



PORTFOLIO ADDITIONAL ESTIMATES STATEMENTS 2004-05

AGRICULTURE, FISHERIES AND FORESTRY PORTFOLIO

EXPLANATION OF ADDITIONAL ESTIMATES 2004-05

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HON WARREN TRUSS MP

Minister for Agriculture, Fisheries and Forestry

President of the Senate
Australian Senate
Parliament House
CANBERRA ACT 2600

Speaker
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Mr President
Dear Mr Speaker

I hereby submit Portfolio Additional Estimates Statements in support of the 2004-05 Additional Estimates for the Agriculture, Fisheries and Forestry Portfolio.

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

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

Yours sincerely

A handwritten signature in black ink, appearing to read 'Warren Truss', written over a light grey rectangular background.

WARREN TRUSS

TABLE OF CONTENTS

PART A: USER GUIDE	IX
Introduction.....	ix
Structure of the Portfolio Additional Estimates Statements	ix
Styles and conventions used	x
Enquiries	x
PART B: PORTFOLIO OVERVIEW	3
Additional estimates and variations — Portfolio level	3
PART C: ADDITIONAL ESTIMATES STATEMENTS	7
Section 1: Overview, variations and measures.....	7
Overview	7
Additional estimates and variations to outcomes.....	9
Measures.....	10
Table 1.1: Summary of Measures since the 2004-05 Budget	10
Breakdown of additional estimates by appropriation bill.....	12
Table 1.2: Appropriation Bill (No. 3) 2004-05	12
Table 1.3: Appropriation Bill (No. 4) 2004-05	13
Summary of staffing changes.....	14
Table 1.4: Average Staffing Level (ASL).....	14
Variations to revenue from other sources through net annotated (Section 31) receipts.....	15
Table 1.5: Changes to Net Annotated Appropriations (Section 31) Receipts.....	15
Revenue from independent sources	16
Table 1.6: Revenue from independent sources.....	16
Estimates of expenses from special appropriations.....	18
Table 1.7: Estimates of expenses from special appropriations	18
Estimated special account flows	19
Table 1.8: Estimated special account flows	19
Table 1.9: Estimates of administered expenses from appropriation Bill (No. 3).....	20
Table 1.10: Estimates of administered expenses from appropriation bill (No. 4) ...	22
Section 2: Revisions to outcomes and outputs	23
Outcomes and output groups.....	23
Section 3: Budgeted financial statements.....	24
Budgeted financial statements	24
Table 3.1: Budgeted departmental statement of financial performance (for the period ended 30 June)	26
Table 3.2: Budget departmental statement of financial position (as at 30 June)....	27
Table 3.3: Budgeted departmental statement of cash flows (for the period ended 30 June)	28
Table 3.4: Departmental capital budget statement	29

Table 3.5: Departmental Non-financial Assets - Summary of Movement (Budget Year 2004-05)	30
Table 3.6: Schedule of budgeted revenues and expenses administered on behalf of government (for the period ended 30 June).....	31
Table 3.7: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June)	32
Table 3.8: Schedule of budgeted administered cash flows (for the period ended 30 June)	33
Notes to the financial statements	34
PART D: BIOSECURITY AUSTRALIA	37
Section 1: Overview and revenue summary	37
Outcome.....	37
Output.....	37
Description of output activities	37
Performance indicators	38
Summary of staffing changes.....	39
Table 1.4: Average Staffing Level (ASL).....	39
Section 2: Budgeted financial statements.....	40
Table 3.1: Budgeted statement of financial performance (for the period ended 30 June)	42
Table 3.2: Budgeted statement of financial position	43
Table 3.3: Budgeted statement of cash flows (for the period ended 30 June)	44
Table 3.4: Capital budget statement	45
Table 3.5: Non-financial assets — summary of movement (Budget year 2004-05).....	46
GLOSSARY.....	47
INDEX	51

PART A

USER GUIDE

PART A: USER GUIDE

INTRODUCTION

The purpose of the Portfolio Additional Estimates Statements (PAES), like that of the Portfolio Budget Statements, is to inform senators and members of parliament of the proposed allocation of resources to Government outcomes by agencies within the portfolio. They also facilitate understanding of the proposed appropriations in Appropriation Bills (Nos. 3 and 4) 2004-05. In this sense the PAES is declared by the Additional Estimates Appropriation Bills to be a 'relevant document' to the interpretation of the Bills according to section 15AB of the *Acts Interpretation Act 1901*.

STRUCTURE OF THE PORTFOLIO ADDITIONAL ESTIMATES STATEMENTS

The PAES are presented in three parts with subsections.

Part A: User guide

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

Part B: Portfolio overview

Provides an overview of the structure and planned Outcome to which the Portfolio contributes.

Part C: Department of Agriculture, Fisheries and Forestry - additional estimates statements

Provides a statement for the agency that has an impact on additional estimates.

Section 1: Agency overview, additional estimates and variations to outcomes

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

Section 2: Revisions to outcomes and outputs

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

Section 3: Budgeted financial statements

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

Part D: Other Portfolio Body Additional Estimates Statements

For each agency within the portfolio that has an impact on Additional Estimates a statement is presented under the name of that agency.

A glossary and index are provided at the end of the document.

STYLES AND CONVENTIONS USED

- (a) The following notations may be used:
- | | |
|---------|---|
| NEC/nec | not elsewhere classified |
| AEST | Australian Eastern Standard Time |
| - | nil |
| .. | not zero, but rounded to zero |
| na | not applicable (unless otherwise specified) |
| nfp | not for publication |
| \$m | \$ million |
- (b) Figures in tables and in the text may be rounded. Discrepancies in tables between totals and sums of components are due to rounding.
- (c) The following acronyms may be used:

AAA - Agriculture Advancing Australia
AAHL - Australian Animal Health Laboratory
BA - Biosecurity Australia
CSIRO - Commonwealth Scientific and Industrial Research Organisation
DAFF - Department of Agriculture, Fisheries and Forestry
FAO - (United Nations) Food and Agriculture Organisation
GST - Goods and Services Tax
NRM - Natural Resource Management
NRS - National Residue Survey
RDC - Research and Development Corporation
R&D - Research and Development
UPOV - International Union for the Protection of New Varieties of Plants

ENQUIRIES

For any queries regarding the PAES please contact:

Chief Operating Officer

Australian Government Department of Agriculture, Fisheries and Forestry

GPO Box 858

CANBERRA ACT 2601

Telephone: (02) 6272 4882

A copy of this document can be located on the Australian Government Department of Agriculture, Fisheries and Forestry website at www.daff.gov.au/budget

PART B

PORTFOLIO OVERVIEW

PART B: PORTFOLIO OVERVIEW

The Agriculture, Fisheries and Forestry Portfolio consists of the Australian Government Department of Agriculture, Fisheries and Forestry and 13 portfolio bodies.

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

Through these bodies, the Portfolio seeks the Outcome of:

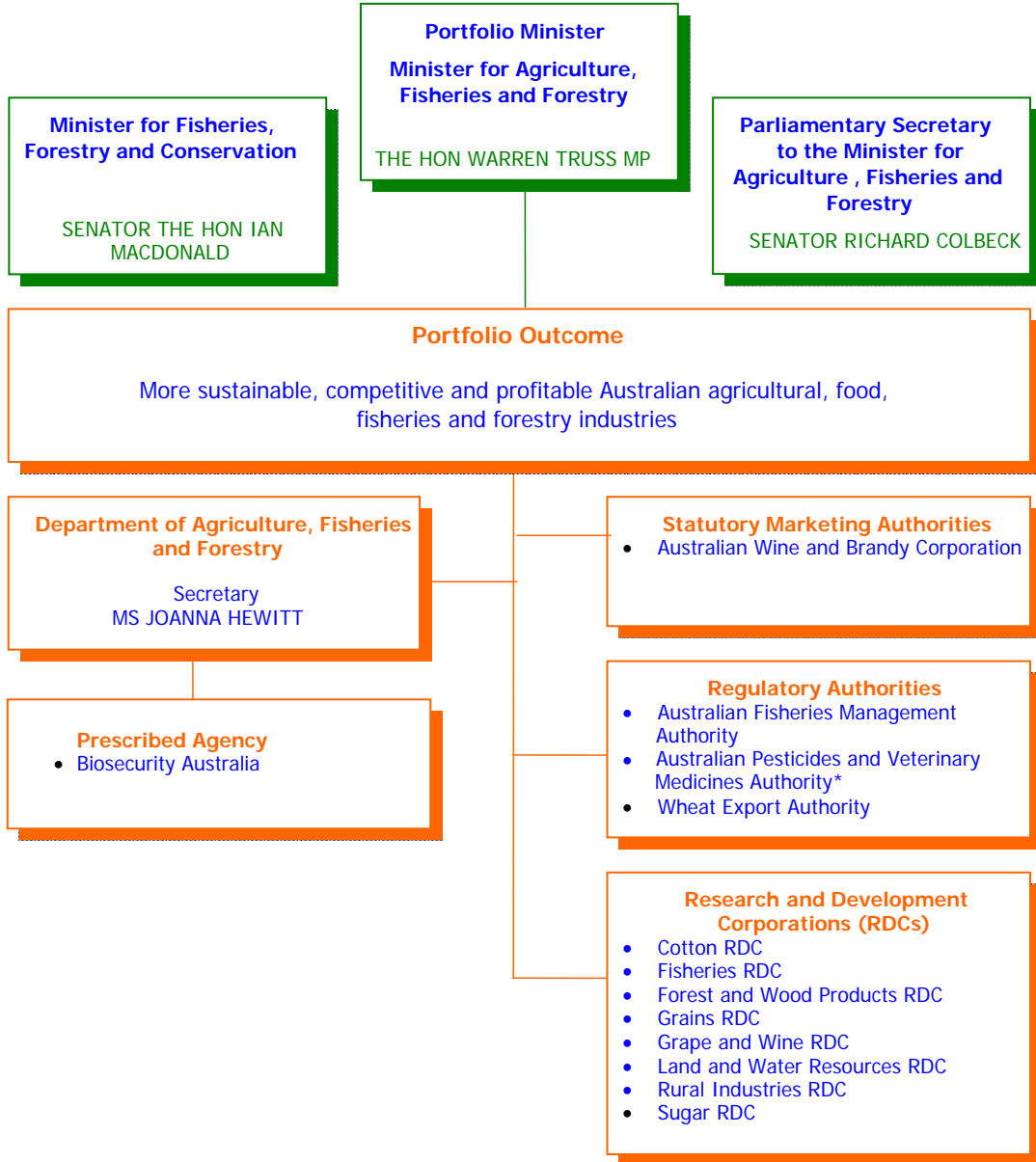
More sustainable, competitive and profitable Australian agricultural, food, fisheries and forestry industries.

