6,482</b>                             | <b>6,482</b>                             |
| <b>EQUITY*</b>                         |  |                             |  |  |  |
| <b>Parent entity interest</b>          |  |                             |  |  |  |
| Reserves                               | 27                                       | 27                          | 27                                       | 27                                       | 27                                       |
| Retained surplus (accumulated deficit) | 8,455                                    | 6,455                       | 6,455                                    | 6,455                                    | 6,455                                    |
| <b>Total Equity</b>                    | <b>8,482</b>                             | <b>6,482</b>                | <b>6,482</b>                             | <b>6,482</b>                             | <b>6,482</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 2017–18)**

|  | Retained<br>earnings | Asset<br>revaluation<br>reserve | Total<br>equity |
|--|----------------------|---------------------------------|-----------------|
|  | \$'000               | \$'000                          | \$'000          |
| <b>Opening balance as at 1 July 2017</b>                         |                      |                                 |                 |
| Balance carried forward from previous period                     | 8,455                | 27                              | 8,482           |
| <b>Adjusted opening balance</b>                                  | <b>8,455</b>         | <b>27</b>                       | <b>8,482</b>    |
| <b>Comprehensive income</b>                                      |                      |                                 |                 |
| Surplus (deficit) for the period                                 | (2,000)              | -                               | (2,000)         |
| <b>Total comprehensive income</b>                                | <b>(2,000)</b>       | <b>-</b>                        | <b>(2,000)</b>  |
| of which:  |                      |                                 |                 |
| Attributable to the Australian Government                        | -                    | -                               | -               |
| <b>Estimated closing balance as at 30 June 2018</b>              | <b>6,455</b>         | <b>27</b>                       | <b>6,482</b>    |
| <b>Closing balance attributable to the Australian Government</b> | <b>6,455</b>         | <b>27</b>                       | <b>6,482</b>    |

Prepared on Australian Accounting Standards basis.



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

|   | 2016–17<br>Estimated<br>actual<br>\$'000 | 2017–18<br>Budget<br>\$'000 | 2018–19<br>Forward<br>estimate<br>\$'000 | 2019–20<br>Forward<br>estimate<br>\$'000 | 2020–21<br>Forward<br>estimate<br>\$'000 |
|---|--|-----------------------------|--|--|--|
| <b>OPERATING ACTIVITIES</b>   |  |                             |  |  |  |
| <b>Cash received</b>  |  |                             |  |  |  |
| Interest  | 296                                      | 228                         | 228                                      | 228                                      | 228                                      |
| Grants  | 35,476                                   | 46,290                      | 45,262                                   | 55,264                                   | 39,000                                   |
| Net GST received  | 1,976                                    | 3,180                       | 3,180                                    | 3,180                                    | 3,180                                    |
| Other   | 7,832                                    | 7,909                       | 7,909                                    | 7,909                                    | 7,909                                    |
| <b>Total cash received</b>  | <b>45,580</b>                            | <b>57,607</b>               | <b>56,579</b>                            | <b>66,581</b>                            | <b>50,317</b>                            |
| <b>Cash used</b>  |  |                             |  |  |  |
| Employees   | 9,026                                    | 9,334                       | 9,334                                    | 9,334                                    | 9,334                                    |
| Suppliers   | 11,349                                   | 10,472                      | 8,472                                    | 8,409                                    | 8,472                                    |
| Grants  | 19,851                                   | 45,545                      | 44,517                                   | 54,519                                   | 38,255                                   |
| <b>Total cash used</b>  | <b>40,226</b>                            | <b>65,351</b>               | <b>62,323</b>                            | <b>72,262</b>                            | <b>56,061</b>                            |
| <b>Net cash from (used by) operating activities</b>                 | <b>5,354</b>                             | <b>(7,744)</b>              | <b>(5,744)</b>                           | <b>(5,681)</b>                           | <b>(5,744)</b>                           |
| <b>INVESTING ACTIVITIES</b>   |  |                             |  |  |  |
| <b>Cash received</b>  |  |                             |  |  |  |
| Investments   | 12,500                                   | 14,000                      | 10,000                                   | 10,000                                   | 10,000                                   |
| <b>Total cash received</b>  | <b>12,500</b>                            | <b>14,000</b>               | <b>10,000</b>                            | <b>10,000</b>                            | <b>10,000</b>                            |
| <b>Cash used</b>  |  |                             |  |  |  |
| Investments   | 16,805                                   | 4,000                       | 4,000                                    | 4,000                                    | 4,000                                    |
| Purchase of property, plant and equipment                           | 1,219                                    | 2,200                       | -  | -  | -  |
| <b>Total cash used</b>  | <b>18,024</b>                            | <b>6,200</b>                | <b>4,000</b>                             | <b>4,000</b>                             | <b>4,000</b>                             |
| <b>Net cash from (used by) investing activities</b>                 | <b>(5,524)</b>                           | <b>7,800</b>                | <b>6,000</b>                             | <b>6,000</b>                             | <b>6,000</b>                             |
| <b>Net increase (decrease) in cash held</b>                         | <b>(170)</b>                             | <b>56</b>                   | <b>256</b>                               | <b>319</b>                               | <b>256</b>                               |
| Cash and cash equivalents at the beginning of the reporting period  | 1,563                                    | 1,393                       | 1,449                                    | 1,705                                    | 2,024                                    |
| <b>Cash and cash equivalents at the end of the reporting period</b> | <b>1,393</b>                             | <b>1,449</b>                | <b>1,705</b>                             | <b>2,024</b>                             | <b>2,280</b>                             |

