

DEPARTMENT OF AGRICULTURE, FISHERIES AND FORESTRY

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DEPARTMENT OF AGRICULTURE, FISHERIES AND FORESTRY

Section 1: Overview

The role of the Australian Government Department of Agriculture, Fisheries and Forestry (the Department) is to contribute to more sustainable, competitive and profitable Australian agricultural, fisheries, forestry and food industries.

A key aspect of our responsibility is working with rural and regional communities, industries and state and territory governments.

The Department is responsible for enhancing the natural resource base on which portfolio industries rely and for delivering scientific advice and economic research, policy advice, programmes, quarantine and export services to help industries deal with the challenges they face. Our responsibilities span Australia's entire food chain, from producer to processor to the consumer.

To help the government achieve its policy objectives in these areas the Department must work to achieve the following Outcome:

Australian agricultural, fisheries, food and forestry industries that are based on sustainable management of and access to natural resources, are more competitive self-reliant and innovative, have increased access to markets, are protected from diseases and are underpinned by scientific advice and economic research.

The Corporate Plan outlines our key objectives in broad terms and is reviewed triennially to reflect changing priorities. The Client Service Charter outlines the core values which embody the way we work with each other and with stakeholders and clients. Our priorities for the 2007-08 year are outlined in Section 3.2.4 (Table 3.2)

1.1 SUMMARY OF AGENCY CONTRIBUTIONS TO OUTCOMES

The products and services delivered by the Department (outputs and administered policies, products and services) which contribute to achievement of outcomes for the Department are summarised in Table 1.1.

Table 1.1: Contribution to outcomes

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

Section 2: Resources for 2007–08

2.1 APPROPRIATIONS AND OTHER RESOURCES

Table 2.1 shows the total resources from all origins for 2007–08, including appropriations. The table summarises how resources will be applied by outcome, administered and departmental classification.

The Department is being provided with \$2,303.6 million in appropriations for 2007–08. This represents an increase of \$282.8 million from the 2006–07 Additional Estimates.

Total resourcing for the Department is shown in Table 2.1. New measures and funding for these are shown in Table 2.2.

Table 2.1: Appropriations and other resources 2007–08 ('000)

Agriculture, Fisheries and Forestry Portfolio
Agency Resourcing—2007–08

Department of Agriculture, Fisheries and Forestry	Departmental				Administered					Total
	Appropriation Bill No. 1 \$'000	Appropriation Bill No. 2 \$'000	Special Appropriation \$'000	Receipts (a) \$'000	Appropriation Bill No. 1 \$'000	Appropriation SPP \$'000	Bill No. 2 Other (b) \$'000	Special Appropriation \$'000	Receipts (a) \$'000	
More sustainable, competitive and profitable Australian agricultural, food, fisheries and forestry industries	332,437	662	-	278,166	392,012	489,495	-	1,088,972	-	2,581,744
TOTAL	332,437	662	-	278,166	392,012	489,495	-	1,088,972	-	2,581,744

(a) Departmental and administered receipts from other sources (i.e. other than appropriation amounts) that are available to be used.

(b) Includes new administered expenses and administered assets and liabilities.

Notes:

- Under the appropriation structure, Bill No. 2 includes Specific Purpose Payments (SPPs), new administered expenses within new agency Outcomes (NAOs), administered capital and departmental capital via departmental injections and loans. 'New administered expenses within new outcomes' does not include revisions to existing outcomes (for example, following restructuring of outcomes) or revisions to outcomes following an AAO change where new administered items are not involved.
- Refer to Budgeted Income Statement for application of agency revenue.

2.2 2007–08 BUDGET MEASURES

Budget measures relating to the Department as explained in Budget Paper No. 2 are summarised in Table 2.2. The table also identifies the relevant outcomes, administered items and outputs associated with each measure.

Table 2.2: Department of Agriculture, Fisheries and Forestry measures

Measure title	Output groups affected	Appropriations budget			Appropriations forward estimate			Appropriations forward estimate			Appropriations forward estimate		
		2007–08			2008–09			2009–10			2010–11		
		\$'000			\$'000			\$'000			\$'000		
		Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total
Expense measures													
National Landcare Programme – continuation	1	-	-	-	33,634	2,986	36,620	34,340	3,049	37,389	35,027	3,110	38,137
Agriculture – Advancing Australia – Advancing Agriculture Industries	2	4,400	600	5,000	8,800	1,200	10,000	8,837	1,163	10,000	8,800	1,199	9,999
Agriculture – Advancing Australia – FarmBis	2	(2,000)	-	(2,000)	8,576	962	9,538	8,503	827	9,330	8,602	839	9,441
Agriculture – Advancing Australia – FarmHelp	2	19,890	1,002	20,892	20,104	4,740	24,844	19,502	4,657	24,159	17,931	4,521	22,452
Agriculture – Advancing Australia – International Agricultural Cooperation	2	-	534	534	664	1,670	2,334	678	1,705	2,383	691	1,739	2,430
Agriculture – Advancing Australia – Rural Financial Counselling Service	2	-	200	200	12,285	2,052	14,337	12,543	2,095	14,638	12,794	2,137	14,931
Murray–Darling Basin – Additional Rural Financial Counsellors	2	959	-	959	-	-	-	-	-	-	-	-	-
Climate change – Global Initiative on Forests and Climate	3	-	184	184	-	218	218	-	219	219	-	225	225

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Table 2.2: Department of Agriculture, Fisheries and Forestry measures—continued

Measure title	Output groups affected	Appropriations budget			Appropriations forward estimate 2008–09			Appropriations forward estimate 2009–10			Appropriations forward estimate 2010–11		
		2007–08			2008–09			2009–10			2010–11		
		\$'000			\$'000			\$'000			\$'000		
		Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total
Expense measures (continued)													
Global Integration – Food Innovation Grants – extension	3	12,093	1,015	13,108	12,386	1,036	13,422	12,634	1,061	13,695	12,887	1,111	13,998
National Food Industry Strategy – Australian Food Industry Council	3	-	1,116	1,116	-	903	903	-	976	976	-	1,006	1,006
National Food Industry Strategy – International Food Standards Initiative	3	-	602	602	-	613	613	-	626	626	-	638	638
National Food Industry Strategy – Technical Market Access	3	-	3,644	3,644	-	3,717	3,717	-	3,795	3,795	-	3,871	3,871
Australia–China Free Trade Agreement – continuation of negotiations	4	-	401	401	-	414	414	-	-	-	-	-	-
Australia–Japan Free Trade Agreement – commencement of negotiations	4	-	401	401	-	414	414	-	-	-	-	-	-
Red Imported Fire Ant – continuation of funding for eradication	5	7,000	-	7,000	3,274	-	3,274	-	-	-	-	-	-
Import Risk Analysis – improving quarantine processes	6	-	602	602	-	486	486	-	318	318	-	325	325
Total expense measures		42,342	10,301	52,643	99,723	21,411	121,134	97,037	20,491	117,528	96,732	20,721	117,453

2.3 OTHER RESOURCES AVAILABLE TO BE USED

Table 2.3 provides details of resources obtained by the Department for provision of goods or services. These resources are approved for use by the Department and are included in Table 2.1.

Table 2.3: Other resources available to be used

	Estimated receipts 2006–07 \$'000	Budget estimate 2007–08 \$'000
Departmental resources		
Sale of goods and services	259,896	263,779
Interest	715	720
Other	14,210	13,667
Total departmental other resources available to be used	274,821	278,166
Administered other resources		
Levies, fees and charges		
AFMA Fishing Management Levy	6,065	10,796
Agricultural and Veterinary Chemical Levy, Fees and Charges	24,694	22,851
All Milk Levy	32,379	33,346
Buffalo Slaughter Export Charge	43	44
Buffalo Slaughter Levy	6	6
Cattle and Livestock Exporters Charge	2,579	2,700
Cattle Producers Export Charge	217	217
Cattle Transaction Levy	67,735	68,400
Coarse Grains Levy	14,967	14,170
Cotton Research Levy	3,673	2,250
Dairy Industry Restructure Package Levy	236,556	232,756
Deer Export Charge	7	7
Deer Slaughter Levy	105	110
Deer Velvet Export Charge	25	25
Deer Velvet Levy	5	5
Egg Promotion Levy	3,292	3,252
Farmed Prawns Export Charge	7	7
Farmed Prawns Levy	122	123
Fishing Levy – Commonwealth	1,155	1,400
Fishing Levy – Domestic	235	235
Forestry Import Charge	695	697
Forestry Levy	3,065	3,075
Goat Fibre Levy	45	46
Grain Legumes Levy	4,105	4,916
Grape Research Levy	2,310	2,333
Honey Export Charge	141	145
Honey Levy	302	305
Horticultural Export Charge	2,406	2,406
Horticultural Levy	27,500	27,500

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Table 2.3: Other resources available to be used—continued

	Estimated receipts 2006–07 \$'000	Budget estimate 2007–08 \$'000
Laying Chicken Levy	900	800
Live Animal Export Charge	2,665	508
Live Bee Levy	14	14
Livestock Export Charge – Disease Eradication	1	1
Livestock Transactions Levy	31,000	31,000
Macropod Levy	129	130
Meat Chicken Levy	1,389	1,403
NRS Game Pigs Levy	30	30
NRS Horse Levy	75	75
NRS Ratite Slaughter Levy	20	20
Oilseeds Levy	3,657	3,694
Pasture Seeds Levy	219	220
Pig Slaughter Levy	12,843	13,423
Rice Levy	386	1,200
Sugar Cane Research Levy	5,100	5,100
Sugar Levy	15,900	-
Wheat Export Charge	3,220	3,420
Wheat Levy	31,000	39,800
Wine Export Charge	2,750	2,750
Wine Grapes Levy	11,430	11,230
Wool Levy and Export Charge	42,610	39,700
	599,774	588,641
Interest on state and territory debt		
Adelaide Northern Town Water	949	887
Rural Adjustment Scheme	-	-
Sewerage Agreements	722	-
War Service Land Settlement Loans	-	-
	1,671	887
Other non-taxation revenue		
War Service Land Settlement – Rent	343	343
<i>Australian Animal Health Council (Live-stock Industries) Funding Act 1996</i>	211	168
	554	511
Total administered other resources available to be used	601,999	590,039

Note: This table represents own source receipts available for spending on departmental purposes.

2.4 MOVEMENT OF ADMINISTERED FUNDS

Administered funds can be provided for a specified period, for example under annual Appropriation Acts. Funds not used in the specified period are subject to review by the Minister for Finance and Administration, and may be moved to a future period, in accordance with provisions in legislation. Table 2.4 shows the movement of administered funds approved since the 2006-07 Additional Estimates.

Table 2.4: Movement of administered funds between years

Movements of funding between years	\$'000
Fishing Structural Adjustment Package	27,196
Australian Seafood Industry Council	100
AAA – International Agricultural Corporation	92
New Industries Development Programme	300
Sugar Industry Restructure Package (SIRP) 2004	17,984
Food Processing in Regional Australia Programme	310
Australian Animal Welfare Strategy	250
Australian HomeGrown Campaign	890
Assistance to the Vegetable Industry	740
International Agricultural Cooperation – Live Animal Trade Programme	290
Living Murray Initiative	36,973
Recreational Fishing Community Grants	2,500
Tobacco Grower Adjustment Assistance 2006	6,590
Tasmanian Community Fishing Agreement	17,957
Tasmanian Water Infrastructure	1,100
	113,272

2.5 SPECIAL APPROPRIATIONS

Table 2.5: Estimates of expenses from special appropriations

	Estimated expenses 2006–07 \$'000	Budget estimate 2007–08 \$'000
Estimated expenses		
Output 2: Rural policy and innovation		
<i>Australian Meat and Livestock Corporation Act 1997</i> , s. 63(2) – payments to the industry marketing body	73,000	73,104
<i>Australian Meat and Livestock Corporation Act 1997</i> , s. 64(2) – payments to the industry research body	22,206	22,428
<i>Australian Meat and Livestock Corporation Act 1997</i> , s. 64A(2) – payments to livestock export marketing body	2,313	2,430
<i>Australian Meat and Livestock Corporation Act 1997</i> , s. 64B(2) – payments to the livestock export research body	576	580
<i>Australian Meat and Livestock Corporation Act 1997</i> , s. 66(1) – Commonwealth contribution to industry research body	40,370	40,370
<i>Australian Wine and Brandy Corporation Act 1980</i> , s. 32	5,982	5,209
<i>Dairy Produce Act 1986</i> , s. 6(1)	47,770	48,428
<i>Egg Industry Service Provision Act 2002</i> , s. 8(1)	4,614	4,221
<i>Farm Household Support Act 1992</i> , s. 57(3) – Exceptional Circumstances Relief Payments	272,564	308,061
<i>Financial Management and Accountability Act 1997</i> , s. 28(2) – payments to refunds not elsewhere appropriated	2,725	2,725
<i>Fisheries Administration Act 1991</i> , s. 80(2)	8,271	10,986
<i>Horticulture Marketing and Research and Development Services Act 2000</i> , s. 16(9)	63,600	63,600
<i>Pig Industry Act 2001</i> , s. 10(1)	16,668	17,421
<i>Plant Health Australia (Plant Industries) Funding Act 2002</i> , s. 6	982	982
<i>Primary Industries and Energy Research and Development Act 1989</i> , s. 30(3) – Cotton R&D Corporation	8,151	5,359
<i>Primary Industries and Energy Research and Development Act 1989</i> , s. 30(3) – Forest and Wood Products R&D Corporation	7,050	7,055
<i>Primary Industries and Energy Research and Development Act 1989</i> , s. 30(3) – Grains R&D Corporation – Other Grains	38,811	38,329
<i>Primary Industries and Energy Research and Development Act 1989</i> , s. 30(3) – Grains R&D Corporation – Wheat	52,717	62,280
<i>Primary Industries and Energy Research and Development Act 1989</i> , s. 30(3) – Grape and Wine R&D Corporation	26,738	27,219
<i>Primary Industries and Energy Research and Development Act 1989</i> , s. 30(3) – Rural Industries R&D Corporation	6,236	3,320
<i>Primary Industries and Energy Research and Development Act 1989</i> , s. 30(3) – Sugar R&D Corporation	9,809	10,069
<i>Primary Industries and Energy Research and Development Act 1989</i> , s. 30A(3) – Fisheries R&D Corporation	16,670	16,415
<i>Wheat Marketing Act 1989</i> , s. 10A(2)	3,156	2,860
<i>Wool Services Privatisation Act 2000</i> , s. 31(4)	52,300	51,500
	783,279	824,951

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Table 2.5: Estimates of expenses from special appropriations—continued

	Estimated expenses 2006–07 \$'000	Budget estimate 2007–08 \$'000
Output 3: Industry development		
<i>Dairy Produce Act 1986</i> , Schedule 2, 83(2) – Dairy Industry Restructure Package	236,566	228,756
	236,566	228,756
Output 5: Product integrity, animal (including aquatic animal) and plant health		
<i>Agriculture and Veterinary Chemicals Administration Act 1992</i> , s. 58(3)	24,694	22,851
<i>Australian Animal Health Council (Live-stock Industries) Funding Act 1996</i> , s. 5	6,262	6,325
<i>National Cattle Disease Eradication Trust Account Act 1991</i> , Schedule 5, 21(6)	6	6
<i>National Residue Survey Administration Act 1992</i> , s. 6	6,023	6,083
	36,985	35,265
Total estimated expenses	1,056,830	1,088,972

2.6 MOVEMENTS IN SPECIAL ACCOUNTS

Special accounts provide a means to set aside and record amounts used for specified purposes. Special Accounts can be created by a Finance Minister's Determination under the *Financial Management and Accountability Act 1997*. These Determinations may be disallowed by the Parliament. Special Accounts can also be established by the passage of separate legislation. Abolition of Special Accounts requires a Determination to be made by the Finance Minister or, for those accounts established by legislation, by repeal of the legislation in whole or part. Table 2.6 shows the expected additions (credits) and reductions (debits) for each account used by the Department.