ADDITIONAL ESTIMATES AND VARIATIONS — PORTFOLIO LEVEL

Additional Estimates, comprising new measures and other variations, are being sought for the department. Full details are provided in Part C.

Revised financial information has also been provided in Part D for Biosecurity Australia following its establishment as a prescribed agency under the *Financial Management and Accountability Act* on 1 December 2004.

Map 1: Structure of outcomes for the portfolio



* Previously known as the National Registration Authority for Agricultural and Veterinary Chemicals

PART C

ADDITIONAL ESTIMATES STATEMENTS

PART C: ADDITIONAL ESTIMATES STATEMENTS

AUSTRALIAN GOVERNMENT DEPARTMENT OF AGRICULTURE, FISHERIES AND FORESTRY

Section 1: Overview, variations and measures

OVERVIEW

The Department of Agriculture, Fisheries and Forestry (the department) is responsible for a wide-range of issues including:

- helping Australian agricultural, food, fisheries and forestry industries become more competitive, profitable and sustainable;
- enhancing the natural resource base on which these industries rely;
- delivering scientific advice and economic research, policy advice, programs and services to help deal with the challenges faced by agricultural, food, fisheries and forestry industries;
- addressing Australia's entire food supply chain, from producer to processor to the consumer;
- quarantine, export inspection and certification and food safety standards activities, essential for maintaining Australia's highly favourable animal and plant health status, and which are also important parts of the international regulations governing trade between nations; and
- improving trading opportunities for Australian agriculture and food industries, while protecting Australia's plant and animal health and environment.

The role of the department is to help the Government to achieve its policy objectives and administer legislation in these areas by contributing to the Outcome in Map 2.

Note: Following the establishment of Biosecurity Australia as a prescribed agency under the *Financial Management and Accountability Act* on 1 December 2004, the Market Access and Biosecurity output group has been renamed Market Access.

Map 2: Outcomes and output groups for the agency

Department of Agriculture, Fisheries and Forestry
Secretary: Ms Joanna Hewitt

Total Price of Outputs - \$518.315 million
Departmental Outcomes Appropriation - \$305.606 million
Total Admin Expenses - \$1,682.010 million

PORTFOLIO OUTCOME

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

Departmental Outcome

Australian agricultural, fisheries, food and forestry industries that are based on the 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.

Departmental Outputs

<p>1. Natural resources access and management</p> <p>Total price: \$49.370m Dept: \$29.459m Admin exp: \$184.769m</p>	<p>2. Rural policy and innovation</p> <p>Total price: \$44.938m Dept: \$36.283m Admin exp: \$920.135m</p>	<p>3. Industry development</p> <p>Total price: \$49.683m Dept: \$41.379m Admin exp: \$495.948m</p>	<p>4. Market access</p> <p>Total price: \$32.152m Dept: \$30.728m Admin exp: \$10.549m</p>
<p>5. Product integrity, animal (including aquatic animal) and plant health</p> <p>Total price: \$30.299m Dept: \$18.658m Admin exp: \$70.222m</p>	<p>6. Quarantine and export services</p> <p>Total price: \$304.567m Dept: \$146.531m Admin exp: \$0m</p>	<p>7. Scientific advice</p> <p>Total price: \$3.603m Dept: \$1.840m Admin exp: \$0.387m</p>	<p>8. Economic research</p> <p>Total price: \$3.703m Dept: \$0.728m Admin exp: \$0m</p>

Note: Departmental appropriation will vary from those presented in Table 1.2 due to the following FMA Section 32 transfers:

- PBR to IP Australia (\$0.112m)
- Transfer to Biosecurity Australia (\$7.434m)

ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

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

The department is proposing a reduction of \$24.873 million in administered and departmental appropriations. This decrease is summarised as follows:

Administered saving totalling \$30.755 million

- \$10.420 million increase in Appropriation Bill (No.3);
- \$47.072 million saving in Appropriation Bill (No.4); and
- \$5.897 million increase in Special Appropriations.

Departmental increase totalling \$5.882 million

- \$3.495 million increase in Appropriation Bill (No.3); and
- \$2.387 million increase in Appropriation Bill (No.4).

For details of these amounts, please refer to the following sections titled 'Measures' and 'Other Variations to Appropriations'.

MEASURES

Table 1.1: Summary of Measures since the 2004-05 Budget

Measure	Outcome	Output groups affected	Appropriations 2004-05 (\$'000)			Appropriations 2005-06 (\$'000)			Appropriations 2006-07 (\$'000)			Appropriations 2007-08 (\$'000)		
			Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total
			Budget measure											
Defeating the Weed Menace	1	1	1,690	310	2,000	9,410	590	10,000	11,415	585	12,000	7,495	505	8,000
National Tidal Centre	1	1	-	(109)	(109)	-	(109)	(109)	-	(109)	(109)	-	(59)	(59)
Interim Income Support Payments	1	2	6,881	316	7,197	-	-	-	-	-	-	-	-	-
Exceptional Circumstances	1	2	76,222	979	77,201	53,404	801	54,205	10,901	35	10,936	-	-	-
Food Processing in Regional Australia	1	3	-	293	293	4,066	439	4,505	4,060	440	4,500	2,344	358	2,702
Illegal Foreign Fishers in Australian Northern Waters	1	3	2,833	-	2,833	11,712	541	12,253	9,153	493	9,646	8,544	493	9,037
RecFish Australia	1	3	100	-	100	100	-	100	100	-	100	100	-	100
National Livestock Identification Scheme	1	5	5,000	-	5,000	5,000	-	5,000	5,000	-	5,000	5,000	-	5,000
Australian Animal Welfare Strategy	1	5	103	217	320	1,209	501	1,710	1,042	362	1,404	982	363	1,345
Citrus Canker Eradication	1	5	3,500	-	3,500	1,300	-	1,300	700	-	700	-	-	-
Ovine Johnes Disease Control and Evaluation Programme	1	5	300	-	300	205	-	205	-	-	-	-	-	-
Eradication of the Red Imported Fire Ant	1	5	8,586	-	8,586	10,583	-	10,583	5,137	-	5,137	-	-	-
Centre of Excellence for Biosecurity Risk Analysis and Research	1	7	387	116	503	1,684	125	1,809	1,684	125	1,809	1,684	195	1,879
Summary														
Appropriation Bill (No. 3)			17,294			33,386			32,454			26,149		
Appropriation Bill (No. 4)			50,781			39,430			15,002			-		
Special Appropriations			37,527			25,857			1,736			-		
Increase / Decrease in Administered Appropriations			105,602			98,673			49,192			26,149		
Increase / Decrease in Departmental Appropriations				2,122			2,888			1,931			1,855	
Total Increase / Decrease in Appropriations					107,724			101,561			51,123			28,004