Prepared on Australian Accounting Standards basis.

**Table 3.5: Departmental capital budget statement**

|  | 2016–17<br>Estimated<br>actual<br>\$'000 | 2017–18<br>Budget<br>\$'000 | 2018–19<br>Forward<br>estimate<br>\$'000 | 2019–20<br>Forward<br>estimate<br>\$'000 | 2020–21<br>Forward<br>estimate<br>\$'000 |
|--|--|-----------------------------|--|--|--|
| <b>ASSETS</b>  |  |                             |  |  |  |
| Funded internally from departmental resources <sup>(a)</sup>                 | 1,219                                    | 2,200                       | -  | -  | -  |
| <b>TOTAL</b>   | <b>1,219</b>                             | <b>2,200</b>                | -  | -  | -  |
| <b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b> |  |                             |  |  |  |
| Total purchases  | 1,219                                    | 2,200                       | -  | -  | -  |
| <b>Total cash used to acquire assets</b>                                     | <b>1,219</b>                             | <b>2,200</b>                | -  | -  | -  |

(a) Includes the following source of funding:  
– internally developed assets.

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

**Table 3.6: Statement of asset movements (Budget year 2017–18)**

|   | Land and<br>buildings<br>\$'000 | Other<br>property,<br>plant and<br>equipment<br>\$'000 | Intangibles<br>\$'000 | Total<br>\$'000 |
|---|---------------------------------|--|-----------------------|-----------------|
| <b>As at 1 July 2017</b>                                  |                                 |  |                       |                 |
| Gross book value  | 882                             | 1,021  | 3,049                 | 4,952           |
| Accumulated depreciation/amortisation and impairment      | (882)                           | (668)  | (1,649)               | (3,199)         |
| <b>Opening net book balance</b>                           | <b>-</b>                        | <b>353</b>   | <b>1,400</b>          | <b>1,753</b>    |
| <b>CAPITAL ASSET ADDITIONS</b>                            |                                 |  |                       |                 |
| <b>Estimated expenditure on new or replacement assets</b> |                                 |  |                       |                 |
| By purchase – other                                       | -                               | 200  | 2,000                 | 2,200           |
| <b>Total additions</b>                                    | <b>-</b>                        | <b>200</b>   | <b>2,000</b>          | <b>2,200</b>    |
| <b>Other movements</b>                                    |                                 |  |                       |                 |
| Depreciation/amortisation expense                         | -                               | (260)  | (298)                 | (558)           |
| <b>Total other movements</b>                              | <b>-</b>                        | <b>(260)</b>   | <b>(298)</b>          | <b>(558)</b>    |
| <b>As at 30 June 2018</b>                                 |                                 |  |                       |                 |
| Gross book value  | 882                             | 1,221  | 5,049                 | 7,152           |
| Accumulated depreciation/amortisation and impairment      | (882)                           | (928)  | (1,947)               | (3,757)         |
| <b>Closing net book balance</b>                           | <b>-</b>                        | <b>293</b>   | <b>3,102</b>          | <b>3,395</b>    |

Prepared on Australian Accounting Standards basis.