Table 2.6: Estimates of Special Account cash flows and balances

	Opening balance 2007-08 2006-07 \$'000	Receipts 2007-08 2006-07 \$'000	Payments 2007-08 2006-07 \$'000	Adjustments 2007-08 2006-07 \$'000	Closing balance 2007-08 2006-07 \$'000
Australian Quarantine Inspection Service Account – s. 20, <i>Financial Management and Accountability Act 1997</i> (D)	50,344 44,234	353,374 361,979	360,489 355,869	- -	43,229 50,344
National Residue Survey Account – s. 6, <i>National Residue Survey Administration Act 1992</i> (D)	12,162 12,372	8,961 10,960	7,829 11,170	- -	13,294 12,162
Services for Other Government and Non-Agency Bodies Account – s. 20, <i>Financial Management and Accountability Act 1997</i> (D)	41 401	903 1,121	944 1,481	- -	- 41
National Action Plan for Salinity and Water Quality (National Activities) Special Account – s. 20, <i>Financial Management and Accountability Act 1997</i> (A)	2,165 1,617	2,044 1,987	4,209 1,439	- -	- 2,165
Natural Resources Management Account – s. 11, <i>Natural Resources Management Act (Financial Assistance) Act 1992</i> (A)	4,688 5,366	9,022 11,722	13,710 12,400	- -	- 4,688
National Cattle Disease Eradication Account – s. 4, <i>National Cattle Disease Eradication Account Act 1991</i> (A)	64 13,183	1 606	- 13,725	- -	65 64
Total special accounts					
2007-08 Budget estimate	69,464	374,305	387,181	-	56,588
Total special accounts 2006-07 estimate actual	77,173	388,375	396,084	-	69,464

D = departmental; A = administered

Table 2.7: Estimates of administered expenses from Appropriation Bill No. 1

	Estimated expenses 2006–07 \$'000	Budget estimate 2007–08 \$'000
Output 1: Natural resources access and management		
Defeating the Weed Menace	11,415	7,495
Great Artesian Basin Sustainability Initiative	85	-
Murray Environmental Flows	5,625	-
Murray–Darling Basin Commission	10,299	-
Murray–Darling Basin Commission – Contribution to Salinity Mitigation	1,540	-
National Action Plan for Salinity and Water Quality	12,156	6,035
National Landcare Programme – (for payment to NRM special account)	11,722	9,022
Water Resources Assessment and Research – Grants	96	-
	52,938	22,552
Output 2: Rural policy and innovation		
AAA – FarmBis	-	5,300
AAA – FarmHelp	11,000	26,956
AAA – Advancing Agricultural Industries Programme ^a	5,316	8,650
AAA – Rural Financial Counselling Service	11,323	13,778
Adelaide Showground redevelopment – contribution	35,000	-
Australian Wool Innovation	15,000	-
Drought Assistance – Country Women's Association Emergency Aid Fund	4,000	-
Drought Assistance – Professional Advice	8,600	12,200
FedLink Supplementation for RIRDC	81	83
Interim Income Support Payments	20,040	12,782
Land and Water Resources R&D Corporation	12,751	13,019
Rural Industries R&D Corporation	13,057	13,332
	136,168	106,100
Output 3: Industry development		
Assistance to the Vegetable Industry	1,020	1,640
Australian HomeGrown Campaign	1,820	890
Australian Seafood Industry Council	-	200
Fisheries Resources Research	3,137	3,121
Fishing Structural Adjustment Package	159,895	53,298
Food Processing in Regional Australia	4,181	2,654
For expenditure under the <i>Fisheries Administration Act 1991</i>	37,840	41,386
Horticulture Code of Conduct	176	528
International Organisations Contributions	1,615	1,647
National Food Industry Strategy – Centres of Excellence	2,294	-
National Food Industry Strategy – Food Innovation Grants	13,075	12,093
National Food Industry Strategy – Food Safety and Quality Initiative	250	-
New Industries Development Programme	1,738	2,530
Payment to Meat & Livestock Australia	682	-
RecFish Australia	100	100
Recreational Fishing Community Grants	3,800	8,300
Sugar Industry Reform Programme 2004	39,144	51,403
Tasmanian Community Forest Agreement	10,043	45,584
Tasmanian Pulp Mill	2,600	-
Tobacco Grower Adjustment Assistance 2006 ^d	39,310	6,590
Torres Strait Prawn Fisheries	600	700
	323,320	232,664

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**Table 2.7: Estimates of administered expenses from Appropriation Bill No. 1—
continued**

	Estimated expenses 2006–07 \$'000	Budget estimate 2007–08 \$'000
Output 4: International food and agriculture service		
AAA – International Agricultural Cooperation	558	742
International Agricultural Cooperation – Live Animal Trade Programme	1,430	1,290
United Nations Food and Agriculture Organisation (FAO)	8,574	8,500
	10,562	10,532
Output 5: Product integrity, animal (including aquatic animal) and plant health		
Agricultural and Veterinary Chemicals Minor Use Programme	129	133
Australian Animal Welfare Strategy	1,042	1,232
Commonwealth contribution to the operating costs of Animal Health Australia	1,109	1,120
FedLink Supplementation for APVMA	92	94
International Organisations Contributions	145	226
National Cattle Disease Eradication – Interest on special account	600	-
National Livestock Identification System	5,000	5,000
Other Exotic Disease Preparedness Programme	545	560
Payment to CSIRO – Contribution to the operating costs of the AAHL	6,998	7,145
Securing the Future: Protecting our Industries from Biological, Chemical and Physical Risks	3,070	2,970
	18,730	18,480
Output 7: Scientific advice		
Centre of Excellence for Biosecurity Risk Analysis and Research	1,684	1,684
	1,684	1,684
Total estimated expenses from Appropriation Bill No. 1	543,402	392,012

- a. Formerly known as AAA – Industry Partnerships.
b. Previously shown as Other decisions yet to be announced.

Table 2.8: Estimates of administered expenses from Appropriation Bill No. 2

	Estimated expenses 2006–07 \$'000	Budget estimate 2007–08 \$'000
Output 1: Natural resources access and management		
Great Artesian Basin Sustainability Initiative – States	2,375	-
Living Murray Initiative	2,200	-
National Action Plan for Salinity and Water Quality	128,797	91,745
National Landcare Programme – Payments to States	25,275	26,822
	158,647	118,567
Output 2: Rural policy and innovation		
AAA – FarmBis	7,700	8,050
Exceptional Circumstances	354,366	335,502
Regional Assistance	500	259
	362,566	343,811
Output 3: Industry development		
Tasmanian Community Forest Agreement	18,000	19,000
	18,000	19,000
Output 5: Product integrity, animal (including aquatic animal) and plant health		
Citrus Canker Eradication Programme	618	730
Eradication of the Red Imported Fire Ant	5,137	7,000
Exotic Disease Preparedness Programme	295	303
Other Exotic Disease Preparedness Programme	84	84
	6,134	8,117
Total estimated expenses from Appropriation Bill No. 2	545,347	489,495

Section 3: Outcomes

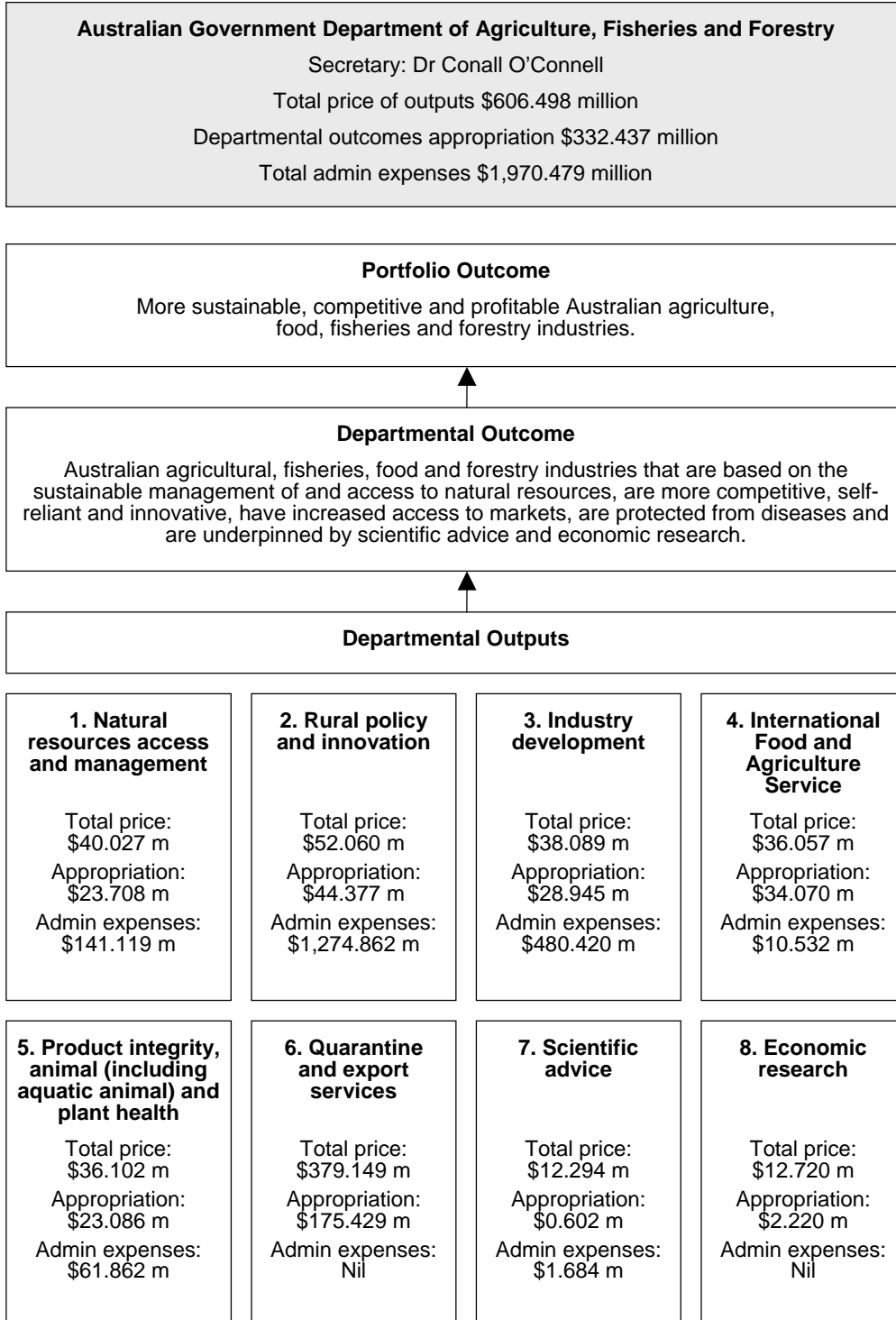
General government sector agencies are required to plan, budget and report under an outcomes structure. Such agencies produce outputs (departmental items) and also administer items on behalf of the government (administered items).

This section summarises how the resources identified in Section 2 will be used to contribute to the single outcome of the Department. Emphasis is placed on estimating the contribution to outcomes through administered items and outputs delivered by the agency. Key performance measures and performance evaluation activities are specified for each output. More detailed information on output and administered item attributes is maintained by agencies for internal management purposes.

3.1 SUMMARY OF OUTPUTS AND CONTRIBUTION TO OUTCOMES

The Department has eight outputs to contribute to the achievement of its outcome. The relationship between these outputs and Department's outcome and the allocation of resourcing for each output are summarised in Figure 1 below.

Figure 1: Contributions to outcomes



3.2 OUTCOME RESOURCES AND PERFORMANCE INFORMATION

3.2.1 Outcome 1 resourcing

Table 3.1 shows how the 2007–08 Budget appropriations translate to total resourcing for Outcome 1, including administered expenses, revenue from government (appropriation), revenue from other sources, and the total price of outputs.

Table 3.1: Total resources for Outcome 1

	Estimated actual 2006–07 \$'000	Budget estimate 2007–08 \$'000
Administered appropriations^a		
Administered Items – Appropriation Bill No. 1	543,402	392,012
Administered Items – Appropriation Bill No. 2	545,347	489,495
Administered Items – Special Appropriations	1,056,830	1,088,972
Total administered appropriations	2,145,579	1,970,479
Departmental appropriations^b		
Output Group 1 – Natural resources access and management	29,220	23,708
Output Group 2 – Rural policy and innovation	55,447	44,377
Output Group 3 – Industry development	44,139	28,945
Output Group 4 – International food and agriculture service	30,463	34,070
Output Group 5 – Product integrity, animal (including aquatic animals) and plant health	22,783	23,086
Output Group 6 – Quarantine and export services	162,092	175,429
Output Group 7 – Scientific advice	854	602
Output Group 8 – Economic Research	2,130	2,220
Total revenue from government (appropriations)	347,128	332,437
Contributing to price of departmental outputs		
Other resources available to be used^c		
Goods and services	260,302	263,111
Interest	715	720
Other	10,220	10,230
Total revenue from other sources	271,237	274,061
Total price from departmental outputs	618,365	606,498
(Total revenue from government and from other sources)		
Total estimated resourcing for Outcome 1	2,763,944	2,576,977
(Total price of outputs and administered appropriations)		
	2006–07	2007–08
Average staffing level (number)	4,214	4,362

a This part of the table reconciles with the total administered expenses shown in Tables 2.5, 2.7 and 2.8 and also with the administered expenses shown in Table 2.1. The overall total reconciles with total administered expenses shown in Figure 1.

b This part of the table reconciles with the departmental appropriations by output and total shown in Figure 1. The total also reconciles with Bill 1 departmental appropriations in Table 2.1.

c This part of the table is based on accrued figures and reconciles with the income figures in Table 5.1 (including gains). The total does not reconcile with the receipts in Table 2.1 as this is cash based and is made up of the non-appropriation cash from the sale of goods and services, interest and other as shown in Table 5.3.

3.2.2 Measures affecting Outcome 1

The Department is receiving additional funding for 2007–08 of \$50.4 million through the 2007–08 Budget for a range of measures. These measures are set out in Table 2.2. More detailed explanations of these measures can be found in Budget Paper No. 2.

Listed below are the key measures being implemented through the Budget, and an explanation of how each will contribute to the Department's outcome.

The extension of the *Agriculture Advancing Australia* package will enable the department to continue to provide flexible and effective information/advice, training and targeted support for farm businesses and households, regions and rural industries facing difficult challenges.

The extension of the National Food Industry Strategy will enable the department to continue to enhance the Australian food industry's competitiveness and performance.

The extension of National Landcare Programme from 2008–09 will enable the Department to continue the partnership between the Australian Government, farmers and the volunteer community for landcare actions to improve natural resource management at the farm, catchment and regional level.

The improved import risk analyses measure will enable the Department to contribute towards improving quarantine processes in conjunction with Biosecurity Australia.

The extension of the Red Imported Fire Ant Eradication Programme will enable the Department to work with relevant state and territory governments to continue the eradication of the red imported fire ant.