Other variations to appropriations

	2004-05 (\$'000)	2005-06 (\$'000)	2006-07 (\$'000)	2007-08 (\$'000)
Outcome 1				
Variations in administered appropriations				
Appropriation rephasings	(23,025)	9,275	17,796	16,166
Revised Estimates - Drought related exceptional circumstances	(111,130)	-	-	-
Revised Estimates - Drought related interest rate relief for farmers	(3,200)	24	-	-
Revised Estimates - Drought related interim support	(500)	-	-	-
Tasmanian Wheat Freight Scheme - Transfer to DoTARS	(1,200)	-	-	-
United Nations Food & Agriculture organisation - Exchange rate adjustment	809	-	-	-
Fisheries Resources Research Fund	21	(32)	(109)	(112)
FarmHelp	(5,610)			
International Organisations Contributions	(207)	(195)	(192)	(190)
Reforecast of special appropriation estimates	7,570	2,916	2,166	2,392
Price adjustment of estimates	-	491	704	811
Commonwealth Contribution to the Animal Health Australia	(131)	(132)	-	-
Transfers to Departmental (SIRP)	(354)	-	-	-
Appropriation of interest payments to special accounts	600	600	600	600
	(136,327)	12,947	20,965	19,667
Variations in departmental appropriations				
Comcover – Reduction of supplementation	(270)	-	-	-
Appropriation Reprofiting	-	(291)	(1,209)	1,945
Devolution of funding for employees overseas (transfer from DFAT)	1,629	2,793	2,793	2,793
Price adjustment of estimates	-	797	1,027	1,124
Transfers from Administered (SIRP)	14	295	28	17
Prior year Outputs	2,387	-	-	-
	3,760	3,594	2,639	5,879

BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

Table 1.2: Appropriation Bill (No. 3) 2004-05

	2003-04 available \$'000	2004-05 budget \$'000	2004-05 revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
ADMINISTERED ITEMS					
Outcome 1					
More sustainable, competitive and profitable Australian agricultural, food, fisheries and forestry industries	279,128	372,795	383,215	10,420	-
Total	279,128	372,795	383,215	10,420	-
DEPARTMENTAL OUTPUTS					
Outcome 1					
More sustainable, competitive and profitable Australian agricultural, food, fisheries and forestry industries	286,210	309,657	313,152	3,495	-
Total	286,210	309,657	313,152	3,495	-
Total administered and departmental	565,338	682,452	696,367	13,915	-

Note 1: 2003-04 available appropriation is included to allow a comparison of this year's appropriation with what was made available for use in the previous year.

Available appropriation is the amount available to be drawn down, and is equal to:

Budget Appropriation + Additional Estimates Appropriation + DIAB + AFM - Savings - Rephasings - Other Reductions +/- Section 32

Part C: Agency Additional Estimates Statements – Agriculture, Fisheries and Forestry

Table 1.3: Appropriation Bill (No. 4) 2004-05

	2003-04 available \$'000	2004-05 budget \$'000	2004-05 revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
SPECIFIC PAYMENTS TO THE STATES AND TERRITORIES					
Outcome 1					
More sustainable, competitive and profitable Australian agricultural, food, fisheries and forestry industries	523,815	464,986	417,914	-	47,072
Total	523,815	464,986	417,914	-	47,072
Non-operating					
Equity injections	-	-	-	-	-
Loans	-	-	-	-	-
Previous years' outputs	32,180	3,473	5,860	2,387	-
Administered assets and liabilities	-	-	-	-	-
Total capital	32,180	3,473	5,860	2,387	-
Department of Agriculture, Fisheries and Forestry					
Total	555,995	468,459	423,774	2,387	47,072

Note 1: 2003-04 available appropriation is included to allow a comparison of this year's appropriation with what was made available for use in the previous year.

Available appropriation is the amount available to be drawn down, and is equal to:

*Budget Appropriation + Additional Estimates Appropriation + DIAB + AFM - Savings
- Rephasings - Other Reductions +/- Section 32*

SUMMARY OF STAFFING CHANGES

Table 1.4: Average Staffing Level (ASL)

	2004-05 Budget	2004-05 Revised	Variation
Outcome			
More sustainable, competitive and profitable Australian agricultural, food, fisheries and forestry industries	3796	3840	44
Total	3796	3840	44

VARIATIONS TO REVENUE FROM OTHER SOURCES THROUGH NET ANNOTATED (SECTION 31) RECEIPTS

Table 1.5: Changes to Net Annotated Appropriations (Section 31) Receipts

	Total approp 2004-05 budget	Total approp 2004-05 revised	Receipts from independent sources budget	Receipts from independent sources revised	Variation in non-govt revenue
	\$'000	\$'000	\$'000	\$'000	\$'000
Outcome 1					
More sustainable, competitive and profitable Australian agricultural, food, fisheries and forestry industries	309,657	313,152	199,033	212,709	13,676
Total	309,657	313,152	199,033	212,709	13,676

REVENUE FROM INDEPENDENT SOURCES

Table 1.6: Revenue from independent sources

	Budget estimate 2004-05 \$'000	Revised estimate 2004-05 \$'000	Variation 2004-05 \$'000
DEPARTMENTAL REVENUE			
Sale of goods and services	191,508	202,184	10,676
Interest	700	700	-
Revenue from other sources	6,825	9,825	3,000
Total non-appropriation departmental revenue	199,033	212,709	13,676
ADMINISTERED REVENUE			
Levies			
AFMA Fishing Management Levy	11,995	11,995	-
Agricultural & Veterinary Chemical Levy	18,236	18,236	-
All Milk Levy	31,000	31,000	-
Buffalo Slaughter Export Charge	26	26	-
Buffalo Slaughter Levy	20	20	-
Cattle Producers Export Charge	405	405	-
Cattle Transaction Levy	46,023	46,023	-
Coarse Grains Levy	16,497	16,497	-
Cotton Research Levy	4,449	3,449	(1,000)
Dairy Industry Restructure Package Levy	225,000	225,000	-
Deer Export Charge	10	10	-
Deer Slaughter Levy	160	160	-
Deer Velvet Export Charge	35	35	-
Deer Velvet Levy	15	15	-
Egg Promotion Levy	2,700	3,000	300
Farmed Prawns Export Charge	5	5	-
Farmed Prawns Levy	120	120	-
Fishing Levy - Commonwealth	1,376	1,376	-
Fishing Levy - States	4,360	4,360	-
Fishing Levy - Domestic	310	310	-
Forestry Import Charge	768	800	32
Forestry Levies	3,297	3,297	-
Goat Fibre Levy	26	26	-
Grain Legumes Levy	4,003	4,003	-
Grape Research Levy	3,400	3,620	220
Honey Export Charge	55	60	5
Honey Levy	178	220	42
Horticultural Levy	24,902	26,500	1,598
Horticultural Export Charge	2,473	2,473	-
Laying Chicken Levy	800	893	93
Live Bee Levy	14	14	-
Live Animal Export Charge	3,260	3,260	-
Livestock Transactions Levy	29,000	29,000	-
Livestock Export Charge - Disease Eradication	5	5	-
Livestock Slaughter Levy - Disease Eradication	1	1	-
Macropod Levy	55	90	35
Manufactured Milk Levy	1	1	-

Table 1.6: Revenue from independent sources – continued

	Budget estimate 2004-05 \$'000	Revised estimate 2004-05 \$'000	Variation 2004-05 \$'000
Market Milk Levy	-	-	-
Meat Chicken Levy	1,142	1,142	-
National Residue Survey (NRS) Levies	5,648	-	(5,648)
NRS Game Pigs Levy	20	20	-
NRS Horse Levy	90	90	-
NRS Ratite Slaughter Levy	39	39	-
Oilseeds Levy	5,206	5,206	-
Pasture Seeds Levy	163	163	-
Pig Slaughter Levy	13,500	13,500	-
Refund of Administered Receipts	-	(2,725)	(2,725)
Rice Levy	1,800	1,065	(735)
Sugar Cane Research Levy	5,300	5,800	500
Sugar Levy	22,000	22,000	-
Wheat Levy	40,200	38,000	(2,200)
Wheat Export Charge	3,714	3,714	-
Wine Export Charge	2,500	2,619	119
Wine Grapes Levy	7,500	8,877	1,377
Wool Levy and Export Charge	42,000	42,000	-
Sub-total	585,802	577,815	(7,987)
Interest in state & territory debt			
Adelaide Northern Town Water	1,054	1,054	-
Sewerage Agreements	823	823	-
Rural Adjustment Scheme	112	112	-
War Service Land Settlement Loans	1	1	-
Sub-total	1,990	1,990	-
Other non-taxation revenue			
War Service Land Settlement - Rent	903	888	(15)
<i>Australian Animal Health Council (Livestock Industry) Funding Act 1996</i>	362	362	-
Sub-total	1,265	1,250	(15)
Total administered revenue from independent sources	589,057	581,055	(8,002)

