

# **GRAINS**

## **RESEARCH AND DEVELOPMENT CORPORATION**

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# GRAINS

## RESEARCH AND DEVELOPMENT CORPORATION

### Section 1: Entity overview and resources

#### 1.1 STRATEGIC DIRECTION STATEMENT

The Grains Research and Development Corporation (GRDC) was established in 1991 to invest in research and development (R&D) and related activities to benefit the Australian grains industry and the wider Australian community.

GRDC's purpose is to invest in research development and extension (RD&E) to create enduring profit for Australian grain growers.

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

GRDC also contributes to the development of strategic national approaches to grains industry RD&E, to reduce fragmentation and duplication and to help address industry-wide issues such as biosecurity and climate variability.

While its focus is on delivering benefits to Australian grain growers, who pay levies, GRDC also generates outcomes from investing in RD&E that benefit other participants in the Australian grains industry value chain and the wider Australian community, as well as the research community in Australia and overseas.

Because effective delivery is critical to achieving benefits from R&D, GRDC undertakes activities to raise awareness of grains industry R&D and extend the results of GRDC-supported investments to grain growers and their advisers, other participants in rural industry and the wider community. Recognising different needs and preferences for receiving information, GRDC uses a range of products and channels, from phone apps to field days.

GRDC works closely with Australian grain growers and the Australian Government to ensure that their RD&E priorities are effectively addressed through GRDC investments. GRDC also maintains strong connections with its other stakeholders, particularly in the R&D and agribusiness sectors.

Effective partnerships with other Australian organisations enable GRDC to leverage resources and research capability; share market knowledge, technologies and intellectual property; and reduce the risk associated with particular investments.

### *GRDC Budget Statements*

GRDC also builds strong relationships with organisations overseas, both to broaden the resources available to the Australian grains industry and to access international RD&E efforts that offer potential benefits, such as food security, for Australia.

2017-18 is a year of transition for GRDC as it oversees the completion of the Strategic R&D Plan 2012-17 and develops the next five year R&D plan for the period 2017-2022. Planning has commenced to ensure that the research portfolio has a more balanced approach to risk. This includes by investing in lower risk research that delivers incremental gains to growers; slightly higher risk step-change innovations; and even higher risk, potentially transformational, research. Growers can expect to experience the benefits of these changes in the coming years.

The 2017-2022 Strategic R&D Plan will be informed by consultation with grain growers, research partners, government representatives and other relevant stakeholders. It will be closely aligned with the National Grains Industry Strategic Plan to ensure that industry-led strategies are incorporated into GRDC's portfolio of investments.

During 2017-18 GRDC will continue to deliver investments against the outcomes from the 2012-2017 Strategic R&D Plan and its six investment themes; meeting market requirements, improving crop yield, protecting your crop, profitable farming systems, improving your farm resource base and building skills and capacity. The transition of these themes into the new investment portfolio will be articulated in more detail in GRDC's 2017-18 Annual Operational Plan.

## 1.2 ENTITY RESOURCE STATEMENT

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

**Table 1.1: Grains Research and Development Corporation – Resource Statement – Budget Estimates for 2017–18 as at Budget May 2017**

	<i>2016–17 estimated actual \$'000</i>	2017–18 estimate \$'000
<b>Opening balance/cash reserves at 1 July</b>	<b>212,280</b>	<b>209,172</b>
<b>Funds from Government</b>		
<b>Special appropriations<sup>(a)</sup></b>		
<i>Primary Industries Research and Development Act 1989, s. 30(3) – Grains and Wheat R&amp;D Corporation</i>	<i>194,256</i>	<i>183,902</i>
<b>Total special appropriations</b>	<b>194,256</b>	<b>183,902</b>
<b>Total funds from Government</b>	<b>194,256</b>	<b>183,902</b>
<b>Funds from industry sources</b>		
Levies <sup>(b)</sup>	122,178	114,692
<i>less amounts paid to the CRF</i>	<i>(122,178)</i>	<i>(114,692)</i>
<b>Total funds from industry sources</b>	<b>-</b>	<b>-</b>
<b>Funds from other sources</b>		
Interest	6,434	7,567
Royalties	4,580	4,818
Other	3,453	3,318
<b>Total funds from other sources</b>	<b>14,467</b>	<b>15,703</b>
<b>Total net resourcing for GRDC</b>	<b>421,003</b>	<b>408,777</b>
	<b>2016–17</b>	<b>2017–18</b>
<b>Average staffing level (number)</b>	<b>72</b>	<b>79</b>

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

(b) The levies collected under the *Primary Industries Levies and Charges Collection Act 1991* are remitted to the Department of Agriculture and Water Resources and transferred to the Consolidated Revenue Fund. An equivalent amount is paid by Department of Agriculture to the GRDC as a special appropriation under the *Primary Industries Research and Development Act 1989* (PIRD Act).