3.2.3 Contributions to achievement of Outcome 1

The Department's contribution to achieving its outcome during 2007–08 includes work to support:

- improved management and sustainability of Australia's land, fisheries and forestry resources through programmes to increase adoption of sustainable production practices and improved resource security and access
- self-reliant, flexible and innovative portfolio industries through the delivery of programmes and policies to support change and adjustment and to improve leadership, business and risk management skills and the uptake of research and innovation
- the growth of globally competitive and commercially sustainable portfolio industries by facilitating industry reform and restructuring and encouraging the adoption of innovative approaches along the value chain

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- the maintenance of existing markets and the creation of new and improved access to markets and trade opportunities for portfolio industries through participating in bilateral and multilateral negotiations, enhanced international agricultural cooperation and technical market access and maintenance
- the delivery of quarantine, export inspection, certification and food safety standards and the maintenance of Australia's favourable plant and animal health status
- the provision of scientific and economic research and advice to underpin policy and programme development and to help deal with the challenges faced by portfolio industries.

3.2.4 Key priorities for Outcome 1

The Department has allocated these contributions across its eight output groups and has identified the key priorities for each of the output groups as shown in Table 3.2.

Table 3.2: Key priorities for Outcome 1, 2007–08, by output

Key priority	Description	Performance indicators
Output 1: Natural Resources Access and Management		
<i>Output objective:</i> To advance the productive, profitable and sustainable use and management of Australia's natural resource assets—land, water, fisheries and forestry—and security of access to them		
Encouraging sustainable resource access and use	We will develop policies to position the agricultural sector to meet the challenges of achieving sustainable production.	Work in collaboration with Australian agricultural industries to address priority natural resource management issues Improve coordination of policies at each level of government and regions
Information for improved resource management	We will implement initiatives that assess and report on the condition, use and management of Australia's natural resources.	Implementation of the National Land and Water Audit's Signpost for Australian Agriculture projects Improve monitoring and evaluation processes and knowledge management support across NRM regions and nationally
Promote and facilitate greater adoption of sound natural resource management practices, particularly at the catchment or regional scale	We will implement targeted programmes that improve natural resource management practices and the management of the natural resource base.	Leverage further investment from the private sector, state and territory governments and local governments Implement programmes including: <ul style="list-style-type: none"> • the Natural Heritage Trust • the Australian Government Envirofund • the National Action Plan for Salinity and Water Quality • the National Landcare Programme • Defeating the Weed Menace Programme
Output 2: Rural Policy and Innovation		
<i>Output objective:</i> To promote a self-reliant, profitable, competitive and sustainable business environment through the development of integrated policies and programmes in the areas of skills development, support for farm families in adverse circumstances, research and development and innovation, biotechnology and rural industry leadership		
Agricultural biotechnology	We will promote the responsible use of biotechnology in Australian agriculture.	Increased awareness of the use and potential of biotechnology in agriculture through the provision to stakeholders of balanced information, including the publication of reports, to provide a basis for informed decision making Improved regulation and management of biotechnology products, in particular genetically modified crops, through supporting and participating in liaison within and between government and industry Australia's negotiation on the development of international standards and policies maintain and improve Australia's access to export markets for biotechnology and non-biotechnology products

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Key priority	Description	Performance indicators
Business management skills and capacity building	We will continue to provide business management training and assistance to help producers prepare for exceptional events and manage variable incomes.	Uptake of business management training through AAA FarmBis Number of Exceptional Circumstances Professional Advice and Planning Grants approved Uptake of Farm Management Deposits as a financial risk management tool
Exceptional Circumstances	We will assist farm families and agriculture-dependent small businesses experiencing a severe downturn in income due to rare and severe events, including severe drought.	Financial support to farm families and agriculture-dependent small businesses to manage and recover from severe events Review drought policy to continue to shift toward preparation, management and capacity to recover from drought
Agriculture Advancing Australia – Advancing Agricultural Industries	In collaboration with targeted industries, we will build industry/producer resilience, self-reliance and the capacity of women, young people and indigenous people to determine and advance their industry's future.	Uptake of development opportunities by targeted industries, women, young people and indigenous people against agreed targets
Rural Research, Development and Extension (RD&E)	We will improve the targeting, coordination and adoption of research that supports the competitiveness and sustainability of portfolio industries and ensure that the rural research and development corporations and companies meet the government's financial and accountability standards, including performance reporting.	Increase in the number of RD&E projects funded involving whole-of-industry and government collaboration and cooperation Increase in the productivity and investment returns from these projects
Supporting families through change	We will continue the implementation of AAA Farm Help and the provision of the AAA Rural Financial Counselling Service.	Support to primary producers, fishers and small rural businesses to manage the challenges of industry change and adjustment, including appropriately accessing the re-establishment grants
Output 3: Industry Development		
<i>Output objective:</i> To make Australia's agricultural, fisheries, forestry and food industries more globally competitive through sound policy advice and programme administration that enable business to perform better and respond to market signals along the value chain		
Sugar	We will finalise the implementation of the Sugar Industry Reform Programme 2004.	Review the contribution of the Sugar Industry Reform Programme 2004 to industry sustainability and reform
Wheat	We will contribute to and implement the government's consideration of the operation of Australia's wheat marketing arrangements.	Assist with the timely introduction of any legislation relating to Australia's wheat marketing arrangements
Horticulture	We will work with the horticulture industry to develop its whole of industry strategic plan and deliver seven foundation projects identified for vegetable industry reform.	Agreement to the scope and funding of projects by the Australian Vegetable Industry Development Group to address the seven foundation projects for vegetable industry reform

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Key priority	Description	Performance indicators
National Food Industry Strategy (NFIS)	With the guidance of the Australian Food Industry Council, we will work to support longer term food and beverage industry competitiveness.	Support innovation by food businesses to enhance competitiveness and new market opportunities Successful pursuit of Australian objectives in international food standard setting bodies
Food regulatory system	In collaboration with the Department of Health and Ageing, we will work to improve the food regulatory arrangements that protect public health and safety while minimising the regulatory burden on the food industry.	Support a reduction of the regulatory burden on the food industry Develop proposals for more streamlined approaches to developing food standards, ensuring that they are the minimum necessary to achieve the outcome of safe food Encourage consistent interpretation and enforcement of the food standards
Dairy	We will manage the wind-up of the Dairy Industry Adjustment Package.	Ensure that necessary arrangements are in place to terminate the Dairy Adjustment Levy and the Dairy Adjustment Authority (DAA) Arrangements in place to manage residual DAA responsibilities after its termination Ensure that relevant legislation is introduced on time
Horticulture Code of Conduct	We will support improvements in the transparency and clarity of transactions between growers and wholesalers or horticulture produce.	Improve transparency and clarity of transactions between growers and traders of horticulture produce Provide a fair and equitable dispute resolution process
Australian Grown labelling initiative	We will oversee the implementation, administration and marketing of the Australian Grown labelling initiative by Australian Made Campaign Ltd.	Enable Australian food producers and processors to better promote their produce and provide consumers with clear information on Australian food products
Review of the regional forest agreements	We will progress reviews of regional forest agreements.	Complete review in Tasmania Substantially progress reviews in Victoria, New South Wales and Western Australia
Review of national forest policies	We will commence a review of the 1992 National Forest Policy Statement and associated forest policies.	Produce a discussion paper that reviews changes since 1992 and provides direction for forest policies Establish an improved and integrated forest policy framework through collaboration with states, territories and stakeholders

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Key priority	Description	Performance indicators
Tasmanian Community Forest Agreement	We will provide grant assistance to revitalise the Tasmanian forest industries.	Industry investment in new harvesting and processing technologies to add value to forests and to protect jobs Conduct research into alternatives to the use of 1080 poison and to the clear felling of old growth forests
Forest Production Certification	We will work to improve understanding of the Australian Forest Standards internationally and for acceptance of Australian forest product certification and labelling processes in world markets.	Work in collaboration with industry, foreign governments and timber certification schemes to progress the objectives of forest certification The extent to which the Australian forest standards are recognised and endorsed internationally The acceptance by international markets of timber produced in Australia
Forest and Wood Products Australia	We will assist industry in the transfer of the functions of the former Forest and Wood Products Research and Development Corporation to the new industry service provider, Forest and Wood Products Australia.	Transfer of functions completed by 31 December 2007
Illegal Logging Policy	We will implement Australia's illegal forest policy in collaboration with industry and foreign governments.	Reduce the volume of forest products entering Australia suspected to be either illegally sourced or of suspect origin by working with industry and foreign governments Develop a system with industry to document the legality of timber products sold in the Australian marketplace
Indigenous Forestry Policy	We will continue to implement the National Indigenous Forestry Strategy.	Identify potential projects and funding sources with indigenous stakeholders Encourage skills development, employment and business opportunities for indigenous people in the industry Increase the number of indigenous people employed and engaged in business activity within the forestry industry

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Key priority	Description	Performance indicators
Illegal fishing in northern Australia	We will provide leadership and input into the development of new and innovative approaches to control illegal, unreported and unregulated (IUU) fishing in and adjacent to Australia's exclusive economic zone.	<p>Develop and coordinate the implementation of measures, including the 2006 Budget measures, in collaboration with relevant agencies</p> <p>Engage foreign governments, regional fisheries management organisations and key international bodies such as the United Nations Food and Agricultural Organization on this issue through direct bilateral and multilateral arrangements</p> <p>Develop solutions to promoting responsible fishing and combating IUU fishing in the region through successful engagement of regional countries</p> <p>Reduce the IUU fishing activity in Northern Australia</p>
Fisheries management	We will continue to improve the policy framework for managing Commonwealth fisheries in a sustainable and profitable way.	<p>Complete the implementation of the \$220M Securing our Fishing Future structural adjustment package in collaboration with the Australian Fisheries Management Authority (AFMA) as required</p> <p>Deliver assistance for affected onshore fishing businesses and fishing communities</p> <p>Implement key aspects of the Government's direction to AFMA to take action to cease over-fishing, avoid further species from becoming over-fished and manage the broader environmental impacts of fishing, including on threatened species</p> <p>Implement the outcomes of the Uhrig review on AFMA</p> <p>Continue to amend Commonwealth fisheries legislation as necessary</p>
Torres Strait fisheries	We will improve the policy framework for managing Torres Strait fisheries in a sustainable and profitable way.	<p>Implement and complete the structural adjustment programme agreed by the Protected Zone Joint Authority</p> <p>Introduce management and methods based on output controls</p> <p>Finalise management plans in key fisheries</p>

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Key priority	Description	Performance indicators
Output 4: International Food and Agriculture Service		
<i>Output objective:</i> To make Australia's agricultural, food, fisheries, and forestry industries more sustainable, competitive, and profitable by maintaining and improving market access opportunities for portfolio industries, removing distortions to international trade, facilitating technical assistance and agricultural cooperation in support of portfolio interests, mitigating external risks to our plant and animal health status, and assisting in the development of international standards for trade in portfolio products		
Trade opportunities from multilateral agreements	We will seek to ensure that Australia receives full benefit from past World Trade Organization (WTO) Agreements.	Protect Australia's interests in agriculture related dispute resolution Actively participate in the DoHA Round of negotiations Ensure that key issues for portfolio industries are given a high priority in Australia's negotiating positions
Trade opportunities from regional and bilateral agreements	We will seek to maximise market access opportunities arising from free trade agreements (FTAs).	Maximise market access opportunities under existing FTAs with New Zealand, Singapore, Thailand and the United States Negotiate new FTAs with China, United Arab Emirates (UAE), Malaysia and the Association of Southeast Asian Nations (ASEAN) Support proposed FTAs and feasibility studies
International standards	We will contribute to international standard setting activities through strategic involvement in the work of relevant international organisations.	Encourage the adoption of standards that facilitate trade in Australian products
Technical market access barriers	We will identify and target bilateral market access opportunities or threats where the Department can contribute to addressing technical barriers to trade.	Work collaboratively with stakeholders to identify and address technical barriers to trade
International agricultural cooperation	We will provide technical assistance and agricultural cooperation to key trading partners.	Support improved animal welfare outcomes in key markets receiving live animals from Australia Implement the new agricultural assistance programme with China

Key priority	Description	Performance indicators
Output 5: Product Integrity, Animal (including aquatic animal) and Plant Health		
<i>Output objective:</i> To minimise the impact of pests, diseases and contaminants on Australian agriculture, fisheries and forestry, and to contribute to the health and welfare of production animals, and the health and protection of plants		
National animal and plant health and animal welfare policy	We will strengthen Australia's national framework for animal and plant pest and disease management and improve animal welfare outcomes.	<p>Consult with state and territory governments and non-government stakeholders</p> <p>Continue to implement the Australian Animal Welfare Strategy</p> <p>Contribute to the implementation of the National Livestock Identification System</p> <p>Manage a number of national animal and plant health programmes</p> <p>Continue with reforms to agricultural and veterinary chemicals legislation and the national chemicals risk management framework</p>
Management of pest, disease and contaminant emergencies	We will ensure the effective and efficient national management of pest, disease and contaminant emergencies that impact on Australian agriculture, aquaculture and forestry with a focus on: avian influenza(AI), bovine spongiform encephalopathy (BSE), foot and mouth Disease (FMD), citrus canker, red imported fire ants, eucalyptus rust and Australian plague locusts.	<p>Refine the emergency plant pest response deed and apply the lessons learnt from the 2006 sugarcane smut outbreak</p> <p>Enhance national AI preventative and risk mitigation strategies through a coordinated and collaborative approach both within the Department and with other Australian Government agencies, the states/territories and industry</p> <p>Contribute to AI initiatives in the region through the provision of technical advice and assistance to AusAID</p> <p>Participate in relevant international fora, including APEC</p>
International animal and plant health, animal welfare and food standards	We will advance Australia's interests in international animal health and welfare, plant health and food standards fora and continue to contribute to capacity building activities within neighbouring countries to manage pests and diseases.	<p>Enhance Australia's early warning systems and preparedness for exotic pests and diseases, especially those of particular threat to Australia</p> <p>Contribute, as required, to bilateral discussions dealing with significant technical market access problems</p> <p>Provide timely and accurate advice to trading partners and international fora</p>

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Key priority	Description	Performance indicators
Output 6: Quarantine and Export Services		
<i>Output objective:</i> To reduce the risk to Australia's animal, plant and human health status and maintain market access through the delivery of quarantine and export services		
Quarantine integrity	We will support Australian quarantine integrity.	Provide appropriate border control arrangements for international passengers, cargo, mail, aircraft and other vessels entering Australia and through post-entry plant and animal quarantine arrangements
Export services and access	We will maintain the integrity of our export certification system.	Provide export inspection, auditing and verification services to the meat, horticulture, grain, fish, dairy, live animal exports and organic industries to ensure compliance with importing country requirements
Awareness of quarantine and export requirements	We will raise awareness of quarantine and export requirements.	Develop and implement communications to promote compliance with these requirements by individuals or businesses within Australia and overseas residents who may travel to or trade with Australia
Service delivery	We will develop and maintain a partnership approach with stakeholders and deliver a high level of service to industry and other external clients.	Support important elements in the international regulatory framework that governs trade between nations through our import and export inspection, certification and food safety standard activities
Quarantine controls	We will continue to implement and administer quarantine controls at Australia's borders to minimise the risk of exotic pest and disease incursions.	With the support of industry and the community, respond to potential quarantine threats to support Australia's animal, plant and human health status and protect Australia's agricultural industries
Market access	We will maintain access for Australian agricultural and food products to a large number of markets around the world.	Provide certification services
Output 7: Scientific Advice		
<i>Output objective:</i> To promote more sustainable, competitive and profitable Australian agricultural, food, fisheries and forestry industries by delivering effective, timely, policy-relevant scientific advice, assessments and tools for decision making		
Relevant, integrated advice	We work to ensure our advice is relevant, integrated with other advice and communicated effectively to support evidence-based policy development. Our advice is delivered through briefings, governmental committees, reports, conferences and workshops, and through access to national data sets.	A high level of demand by stakeholders, including through new technologies Evidence of scientific advice used in policy decisions and related public information provision Scientific advice is provided for clients to a high standard, on time as measured by client feedback