ESTIMATES OF EXPENSES FROM SPECIAL APPROPRIATIONS

Table 1.7: Estimates of expenses from special appropriations

	Budget estimate 2004-05 \$'000	Revised estimate 2004-05 \$'000	Variation 2004-05 \$'000
Estimated expenses			
Output 2: Rural policy and innovation			
Australian Meat & Livestock Act 1997 - Marketing Body	43,843	45,861	2,018
Australian Meat & Livestock Act 1997 - Research Body	51,010	53,968	2,958
<i>Australian Wine & Brandy Corporation Act 1980</i>	5,159	5,350	191
<i>Dairy Produce Act 1986</i>	47,275	46,352	(923)
<i>Egg Industry Service Provision Act 2002</i>	5,714	5,948	234
<i>Farm Household Support Act 1992 (Exceptional Circumstances Relief Payment)</i>	134,403	132,730	(1,673)
<i>Horticultural Marketing and Research and Development Services Act 2000</i>	56,136	58,540	2,404
<i>Pig Industry Act 2001</i>	17,791	18,024	233
<i>Plant Health Australia (Plant Industries) Funding Act 2002</i>	385	433	48
<i>Primary Industries & Energy R&D Act 1989 - Cotton R&D Corporation</i>	13,102	8,214	(4,888)
<i>Primary Industries & Energy R&D Act 1989 - Fisheries R&D Corporation</i>	23,192	23,192	-
<i>Primary Industries & Energy R&D Act 1989 - Forest & Wood Products R&D Corporation</i>	7,664	6,956	(708)
<i>Primary Industries & Energy R&D Act 1989 - Grains R&D Corporation - Grains - Wheat</i>	64,947	64,200	(747)
<i>Primary Industries & Energy R&D Act 1989 - Grains R&D Corporation - Other Grains</i>	43,893	43,395	(498)
<i>Primary Industries & Energy R&D Act 1989 - Grape and Wine R&D Corporation</i>	15,212	15,561	349
<i>Primary Industries & Energy R&D Act 1989 - Rural Industries R&D Corporation</i>	5,130	5,594	464
<i>Primary Industries & Energy R&D Act 1989 - Sugar R&D Corporation</i>	9,649	10,316	667
<i>Wool Services Privatisation Act 2000</i>	58,170	64,537	6,367
Sub-total	602,675	609,171	6,496
Output 3: Industry Development			
Dairy Industry Restructure Package	224,000	224,000	-
<i>Fisheries Admin Act 1991</i>	12,305	12,305	-
<i>Wheat Marketing Act 1989</i>	3,714	3,714	-
Sub-total	240,019	240,019	-
Output 5: Product integrity, animal (including aquatic animal) and plant health			
<i>Agricultural and Veterinary Chemicals (Administration) Act 1992</i>	18,236	18,236	-
<i>Australian Animal health Council (Livestock Industry) Funding Act 1996</i>	7,750	7,750	-
<i>National Cattle Disease Eradication Trust Account Act 1991</i>	604	5	(599)
<i>National Residue Survey Administration Act 1992</i>	5,773	5,773	-
Sub-total	32,363	31,764	(599)
Total estimated expenses	875,057	880,954	5,897

Part C: Agency Additional Estimates Statements – Agriculture, Fisheries and Forestry

ESTIMATED SPECIAL ACCOUNT FLOWS

Table 1.8: Estimated special account flows

	Revised Estimate - 2004-05, Heavy Figures			
	<i>Final Actual - 2003-04. Light figures ⁽¹⁾</i>			
	Opening Balance 2004-05⁽¹⁾ <i>2003-04⁽¹⁾</i>	Receipts 2004-05 <i>2003-04</i>	Payments 2004-05 <i>2003-04</i>	Closing Balance 2004-05 <i>2003-04</i>
	\$'000	\$'000	\$'000	\$'000
Forestry Account - <i>Forestry and Timber Bureau Act 1930 (A)</i>	138	3	-	141
	127	11	-	138
Income Equalisation Deposits Account - <i>Loan (Income Equalization Deposits) Act 1976 (A)</i>	-	-	-	-
	-	-	-	-
National Cattle Disease Eradication Account - <i>National Cattle Eradication Reserve Act 1991 (A)</i>	13,298	604	1,000	12,902
	14,119	623	1,444	13,298
Natural Resources Management Account - <i>Natural Resources Management (Financial Assistance) Act 1992 (A)</i>	5,299	10,222	15,521	-
	727	11,186	6,614	5,299
NAP Special Account - <i>section 20, Financial Management and Accountability Act 1997 (A)</i>	1,737	1,900	2,837	800
	-	2,851	1,114	1,737
Australian Quarantine and Inspection Service Account - <i>section 20, Financial Management and Accountability Act 1997 (D)</i>	47,754	268,099	274,275	41,578
	21,732	241,432	215,410	47,754
Meat Inspection Service Account - <i>section 20, Financial Management and Accountability Act 1997 (D)</i>	-	33,400	33,400	-
	-	81,618	81,618	-
National Residue Survey - <i>National Residue Survey Administration Act 1992 (D)</i>	13,499	7,800	10,800	10,499
	14,784	9,303	10,588	13,499
Other Trust Moneys Account - <i>section 20, Financial Management and Accountability Act 1997 (D)</i>	-	-	-	-
	-	-	-	-
Services for Other Government and Non-Agency Bodies Account - <i>section 20, Financial Management and Accountability Act 1997 (D)</i>	163	230	352	41
	34	183	54	163
Total Special Accounts	81,888	322,258	338,185	65,961
	51,523	347,207	316,842	81,888

D = Departmental, A= Administered

Note 1 The revised Opening Balance for 2004-05 is the same as the final actual closing balance for 2003-04. This balance may have changed from that shown in the 2004-2005 PBS as the actual for 2003-04 will have been updated to reflect the final budget outcome for that year.

Table 1.9: Estimates of administered expenses from appropriation Bill (No. 3)

	2004-05 budget \$'000	2004-05 revised \$'000	Additional estimates \$'000
Output 1: Natural resources access and management			
Defeating the Weed Menace	-	1,690	1,690
Great Artesian Basin Sustainability Initiative	200	200	-
Murray Environmental Flows	7,500	7,500	-
Murray-Darling Basin Commission	6,518	6,518	-
Murray-Darling Basin Commission - Contribution to Salinity Mitigation	3,487	3,487	-
National Action Plan for Salinity and Water Quality	-	1,206	1,206
National Landcare Programme - (for payment to NRM account)	10,222	10,222	-
Water Resources Assessment and Research - Grants	175	175	-
Sub-total	28,102	30,998	2,896
Output 2: Rural policy and innovation			
AAA - Farm Help	34,440	28,830	(5,610)
AAA - Industry Partnerships	4,700	4,700	-
AAA - Rural Financial Counselling Service	4,620	4,620	-
Drought Relief Package - Interest Rate Relief for Farmers	13,903	10,703	(3,200)
Interim Income Support Payments	594	6,975	6,381
International Organisations Contributions - UPOV	73	-	(73)
Land and Water Resources R&D Corporation	12,501	12,501	-
Rural Industries R&D Corporation	12,539	12,539	-
Sub-total	83,370	80,868	(2,502)
Output 3: Industry development			
Fisheries Resources Research Fund	3,509	3,895	386
For expenditure under the <i>Fisheries Admin Act 1991</i>	13,698	16,531	2,833
Forest Industry Structural Adjustment Package	7,930	7,930	-
International Organisations Contributions	1,580	1,580	-
National Food Industry Strategy - Centres of Excellence	3,500	3,500	-
National Food Industry Strategy - Food Innovation Grants	10,704	10,704	-
National Food Industry Strategy - Food Safety and Quality Initiative	150	277	127
New Industries Development Programme	3,545	3,545	-
Payment to Meat & Livestock Australia	754	754	-
RecFish Australia	-	100	100
Sugar Industry Reform Programme 2004	192,778	192,424	(354)
Sub-total	238,148	241,240	3,092
Output 4: Market access and biosecurity			
AAA - International Agricultural Cooperation	650	650	-
Keniry Technical Cooperation	1,000	1,000	-
United Nations Food and Agriculture Organisation (FAO)	8,090	8,899	809
Sub-total	9,740	10,549	809

Table 1.9: Estimates of administered expenses from appropriation Bill (No. 3) – continued

	2004-05 budget \$'000	2004-05 revised \$'000	Additional estimates \$'000
Output 5: Product integrity, animal (including aquatic animal) and plant health			
Agricultural and Veterinary Chemicals Minor Use Programme	122	122	-
Australian Animal Welfare Strategy	-	103	103
Building a National Approach to Animal and Plant Health	3,530	3,530	-
Commonwealth contribution to the operating costs of Animal Health Australia	1,072	941	(131)
International Organisations Contributions	395	188	(207)
National Cattle Disease Eradication - Interest on special account	-	600	600
National Livestock Identification Scheme	-	5,000	5,000
Other Exotic Disease Preparedness Programme	876	876	-
Ovine Johnes Disease Control & Evaluation Programme	-	300	300
Payment to CSIRO - Contribution to the operating costs of the AAHL	6,840	6,840	-
Tuberculosis Freedom Assurance Programme	600	600	-
Sub-total	13,435	19,100	5,665
Output 7: Scientific Advice			
Centre of Excellence for Biosecurity Risk Analysis and Research	-	387	387
Sub-total	-	387	387
Total estimated expenses from appropriation bill (no. 3)	372,795	383,142	10,347

Note: Total administered expenses will vary from those presented in Table 1.2 due to the following Section 32 transfers:
 - International Organisations Contributions - UPOV to IP Australia (\$73,000).