CRF – Consolidated Revenue Fund

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

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

## 1.3 BUDGET MEASURES

GRDC does not have any 2017–18 Budget measures.

## Section 2: Outcomes and planned performance

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

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

**Note:**

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

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

The most recent annual performance statement can be found at: <https://grdc.com.au/About-Us/Corporate-Governance/Annual-Report>

## 2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

**Outcome 1: New information and products that enhance the productivity, competitiveness and environmental sustainability of Australian grain growers and benefit the industry and wider community, through planning, managing and implementing investments in grains research and development.**

### Linked programs

**Department of Agriculture and Water Resources**

**Programs:**

- Program 1.7: Grains Industry

**Contribution to Outcome 1 made by linked program:**

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

**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.

	2016–17 Estimated actual \$'000	2017–18 Budget \$'000	2018–19 Forward estimate \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000
<b>Outcome 1: New information and products that enhance the productivity, competitiveness and environmental sustainability of Australian grain growers and benefit the industry and wider community, through planning, managing and implementing investments in grains research and development.</b>					
<b>Program 1.1: Grains Research and Development Corporation</b>					
Revenue from Government					
Special appropriations					
<i>Primary Industries Research and Development Act 1989, s. 30(3) –</i>					
Grains and Wheat R&D Corporation	68,584	68,543	67,361	65,750	66,872
Revenues from industry sources	120,098	114,692	105,836	106,596	109,356
Revenues from other independent sources	34,008	18,805	16,283	16,283	15,294
Reserves	-	13,810	23,320	25,380	23,507
<b>Total expenses for program 1.1</b>	<b>222,691</b>	<b>215,850</b>	<b>212,800</b>	<b>214,009</b>	<b>215,029</b>
<b>Outcome 1 totals by resource type</b>					
Revenue from Government					
Special appropriations	68,584	68,543	67,361	65,750	66,872
Revenues from industry sources	120,098	114,692	105,836	106,596	109,356
Revenues from other independent sources	34,008	18,805	16,283	16,283	15,294
Reserves	-	13,810	23,320	25,380	23,507
<b>Total expenses for Outcome 1</b>	<b>222,691</b>	<b>215,850</b>	<b>212,800</b>	<b>214,009</b>	<b>215,029</b>
	<b>2016–17</b>	<b>2017–18</b>			
<b>Average staffing level (number)</b>	72	79			

### 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 PIRD Act, GRDC does not produce a Corporate Plan under the PGPA Act and is therefore exempt from the requirement to map purposes to outcomes.