Key priority	Description	Performance indicators
Online information and interactive systems	We provide a range of biophysical and socio-economic information held by the Department and other agencies, which is prepared and analysed through electronic interactive tools to support decision-making by the portfolio and its stakeholders.	A high level of demand by stakeholders, including through new technologies Scientific advice is provided for clients to a high standard, on time as measured by client feedback
Managing risks in agricultural production	We aim to assist government and industries in managing the effects of changing conditions, including climate, by collating and analysing data on which we base our advice to assist decision makers.	Evidence of scientific advice used in policy decisions and related public information provision Scientific advice is provided for clients to a high standard, on time as measured by client feedback
Commonwealth managed fisheries	Our fisheries status reports and related advice are an essential foundation for sustainable fisheries management. We also contribute to ensuring Australia's regional fisheries interests are well represented, and there is more sustainable use internationally of migratory fish stocks.	Evidence of scientific advice used in policy decisions and related public information provision Scientific advice is provided for clients to a high standard, on time as measured by client feedback
Agricultural water management	Our advice supports national water policy initiatives in the areas of surface and groundwater resources, freshwater ecology, hydrology modelling, mapping, data management and, social analysis.	Evidence of scientific advice used in policy decisions and related public information provision Scientific advice is provided for clients to a high standard, on time as measured by client feedback
Targeted industries, technology and communities	Our integrated social and biophysical assessments of regions or industries provide key information to assist policy decisions.	Evidence of scientific advice used in policy decisions and related public information provision Scientific advice is provided for clients to a high standard, on time as measured by client feedback
Australian forests, vegetation and land resources, and pest species	Our advice supports portfolio policy initiatives on sustainable natural resource use, including land management, forestry, and agricultural production.	Evidence of scientific advice used in policy decisions and related public information provision Scientific advice is provided for clients to a high standard, on time as measured by client feedback
Output 8: Economic Research		
<i>Output objective:</i> To contribute to the long-term competitiveness of Australia's agricultural, fishing, forestry, energy and minerals industries by providing rigorous and independent economic research, analysis and forecasts		
Agricultural analysis—international trade	Our research on trade rules and other technical issues relevant to international trade informs and assists Australian negotiators in achieving beneficial outcomes during trade negotiations.	Provide timely and informed input to assist various trade negotiation processes Publish analytical reports that support the trade negotiation processes Liaise with researchers in like minded countries (including the Cairns Group and G20 countries) to harness support for Australia's position in negotiation processes

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Key priority	Description	Performance indicators
Agricultural analysis— farm performance	Our farm surveys will be used to monitor production on, and the financial performance of, Australian farm businesses in the broad acre and dairy sections and to estimate farm productivity trends.	Incorporate farm survey data into research on structural adjustment in agriculture, recovery from drought and briefings on Exceptional Circumstances applications and reviews
Climate change and adaptation	Our research on the possible interactions between regional climatic conditions, including rainfall and temperature and the availability of water resources, develops understanding of the potential impacts of climate change on medium to long-term agricultural production at national and global levels.	Assess the possible impacts of adaptation measure on agricultural production and trade across key regions Enhance understanding of the medium to long-term implications for the Australian farm sector of possible climate change
Biosecurity	We will develop and provide economic frameworks that support cost-effective biosecurity outcomes.	Provision of timely analysis to assess the potential economic impacts of agricultural costs and farm diseases on the farm sector and the broader community
Natural resource management	We will undertake research and provide information to assist in the development of efficient natural resource management policies.	Examine the impacts of water policy changes and the implications of reduced water availability on agricultural industries and the regional economies
Commodity outlook	Our short and longer term commodity outlook and analyses will result in detailed market information being made available to support well informed business and policy decisions.	Provide detailed and timely market information through a range of media to stakeholders, government and industry

3.2.5 Performance information for Outcome 1

Table 3.3 lists overall effectiveness indicators for the Outcome components.

Table 3.4 lists performance indicators for each of the Department's eight output groups, including administered items managed with the output groups.

Table 3.3: Performance information for Outcome 1, by outcome component

Effectiveness—overall achievement of Outcome		
Outcome component	Responsible output groups	Effectiveness indicators
Sustainable Management of Resources	<i>Natural Resources Access and Management</i>	<p>Increased awareness and understanding of natural resources issues.</p> <p>Adoption of sustainable practices by land/fishery/forestry managers and the general community.</p> <p>Increased opportunities to secure and access resources with certainty and on a sustainable basis.</p>
Competitive Portfolio Industries	<i>Industry Development</i>	<p>Commercially sustainable industries with improved responsiveness to market conditions as measured by:</p> <ul style="list-style-type: none"> • impediments to growth and competitiveness being reduced or removed • feedback from industry, government and community stakeholders • industry profitability and level of investment in sector. <p>Portfolio industries are responsive to evolving global markets and the adoption of new and innovative approaches along the value chain as measured by:</p> <ul style="list-style-type: none"> • BRS status reports • ABARE statistics and reports • commercialisation of new agribusiness products, technologies and services • AFMA restructured as a commission. <p>Change, adjustment strategies and programmes are developed and implemented effectively as measured by:</p> <ul style="list-style-type: none"> • timely implementation of industry reforms and structural adjustment programmes • enhanced industry competitiveness. <p>Food safety regulations built on a through chain approach which facilitate industry innovation and competitiveness as measured by:</p> <ul style="list-style-type: none"> • improved food regulatory arrangements that reduce regulatory burden, are consistent, and reflect public health, consumer and industry issues.
Self-reliant and Innovative Portfolio Industries	<i>Rural Policy and Innovation</i>	<p>Increased awareness of and participation in programmes to support change and adjustment, and to improve business, risk and resource management, uptake of research and innovation, and capacity for leadership as measured by:</p> <ul style="list-style-type: none"> • independent program reviews and audits • participant surveys • annual reports and reporting data from portfolio corporations • website data • commissioned research.

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Effectiveness—overall achievement of Outcome		
Outcome component	Responsible output groups	Effectiveness indicators
Access to Markets	<i>International Food and Agriculture Service Quarantine and Export Services</i>	Maintaining existing markets and creating new and improved trade opportunities for portfolio industries. Enhancing international agricultural cooperation to facilitate increased trading opportunities. Maintaining the integrity and delivery of inspection and certification services, standards setting, technical market maintenance and public awareness.
Managing Pest and Disease Risk	<i>Product Integrity, Animal (including aquatic animal) and Plant Health International Food and Agriculture Service Quarantine and Export Services</i>	Maintaining Australia's favourable animal and plant health status. Minimising the adverse impacts of agriculture, forest or aquaculture pests, diseases and contaminants on production and trade. Ensuring that scientific and technical advice underpins import risk analyses and the development of a national quarantine policy. Maintaining the integrity of, and continuing to deliver, inspection and certification services.
Scientific Advice	<i>Scientific Advice</i>	The degree to which scientific advice is utilised by Ministers and industry and is reflected in national policy decisions or related public information as measured by: <ul style="list-style-type: none"> • a high level of demand by stakeholders, including through new technologies • references to scientific advice in policy decisions and related public information • client feedback.
Economic Research	<i>Economic Research</i>	The extent to which ABARE research, analysis and forecasts are considered in the policy-making process as measured by: <ul style="list-style-type: none"> • the use of ABARE analysis in government-commissioned reports and studies • the number of mentions in parliament • the number of invitations to give briefings and presentations to government, business and community conferences and meetings • the number of media mentions, including on television and radio and in the press.
Policy Advice	<i>All Outputs</i>	Level of satisfaction of Ministers and the Parliamentary Secretary with the quality and timeliness of ministerial correspondence, briefs, parliamentary questions on notice, question time briefs, speeches and media releases as measured by the feedback received.

Table 3.4: Performance information for Outcome 1, by output

Performance information by output	
Output	Performance indicators
Output 1: Natural Resources Access and Management	
<i>Output objective:</i> To advance the productive, profitable and sustainable use and management of Australia's natural resource assets—land, water, fisheries and forestry—and security of access to them.	
Departmental	
High-quality policy advice on natural resources access and management	The extent to which policy advice relating to natural resource management is used in policy decisions as measured by feedback from Ministers and the Parliamentary Secretary and the extent that actions of ministerial councils and other government and industry committees take account of portfolio policies and priorities.
Effective administration of natural resources access and management programmes	The progress on programme implementation that contributes to improved natural resource management outcomes as measured by evaluation of existing programmes and the extent of establishment of new programme arrangements and leverage of additional financial and other investments from public and private organisations. The extent of engagement with stakeholders and evidence of improved stakeholder relations as measured by the degree of awareness and positive recognition and the take-up of NRM programmes. <i>Cost: \$40.027 million</i>
Administered	
Defeating the Weed Menace Programme	The extent to which the programme has improved national coordination of weed management, increased public awareness of weed issues and improved coordination and national focus of weeds research. <i>Cost: \$7.495 million</i>
National Action Plan for Salinity and Water Quality (NAP) (Bills 1 & 2)	Investment strategies address nationally agreed natural resource management (NRM) priorities to deal with identified NRM issues. All investments approved by Ministers are delivered through appropriate financial agreements and provided with funding in accordance with NAP accountability and acquittal procedures, to meet the NAP's objectives. <i>Cost: \$97.780 million</i>
National Landcare Programme—for payment to NRM special account (Bill 1)	The extent of engagement of industry and the wider community in NRM at a national scale to encourage adoption of sustainable practices. The extent of strategic direction and support received by the volunteer Landcare movement. <i>Cost: \$9.022 million</i>
National Landcare Programme—payments to states (Bill 2)	The extent of engagement of industry and the wider community in NRM at a regional scale to encourage adoption of sustainable practices. The extent of on ground actions by community and industry groups that will contribute to learning and behavioural change. <i>Cost: \$26.822 million</i>
Output 2: Rural Policy and Innovation	
<i>Output objective:</i> To promote a self-reliant, profitable, competitive and sustainable business environment through the development of integrated policies and programmes in the areas of skills development, support for farm families in adverse circumstances, research and development and innovation, biotechnology and rural industry leadership.	
Departmental	
High-quality policy advice on rural policy and innovation issues	The level of satisfaction of Ministers and the Parliamentary Secretary with the quality and timeliness of policy advice as measured by written feedback received.

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Performance information by output	
Output	Performance indicators
Effective administration of rural policy and innovation programmes	<p>The delivery of programmes and services in accordance with the relevant agreement/memorandum of understanding, programme guidelines and government prudential requirements.</p> <p>Client awareness of programmes and their purpose, as measured by client feedback data.</p> <p>Cost: \$52.060 million</p>
<p>Administered</p> <p><i>Australian Meat and Live-Stock Industry Act 1997</i> <i>Australian Wine and Brandy Corporation Act 1980</i> <i>Dairy Produce Act 1986</i> <i>Egg Industry Service Provision Act 2002</i> <i>Financial Management and Accountability Act 1997, s. 28(2)</i> <i>Horticulture Marketing and Research and Development Services Act 2000</i> <i>Plant Health Australia (Plant Industries) Funding Act 2002</i> <i>Pig Industry Act 2001</i> <i>Primary Industries and Energy Research and Development Act 1989</i> Cotton Research and Development Corporation (RDC); Fisheries RDC; Forest and Wood Products RDC; Grains RDC; Grape and Wine RDC; Rural Industries RDC; and Sugar RDC. <i>Wheat Marketing Act 1989</i> <i>Wool Services Privatisation Act 2000</i></p>	<p>The efficient and effective delivery and adoption of research and development that improves sustainability and productivity of primary industries.</p> <p>Cost: \$505.904 million</p>
Agriculture Advancing Australia—FarmBis	<p>The level of awareness of FarmBis amongst potential participants.</p> <p>Participants' level of satisfaction with the service of FarmBis staff, training providers and course content.</p> <p>The proportion of participants indicating training was relevant, met their expectations and enabled them to acquire new skills, and who have incorporated course outcomes/new skills into their business and natural resource management practices.</p> <p>Cost: \$13.350 million</p>
Agriculture Advancing Australia—FarmHelp	<p>Short term financial assistance and training provided to farmers experiencing financial difficulty.</p> <p>The extent that farm families examine their options for the future and take action to improve their future financial prospects, either on or off the farm.</p> <p>Cost: \$26.956 million</p>

Performance information by output	
Output	Performance indicators
Agriculture Advancing Australia—Advancing Agricultural Industries Programme	<p>The number of industry partnership projects initiated and the level of participation of the target client group.</p> <p>The level of participants' (industries and individuals) satisfaction with the programme approach and delivery.</p> <p>The number of people participating in initiatives under the pathways for Participation Strategy.</p> <p>Cost: \$8.650 million</p>
Agriculture Advancing Australia—Rural Financial Counselling Service	<p>The level of awareness of the programme amongst potential recipients.</p> <p>The number of clients assisted.</p> <p>The number of referrals to other services.</p> <p>The level of client satisfaction with responsiveness and mobility of enhanced service delivery arrangements.</p> <p>The number of clients making change or adjustment.</p> <p>Cost: \$13.778 million</p>
Drought Assistance – Professional Advice	<p>Short-term professional advice provided to farmers experiencing serious financial difficulty.</p> <p>Cost: \$12.200 million</p>
Exceptional Circumstances	<p>The number of long-term viable farm and agriculturally-dependent small businesses assisted by Exceptional Circumstances interest rate subsidies and relief payments.</p> <p>Cost: \$335.502 million</p>
<i>Farm Household Support Act 1992</i> (Exceptional Circumstances Relief Payment)	<p>The number of farm families and agriculturally-dependent small businesses experiencing severe financial difficulties in Exceptional Circumstances declared areas receiving welfare support.</p> <p>Cost: \$308.061 million</p>
FedLink Supplementation for Rural Industry Research and Development Corporation (RIRDC)	<p>Payment to RIRDC to allow implementation of FedLink access.</p> <p>Cost: \$0.083 million</p>
<i>Fisheries Administration Act 1991</i> – Special Appropriation	<p>The Australian Fisheries Management Authority demonstrates good stewardship of Commonwealth fisheries by compliance with the objectives of the <i>Fisheries Management Act 1991</i>.</p> <p>Cost: \$10.986 million</p>
Interim Income Support Payments	<p>Number of farm families and agriculturally dependent small businesses experiencing severe financial difficulties in prima facie areas receiving welfare support.</p> <p>Cost: \$12.782 million</p>
Land and Water Resources R&D Corporation	<p>The efficient and effective delivery and adoption of research and development that improves sustainability and productivity of primary industries.</p> <p>Cost: \$13.019 million</p>
Regional Assistance	<p>Enhanced long-term viability and sustainability of regional farming communities.</p> <p>Cost: \$0.259 million</p>
Rural Industries Research and Development Corporation – Bill 1	<p>The efficient and effective delivery and adoption of research and development that improves sustainability and productivity of primary industries.</p> <p>Cost: \$13.332 million</p>