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

	2004-05 budget \$'000	2004-05 revised \$'000	Additional estimates \$'000
Output 1: Natural resources access and management			
Great Artesian Basin Sustainability Initiative - States	7,700	7,700	-
National Action Plan for Salinity and Water Quality	147,535	114,880	(32,655)
National Landcare Programme - Payments to States	29,091	29,091	-
Tasmanian Water Infrastructure	2,100	2,100	-
Sub-total	186,426	153,771	(32,655)
Output 2: Rural policy and innovation			
AAA - FarmBis	12,100	12,100	-
Agricultural Development Partnerships	3,012	3,012	-
Exceptional Circumstances	248,219	214,984	(33,235)
Sub-total	263,331	230,096	(33,235)
Output 3: Industry development			
Forest Industry Structural Adjustment Package - States	6,357	13,349	6,992
Tasmanian Wheat Freight - Shipping	1,200	-	(1,200)
Victorian Data Assistance Strategy	400	1,340	940
Sub-total	7,957	14,689	6,732
Output 5: Product integrity, animal (including aquatic animal) and plant health			
Citrus Canker Eradication Programme	-	3,500	3,500
Eradication of the Red Imported Fire Ant	6900	15486	8,586
Exotic Disease Preparedness Programme	288	288	-
Other Exotic Disease Preparedness Programme	84	84	-
Sub-total	7,272	19,358	12,086
Total estimated expenses from appropriation bill (no. 4)	464,986	417,914	(47,072)

Section 2: Revisions to outcomes and outputs

OUTCOMES AND OUTPUT GROUPS

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

Output cost attribution

The Department's cost allocation model allocates corporate costs to all departmental Outputs on the basis of estimated resource consumed using a number of cost drivers. The resulting allocations are then further divided in direct proportion to their split of appropriation funding and cost recovered revenue.

The Australian Quarantine and Inspection Service (AQIS) has an overarching fees and charges policy document and individual charging guidelines that apply to each of the AQIS cost recovered programs. The Australian Bureau of Agricultural and Resource Economics (ABARE) and the Bureau of Rural Sciences (BRS) have internal charging guidelines that provide for full cost recovery. The National Residue Survey (NRS) is funded from statutory NRS levies collected on the commodities of participating industries.

Section 3: Budgeted financial statements

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

BUDGETED FINANCIAL STATEMENTS

Departmental financial statements

Table 3.1: Budgeted departmental statement of financial performance

This statement provides a picture of the expected financial results for the Department by identifying full accrual expenses and revenues, which highlights whether the Department is operating at a sustainable level.

Analysis: Revenues from Government decline over the period of the forward estimates reflecting the provisional lapsing of a number of budget measures including *Increased Quarantine Intervention* and *Nairn* programmes. The expected decrease in revenues from government since the 2004-05 budget reflects funding transferred to the newly created Biosecurity Australia agency. The movement in employee and supplier expenses reflect the appropriation decline over the same period.

Table 3.2 Budgeted departmental statement of financial position

This statement shows the financial position of the Department. It helps decision makers to track the management of the Department's assets and liabilities.

Analysis: Liabilities decline over the period of the forward estimates reflecting the provisional lapsing of a number of budget measures including *Increased Quarantine Intervention* and *Nairn* programmes and the accompanying reduction in staff numbers.

Table 3.3: Budgeted departmental statement of cash flows

This statement provides important information on the extent and nature of cash flows by categorising them into expected cash flows from operating activities, investing activities and financing activities.

Table 3.4: Departmental capital budget statement

This statement shows all planned departmental capital expenditure on non-financial assets, whether funded either through capital appropriations for additional equity or borrowings, or from funds from internal sources.

Schedule of administered activity

Table 3.5: Departmental Non-financial Assets - Summary of Movement

Shows budgeted acquisitions and disposals of non-financial assets during the budget year.

Table 3.6: Schedule of budgeted revenues and expenses administered on behalf of government

This schedule identifies the main revenues and expenses administered on behalf of the Government.

Analysis: The Department will receive administered appropriations totalling \$1,681.623 million in 2004-05 for payments it will administer on behalf of the Government, a decrease of \$30.755 million compared to the 2004-05 Budget appropriations. The decrease is summarised as follows:

- increase of \$10.420 million in Appropriation Bill (no.3);
- decrease of \$47.072 million in Appropriation Bill (no.4); and
- increase of \$5.897 million in Special Appropriations

The main reasons for the decrease in Appropriation Bill No 4 are due to the rephrasing of funding for the National Action Plan for Salinity and Water from 2004-05 to the forward years for a total of \$32.655 million and reductions in Exceptional Circumstances funding of \$33.235 million. These reductions were partially offset by an increase in funding for the Red Imported Fire Ant Eradication programme of \$8.586 million.

Expenses decline over the period of the forward estimates reflecting primarily the lapsing of the drought related measures.

The Department will administer the collection of other taxes, fees and fines (primarily industry levies) of \$577.815 million, a decrease of \$7.987 million from the 2004-05 Budget estimate.

Table 3.7: Schedule of budgeted assets and liabilities administered on behalf of government

This schedule shows the assets and liabilities administered on behalf of the Government.

Analysis: Total assets have decreased by \$115.175 million primarily due to a reduction in Investments in Commonwealth Authorities in particular the write down of the value of the investment in the Murray Darling Basin Commission (\$51.146 million).

Table 3.8: Schedule of budgeted administered cash flows

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

Table 3.1: Budgeted departmental statement of financial performance (for the period ended 30 June)

	Actual 2003-04 \$'000	Revised Budget 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000
REVENUE					
Revenues from ordinary activities					
Revenue from government	291,441	305,606	205,290	188,541	181,500
Goods and services	193,465	202,184	170,925	170,769	168,744
Interest and Dividends	864	700	706	715	720
Revenue from sale of assets	54				
Other revenues	9,082	9,825	10,025	10,220	10,230
Revenues from ordinary activities	494,906	518,315	386,946	370,245	361,194
EXPENSE					
Expenses from ordinary activities (Excluding borrowing costs expense)					
Employees	288,995	293,796	196,906	199,477	192,366
Suppliers	181,431	193,432	155,811	140,916	140,214
Grants	8,443	19,450	19,854	14,861	13,017
Depreciation and amortisation	6,971	11,216	13,605	14,737	14,849
Write-down of assets	1,371	-	-	-	-
Value of assets sold	65	-	-	-	-
Net foreign exchange losses	1	-	-	-	-
Other expenses	-	-	117	-	-
Expenses from ordinary activities (Excluding borrowing costs expense)	487,277	517,894	386,293	369,991	360,446
Operating surplus or (deficit) from ordinary activities	7,629	421	653	254	748
Net surplus or (deficit)	7,629	421	653	254	748
Net surplus or (deficit) attributable to the Australian Government	-	-	-	-	-
Net credit (debit) to asset revaluation reserve	(694)	-	-	-	-
Total changes in equity other than those resulting from transactions with owners as owners	(694)	-	-	-	-

Part C: Agency Additional Estimates Statements – Agriculture, Fisheries and Forestry

Table 3.2: Budget departmental statement of financial position (as at 30 June)

	Actual	Revised	Forward	Forward	Forward
	2003-04	Budget	estimate	estimate	estimate
	\$'000	2004-05	2005-06	2006-07	2007-08
		\$'000	\$'000	\$'000	\$'000
ASSETS					
Financial assets					
Cash	14,919	20,680	8,494	9,205	9,397
Receivables	106,469	99,196	73,678	85,678	85,239
Investments	13,500	14,625	14,685	15,185	15,779
Accrued revenues	13,792	8,108	8,108	8,108	8,666
Total financial assets	148,680	142,609	104,965	118,176	119,081
Non-financial assets					
Land and buildings	15,676	15,205	15,003	12,930	12,930
Infrastructure, plant and equipment	5,024	4,204	3,567	1,998	1,998
Inventories	2,866	3,979	3,979	3,979	3,979
Intangibles	11,459	13,153	13,832	8,625	8,625
Other non-financial assets	3,046	3,094	3,093	3,093	3,093
Total non-financial assets	38,071	39,635	39,474	30,625	30,625
Total assets	186,751	182,244	144,439	148,801	149,706
LIABILITIES					
Provisions					
Employees	88,581	88,294	61,062	61,534	61,982
Total provisions	88,581	88,294	61,062	61,534	61,982
Payables					
Suppliers	13,921	11,619	9,165	6,727	6,835
Other payables	48,625	46,971	38,199	44,273	43,874
Total payables	62,546	58,590	47,364	51,000	50,709
Total liabilities	151,127	146,884	108,426	112,534	112,691
EQUITY *					
Parent entity interest					
Contributed equity	14,422	14,152	14,152	14,152	14,152
Reserves	4,034	4,034	4,034	4,034	4,034
Retained surpluses or accumulated deficits	17,168	17,174	17,827	18,081	18,829
Total parent entity interest	35,624	35,360	36,013	36,267	37,015
Total equity	-	-	-	-	-
Current assets	148,680	142,609	104,965	118,176	119,081
Non-current assets	38,071	39,635	39,474	30,625	30,625
Current liabilities	100,750	97,913	72,083	75,022	75,127
Non-current liabilities	50,377	48,971	36,343	37,512	37,564