<b>Outcome 1: New information and products that enhance the productivity, competitiveness and environmental sustainability of Australian grain growers and benefit the industry and wider community, through planning, managing and implementing investments in grains research and development.</b>		
<b>Program 1.1: Grains Research and Development Corporation</b>		
<b>Objective</b>	Drive the discovery, development and delivery of world-class innovation to enhance the productivity, profitability and sustainability of Australian grain growers and benefit the industry and the wider community.	
<b>Delivery</b>	Continue to prioritise RD&E investments that supports the enduring profitability of Australian grain growers. The target group is primarily Australian grain growers but the grains industry value chain also includes Governments, industry groups, rural and regional communities, research organisations and the wider community.	
<b>Performance information</b>		
<b>Year</b>	<b>Performance criteria<sup>(a)</sup></b>	<b>Targets</b>
2016–17	Australian Export Grains Innovation Centre (AEGIC) joint venture is established and operating appropriately.	Required market information available.
	Growers are interested in the benefits of measuring grain quality to meet customer requirements.	90 per cent of growers.
	Growers storing grain on-farm use sealed silos to meet market requirements and provide for the continued effectiveness of pest control measures.	70 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>
2016–17 (continued)	New cereal, pulse and oilseed varieties have minimum increases in genetic yield potential per annum as measured in National Variety Trials (NVT).	Cereals 1 per cent. Pulses 2 per cent. Oilseeds 1.5 per cent.
	New varieties currently available meet the expectations of growers.	60 per cent.
	Growers and advisers use NVT data in selection of varieties to plant.	35 per cent access data of which 90 per cent consider helpful.
	Growers and advisers are aware of and use integrated weed, pest or disease management practices.	70 per cent aware, 50 per cent use.
	Growers undertake on-farm practices to maintain or improve their biosecurity.	40 per cent.
	Growers place a high importance on the use of decision tools to assist them with strategic or tactical decision-making.	70 per cent.
	Growers have a whole-farm business plan which takes account of strategic opportunities, constraints and risks.	25 per cent.
	Growers consider the potential effects of climate change on their farm business when making long-term decisions.	55 per cent.
	Growers undertake activities to improve the condition and productive capacity of their soils.	70 per cent.
	Growers use nutrient budgeting to better match application with anticipated crop needs.	60 per cent.
	Each year Nuffield scholars include people from the grains industry.	At least three.
	Growers and advisers undertake at least one activity each year to learn more about opportunities to improve farm profit or sustainability.	75 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	As per 2015–16, except for minor changes to these four performance criteria's in regards to their targets.	As per 2015–16, except for minor changes to these four performance criteria's in regards to their targets.
	Growers and advisers use NVT data in selection of varieties to plant.	40 per cent access data of which 90 per cent consider helpful.
	Growers undertake on-farm practices to maintain or improve their biosecurity.	50 per cent.
	Growers consider the potential effects of climate change on their farm business when making long-term decisions.	60 per cent.
	Growers use nutrient budgeting to better match application with anticipated crop needs.	65 per cent.
2018–19 and beyond	See footnote. <sup>(b)</sup>	See footnote. <sup>(b)</sup>

- (a) New or modified performance criteria that reflect new or materially changed programs are shown in *italics*.
- (b) No performance measures have been developed for forward years 2017–18 and beyond. These will be the first years of a new five-year strategic plan for 2017–2022. All current performance measures that are extended to 2017–18 will maintain ongoing program targets.

## 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**

The financial statements are prepared on an accrual basis where revenues and expenses are recognised as and when the resources are received and used. The entities resourcing table recognises cash resources available to be used during the period and includes amounts recognised as revenue in previous periods.

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

GRDC's revenue is primarily from industry contributions in the form of levies paid on the farm gate value of grain sold and Australian Government contributions which are capped at 0.5 per cent of the three year rolling average of gross value of production (GVP). GRDC's revenue streams are therefore subject to the volatility of local and international grain commodity markets, farm gate costs, and the marketing decisions of growers. This means the assumptions in developing financial forecasts have a high degree of uncertainty and change frequently.

In 2017–18, GRDC is budgeting for an operating deficit of \$13.8 million which will be funded from its own accumulated reserves. Industry contributions are expected to decrease by \$7.4 million due to a decrease in production. Australian Government contributions are expected to decrease by \$1.2 million and own source income is expected to decrease by \$15.8 million due to the recognition of gains on sale of shares in 2016–17. Supplier expenses are expected to decrease by \$6.3 million due to a decrease in R&D expenditure in 2017–18.

The budgeted net asset position for 2017–18 is \$180.5 million which is \$13.8 million less than the estimated actual. This decrease is due to the budgeted operating deficit for 2017–18.

### 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 Estimated actual \$'000	2017–18 Budget \$'000	2018–19 Forward estimate \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000
<b>EXPENSES</b>					
Employee benefits	11,134	14,400	17,400	18,009	18,549
Supplier expenses	205,953	199,608	193,531	194,263	194,853
Depreciation and amortisation	1,450	1,842	1,869	1,737	1,627
Loss on disposal of assets	4,154	-	-	-	-
<b>Total expenses</b>	<b>222,691</b>	<b>215,850</b>	<b>212,800</b>	<b>214,009</b>	<b>215,029</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Interest	6,434	7,567	7,929	7,685	6,278
Grant income	963	3,102	-	-	-
Royalties	8,982	4,818	5,180	5,568	5,986
Other	3,296	3,318	3,174	3,030	3,030
<b>Total own-source revenue</b>	<b>19,675</b>	<b>18,805</b>	<b>16,283</b>	<b>16,283</b>	<b>15,294</b>
<b>Gains</b>					
Sales of assets	14,898	-	-	-	-
<b>Total Gains</b>	<b>14,898</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total own-source income</b>	<b>34,573</b>	<b>18,805</b>	<b>16,283</b>	<b>16,283</b>	<b>15,294</b>
<b>Net cost of (contribution by) services</b>	<b>188,118</b>	<b>197,045</b>	<b>196,517</b>	<b>197,726</b>	<b>199,735</b>
Revenue from Government <sup>(a)</sup>					
Commonwealth contributions	69,723	68,543	67,361	65,750	66,872
Industry contributions	122,092	114,692	105,836	106,596	109,356
<b>Total revenue from Government</b>	<b>191,815</b>	<b>183,235</b>	<b>173,197</b>	<b>172,346</b>	<b>176,228</b>
<b>Surplus/(deficit) attributable to the Australian Government</b>	<b>3,697</b>	<b>(13,810)</b>	<b>(23,320)</b>	<b>(25,380)</b>	<b>(23,507)</b>
<b>Total comprehensive income (loss)</b>	<b>3,697</b>	<b>(13,810)</b>	<b>(23,320)</b>	<b>(25,380)</b>	<b>(23,507)</b>
<b>Total comprehensive income/(loss) attributable to the Australian Government</b>	<b>3,697</b>	<b>(13,810)</b>	<b>(23,320)</b>	<b>(25,380)</b>	<b>(23,507)</b>