DAFF Budget Statement: Outcomes

Performance information by output	
Output	Performance indicators
Output 3: Industry Development	
<i>Output objective:</i> To make Australia's agricultural, fisheries, forestry and food industries more globally competitive through sound policy advice and programme administration that enable business to perform better and respond to market signals along the value chain.	
Departmental	
High-quality policy advice on industry development issues	The level of satisfaction of Ministers and the Parliamentary Secretary with the quality and timeliness of policy advice as measured by feedback received.
Effective administration of industry development programmes	Timely and effective delivery of programmes in accordance with programme guidelines and Government prudential requirements as measured through the regular review of programmes. Client awareness of programmes and their purpose as measured through the regular review of programmes. The management of contractual obligations with outsourced service providers in accordance with government prudential requirements. Cost: \$38.089 million
Administered	
Assistance to the Vegetable Industry	Based on advice from the Australian Vegetable Industry Development Group (AVIDG), implement seven foundation projects aimed at improving the vegetable industry's competitiveness. Cost: \$1.640 million
Australian HomeGrown Campaign	Level of progress towards implementation of a sustainable voluntary labelling campaign for Australian-grown food. Cost: \$0.890 million
Australian Seafood Industry Council	Work with industry to develop a viable consultative body for the seafood industry. Cost: \$0.200 million
<i>Dairy Produce Act 1996 – Dairy Industry Restructure Package</i>	The ongoing timely and efficient administration of the Dairy Structural Adjustment Programme/Supplementary Dairy Assistance in order to assist dairy farmers and communities adjust to the impacts of farmgate pricing deregulation. Cost: \$228.756 million
Fisheries Resources Research Fund	Targeted economic and scientific policy research contributes to the management of Commonwealth fisheries and Australia's engagement in regional forums and organisations. Cost: \$3.121 million
Fisheries Structural Adjustment Package—Fishing Communities Programme	The projects implemented within timeframe to facilitate economic and social outcomes. Cost: \$19.900 million
Fisheries Structural Adjustment Package—Onshore Business Restructure Programme	The number of fishing related businesses that receive assistance. Cost: \$26.398 million
Fisheries Structural Adjustment Package—Management Levy Subsidy	The timely payment of subsidy to the Australian Fisheries Management Authority. Cost: \$5.000 million
Fisheries Structural Adjustment Package—Science, Compliance and Data Collection	The timely payment to the Australian Fisheries Management Authority for additional science, compliance and data collection. Cost: \$2.000 million

Performance information by output	
Output	Performance indicators
Food Processing in Regional Australia	<p>The capacity of agribusinesses and food processing businesses in rural and regional Australia to add value to food produce/commodities is increased through:</p> <ul style="list-style-type: none"> the number of Food Processing in Regional Australia grant projects approved each year, and the success of these ongoing projects the dissemination of information and lessons learned from projects through a variety of media and demonstration/presentation events. <p>Cost: \$2.654 million</p>
For expenditure under the <i>Fisheries Administration Act 1991 – Bill 1</i>	<p>The Australian Fisheries Management Authority demonstrates good stewardship of Commonwealth fisheries by compliance with the objectives of the <i>Fisheries Management Act 1991</i>.</p> <p>Cost: \$41.386 million</p>
Horticultural Code of Conduct	<p>Quarterly reports on arrangements from committee.</p> <p>Cost: \$0.528 million</p>
International Organisations Contributions	<p>Membership payments made accurately and on time, consistent with Australia's obligations under international treaties.</p> <p>Work programmes which further the achievement of Australia's international fisheries, forestry, agricultural and wine trade policy objectives.</p> <p>Industry support for government involvement.</p> <p>Cost: \$1.647 million</p>
National Food Industry Strategy (NFIS)—Food Innovation Grants (FIG)	<p>Extent to which the programme leads to commercial gains from research and development and innovation throughout the food industry as measured by the percentage of FIG grants that result in new or improved food products and packaging, processing, storage and distribution technologies.</p> <p>Number of additional food businesses with increased uptake of the outcomes of research and development and innovation arising from grants and other initiatives funded by the programme.</p> <p>Extent to which the programme generates increased linkages between food businesses and Australian based research providers measured by the number of contracts created between businesses and research providers</p> <p>Cost: \$12.093 million</p>
New Industries Development Programme	<p>Australian agribusiness enterprises gain the business skills and resources required to successfully commercialise new agribusiness products, technologies and services as measured through:</p> <ul style="list-style-type: none"> a minimum of 16 pilot commercialisation projects approved and existing projects effectively monitored a minimum of 13 scholarships awarded and existing scholarships effectively monitored. <p>The effectiveness of planning educational tools and services in the area of supply chain management, business enterprise development and market analysis and planning, gathered through follow-up evaluation.</p> <p>Cost: \$2.530 million</p>
RecFish Australia	<p>RecFish Australia effectively engages with the Australian Government on issues of national significance to the recreational fishing sector.</p> <p>RecFish Australia has strong support within the recreational fishing sector and remains financially viable.</p> <p>Cost: \$0.100 million</p>
Recreational Fishing Community Grants	<p>Improve recreational fishing throughout Australia by funding projects concerning infrastructure, fishing participation, education and awareness, fish information and abundance and marine rescue activities.</p> <p>Cost: \$8.300 million</p>

DAFF Budget Statement: Outcomes

Performance information by output	
Output	Performance indicators
Sugar Industry Reform Programme 2004—Advisory Group Network	The Industry Oversight Group progresses industry reform priorities and undertakes to align regional plans with its strategic vision. The regional advisory groups facilitate a regional focus for industry operations through development and implementation of regional plans. The Industry Oversight Group and the regional advisory groups contribute to the assessment of regional and community projects. Cost: \$0.550 million
Sugar Industry Reform Programme 2004—Regional and Community Projects	An increased medium to longer term restructuring of the sugar industry through regionally based, targeted projects that stimulate necessary change. Cost: \$50.853 million
Tasmanian Community Forest Agreement—Hardwood Softwood and Country Sawmills Programmes	The number of businesses assisted and jobs maintained. The amount of new investment in forest industries. The assistance given within agreed timeframes. Cost: \$64.584 million
Tobacco Grower Adjustment Assistance 2006	Number of growers who have been assisted. Cost: \$6.590 million
Torres Strait Prawn Fisheries	Research—development and commencement of research plan to support new management arrangements. Levy relief—timely payment of funding to AFMA to off-set increased costs during development of new management arrangements. Cost: \$0.700 million
Output 4: International Food and Agriculture Service	
<i>Output objective:</i> To make Australia's agricultural, food, fisheries, and forestry industries more sustainable, competitive, and profitable by maintaining and improving market access opportunities for portfolio industries, removing distortions to international trade, facilitating technical assistance and agricultural cooperation in support of portfolio interests, mitigating external risks to our plant and animal health status, and assisting in the development of international standards for trade in portfolio products.	
Departmental	
High-quality policy and technical advice on trade policy and market access Effective participation in trade policy and market access negotiations.	The number of market access opportunities created and maintained for portfolio industries. The technical assistance and agricultural cooperation activities developed and implemented to support core portfolio interests. The effective management of the external risks and challenges to Australia's food and agriculture systems. The degree to which trade policy and market access negotiations are responsive to national priorities. Cost: \$36.057 million
Administered	
Agriculture Advancing Australia—International Agricultural Cooperation	The development of markets and bilateral trade and investment opportunities for our portfolio industries through international activities which will enhance existing and new relationships at government-to-government level as measured by the number of successful support activities delivered. Cost: \$0.742 million
International Agricultural Cooperation—Live Animal Trade Programme	Deliver better animal welfare outcomes, enhance live animal exporting countries' technical capabilities, and advance bilateral agricultural relationships as measured by the number of successful activities delivered. Cost: \$1.290 million

Performance information by output	
Output	Performance indicators
United Nations Food and Agriculture Organization (FAO)	Further achievement of Australia's national and international agricultural, fisheries, forestry and food interests and the FAO's overall objectives, through our annual contribution. Cost: \$8.500 million
Output 5: Product Integrity, Animal (including aquatic animal) and Plant Health	
<i>Output objective:</i> To minimise the impact of pests, diseases and contaminants on Australian agriculture, fisheries and forestry, and to contribute to the health and welfare of production animals, and the health and protection of plants.	
Departmental	
<p>A stronger framework and capacity for managing and responding to pest, disease and contaminant emergency incidents and continued maintenance of Australia's highly favourable pest and disease free status</p> <p>International animal health, plant health and food standards that decrease the threat of pests and diseases from countries impacting on Australian agricultural, fisheries and forestry industries and contribute to the resolution of technical market access problems and strengthening of Australia's own domestic food standards setting arrangements.</p>	<ul style="list-style-type: none"> • practical support from state and territory governments and non-government stakeholders for the implementation of animal health, plant health, animal welfare and production input risk management • the early intervention and response to emergency incidents • the continued progress in eradication campaigns • positive feedback on a national simulation exercises through formal evaluation processes • the provision of timely and accurate advice to trading partners and international forums • the degree to which Australia's representations are accepted in bilateral or multilateral negotiations • the extent to which the outcome of bilateral and multilateral negotiations match Australia's objectives • progress in developing the ability of neighbouring countries to manage their agricultural, fishery and forestry pests, diseases and contaminants <p>Cost: \$36.102 million</p>
Administered	
Agriculture and Veterinary Chemicals Minor Use Programme	Better access by the community to minor use agricultural and veterinary chemicals through reduced regulatory impediments. Cost: \$0.133 million
<i>Agricultural and Veterinary Chemicals (Administration) Act 1992</i>	Compliance with legislation in the collection and disbursement of monies, which fund the objectives of Australian Pesticides & Veterinary Medicines Authority. Cost: \$22.851 million
<i>Australian Animal Health Council (Live-stock Industries) Funding Act 1996</i>	Compliance with legislation in the collection and disbursement of monies, which fund the objectives of Animal Health Australia. Cost: \$6.325 million
Australian Animal Welfare Strategy	Increased community awareness and acceptance of the importance of sound animal welfare standards and practices. Enhanced scientific knowledge for the development of animal welfare codes and practices. New national reporting and monitoring systems for animal welfare. Cost: \$1.232 million
Citrus Canker Eradication Programme	Delivery of agreed activities as specified in the national eradication strategy to achieve eradication of this virulent bacterial disease, to mitigate its potential impact on Australia's citrus industry. Cost: \$0.730 million

DAFF Budget Statement: Outcomes

Performance information by output	
Output	Performance indicators
Commonwealth contribution to the operating costs of Animal Health Australia (AHA)	Delivery of agreed annual programme and activities outlined in the AHA strategic plan. Cost: \$1.120 million
Eradication of the Red Imported Fire Ant	Delivery of agreed baiting and surveillance activities as specified in the national eradication strategy to achieve eradication of this invasive pest, to reduce their potential impact on Australia's agricultural sector. Cost: \$7.000 million
Exotic Disease Preparedness Programme	Delivery of regular reports from state governments and from the Wildlife Disease Network as per approved contracts. Cost: \$0.303 million
FedLink Supplementation for APVMA	Payment to APVMA to allow implementation of FedLink access Cost: \$0.094 million
International Organisations Contributions	Payment of Australian Government membership to the World Organisation for Animal Health to allow Australian Government representation in this important forum. Cost: \$0.226 million
<i>National Cattle Disease Eradication Trust Account Act 1991</i>	Compliance with legislation in the collection and disbursement of monies, for the purposes of the National Cattle Disease Eradication Special Account. Cost: \$ 0.006 million
National Livestock Identification System	Establishment of a nationally integrated system for livestock traceability as a management tool to deal with animal disease emergencies and food safety issues associated with meat. Cost: \$5.000 million
<i>National Residue Survey Administration Act 1992</i>	Compliance with legislation in the collection and disbursement of monies, which fund the objectives of the National Residue Survey. Cost: \$6.083 million
Other Exotic Disease Preparedness Programme—Bill 1	Delivery of agreed activities that enhance Australia's preparedness for exotic animal diseases, including the ongoing involvement of non-government veterinarians in national emergency animal disease preparedness and surveillance activities through the Australian Veterinary Reserve. Cost: \$0.560 million
Other Exotic Disease Preparedness Programme—Bill 2	Awareness of Exotic Animal Disease (EAD) in the veterinary community through delivery of practitioner courses developed by the states and through preparation of news bulletins in the <i>Australian Veterinary Journal</i> . Cost: \$0.084 million
Payment to CSIRO—contribution to the operating costs of the Australian Animal Health Laboratory	Delivery of agreed annual programme and activities that enhance diagnostic capability for emerging animal diseases in accordance with the Memorandum of Understanding. Cost: \$7.145 million

Performance information by output	
Output	Performance indicators
Securing the Future: Protecting our Industries from Biological, Chemical and Physical Risks	<p>Completion of agreed activities to enhance Australia's animal and plant health infrastructure and capacity to respond to emergencies including:</p> <ul style="list-style-type: none"> • through critical infrastructure protection activities • improved biosecurity awareness • improved national preparedness for emergency pests and diseases • implementation of obligations under the international conventions for chemicals • enhancement of the national capacity to respond to emergency animal diseases • enhanced emergency pest response capacity and ability to define plant health status • enhancement of diagnostic capacity and national plant health surveillance capacity • mitigation of the impact of invasive species through improved early detection and rapid response to plant health invasive species. <p>Cost: \$2.970 million</p>
Output 6: Quarantine and Export Services	
<i>Output objective:</i> To reduce the risk to Australia's animal, plant and human health status and maintain market access through the delivery of quarantine and export services.	
Departmental	
Delivery of effective Australian Quarantine and Inspection Service (AQIS) quarantine services	<p>Level of quarantine intervention and quarantine risk effectiveness at the border.</p> <p>Level of awareness of AQIS quarantine services.</p>
Delivery of effective AQIS export services	<p>The number of consignments in export markets where facilitation of release of cargoes is attributed to AQIS involvement.</p> <p>The rate of rejections of export consignments.</p> <p>The level of awareness of AQIS export services.</p> <p>Cost: \$379.149 million</p>
Administered	
No administered items contribute to this output.	
Output 7: Scientific Advice	
<i>Output objective:</i> To promote more sustainable, competitive and profitable Australian agricultural, food, fisheries and forestry industries by delivering effective, timely, policy-relevant scientific advice, assessments and tools for decision-making.	
Departmental	
Scientific advice is relevant to the portfolio's policy agenda	<p>A high level of demand by stakeholders including through new technologies</p> <p>Evidence of scientific advice used in policy decisions and related public information</p> <p>High-quality scientific advice is provided for clients on time as measured by client feedback</p> <p>Cost: \$12.294 million</p>
Administered	
Centre of Excellence for Biosecurity Risk Analysis and Research	<p>The centre meets its objectives of researching and developing risk analysis tools guidelines and processes, to build on and strengthen the integrity of Australia's risk assessment capabilities.</p> <p>Cost: \$1.684 million</p>

DAFF Budget Statement: Outcomes

Performance information by output	
Output	Performance indicators
Output 8: Economic Research	
<i>Output objective:</i> To contribute to the long-term competitiveness of Australia's agricultural, fishing, forestry, energy and minerals industries by providing rigorous and independent economic research, analysis and forecasts.	
Departmental	
High-quality economic research and advice	A high level of satisfaction with the quality of Australian Bureau of Agricultural and Resource Economics (ABARE) research as evidenced in the annual client satisfaction survey results.
Timely and relevant economic research	Forecasts released to pre-arranged schedules. Policy research completed in time to feed into decision-making processes.
Effective communication and dissemination of economic advice to stakeholders	The number of normalised reports produced. The number of national, regional and international conferences hosted by ABARE. The number of website visitors. The number of print, radio and television mentions. The number of publications requested by stakeholders.
Cost: \$12.720 million	
Administered	
No administered items contribute to this output.	