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

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

	Actual 2003-04 \$'000	Revised Budget 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	183,971	192,075	161,929	170,629	168,515
Appropriations	286,728	311,527	210,875	194,126	187,085
Interest	853	700	706	715	720
Other	25,602	26,301	24,300	22,780	22,804
Total cash received	497,154	530,603	397,810	388,250	379,124
Cash used					
Employees	280,773	297,197	200,730	203,141	196,100
Suppliers	184,626	184,497	161,092	150,600	141,914
Grants	8,443	19,451	19,854	14,861	13,017
Other	31,610	17,493	15,157	13,336	13,351
Total cash used	505,452	518,638	396,833	381,938	364,382
Net cash from/ (used by)					
Operating activities	(8,298)	11,965	977	6,312	14,742
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	54	-	-	-	-
Other	1,000	-	-	-	-
Total cash received	1,054	-	-	-	-
Cash used					
Purchase of property, plant and equipment	16,656	12,064	13,613	6,051	15,000
Total cash used	16,656	12,064	13,613	6,051	15,000
Net cash from/ (used by)					
investing activities	(15,602)	(12,064)	(13,613)	(6,051)	(15,000)
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	32,180	5,860	450	450	450
Total cash received	32,180	5,860	450	450	450
Net cash from/ (used by)					
financing activities	32,180	5,860	450	450	450
Net increase or (decrease)					
in cash held	8,280	5,761	(12,186)	711	192
Cash at the beginning of the reporting period	6,639	14,919	20,680	8,494	9,205
Cash at the end of the reporting period	14,919	20,680	8,494	9,205	9,397

Part C: Agency Additional Estimates Statements – Agriculture, Fisheries and Forestry

Table 3.4: Departmental capital budget statement

	Actual	Revised Budget	Forward estimate	Forward estimate	Forward estimate
	2003-04	2004-05	2005-06	2006-07	2007-08
	\$'000	\$'000	\$'000	\$'000	\$'000
CAPITAL APPROPRIATIONS					
Appropriations of previous year accrued revenue	32,180	5,860	-	-	-
Represented by					
Other	-	5,860	-	-	-
Total	-	5,860	-	-	-
PURCHASE OF NON CURRENT ASSETS					
Funded internally by Departmental resources	16,656	12,064	13,613	6,051	15,000

Part C: Agency Additional Estimates Statements – Agriculture, Fisheries and Forestry

Table 3.5: Departmental Non-financial Assets - Summary of Movement (Budget Year 2004-05)

	Land	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
Carrying amount at the start of year	798	14,878	-	5,024	-	11,459	-	32,159
Additions	-	2,281	-	1,319	-	8,464	-	12,064
Assets transferred out - restructure	-	(55)	-	(390)	-	-	-	(445)
Depreciation/amortisation expense	-	(2,697)	-	(1,749)	-	(6,770)	-	(11,216)
Carrying amount at the end of year	798	14,407	-	4,204	-	13,153	-	32,562
Total additions								
Self funded	-	2,281	-	1,319	-	8,464	-	12,064
Appropriations	-	-	-	-	-	-	-	-
Total	-	2,281	-	1,319	-	8,464	-	12,064

Table 3.6: Schedule of budgeted revenues and expenses administered on behalf of government (for the period ended 30 June)

	Actual 2003-04 \$'000	Revised Budget 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000
REVENUES					
Taxation					
Other taxes, fees and fines	604,914	577,815	590,510	593,176	584,442
Total taxation	604,914	577,815	590,510	593,176	584,442
Non-taxation (revenues from government)					
Interest	2,675	1,990	1,813	1,676	1,551
Other sources of non-taxation revenues	26,452	1,250	1,172	1,076	1,071
Total non-taxation	29,127	3,240	2,985	2,752	2,622
Total revenues administered on behalf of government	634,041	581,055	593,495	595,928	587,064
EXPENSES					
Grants	1,201,545	1,386,786	1,192,222	1,106,733	1,011,925
Personal benefits	227,412	280,982	119,122	39,362	7,108
Suppliers	26,305	14,069	14,782	17,098	15,985
Write down and impairment of assets	52,259	-	-	-	-
Other	-	173	1,272	1,106	1,047
Total expenses administered on behalf of the government	1,507,521	1,682,010	1,327,398	1,164,299	1,036,065

Table 3.7: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June)

	Actual	Revised Budget	Forward estimate	Forward estimate	Forward estimate
	2003-04	2004-05	2005-06	2006-07	2007-08
	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS					
Financial assets					
Cash	-	97	-	3,047	2,063
Receivables	55,546	70,912	62,876	57,169	56,281
Investments accounted for under the equity method	274,281	274,281	274,281	274,281	274,281
Investments	171,385	181,868	176,896	176,896	176,896
Accrued revenues	56,721	680	643	502	82
Total financial assets	557,933	527,838	514,696	511,895	509,603
Non-financial assets					
Other non-financial assets	8,177	534	534	534	534
Total non-financial assets	8,177	534	534	534	534
Total assets administered on behalf of government	566,110	528,372	515,230	512,429	510,137
LIABILITIES					
Interest bearing liabilities					
Loans	7,113	2,932	2,932	2,932	2,932
Total interest bearing liabilities	7,113	2,932	2,932	2,932	2,932
Payables					
Suppliers	-	3	3	3	3
Grants and subsidies	77,472	49,433	37,496	35,976	33,684
Personal benefits payable	3,928	1,296	69	-	-
Taxation refunds due					
Other payables	555	13	13	13	13
Total payables	81,955	50,745	37,581	35,992	33,700
Total liabilities administered on behalf of government	89,068	53,677	40,513	38,924	36,632

Table 3.8: Schedule of budgeted administered cash flows (for the period ended 30 June)

	Actual 2003-04 \$'000	Revised Budget 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000
OPERATING ACTIVITIES					
Cash received					
Other taxes, fees and fines	553,861	565,086	590,473	593,161	583,984
Interest	2,744	1,310	1,850	1,817	1,971
Cash from Official Public Account	1,433,284	1,648,540	1,345,643	1,184,638	1,054,468
Other	26,452	1,265	1,195	1,107	1,109
Total cash received	2,016,341	2,216,201	1,939,161	1,780,723	1,641,532
Cash used					
Grant payments	1,174,477	1,346,949	1,208,295	1,115,918	1,022,307
Personal benefits	224,429	279,686	120,349	39,431	7,108
Suppliers	25,878	5,701	6,692	9,008	7,895
Cash to Official Public Account	612,777	582,918	592,981	597,140	587,064
Other		173	1,272	1,106	1,047
Total cash used	2,037,561	2,215,427	1,929,589	1,762,603	1,625,421
Net cash from / (used by) operating activities	(21,220)	774	9,572	18,120	16,111
INVESTING ACTIVITIES					
Cash received					
Repayments of advances	2,316	-	-	-	-
Other	14,722	1,959	1,711	765	1,308
Total cash received	17,038	1,959	1,711	765	1,308
Net cash from / (used by) investing activities	17,038	1,959	1,711	765	1,308
FINANCING ACTIVITIES					
Cash received					
Other	48,751	41,360	33,375	29,231	25,906
Total cash received	48,751	41,360	33,375	29,231	25,906
Cash used					
Other	44,569	43,996	44,755	45,069	44,309
Total cash used	44,569	43,996	44,755	45,069	44,309
Net cash from / (used by) financing activities	4,182	(2,636)	(11,380)	(15,838)	(18,403)
Net increase or (decrease) In Cash held					
Cash at beginning of reporting period	-	97	(97)	3,047	(984)
Cash at end of reporting period	-	97	-	3,047	2,063

NOTES TO THE FINANCIAL STATEMENTS

Basis of accounting

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

PART D

PORTFOLIO BODY ADDITIONAL ESTIMATES STATEMENTS

PART D: BIOSECURITY AUSTRALIA

Section 1: Overview and revenue summary

OUTCOME

Biosecurity Australia's Outcome is:

To provide science based quarantine assessments and policy advice that protects Australia's favourable pest and disease status and enhances Australia's access to international animal and plant related markets.

OUTPUT

Provide science based quarantine assessments and policy advice.

DESCRIPTION OF OUTPUT ACTIVITIES

Building on the principles set by the Government in 1997 for effective quarantine systems, Biosecurity Australia's priorities are directed at:

- transparent and scientifically-based biosecurity policy for imports of animals and plants
- development and review of biosecurity policies and procedures
- independent scientific and technical advice to enhance Australia's access to international animal and plant related markets
- strategic involvement with international standard setting organisations including the Office International des Epizooties (OIE), the Codex Alimentarius Commission (Codex) and the bodies established under the International Plant Protection Convention (IPPC)
- capacity building activities for Australia's neighbouring countries that complement Australia's biosecurity

Biosecurity Australia's priorities will evolve to meet the challenges confronting Australian agriculture and the community through:

- emerging pest and disease issues both in Australia and internationally
- technological advances
- changes to the world trading environment

PERFORMANCE INDICATORS

Development of scientifically based biosecurity policy, in line with Government policy, the *Quarantine Act 1908* and international obligations as measured by:

- number of import risk analyses (IRAs) and import policy reviews completed and/or progressed
- number of successful appeals compared to opportunities to appeal
- rate of incursions attributable to biosecurity policy
- acceptance by appointed scientific reviewers that policy is based on scientific principles
- regular survey of registered stakeholders

SUMMARY OF STAFFING CHANGES

Table 1.4: Average Staffing Level (ASL)

	2004-05 Budget	2004-05 Revised	Variation
Outcome			
More sustainable, competitive and profitable Australian agricultural, food, fisheries and forestry industries	0	42	42
Total	0	42	42

Note - the 2004-05 Budget Average Staffing Level (ASL) for Biosecurity Australia was included within the Department's total. The revised ASL has been adjusted to reflect the part of the year following the transfer of funding to Biosecurity Australia, which equates to a period of approximately five months. The equivalent full year ASL is 103.5.