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

Prepared on Australian Accounting Standards basis.

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

	2016–17 Estimated actual \$'000	2017–18 Budget \$'000	2018–19 Forward estimate \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	7,163	8,798	7,452	5,983	8,479
Trade and other receivables	47,939	25,772	25,478	24,753	27,084
Investments	202,009	190,009	155,009	120,009	90,009
Other investments	4,214	4,214	4,214	4,214	4,214
<b>Total financial assets</b>	<b>261,325</b>	<b>228,793</b>	<b>192,153</b>	<b>154,959</b>	<b>129,786</b>
<b>Non-financial assets</b>					
Land and buildings	6,697	6,165	5,658	5,151	4,644
Property, plant and equipment	710	838	778	733	700
Intangibles	3,812	6,209	5,507	4,922	4,435
Other non-financial assets	804	804	804	804	804
<b>Total non-financial assets</b>	<b>12,023</b>	<b>14,016</b>	<b>12,747</b>	<b>11,610</b>	<b>10,583</b>
<b>Total assets</b>	<b>273,348</b>	<b>242,809</b>	<b>204,900</b>	<b>166,569</b>	<b>140,369</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	72,437	58,788	44,178	31,356	28,791
Unearned income	3,102	-	-	-	-
<b>Total payables</b>	<b>75,539</b>	<b>58,788</b>	<b>44,178</b>	<b>31,356</b>	<b>28,791</b>
<b>Provisions</b>					
Employee provisions	1,700	1,900	2,100	2,150	2,200
Other provisions	1,762	1,584	1,405	1,226	1,048
<b>Total provisions</b>	<b>3,462</b>	<b>3,484</b>	<b>3,505</b>	<b>3,376</b>	<b>3,248</b>
<b>Total liabilities</b>	<b>79,001</b>	<b>62,272</b>	<b>47,683</b>	<b>34,732</b>	<b>32,039</b>
<b>Net assets</b>	<b>194,347</b>	<b>180,537</b>	<b>157,217</b>	<b>131,837</b>	<b>108,330</b>
<b>EQUITY*</b>					
Reserves	106,524	94,974	94,424	89,474	89,474
Retained earnings	87,823	85,563	62,793	42,363	18,856
<b>Total Equity</b>	<b>194,347</b>	<b>180,537</b>	<b>157,217</b>	<b>131,837</b>	<b>108,330</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 earnings	Asset revaluation reserve	Other reserves	Total equity
	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2017</b>				
Balance carried forward from previous period	87,823	2,574	103,950	194,347
<b>Adjusted opening balance</b>	<b>87,823</b>	<b>2,574</b>	<b>103,950</b>	<b>194,347</b>
<b>Comprehensive income</b>				
Surplus (deficit) for the period	(13,810)	-	-	(13,810)
<b>Total comprehensive income</b>	<b>(13,810)</b>	<b>-</b>	<b>-</b>	<b>(13,810)</b>
of which:				
Attributable to the Australian Government	(13,810)	-	-	(13,810)
Transfers between equity components	11,550	-	(11,550)	-
<b>Estimated closing balance as at 30 June 2018</b>	<b>85,563</b>	<b>2,574</b>	<b>92,400</b>	<b>180,537</b>
<b>Closing balance attributable to the Australian Government</b>	<b>85,563</b>	<b>2,574</b>	<b>92,400</b>	<b>180,537</b>

Prepared on Australian Accounting Standards basis.