3.2.6 Evaluations for Outcome 1

Table 3.5 lists evaluations planned or in progress in 2007–08

Table 3.5: Evaluations for Outcome 1

Title	Description	Start date	Finish date	Intended audience for findings
2008 Dairy Quota Review	A formal review of dairy quota arrangements will be undertaken after three years operation of the AUSFTA quota regime. The review will examine the principles underpinning the quota controls, the quota allocation process and the ongoing administration of the quotas	March 2008	June 2008	Australian Government, dairy producers, manufacturers and exporters
Evaluation of the Sugar Industry Reform Programme 2004	To evaluate the appropriateness, effectiveness and efficiency of the Sugar Industry Reform Programme 2004	November 2007	March 2008	Australian Government, Australian and state government agencies, research organisations and relevant industry stakeholders
Evaluation of Defeating the Weed Menace Programme	To conduct a review of the achievements and performance of the Defeating the Weed Menace Programme for the period 2004–05 to 2007–08	September 2007	March 2008	Australian and state and territory governments and relevant departments, the Natural Resource Management Ministerial Council, the National Weeds Advisory Group, the Australian Weeds Committee, regional bodies, natural resource management organisations, land care groups, landholders and the Australian public
Review of the Australian Centre of Excellence for Risk Analysis	To conduct a review of the Australian Centre of Excellence for Risk Analysis after two years of operation to ascertain its effectiveness in meeting objectives.	May 2008	October 2008	Australian Government ministers, senior DAFF management and key industry stakeholders.

Section 4: Other reporting requirements

4.1 PURCHASER–PROVIDER ARRANGEMENTS

The Department has the following purchaser–provider arrangements.

Department of Agriculture, Fisheries and Forestry Department of the Environment and Water Resources Natural Heritage Trust

Cross-agency overview

The Department of the Environment and Water Resources (Environment) and the Department of Agriculture, Fisheries and Forestry (DAFF) have a cross–portfolio arrangement to administer the Natural Heritage Trust (NHT). The NHT expenditure package is a \$3 billion investment which is promoting an integrated, long–term approach to the conservation and sustainable management of Australia’s land, water, native vegetation and biodiversity.

The NHT has three overarching objectives. These are:

- Biodiversity conservation—the conservation of Australia’s biodiversity through the protection and restoration of terrestrial, freshwater, estuarine and marine ecosystems and habitat for native plants and animals
- Sustainable use of natural resources—the sustainable use and management of Australia’s land, water and marine resources to maintain and improve the productivity and profitability of resource based industries
- Community capacity building and institutional change—support for individuals, landholders, industry and communities with skills, knowledge, information and institutional frameworks to promote biodiversity conservation and sustainable resource use and management.

The Australian Government has previously provided over \$1.3 billion to extend the Natural Heritage Trust (NHT Phase 2) for six years from 2002–03 to 2007–08. The Budget allows for expenditure of \$342.5 million from the Trust in 2007–08.

Phase 3 of the Trust (NHT3) will commence in 2008–09, incorporating salinity and water quality objectives of the National Action Plan for Salinity and Water Quality. NHT3 will be managed jointly with Environment.

Responsibility

The Minister for the Environment and Water Resources and the Minister for Agriculture, Fisheries and Forestry jointly determine policy and major funding allocations from within the NHT.

Environment and DAFF have established a cross-portfolio unit, the Australian Government Natural Resource Management Team, to jointly implement the NHT.

Control arrangements

Environment and DAFF are jointly responsible for the administration of the NHT, through the joint Australian Government Natural Resource Management Team.

Resourcing

The NHT's financial resources are included in the agency report of the Environment and Water Resources portfolio. Administered expenses for the NHT in 2007-08 are \$342.5 million. Environment will provide DAFF (through Section 31 of the *Financial Management and Accountability Act 1997*) \$7.8 million in 2007-08 to fund the administration costs incurred in implementing the NHT.

Performance against outcomes of purchased outputs

Quantity	<p>The number of investment strategies that are prepared, evaluated and for which funding is agreed and specified in financial agreements.</p> <p>The number of individuals/community groups supported through Australian Government Envirofund grants.</p>
Quality	<p>Investment strategies address nationally agreed Natural Resource Management (NRM) priorities to address identified NRM issues.</p>
Efficiency	<p>All investments approved by Ministers in 2007-08 are delivered through appropriate financial agreements and provided with funding in accordance with NHT accountability and acquittal procedures, to meet the NHT's objectives.</p> <p>Monitoring and evaluation arrangements are in place for each level of the NHT and reports show progress against targets.</p>

Department of Agriculture, Fisheries and Forestry Department of the Environment and Water Resources National Action Plan for Salinity and Water Quality

Cross-agency overview

Environment and DAFF have a cross-portfolio arrangement in respect of the administration of the National Action Plan for Salinity and Water Quality. The National Action Plan is a \$1.4 billion programme of the Australian Government and the state and territory governments. Over eight years, it will continue to fund the development of integrated regional/catchment natural resource management plans and implementation of targeted high-priority actions to address salinity, particularly dryland salinity, and deteriorating water quality in priority regions across Australia.

Funding for the National Action Plan ceases in 2007-08. From 2008-09 the salinity and water quality objectives of the National Action Plan for Salinity and Water Quality will

DAFF Budget Statement: Other reporting requirements

be incorporated into Phase 3 of the Natural Heritage Trust (NHT3). NHT3 will be managed jointly with Environment.

The goal of the National Action Plan is to motivate and enable regional communities to use coordinated and targeted action to:

- prevent, stabilise and reverse trends in salinity, particularly dryland salinity, affecting the sustainability of production, conservation of biological diversity and the viability of our infrastructure
- improve water quality and secure reliable allocations for human uses, industry and the environment.

Responsibility

The Minister for the Environment and Water Resources and the Minister for Agriculture, Fisheries and Forestry jointly determine policy and major funding allocations from within the National Action Plan.

Environment and DAFF have established a cross-portfolio unit, the Australian Government Natural Resource Management Team, to jointly implement the National Action Plan.

Control arrangements

DAFF is responsible for the financial management of the National Action Plan. Environment and DAFF are jointly responsible for the administration of the National Action Plan, through the joint Australian Government Natural Resource Management Team.

Resourcing

Total funding for the National Action Plan in 2007–08 is \$99.7 million which will be appropriated directly to DAFF. DAFF will provide Environment (through Section 31 of the *Financial Management and Accountability Act 1997*) \$0.5 million in 2007–08 to fund administration costs incurred in implementing the National Action Plan.

Performance against outcomes and outputs

Quantity	The number of investment strategies that are prepared, evaluated and for which funding is agreed and specified in financial agreements.
Quality	Investment strategies address nationally agreed NRM priorities to address identified NRM issues.
Efficiency	All investments approved by Ministers in 2007–08 are delivered through appropriate financial agreements and provided with funding in accordance with National Action Plan accountability and acquittal procedures, to meet the plan’s objectives. Monitoring and evaluation strategies are in place for each level of the National Action Plan and reports show progress against targets.

Department of Agriculture, Fisheries and Forestry Centrelink

Cross-agency overview

The Department of Agriculture, Fisheries and Forestry has a purchaser-provider arrangement with Centrelink relating to the delivery of AAA–Farm Help, drought-related programmes and the Sugar Industry Reform Programme 2004.

Responsibility

The Rural Policy and Innovation Division is responsible for the AAA–Farm Help and drought-related programmes and the Food and Agriculture Division is responsible for the Sugar Industry Reform Programme 2004.

Control arrangements

A business partnership agreement between the Department and Centrelink outlines the services to be delivered. Centrelink is located within the Finance and Administration Portfolio. It has a Board with executive powers that is accountable to the Minister for Human Services. It operates under the *Commonwealth Services Delivery Agency Act 1997* and is subject to the *Financial Management and Accountability Act 1997*.

Resourcing

The purchase of services from Centrelink for the delivery of these programmes is:

- AAA–Farm Help – \$4.6 million
- Drought-related programmes – \$3.8 million
- Sugar Industry Reform Programme 2004 – \$0.02 million

Performance against Outcomes of purchased Outputs

The performance information on AAA–Farm Help and Drought-related programmes can be found under Output 2, Rural Policy and Innovation. The performance information for the Sugar Industry Reform Programme 2004 can be found under Output 3, Industry Development.

Department of Agriculture, Fisheries and Forestry Department of Industry, Tourism and Resources

Under *Backing Australia's Ability 2*, funding is provided to the Department of Industry, Tourism and Resources (DITR) for Biotechnology Australia and two of its partner agencies to support continuation of the National Biotechnology Strategy (NBS). The Biotechnology Australia component of the funding will maintain its role in coordinating and managing the NBS and implementing its Public Awareness Programme. Through Memorandums of Understandings (MOUs) with DITR, the Department of Agriculture, Fisheries and Forestry will receive funding to continue its work on supply chain management and marketing issues and the Department of the Environment and Water Resources will receive funding to assist implementation of a

nationally consistent approach on access and use of genetic resources and undertake further studies on environmental risks.

**Department of Agriculture, Fisheries and Forestry
Australian Agency for International Development (AusAID)**

Cross-agency overview

The Department has a purchaser-provider arrangement with AusAID to manage the agency's Sanitary and Phytosanitary Capacity Building Program (SPSCBP).

Responsibility

AusAID pays the Department to manage the SPSCBP for the delivery of an assistance programme set out in the programme design document.

Control arrangements

Performance indicators are listed against each of the services provided in the record of understanding.

Resourcing

All resource implications are detailed in the record of understanding. Management of the programme is fully costed, including salaries, salary on-costs, travel and other overheads.

Performance against outcomes of purchased outputs

Performance measures are outlined in the record of understanding.

**Department of Agriculture, Fisheries and Forestry
National Measurement Institute**

Cross-agency overview

The National Residue Survey (NRS) engages the National Measurement Institute (NMI) through a competitive tender process to provide analytical testing services. Services provided are in accordance with a memorandum of understanding (MoU) for each programme for which NMI is the successful tenderer.

Responsibility

All reporting responsibilities relative to NMI are detailed in the relevant MoU. NRS reporting requirements are primarily through the annual financial report and the annual results report. Additional reporting is provided to individual industries on an ad hoc basis, following requests from the industries and on an annual financial year basis.

Control arrangements

All accountability issues are covered by the individual testing MoUs.

Resourcing

All resourcing implications are spelt out in detail in the MoU. This is a fee-for-service arrangement.

Performance against outcomes of purchased outputs

All performance information against outcomes and outputs is contained in the NRS component of Section 3.2.5 of this document.

**Department of Agriculture, Fisheries and Forestry
Department of Industry, Tourism and Resources**

Cross-agency overview

The Department provides the Department of Industry, Tourism and Resources (DITR) with minerals, energy and climate change related economic research, forecasts and statistical services.

Responsibility

Funds are appropriated to DITR, and DITR pays funds to the Australian Bureau of Agricultural and Resource Economics (ABARE) based on a schedule included in the ABARE/DITR Research Agreement.

Control arrangements

A research agreement has been signed between ABARE and DITR outlining the costs and defining the services to be provided to DITR by ABARE. A liaison protocol to monitor the progress of the research agreement on a quarterly basis is included in the agreement.

Resourcing

DITR arranges payments to ABARE based on projects negotiated in the research agreement.

Performance against outcomes of purchased Outputs

Performance outcomes are detailed against each project in the research agreement.

4.2 COST RECOVERY ARRANGEMENTS

Australian Quarantine and Inspection Service

AQIS has submitted five cost recovery impact statements (CRISs) to the Department of Finance and Administration for amendments to fees to take effect in the 2007-08 financial year. Each CRIS has addressed the four stages stated in the guidelines – initial policy review, design and implementation of fees and charges, ongoing monitoring and periodic review.

Live Animal Exports Programme

This proposal involved the amendment of the fees for the delivery of certification, inspection and audit services for the Live Animal Exports Programme. To effect the fee changes, amendments were required to the Export Control (Fees) Orders 2001.

The programme's primary function is to issue export permits and health certificates for exports of live animals and animal reproductive material, consistent with Australian legislative responsibilities and importing country requirements. The programme's services include:

- inspecting live animals and animal reproductive material for export and assessing documentation to verify that Australian legislative requirements and importing country requirements have been met
- providing certifying compliance with importing country requirements
- registering and auditing of premises for the assembly, isolation and quarantine of animals intended for export
- accrediting AQIS-approved veterinarians
- issuing livestock export licences
- providing audit services to ensure compliance with the Australia's legislative requirements.

Detailed analysis of export activity, revenue and expenditure was undertaken by the programme and cost modelling was undertaken to establish fees that would recover the costs specific to delivering services for each commodity.

The programme's fees and charges are structured on a fee-for-service basis under the following categories:

- document processing and administration (hourly base fee)
- animal inspection (hourly base fee)
- auditing (hourly base fee)
- dispensation processing (hourly base fee)

- registration of premises (hourly base fee)
- livestock by sea (per head fee)
- outport fee (fee per visit)
- travel (kilometre base fee)
- on-board veterinarians (daily fee).

AQIS consulted widely with industry, and a working group was established in December 2005 to review fee arrangements for the programme. The working group supported the proposed fees, which came into effect in September 2006.

Fish Exports Programme

The primary function of the Fish Exports Programme is to deliver audit, inspection and certification services for the export from Australia of fish and fish products, eggs and egg products, and products which are not traditionally prescribed but which become prescribed on request for certification by the exporter.

Services provided by the programme consist of:

- inspection of fish and fish products and eggs and egg products at export-registered establishments
- audit and inspection of export-registered establishments preparing such products for export to assess the hygiene of food preparation and storage areas and their compliance with importing country requirements
- inspection of product to ensure compliance with importing country requirements for the issuance of export certification.

This proposal involved the amendment of the current fees for the delivery of audit, inspection and certification services for the Fish Exports Programme. To effect the fee changes, amendments were required to the *Export Control (Fees) Orders 2001*. The amendments came into effect on 15 December 2006.

Fees and charges for providing the services are structured to:

- reflect the actual cost of providing the particular service
- minimise administrative and compliance costs, particularly by reducing the number of unique fees and charges
- ensure that individuals or firms using a particular service are those charged for that service
- encourage the most efficient use of resources by the programme's clients.

DAFF Budget Statement: Other reporting requirements

The four categories of fees, corresponding with the programme's service delivery elements, were reviewed and amended as follows:

- establishment registration charges – for the recovery of administrative costs
- fee-for-service fees – for the recovery of inspection costs
- export documentation fees – for the recovery of documentation costs
- overtime fees – for the recovery of services provided outside of normal duty.

AQIS consulted the Seafood Export Consultative Committee about the proposed increase in fees and obtained endorsement and support for the increase.

Horticulture Exports Programme

This proposal involved amending the fees for the delivery of certification, inspection and audit services for the Horticulture Export Programme. Fee increases were required due to under-recovery with the current fees. To effect the fee changes, amendments were required to the *Export Control (Fees) Orders 2001*.

The Horticulture Export Programme's primary function is to issue export permits and plant health certificates for horticulture produce consistent with Australian legislative responsibilities and importing country requirements. The programme services include:

- inspecting fresh fruit, fresh vegetables, dried fruit, nursery stock, cut flowers and other horticulture products for export and assessing documentation to verify that Australian legislative requirements and importing country requirements have been met
- providing certifying compliance with importing country requirements
- registering and auditing of premises for the assembly, inspection and certification of horticulture products for export
- issuing horticulture export permits
- providing audit services to ensure compliance with Australia's legislative requirements.

The programme aims to strictly align fees charged with the cost of service provision. Fee streams highlighted as being out of alignment and requiring amendment were:

- manual documentation – increase required
- electronically issued certification – increase required
- fee for service (in field and audits) – increase required
- travel charge – slight decrease required
- volume rate – standardised to one category, an increase or slight decrease depending on type of export market and regulatory activity.