Section 2: Budgeted financial statements

The budgeted financial statements for Biosecurity Australia (BA) are presented in this section. BA was prescribed as a separate agency on 1 December 2004 and funding was transferred from the Department of Agriculture, Fisheries and Forestry under s32 of the Financial Management and Accountability Act 1997 in early February 2005. The budgeted financial statements for 2004-05 represent the period of time from the s32 transfer to the end of the financial year. Prior to February 2005, the financial estimates for BA are included within the Department.

The budgets for the forward years reflect the lapsing of funding for the 'Continuation of Nairn Funding for Quarantine Activities' and 'Safeguarding Australia's Quarantine System' Measures.

Financial statements

Table 3.1: Budgeted statement of financial performance

The budgeted statement of financial performance provides estimates of the income and expenditure for BA following its establishment as a prescribed agency. BA is expected to be primarily funded from Government Appropriation with a relatively small amount of funding provided by AUSAID to conduct plant risk analysis workshops.

The relative consistency of estimates between 2004-05 and the forward years is coincidental and represents a combination of the part year budget for 2004-05 (from February 2005) and the lapsing of funding as identified above.

Table 3.2: Budgeted statement of financial position

The budgeted statement of financial position provides estimates of the assets and liabilities expected to be reported by BA. BA is expected to have few assets (apart from cash) and are primarily expected to comprise fitout for office accommodation and information technology equipment.

BA's liabilities primarily comprise provisions for employee entitlements along with the recognition of the finance lease liability for information technology equipment and estimated creditor balances.

The transfer of funding and resources from the Department included full funding to cover BA's liabilities, including the employee provisions, as they existed at the date of the transfer. An additional \$0.25m was provided by the Department to fund fitout for new office accommodation, which has been recognised as contributed equity.

Table 3.3: Budgeted statement of cash flows

The budgeted statement of cash flows indicates that BA is expected to have sufficient cash reserves to meet its obligations as they fall due. The small reduction in cash expected in 2004-05 reflects the purchase of fitout for new office accommodation. The investing and financing cash flows expected in 2007-08 relate to the replacement of information technology equipment and the associated finance lease.

Table 3.4: Capital budget statement

The primary capital requirements for BA are expected to reflect the purchase of fitout for new office accommodation in 2004-05 and the replacement of information technology equipment in 2007-08.

Table 3.5: Non-financial assets — summary of movement

This table reflects the expected movements in non-financial assets including the depreciation of existing assets along with the purchase of assets outlined above.

Table 3.1: Budgeted statement of financial performance (for the period ended 30 June)

	Actual 2003-04 \$'000	Revised Budget 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000
REVENUE					
Revenues from ordinary activities					
Revenue from government	-	7,434	8,253	8,253	8,183
Other revenues	-	206	-	-	-
Revenues from ordinary activities	-	7,640	8,253	8,253	8,183
EXPENSE					
Expenses from ordinary activities (Excluding borrowing costs expense)					
Employees	-	4,050	4,851	4,851	4,851
Suppliers	-	3,534	3,216	3,221	3,163
Depreciation and amortisation	-	49	168	163	151
Expenses from ordinary activities (Excluding borrowing costs expense)	-	7,633	8,235	8,235	8,165
Borrowing costs expense (note 1)	-	7	18	18	18
Operating surplus or (deficit) from ordinary activities	-	-	-	-	-

Note 1 : borrowing costs expense reflects the accounting treatment used for the provision of information technology equipment under a finance lease.

Table 3.2: Budgeted statement of financial position

	Actual	Revised	Forward	Forward	Forward
	2003-04	Budget	estimate	estimate	estimate
	\$'000	2004-05	2005-06	2006-07	2007-08
		\$'000	\$'000	\$'000	\$'000
ASSETS					
Financial assets					
Cash	-	2,538	2,706	2,862	3,000
Receivables	-	-	-	-	-
Total financial assets	-	2,538	2,706	2,862	3,000
Non-financial assets					
Land and buildings	-	297	226	160	106
Infrastructure, plant and equipment	-	288	201	114	298
Total non-financial assets	-	585	427	274	404
Total assets	-	3,123	3,133	3,136	3,404
LIABILITIES					
Interest bearing liabilities					
Leases (note 1)	-	234	143	53	234
Total interest bearing liabilities	-	234	143	53	234
Provisions					
Employees	-	2,301	2,402	2,495	2,581
Total provisions	-	2,301	2,402	2,495	2,581
Payables					
Suppliers	-	338	338	338	339
Total payables	-	338	338	338	339
Total liabilities	-	2,873	2,883	2,886	3,154
EQUITY *					
Parent entity interest					
Contributed equity	-	250	250	250	250
Reserves	-	-	-	-	-
Retained surpluses or accumulated deficits	-	-	-	-	-
Total equity	-	250	250	250	250
Current assets	-	2,538	2,706	2,862	3,000
Non-current assets	-	585	427	274	404
Current liabilities	-	1,249	1,260	1,232	1,279
Non-current liabilities	-	1,624	1,623	1,654	1,875

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

Note 1 : interest bearing leases reflects the accounting treatment used to recognise the provision of information technology equipment under a finance lease.

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

	Actual 2003-04 \$'000	Revised Budget 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	-	7,434	8,253	8,253	8,183
Total cash received	-	7,434	8,253	8,253	8,183
Cash used					
Employees	-	4,180	4,801	4,801	4,801
Suppliers	-	3,202	3,184	3,196	3,144
Total cash used	-	7,382	7,985	7,997	7,945
Net cash from/ (used by) Operating activities	-	52	268	256	238
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	-	255	10	10	281
Total cash used	-	255	10	10	281
Net cash from/ (used by) investing activities	-	(255)	(10)	(10)	(281)
FINANCING ACTIVITIES					
Cash received					
Other	-	-	-	-	271
Total cash received	-	-	-	-	271
Cash used					
Other	-	38	90	90	90
Total cash used	-	38	90	90	90
Net cash from/ (used by) financing activities	-	(38)	(90)	(90)	181
Net increase or (decrease) in cash held	-	(241)	168	156	138
Cash at the beginning of the reporting period	-	2,779	2,538	2,706	2,862
Cash at the end of the reporting period	-	2,538	2,706	2,862	3,000

Part D: Agency Additional Estimates Statements – Biosecurity Australia

Table 3.4: Capital budget statement

	Actual	Revised	Forward	Forward	Forward
	2003-04	Budget	estimate	estimate	estimate
	\$'000	2004-05	2005-06	2006-07	2007-08
	\$'000	\$'000	\$'000	\$'000	\$'000
CAPITAL APPROPRIATIONS					
Total equity injections	-	-	-	-	-
Total loans	-	-	-	-	-
Represented by					
Purchase of non-current assets	-	-	-	-	-
Other	-	-	-	-	-
Total	-	-	-	-	-
PURCHASE OF NON CURRENT ASSETS					
Funded by capital appropriation	-	-	-	-	-
Funded internally by					
Departmental resources	-	255	10	10	281

Part D: Agency Additional Estimates Statements – Biosecurity Australia

Table 3.5: Non-financial assets — summary of movement (Budget year 2004-05)

	Land	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
Carrying amount at the start of year	-	55	-	324	-	-	-	379
Additions	-	250	-	5	-	-	-	255
Disposals	-	-	-	-	-	-	-	-
Net Revaluation increment / decrement	-	-	-	-	-	-	-	-
Recoverable amount write-downs	-	-	-	-	-	-	-	-
Net transfers free of charge	-	-	-	-	-	-	-	-
Depreciation/amortisation expense	-	(8)	-	(41)	-	-	-	(49)
Write-off of assets	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Carrying amount at the end of year	-	297	-	288	-	-	-	585
Total additions								
Self funded	-	250	-	5	-	-	-	255
Appropriations	-	-	-	-	-	-	-	-
Total	-	250	-	5	-	-	-	255

GLOSSARY

Accrual Accounting	System of accounting where items are brought to account and included in the financial statements as they are earned or incurred, rather than as they are received or paid.
Accumulated Depreciation	The aggregate depreciation recorded for a particular depreciating asset.
Administered Items	Expenses, revenues, assets or liabilities managed by agencies on behalf of the Commonwealth. Agencies do not control administered items. Administered expenses include grants, subsidies and benefits. In many cases, administered expenses fund the delivery of third party outputs.
Additional estimates	Where amounts appropriated at Budget time are insufficient, Parliament may appropriate more funds to portfolios through the Additional Estimates Acts.
Appropriation	An authorisation by Parliament to spend moneys from the Consolidated Revenue Fund for a particular purpose.
Annual Appropriation	Two appropriation Bills are introduced into Parliament in May and comprise the Budget for the financial year beginning 1 July. Further Bills are introduced later in the financial year as part of the additional estimates. Parliamentary departments have their own appropriations.
Capital expenditure	Expenditure by an agency on capital projects, for example purchasing a building.
Consolidated Revenue Fund	Section 81 of the Constitution stipulates that all revenue raised or money received by the Commonwealth forms the one consolidated revenue fund (CRF). The CRF is not a bank account. The Official Public Account reflects most of the operations of the CRF.
Departmental items	Assets, liabilities, revenues and expenses that are controlled by the agency in providing its outputs. Departmental items would generally include