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

	2016–17 Estimated actual \$'000	2017–18 Budget \$'000	2018–19 Forward estimate \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Industry contributions	122,178	114,692	105,836	106,596	109,356
Revenue from Government	72,078	69,210	67,655	66,475	64,541
Interest	6,434	7,567	7,929	7,685	6,278
Net GST received	20,595	19,961	19,353	19,426	19,485
Other	8,033	8,136	8,354	8,598	9,016
<b>Total cash received</b>	<b>229,318</b>	<b>219,566</b>	<b>209,127</b>	<b>208,780</b>	<b>208,676</b>
<b>Cash used</b>					
Employees	11,462	14,200	17,200	17,959	18,499
Suppliers	228,796	233,396	227,673	226,690	217,081
<b>Total cash used</b>	<b>240,258</b>	<b>247,596</b>	<b>244,873</b>	<b>244,649</b>	<b>235,580</b>
<b>Net cash from (used by) operating activities</b>	<b>(10,940)</b>	<b>(28,030)</b>	<b>(35,746)</b>	<b>(35,869)</b>	<b>(26,904)</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Investments	96,789	91,500	70,000	70,000	70,000
<b>Total cash received</b>	<b>96,789</b>	<b>91,500</b>	<b>70,000</b>	<b>70,000</b>	<b>70,000</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	2,748	3,835	600	600	600
Investments	91,209	58,000	35,000	35,000	40,000
<b>Total cash used</b>	<b>93,957</b>	<b>61,835</b>	<b>35,600</b>	<b>35,600</b>	<b>40,600</b>
<b>Net cash from (used by) investing activities</b>	<b>2,832</b>	<b>29,665</b>	<b>34,400</b>	<b>34,400</b>	<b>29,400</b>
<b>Net increase (decrease) in cash held</b>	<b>(8,108)</b>	<b>1,635</b>	<b>(1,346)</b>	<b>(1,469)</b>	<b>2,496</b>
Cash and cash equivalents at the beginning of the reporting period	15,271	7,163	8,798	7,452	5,983
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>7,163</b>	<b>8,798</b>	<b>7,452</b>	<b>5,983</b>	<b>8,479</b>

Prepared on Australian Accounting Standards basis.

**Table 3.5: Departmental capital budget statement**

	2016–17 Estimated actual \$'000	2017–18 Budget \$'000	2018–19 Forward estimate \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded internally from departmental resources <sup>(a)</sup>	2,748	3,835	600	600	600
<b>TOTAL</b>	<b>2,748</b>	<b>3,835</b>	<b>600</b>	<b>600</b>	<b>600</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	2,748	3,835	600	600	600
<b>Total cash used to acquire assets</b>	<b>2,748</b>	<b>3,835</b>	<b>600</b>	<b>600</b>	<b>600</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 \$'000	Buildings \$'000	Other property, plant and equipment \$'000	Intangibles \$'000	Total \$'000
<b>As at 1 July 2017</b>					
Gross book value	742	7,176	1,319	6,274	15,511
Accumulated depreciation/amortisation and impairment	-	(1,221)	(609)	(2,462)	(4,292)
<b>Opening net book balance</b>	<b>742</b>	<b>5,955</b>	<b>710</b>	<b>3,812</b>	<b>11,219</b>
<b>CAPITAL ASSET ADDITIONS</b>					
<b>Estimated expenditure on new or replacement assets</b>					
By purchase – other	-	-	465	3,370	3,835
<b>Total additions</b>	<b>-</b>	<b>-</b>	<b>465</b>	<b>3,370</b>	<b>3,835</b>
<b>Other movements</b>					
Depreciation/amortisation expense	-	(532)	(337)	(973)	(1,842)
<b>Total other movements</b>	<b>-</b>	<b>(532)</b>	<b>(337)</b>	<b>(973)</b>	<b>(1,842)</b>
<b>As at 30 June 2018</b>					
Gross book value	742	7,176	1,784	9,644	19,346
Accumulated depreciation/amortisation and impairment	-	(1,753)	(946)	(3,435)	(6,134)
<b>Closing net book balance</b>	<b>742</b>	<b>5,423</b>	<b>838</b>	<b>6,209</b>	<b>13,212</b>

Prepared on Australian Accounting Standards basis.