Consultation has been undertaken through the Horticulture Exports Consultative Committee throughout all stages of the review process. The committee appreciated the importance of the long-term financial stability of the programme and acknowledged that increased costs need to be met by industry.

Post-Entry Plant Quarantine Programme

This proposal involved the amendment of the current fees structure for the Post-Entry Plant Quarantine (PEPQ) Programme. The CRIS highlighted the rationale for the amendments to these fees and demonstrates their compliance with the government's cost recovery policy. To effect the fee changes, amendments will be required to the Quarantine Service Fees Determinations 2005.

The importation of new plant varieties and propagative material poses a high risk of introducing exotic pests and diseases into Australia. The PEPQ programme, by providing plant containment facilities and disease screening, is the primary system to ensure that imported plant material is free of pests and diseases of quarantine concern. The programme operates and maintains the Australian Government's plant quarantine stations at Eastern Creek (Sydney) and Knoxfield (Melbourne).

PEPQ Programme services consist of:

- the provision of routine care and maintenance of plants
- the diagnostic analysis of high-risk plant material
- time spent completing horticultural activities (e.g. repotting of plants, hand pollination, grafting, budding, etc) and the visual inspection of plants for disease symptoms.

The programme's fees and charges are structured on a fee-for-service basis under the following categories:

- care and maintenance based on space (square metre) occupied
- diagnostic testing (set cost per test)
- fee for service (time-based).

The fee rates for care and maintenance and diagnostic testing have been increased, but the fee-for-service charge for programme services remains unchanged.

Regular consultation with the plant import industry on cost recovery and other matters occurs through the Post Entry Plant Industry Consultative Committee. This consultation provides a process for monitoring fees charged on an ongoing basis and provides information on the changing dynamics of the industry that may need consideration in the review of fees and charging structures. Industry members of the committee accepted the need for the proposed increases to ensure that the PEPQ Programme remains financially viable.

Meat Export Programme

The primary function of the Meat Export Programme is to deliver audit, inspection and certification services with respect to the export of meat and meat products from Australia.

This function is achieved through:

- inspections of meat and meat products at export-registered establishments
- regular auditing of export-registered establishments undertaking the preparation of meat and meat products for export to assess the hygiene of food preparation and storage areas and their compliance with importing country requirements
- inspection services to ensure product compliance with importing country requirements for the issuance of export certification.

The purpose of the CRIS was to seek amendment to fee-for-service and overtime rates to ensure that the programme was able to more accurately align fees with the cost of providing the service to effectively recover its costs. To effect these changes, amendments were required to the *Export Control (Fees) Orders 2001*. These amendments came into effect on 9 August 2006.

Increases were made to the following fee-for-service items:

- meat inspection fee for service
- veterinary inspection fee for service
- area technical manager audits
- meat inspector and veterinary officer overtime and shift loading
- export documentation.

The revised rates are closely aligned with the cost of providing these services. After significant consultation with all major stakeholders, they endorsed the approach before the revised fees were introduced.

National Residue Survey

Since 1993 the National Residue Survey has operated under full cost recovery arrangements for the funding of residue testing programmes undertaken on behalf of participating industries. Most industry programmes are funded by statutory levies. Funds are collected by the Levies Revenue Service of the Department and are paid into the NRS Account, a Special Account under section 21 of the *Financial Management and Accountability Act 1997* and administered by the *National Residue Survey Administration Act 1992*.

NRS reviews the cost of each participating industry's programme each year. By arrangement with each industry, NRS attempts to maintain a buffer in each industry's

equalisation account of between 20 per cent and 80 per cent of the annual cost of the programme in any year. NRS consults the representative peak industry bodies about the cost of the forward year's programme in relation to each industry's existing equalisation account and anticipated levy revenue. Any need to consider a change in the levy is discussed in the context of those consultations.

All NRS cost recovery arrangements are subject to the following legislative requirements:

- *National Residue Survey Administration Act 1992*
- *Financial Management and Accountability Act 1997*
- *National Residue Survey (Customs) Levy Act 1998*
- *National Residue Survey (Excise) Levy Act 1998*
- Primary Industries Levies and Charges (National Residue Survey Levies) Regulations 1998.

Kangaroo Residue Monitoring Programme

Since January 2001, the National Residue Survey (NRS) Kangaroo Residue Monitoring Programme has been funded by a 0.5 cent levy at slaughter, a designated component of the 7.0 cents per carcass slaughter levy collected under the Primary Industry (Excise) Levies Act 1999. The kangaroo NRS levy has increased from 0.5 cents per kangaroo at slaughter to 3.0 cents from 1 October 2006. Kangaroo producers pay the levy as a carcass slaughter levy. There will be no change in the overall levy rate of 7.0 cents per carcass slaughter, as there is a corresponding decrease in the R&D component of the levy from 6.5 cents per carcass to 4.0 cents per carcass.

A proposal to increase the kangaroo levy was put to Kangaroo Industry Association of Australia (KIAA) members during July 2006. All nine members approved the proposal.

NRS consulted closely with the KIAA and the Levies Revenue Service to ensure that the government's general principles applying to levy changes were met.

The amendment was also referred to the Office of Regulation Review for advice on the need for a regulation impact statement to support the new cost recovery level. None was required.

Cattle Residue Monitoring Programme

Since February 2003, the NRS Cattle Residue Monitoring programme has been funded by a 12 cent levy per transaction, a designated component of the overall \$5.00 cattle transaction levy collected under the *Primary Industry (Excise) Levies Act 1999*. The cattle NRS levy has increased from 12.0 cents per cattle transaction to 29 cents per cattle transaction from 1 January 2007. Cattle producers pay the levy as a transaction levy. The additional 17 cents levy has been redirected from a component of the overall \$5.00

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cattle transaction levy which was due to sunset on 31 December 2006. Therefore, there has been no increase in the overall levy.

The increase in the NRS cattle transaction levy has been implemented in accordance with the Commonwealth's cost recovery policy and guidelines.

A proposal to increase the cattle NRS levy was put to the Cattle Council of Australia and the Australian Lot Feeders' Association (ALFA) in November 2005.

The Cattle Council and ALFA consulted the cattle industry directly and through a media campaign using rural radio and newspapers. With the Department, the two organisations worked to ensure that the government's general principles applying to levy changes were met. In early 2006, the organisations obtained member approval for the retention and redirection of the 17 cents to the NRS.

On 9 August 2006, the Cattle Council and ALFA appeared before the Government Backbench Policy Committee on Agriculture, Fisheries, Forestry and Conservation, and subsequently sought policy approval, which was granted on 30 September 2006.

The amendment to the cattle NRS levy rate was also referred to the Office of Regulation Review for advice on the need for a regulation impact statement to support the new cost recovery level. None was required.

4.3 AUSTRALIAN GOVERNMENT INDIGENOUS EXPENDITURE

Table 4.1: Australian Government indigenous expenditure

Outcome	Appropriations				Other	Total	Cross reference
	Bill	Bill	Special	Total			
	No. 1	No. 2	Approp	Approp			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
	(A)	(B)	(C)	(D)	(E)	(F)=(D)+(E)	(G)
More sustainable, competitive and profitable Australian agriculture, food, fisheries and forestry industries							
Department of Agriculture, Fisheries and Forestry Portfolio							
Administered 2007–08	50	150	-	200	-	200	
<i>Administered 2006–07</i>	<i>100</i>	<i>150</i>	<i>-</i>	<i>250</i>	<i>-</i>	<i>250</i>	
Departmental 2007–08	540	-	-	540	-	540	
<i>Departmental 2006–07</i>	<i>418</i>	<i>-</i>	<i>-</i>	<i>418</i>	<i>-</i>	<i>418</i>	
Total Outcome 2007–08	590	150	-	740	-	740	
<i>Total Outcome 2006–07</i>	<i>518</i>	<i>150</i>	<i>-</i>	<i>668</i>	<i>-</i>	<i>668</i>	
Total AGIE 2007–08	590	150	-	740	-	740	
<i>Total AGIE 2006–07</i>	<i>518</i>	<i>150</i>	<i>-</i>	<i>668</i>	<i>-</i>	<i>668</i>	

Section 5: Budgeted financial statements

The budgeted financial statements for the Australian Government Department of Agriculture, Fisheries and Forestry are presented in this section. These comments relate to any changes since the publication of the 2006–07 Portfolio Additional Estimates Statements (PAES).

5.1 ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

Departmental financial statements

Budgeted departmental income statement

This statement shows the expected financial result for the department and details expenses and revenues. The Department is budgeting for a small surplus in 2007–08 of \$0.7 million. The estimated operating deficit for 2006–07 is \$25 million. This deficit recognises the operational costs of moving the Department to new accommodation in Canberra later in 2007.

Total budgeted operating revenue for 2007–08 is \$606.2 million and is made up of \$332.4 million in government appropriations and \$273.8 million in revenue from other sources. This is a decrease in estimated revenues for 2006–07 of \$11.9 million and includes increases relating to new measures detailed in Table 2.2; decrease of government revenue following transfer to the Department of Environment and Water Resources (DEWR) of responsibility for a number of water programmes; and decrease in government revenue for lapsing programmes.

Total budgeted operating expense for 2007–08 is \$605.8 million, a reduction of \$37.6 million from estimated expense for 2006–07. This includes decreased employee and supplier expenses reflecting a net reduction in delivery of new and lapsed programmes, and excludes expenses relating to the 2006–07 recognition of one-off operational costs associated with the move to new accommodation.

Budgeted departmental balance sheet

This statement shows the financial position of the department and details its assets and liabilities. Total equity for the Department is budgeted to increase by \$1.4 million in 2007–08, made up of a decrease in assets of \$9.9 million and a decrease in liabilities of \$11.3 million. The decrease in assets includes a reduction of \$43.0 million in trade and other receivables, comprising mostly of funds drawn down to fund both capital and operational costs of the move to new accommodation in Canberra, and an increase of \$31.3 million in land and buildings, reflecting the capital costs of the move.

The decrease in liabilities includes a reduction in other provisions of \$13.3 million, representing payment of operational costs of the move provided for in 2006–07.

Budgeted departmental statement of cash flows

This statement provides information on estimates of the extent and nature of cash flows by categorising the expected cash flows against operating, investing and financing activities.

Departmental statement of changes in equity — summary of movement

This statement shows the budgeted movement of equity during the year.

Departmental capital budget statement

This statement shows all planned capital expenditure, whether funded through capital appropriations or from internal sources. The Department is budgeting total capital of \$42.1 million, which is a \$26.9 million increase from the previous year. This increase is attributable to the capital cost of the moving the Department to new accommodation in Canberra.

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

This statement shows the budgeted acquisitions and disposals of non-financial assets during the budget year.

Schedule of administered activity

Schedule of budgeted income and expenses administered on behalf of government

This schedule identifies the main revenues and expenses administered by DAFF on behalf of the Australian Government. The overall decrease in expenses of \$180 million from the PAES is largely due to the \$240 million reduction in grants following the transfer of water programmes to DEWR. This is partly offset by the increase in Exceptional Circumstances drought payments.

Schedule of budgeted assets and liabilities administered on behalf of government

This schedule shows the assets and liabilities administered by DAFF on behalf of the Australian Government. The reduction of \$458 million in total assets is due to the transfer of the equity holdings in the Murray–Darling Basin Commission and two loans to DEWR, and the privatisation of the Forest and Wood Products Research and Development Corporation.

Schedule of budgeted administered cash flows

This schedule shows cash flows administered on behalf of the Australian Government.

5.2 BUDGETED FINANCIAL STATEMENTS TABLES

Table 5.1: Budgeted departmental income statement (for the period ended 30 June)

	Estimated actual 2006–07 \$'000	Budget estimate 2007–08 \$'000	Forward estimate 2008–09 \$'000	Forward estimate 2009–10 \$'000	Forward estimate 2010–11 \$'000
INCOME					
Revenue					
Revenues from government	347,128	332,437	319,904	263,513	253,658
Goods and services	260,302	263,111	267,275	277,392	288,567
Fees and fines	-	-	-	-	-
Interest	715	720	720	720	720
Dividends	-	-	-	-	-
Rents	-	-	-	-	-
Royalties	-	-	-	-	-
Other	9,930	9,930	10,930	10,930	10,930
Total revenue	618,075	606,198	598,829	552,555	553,875
Gains					
Foreign exchange gains	-	-	-	-	-
Reversals of previous asset write-downs	-	-	-	-	-
Sale of assets	-	-	-	-	-
Other	290	300	300	300	300
Total gains	290	300	300	300	300
Total income	618,365	606,498	599,129	552,855	554,175
EXPENSE					
Employees	369,031	367,773	367,794	358,971	354,856
Suppliers	227,299	217,911	210,525	173,068	178,724
Grants	10,839	9,006	8,999	9,000	9,000
Depreciation and amortisation	10,742	10,854	10,852	10,852	10,847
Finance costs	-	-	-	-	-
Write-down of assets and impairment of assets	-	-	-	-	-
Losses from sale of assets	-	-	-	-	-
Foreign exchange losses	-	-	-	-	-
Other	25,454	206	211	216	-
Total expenses	643,365	605,750	598,381	552,107	553,427
Share of operating results of associates and joint ventures accounted for using the equity method	-	-	-	-	-

Table 5.1: Budgeted departmental income statement (for the period ended 30 June)—continued

	Estimated actual 2006–07 \$'000	Budget estimate 2007–08 \$'000	Forward estimate 2008–09 \$'000	Forward estimate 2009–10 \$'000	Forward estimate 2010–11 \$'000
Surplus (Deficit) before income tax	(25,000)	748	748	748	748
Income tax expense	-	-	-	-	-
Surplus/(Deficit)	(25,000)	748	748	748	748
Minority interest in surplus (deficit)	-	-	-	-	-
Surplus (deficit) attributable to the Australian Government	(25,000)	748	748	748	748

Table 5.2: Budgeted departmental balance sheet (as at 30 June)

	Estimated actual 2006–07 \$'000	Budget estimate 2007–08 \$'000	Forward estimate 2008–09 \$'000	Forward estimate 2009–10 \$'000	Forward estimate 2010–11 \$'000
ASSETS					
Financial assets					
Cash and equivalents	10,797	11,464	11,469	11,474	12,207
Trade and other receivables	148,829	105,862	97,851	100,599	95,151
Investments accounted for under the equity method	-	-	-	-	-
Investments	12,400	12,994	12,994	12,994	12,994
Other investments	-	-	-	-	-
Tax assets	-	-	-	-	-
Other	7,522	8,080	8,080	8,080	8,080
Total financial assets	179,548	138,400	130,394	133,147	128,432
Non-financial assets					
Land and buildings	27,950	59,201	57,201	55,201	53,201
Infrastructure, plant and equipment	12,334	12,329	12,324	12,319	12,334
Investment properties	-	-	-	-	-
Inventories	1,835	1,835	1,835	1,835	1,835
Intangibles	13,563	13,563	13,563	13,563	13,563
Biological assets	-	-	-	-	-
Other	3,575	3,575	3,575	3,575	3,575
Total non-financial assets	59,257	90,503	88,498	86,493	84,508
Assets held for sale	-	-	-	-	-
Total assets	238,805	228,903	218,892	219,640	212,940
LIABILITIES					
Interest bearing liabilities					
Loans	-	-	-	-	-
Leases	8,478	8,478	8,478	8,478	8,478
Deposits	-	-	-	-	-
Other	-	-	-	-	-
Total interest bearing liabilities	8,478	8,478	8,478	8,478	8,478
Provisions					
Employees	99,085	101,442	104,331	104,331	104,331
Other	37,594	24,294	10,994	10,994	10,994
Total provisions	136,679	125,736	115,325	115,325	115,325
Payables					
Suppliers	19,478	19,508	19,160	19,160	19,160
Grants	-	-	-	-	-
Dividends	-	-	-	-	-
Other	52,069	51,670	51,670	51,670	51,670
Total payables	71,547	71,178	70,830	70,830	70,830
Liabilities included in disposal groups held for sale	-	-	-	-	-
Total liabilities	216,704	205,392	194,633	194,633	194,633
Net assets	22,101	23,511	24,259	25,007	18,307