Part D: Agency Additional Estimates Statements – Biosecurity Australia

	computers, plant and equipment assets used by agencies in providing goods and services and most employee expenses, supplier costs and other administrative expenses incurred.
Depreciation	Apportionment of an asset's capital value as an expense over its estimated useful life to take account of normal usage, obsolescence, or the passage of time.
Effectiveness indicators	Measures the joint or independent contribution of outputs and administered items to the achievement of their specified outcome.
Efficiency indicators	Measures the adequacy of an agency's management of its outputs (and where applicable, administered items). Includes Price, Quality and Quantity indicators. The interrelationship between the three efficiency indicators of any one output should be considered when judging efficiency.
Equity or Net Assets	Residual interest in the assets of an entity after deduction of its liabilities.
Expense	Total value of all of the resources consumed in producing goods and services or the loss of future economic benefits in the form of reductions in assets or increases in liabilities of an entity.
Fair value	Valuation methodology: The amount for which an asset could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's length transaction. The fair value can be affected by the conditions of the sale, market conditions and the intentions of the asset holder.
Intermediate outcomes	More specific medium-term impacts (eg. trend data, targets or milestones) below the level of the planned outcomes specified in the Budget. A combination of several intermediate outcomes can at times be considered as a proxy for determining the achievement of outcomes or progress towards outcomes. (see <i>outcomes</i>)
Operating result	Equals revenue less expense.

Part D: Agency Additional Estimates Statements – Biosecurity Australia

Outcomes	The Government's objectives in each portfolio area. Outcomes are desired results, impacts or consequences for the Australian community as influenced by the actions of the Australian Government. Actual outcomes are assessments of the end-results or impacts actually achieved.
Output Groups	A logical aggregation of agency outputs, where useful, and based either on homogeneity, type of product, business line or beneficiary target group. Aggregation of outputs may also be needed for the provision of adequate information for performance monitoring, or based on a materiality test.
Outputs	The goods and services produced by agencies on behalf of government for external organisations or individuals. Outputs also include goods and services for other areas of government external to the agency.
Price	One of the three key efficiency indicators. The amount the government or the community pays for the delivery of agreed outputs.
Quality	One of the three key efficiency indicators. Relates to the characteristics by which customers or stakeholders judge an organisation, product or service. Assessment of quality involves use of information gathered from interested parties to identify differences between user's expectations and experiences.
Quantity	One of the three key efficiency indicators. Examples include: the size of an output; count or volume measures; how many or how much.
Revenue	Total value of resources earned or received to cover the production of goods and services.
Special Account	Balances existing within the Consolidated Revenue Fund (CRF) that are supported by standing appropriations (<i>Financial Management and Accountability (FMA) Act 1997</i> , ss.20 and 21). Special accounts allow money in the CRF to be acknowledged as set-aside (hypothecated) for a particular purpose. Amounts credited to a Special Account may only be spent for the purposes of the

Part D: Agency Additional Estimates Statements – Biosecurity Australia

Special Account. Special Accounts can only be established by a written determination of the Finance Minister (s.20 FMA Act) or through an Act of Parliament (referred to in s.21 of the FMA Act).

Special Appropriations
(including Standing
Appropriations)

An amount of money appropriated by a particular Act of Parliament for a specific purpose and number of years. For special appropriations the authority to withdraw funds from the Consolidated Revenue Fund does not generally cease at the end of the financial year.

Standing appropriations are a sub-category consisting of ongoing special appropriations – the amount appropriated will depend on circumstances specified in the legislation.

INDEX

A

AAA - FarmBis
AAA - Farm Help, 20
AAA - Industry Partnerships, 20
AAA - International Agricultural Contribution, 20
AAA - Rural Financial Counselling Service, 20
Adelaide Northern Town Water, 17
Agricultural and Veterinary Chemicals (Administration) Act 1992, 18
Agricultural and Veterinary Chemicals Minor Use Programme, 21
Agricultural Development Partnerships, 22
Australian Animal Health Council (Livestock Industry) Funding Act 1996, 17, 18
Australian Animal Welfare Strategy, 10, 20
Australian Fisheries Management Authority, 4
Australian Meat & Livestock Act 1997 - Marketing Body, 18
Australian Meat & Livestock Act 1997 - Research Body, 18
Australian Pesticides and Veterinary Medicines Authority, 4
Australian Wine and Brandy Corporation, 4
Australian Wine and Brandy Corporation Act 1980, 18

B

Biosecurity Australia, 4, 7
Building a National Approach to Animal and Plant Health, 21

C

Centre of Excellence for Biosecurity Risk Analysis and Research, 10, 21
Citrus Canker Eradication, 10, 22
Cotton RDC, 4

D

Dairy Industry Restructure Package, 18
Dairy Produce Act 1986, 18
Defeating the Weed Menace, 10, 20
Drought Relief Package - Interest Rate Relief for Farmers, 20

E

Egg Industry Service Provision Act 2002, 18
Eradication of the Red Imported Fire Ant, 10, 22
Exceptional Circumstances, 10, 22
Exotic Disease Preparedness Programme, 22

F

FarmHelp, 11
Farm Household Support Act 1992 (Exceptional Circumstances Relief Payment), 18

Part D: Agency Additional Estimates Statements – Biosecurity Australia

Financial Management and Accountability Act 1997, 7, 19
Fisheries Admin Act 1991, 18, 20
Fisheries RDC, 4
Fisheries Resources Research Fund, 11, 20
Food Processing in Regional Australia, 10
Forest and Wood Products RDC, 4
Forest Industry Structural Adjustment Package, 20
Forest Industry Structural Adjustment Package - States, 22
Forestry and Timber Bureau Act 1930, 19

G

Grains RDC, 4
Grape and Wine RDC, 4
Great Artesian Basin Sustainability Initiative, 20
Great Artesian Basin Sustainability Initiative - States, 22

H

Horticultural Marketing and Research Development Services Act 2000, 18

I

Illegal Foreign Fishers in Australian Northern Waters, 10
International Organisations Contributions, 11, 20, 21
International Organisations Contributions – UPOV, 20
Interim Income Support Payments, 10, 20

K

Keniry Technical Cooperation, 20

L

Land and Water Resources RDC, 4, 20
Levies, 16-17
Loan (Income Equalization Deposits) Act 1976, 19

M

Murray-Darling Basin Commission, 20
Murray-Darling Basin Commission – Contribution to Salinity Mitigation, 20
Murray Environmental Flows, 20

N

National Action Plan for Salinity and Water Quality, 20, 22
National Cattle Disease Eradication – Interest on Special Account, 21
National Cattle Disease Eradication Trust Account Act 1991, 18
National Cattle Eradication Reserve Act 1991, 19
National Food Industry Strategy – Centres of Excellence, 20
National Food Industry Strategy – Food Innovation Grants, 20

Part D: Agency Additional Estimates Statements – Biosecurity Australia

National Food Industry Strategy – Food Safety and Quality Initiative, 20
National Landcare Programme – (for payment to NRM account), 20
National Landcare Programme – Payments to States, 22
National Livestock Identification Scheme, 10, 21
National Residue Survey Administration Act 1992, 18, 19
National Tidal Centre, 10
Natural Resources Management (Financial Assistance) Act 1997, 19
New Industries Development Programme, 20

O

Other Exotic Disease Preparedness Programme, 21, 22
Outcome (Biosecurity Australia), 37
Outcome (Department), 8
Outcome (Portfolio), 4, 8
Output (Biosecurity Australia), 37
Outputs (Department), 8
Ovine Johnes Disease Control and Eradication Programme, 10, 21

P

Payment to CSIRO – Contribution to the operating costs of the AAHL, 21
Payment to Meat and Livestock Australia, 20
Pig Industry Act 2001, 18
Plant Health Australia (Plant Industries) Funding Act 2002, 18
Primary Industries & Energy R&D Act 1989, 18

R

RecFish Australia, 10, 20
Rural Adjustment Scheme, 17
Rural Industries RDC, 4, 20

S

Sewerage Agreements, 17
Sugar Industry Reform Programme 2004, 20
Sugar RDC, 4

T

Tasmanian Water Infrastructure, 22
Tasmanian Wheat Freight –Shipping, 22
Tasmanian Wheat Freight Scheme – Transfer to DoTARS, 11
Tuberculosis Freedom Assurance Programme, 21

U

United Nations Food and Agriculture Organisation (FAO), 11, 20

Part D: Agency Additional Estimates Statements – Biosecurity Australia

V

Victorian Data Assistance Strategy, 22

W

War Service Land Settlement Loans, 17

War Service Land Settlement – Rent, 17

Water Resources Assessment and Research – Grants, 20

Wheat Export Authority, 4

Wheat Marketing Act 1989, 18

Wool Services Privatisation Act 2000, 18