Table 5.2: Budgeted departmental balance sheet (as at 30 June)—continued

	Estimated actual 2006–07 \$'000	Budget estimate 2007–08 \$'000	Forward estimate 2008–09 \$'000	Forward estimate 2009–10 \$'000	Forward estimate 2010–11 \$'000
EQUITY^a					
Parent entity interest					
Contributed equity	15,763	16,425	16,425	16,425	16,425
Reserves	8,156	8,156	8,156	8,156	8,156
Retained surpluses or accumulated deficits	(1,818)	(1,070)	(322)	426	(6,274)
Total parent entity interest	22,101	23,511	24,259	25,007	18,307
Minority interest					
Contributed equity	-	-	-	-	-
Reserves	-	-	-	-	-
Retained surpluses or accumulated deficits	-	-	-	-	-
Total minority interest	-	-	-	-	-
Total equity	22,101	23,511	24,259	25,007	18,307
Current assets	184,958	143,810	135,804	138,557	133,842
Non-current assets	53,847	85,093	83,088	81,083	79,098
Current liabilities	117,619	103,950	90,302	90,302	90,302
Non-current liabilities	99,085	101,442	104,331	104,331	104,331

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

Table 5.3: Budgeted departmental statement of cash flows (for the period ended 30 June)

	Estimated actual 2006–07 \$'000	Budget estimate 2007–08 \$'000	Forward estimate 2008–09 \$'000	Forward estimate 2009–10 \$'000	Forward estimate 2010–11 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	259,896	263,779	267,198	277,392	288,567
Appropriations	333,705	370,402	327,992	260,765	251,658
Interest	715	720	720	720	720
GST input tax credits	-	-	-	-	-
Dividends	-	-	-	-	-
Other	14,210	13,667	10,930	10,930	10,930
Total cash received	608,526	648,568	606,840	549,807	551,875
Cash used					
Employees	363,377	366,231	365,725	359,782	354,871
Suppliers	227,137	216,741	209,753	171,957	178,424
Grants	10,839	9,006	8,999	9,000	9,000
GST payments to suppliers	-	-	-	-	-
Borrowing costs	-	-	-	-	-
Other	(7,146)	13,891	13,511	216	-
Income taxes paid	-	-	-	-	-
Total cash used	594,207	605,869	597,988	540,955	542,295
Net cash from or (used by) operating activities	14,319	42,699	8,852	8,852	9,580
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	-	-	-	-	-
Proceeds from sales of financial instruments	-	-	-	-	-
Investments	-	-	-	-	-
Other	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Purchase of property, plant and equipment	15,215	42,100	8,847	8,847	8,847
Purchase of financial instruments	-	-	-	-	-
Investments	-	-	-	-	-
Other	500	594	-	-	-
Total cash used	15,715	42,694	8,847	8,847	8,847
Net cash from or (used by) investing activities	(15,715)	(42,694)	(8,847)	(8,847)	(8,847)

Table 5.3: Budgeted departmental statement of cash flows (for the period ended 30 June)—continued

	Estimated actual 2006–07 \$'000	Budget estimate 2007–08 \$'000	Forward estimate 2008–09 \$'000	Forward estimate 2009–10 \$'000	Forward estimate 2010–11 \$'000
FINANCING ACTIVITIES					
Cash received					
Appropriations – contributed equity	2,032	662	-	-	-
Proceeds from issuing financial instruments	-	-	-	-	-
Other	-	-	-	-	-
Total cash received	2,032	662	-	-	-
Cash used					
Repayments of debt	-	-	-	-	-
Dividends paid	-	-	-	-	-
Other	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from or (used by) financing activities	2,032	662	-	-	-
Net increase or (decrease) in cash held	636	667	5	5	733
Cash at the beginning of the reporting period	10,161	10,797	11,464	11,469	11,474
Effect of exchange rate movements on cash at the beginning of reporting period	-	-	-	-	-
Cash at the end of the reporting period	10,797	11,464	11,469	11,474	12,207

Table 5.4: Departmental statement of changes in equity — summary of movement (Budget year 2007–08)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2007					
Balance carried forward from previous period	(1,818)	8,156	-	15,763	22,101
Adjustment for changes in accounting policies	-	-	-	-	-
Adjusted opening balance	(1,818)	8,156	-	15,763	22,101
Income and expense					
Income and expenses recognised directly in equity:					
Gain/loss on revaluation of property	-	-	-	-	-
Sub-total income and expense	-	-	-	-	-
Surplus (deficit) for the period	748	-	-	-	748
Total income and expenses recognised directly in equity	748	-	-	-	748
Transactions with owners					
<i>Distribution to owners</i>					
Returns on capital					
Dividends	-	-	-	-	-
Returns of capital					
Restructuring	-	-	-	-	-
Other	-	-	-	-	-
<i>Contribution by owners</i>					
Appropriation (equity injection)	-	-	-	662	662
Other:					
Restructuring	-	-	-	-	-
Sub-total transactions with owners	-	-	-	662	662
Transfers between equity components	-	-	-	-	-
Estimated closing balance as at 30 June 2008	(1,070)	8,156	-	16,425	23,511

Table 5.5: Departmental capital budget statement

	Estimated actual 2006–07 \$'000	Budget estimate 2007–08 \$'000	Forward estimate 2008–09 \$'000	Forward estimate 2009–10 \$'000	Forward estimate 2010–11 \$'000
CAPITAL APPROPRIATIONS					
Previous years' outputs appropriation	2,032	662	-	-	-
Total loans	-	-	-	-	-
Total capital appropriations	2,032	662	-	-	-
Represented by:					
Purchase of non-financial assets	-	-	-	-	-
Other	2,032	662	-	-	-
Total represented by	2,032	662	-	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation	-	-	-	-	-
Funded internally by departmental resources	15,215	42,100	8,847	8,847	8,847
Total	15,215	42,100	8,847	8,847	8,847

Table 5.6: Departmental property, plant, equipment and intangibles — summary of movement (Budget year 2007–08)

	Land	Investment property	Buildings	Specialist military equipment	Other infrastructure plant and equipment	Heritage and cultural assets	Computer software	Other intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2007									
Gross book value	1,290	-	39,377	-	26,831	-	36,823	-	104,321
Accumulated depreciation	6	-	12,711	-	14,497	-	23,260	-	50,474
Opening net book value	1,284	-	26,666	-	12,334	-	13,563	-	53,847
Additions:									
by purchase	-	-	36,451	-	2,149	-	3,500	-	42,100
by finance lease	-	-	-	-	-	-	-	-	-
internally developed	-	-	-	-	-	-	-	-	-
from acquisitions of entities or operations (including restructuring)	-	-	-	-	-	-	-	-	-
Revaluations and impairment through equity	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-
Depreciation/amortisation expense	-	-	5,200	-	2,154	-	3,500	-	10,854
Impairments recognised in operating result	-	-	-	-	-	-	-	-	-
Other movements	-	-	-	-	-	-	-	-	-
Disposals:									
from disposal of entities or operations (including restructuring)	-	-	-	-	-	-	-	-	-
other disposals	-	-	-	-	-	-	-	-	-
As at 30 June 2008									
Gross book value	1,290	-	75,828	-	28,980	-	40,323	-	146,421
Accumulated depreciation	6	-	17,911	-	16,651	-	26,760	-	61,328
Estimated closing net book value	1,284	-	57,917	-	12,329	-	13,563	-	85,093

Table 5.7: Schedule of budgeted income and expenses administered on behalf of government (for the period ended 30 June)

	Estimated actual 2006–07 \$'000	Budget estimate 2007–08 \$'000	Forward estimate 2008–09 \$'000	Forward estimate 2009–10 \$'000	Forward estimate 2010–11 \$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Revenue					
Taxation					
Income tax	-	-	-	-	-
Indirect tax	-	-	-	-	-
Other taxes, fees and fines	599,774	588,641	599,210	400,957	368,775
Total taxation	599,774	588,641	599,210	400,957	368,775
Non-taxation					
Goods and services	-	-	-	-	-
Fees and fines	-	-	-	-	-
Interest	1,671	887	817	740	653
Dividends	-	-	-	-	-
Other sources of non-taxation revenues	554	511	461	343	343
Rents	-	-	-	-	-
Royalties	-	-	-	-	-
Total non-taxation	2,225	1,398	1,278	1,083	996
Total revenues administered on behalf of government	601,999	590,039	600,488	402,040	369,771
Gains					
Foreign exchange	-	-	-	-	-
Sale of assets	-	-	-	-	-
Other gains	-	-	-	-	-
Reversal of previous asset writedowns	-	-	-	-	-
Total gains administered on behalf of government	-	-	-	-	-
Total income administered on behalf of government	601,999	590,039	600,488	402,040	369,771
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Grants	1,756,851	1,577,253	1,012,283	757,420	721,536
Subsidies	-	-	-	-	-
Personal benefits	366,392	363,639	62,392	19,502	17,931
Employees	-	-	-	-	-
Suppliers	20,274	26,715	24,167	23,669	23,570
Depreciation and amortisation	-	-	-	-	-
Write-down and impairment of assets	-	-	-	-	-
Finance costs	-	-	-	-	-
Other	2,062	2,872	971	971	971
Asset sales	-	-	-	-	-
Foreign exchange	-	-	-	-	-
Total expenses administered on behalf of government	2,145,579	1,970,479	1,099,813	801,562	764,008

Table 5.8: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June)

	Estimated actual 2006–07 \$'000	Budget estimate 2007–08 \$'000	Forward estimate 2008–09 \$'000	Forward estimate 2009–10 \$'000	Forward estimate 2010–11 \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents	-	-	-	-	-
Receivables	129,724	126,544	125,105	123,521	128,573
Taxation receivables	-	-	-	-	-
Investments	170,549	164,227	164,227	164,227	164,227
Investments accounted for under the equity method	-	-	-	-	-
Other financial assets	47,629	47,209	47,209	47,209	47,209
Total financial assets	347,902	337,980	336,541	334,957	340,009
Non-financial assets					
Land and buildings	-	-	-	-	-
Infrastructure, plant and equipment	-	-	-	-	-
Investment properties	-	-	-	-	-
Inventories	-	-	-	-	-
Intangibles	-	-	-	-	-
Biological assets	-	-	-	-	-
Other	20,637	20,637	20,637	20,637	20,637
Total non-financial assets	20,637	20,637	20,637	20,637	20,637
Total assets administered on behalf of government	368,539	358,617	357,178	355,594	360,646
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Interest bearing liabilities					
Australian Government securities	-	-	-	-	-
Loans	6,174	6,174	6,174	6,174	6,174
Leases	-	-	-	-	-
Deposits	-	-	-	-	-
Other	-	-	-	-	-
Total interest bearing liabilities	6,174	6,174	6,174	6,174	6,174
Provisions					
Employees	-	-	-	-	-
Taxation refunds provided	-	-	-	-	-
Australian currency on issue	-	-	-	-	-
Other provisions	-	-	-	-	-
Total provisions	-	-	-	-	-

Table 5.8: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June)—continued

	Estimated actual 2006–07 \$'000	Budget estimate 2007–08 \$'000	Forward estimate 2008–09 \$'000	Forward estimate 2009–10 \$'000	Forward estimate 2010–11 \$'000
Payables					
Suppliers	63	63	63	63	63
Subsidies	-	-	-	-	-
Personal benefits payable	3,067	3,067	3,067	3,067	3,067
Grants	81,906	79,614	79,614	79,614	79,614
Other payables	3	3	3	3	3
Total payables	85,039	82,747	82,747	82,747	82,747
Liabilities included in disposal groups held for sale	-	-	-	-	-
Total liabilities administered on behalf of government	91,213	88,921	88,921	88,921	88,921

Table 5.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

	Estimated actual 2006–07 \$'000	Budget estimate 2007–08 \$'000	Forward estimate 2008–09 \$'000	Forward estimate 2009–10 \$'000	Forward estimate 2010–11 \$'000
OPERATING ACTIVITIES					
Cash received					
Taxes	599,790	588,221	599,210	400,957	368,775
Fees	-	-	-	-	-
Sales of goods and rendering of services	-	-	-	-	-
Interest	1,840	1,307	817	740	653
Dividends	-	-	-	-	-
Net GST received	-	-	-	-	-
Other	554	511	461	343	343
Total cash received	602,184	590,039	600,488	402,040	369,771
Cash used					
Borrowing costs	-	-	-	-	-
Employees	-	-	-	-	-
Grant payments	1,739,410	1,575,445	1,012,283	757,420	721,536
Subsidies paid	-	-	-	-	-
Personal benefits	363,815	363,639	62,392	19,502	17,931
Suppliers	20,992	27,431	24,883	25,693	23,570
Net GST paid	-	-	-	-	-
Other	2,062	2,872	971	971	971
Total cash used	2,126,279	1,969,387	1,100,529	803,586	764,008
Net cash from or (used by) operating activities	(1,524,095)	(1,379,348)	(500,041)	(401,546)	(394,237)
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment and intangibles	-	-	-	-	-
Proceeds from sales of investments	-	-	-	-	-
Repayments of advances	-	-	-	-	-
Transfers from other entities	-	-	-	-	-
Investments	-	-	-	-	-
Other	3,130	3,332	2,155	3,608	2,063
Total cash received	3,130	3,332	2,155	3,608	2,063

Table 5.9: Schedule of budgeted administered cash flows (for the period ended 30 June)—continued

	Estimated actual 2006–07 \$'000	Budget estimate 2007–08 \$'000	Forward estimate 2008–09 \$'000	Forward estimate 2009–10 \$'000	Forward estimate 2010–11 \$'000
Cash used					
Purchase of property, plant and equipment and intangibles	-	-	-	-	-
Advances and loans made	-	-	-	-	-
Transfers to other entities	-	-	-	-	-
Investments	7,881	-	-	-	-
Other	-	-	-	-	-
Total cash used	7,881	-	-	-	-
Net cash from or (used by) investing activities	(4,751)	3,332	2,155	3,608	2,063
FINANCING ACTIVITIES					
Cash received					
Proceeds from borrowing	-	-	-	-	-
Cash from Official Public Account	-	-	-	-	-
Other	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Net repayment of borrowings	-	-	-	-	-
Dividends paid	-	-	-	-	-
Cash to Official Public Account	-	-	-	-	-
Other	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from or (used by) financing activities	-	-	-	-	-
Net increase or (decrease) in cash held	(1,528,846)	(1,376,016)	(497,886)	(397,938)	(392,174)
Cash at beginning of reporting period	-	(7,853)	(7,853)	(7,853)	(7,853)
Cash from Official Public Account for:					
– appropriations	2,124,216	1,967,363	1,099,813	801,562	761,945
– special accounts	-	-	-	-	-
Transfers from other entities (Finance – Whole of Government)	-	-	-	-	-
Cash to Official Public Account for:					
– appropriations	603,223	591,347	601,927	403,624	369,771
– special accounts	-	-	-	-	-
Transfers to other entities (Finance – Whole of Government)	-	-	-	-	-
Effect of exchange rate movements on cash at beginning of reporting period	-	-	-	-	-
Cash at end of reporting period	(7,853)	(7,853)	(7,853)	(7,853)	(7,853)