

LAND AND WATER AUSTRALIA

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LAND AND WATER AUSTRALIA

Section 1: Overview

Land & Water Australia (LWA)² is a statutory authority established under the *Primary Industries and Energy Research and Development Act 1989* (PIERD Act). LWA is specifically responsible for research and development (R&D) aimed at the productive and sustainable management of the land, water and vegetation resources underpinning Australia’s primary industries and regional communities.

In order to improve the efficiency and effectiveness of the R&D effort, LWA has a charter to foster national collaboration. It emphasises the establishment of national research programmes, most of which are supported jointly by several partner organisations, which bring together resources managers and researchers to identify priorities and to ensure that research findings are adopted and implemented. The Strategic R&D Plan takes an integrated approach to programme design and implementation and to the development of packages of information relevant to decision-makers.

A board of nine directors governs LWA. The Board develops policy, evaluates performance and creates committees/working groups to work on specific activities. The Corporation’s staff are involved in establishing R&D programmes and in developing, implementing, supporting, communicating and reviewing R&D work.

1.1 SUMMARY OF AGENCY CONTRIBUTIONS TO OUTCOMES

The products and services delivered by LWA (outputs, products and services) that contribute to achievement of its outcomes are summarised in Table 1.1.

Table 1.1: Contribution to outcomes

Outcome	Output groups
Outcome	
Knowledge, understanding and informed debate to inspire innovation and action in sustainable natural resource management.	Output 1.1: Landscapes Output 1.2: People Output 1.3: Industries Output 1.4: Innovation Output 1.5: Collaboration and Strategic Analysis Output 1.6: Knowledge into Practice

² Legally, the Land and Water Resources Research and Development Corporation.

Section 2: Resources for 2007–08

2.1 APPROPRIATIONS AND OTHER RESOURCES

Table 2.1 shows LWA's total resources from all origins for 2007–08, including appropriations.

The total appropriation for LWA in the 2007–08 Budget is \$13.018 million. This is an indirect Australian Government appropriation through the Australian Government Department of Agriculture, Fisheries and Forestry.

Table 2.1: Total resources, 2007–08

Source	Total resources \$'000
Funds from Australian Government	
– Appropriations (indirect)	13,018
Funds from other sources	
– Collaborative partner funding	20,492
– Interest and sundry income	710
Total resources	34,220

Table 2.2 provides details of other resources available to be used by the Corporation. These resources are approved for use and are included in Table 2.1.

Table 2.2: Other resources available to be used

Source	Estimated resources 2006–07 \$'000	Budget estimate 2007–08 \$'000
Interest	750	700
Collaborative Partner funding ^a	19,704	20,492
Sale of publications and sundry income	10	10
Total resources	20,464	21,202
	2006–07	2007–08
Average staffing level (number)	50	50

a Collaborative Partner funding is funds managed by LWA for the purposes of achieving research objectives in collaboration with other public and private sector entities.

2.2 BUDGET MEASURES, 2007–08

LWA is not affected by any 2007–08 Budget measure.

2.3 OTHER RESOURCE INFORMATION

LWA has no administered funds, special appropriations or special accounts.

Section 3: Outcomes

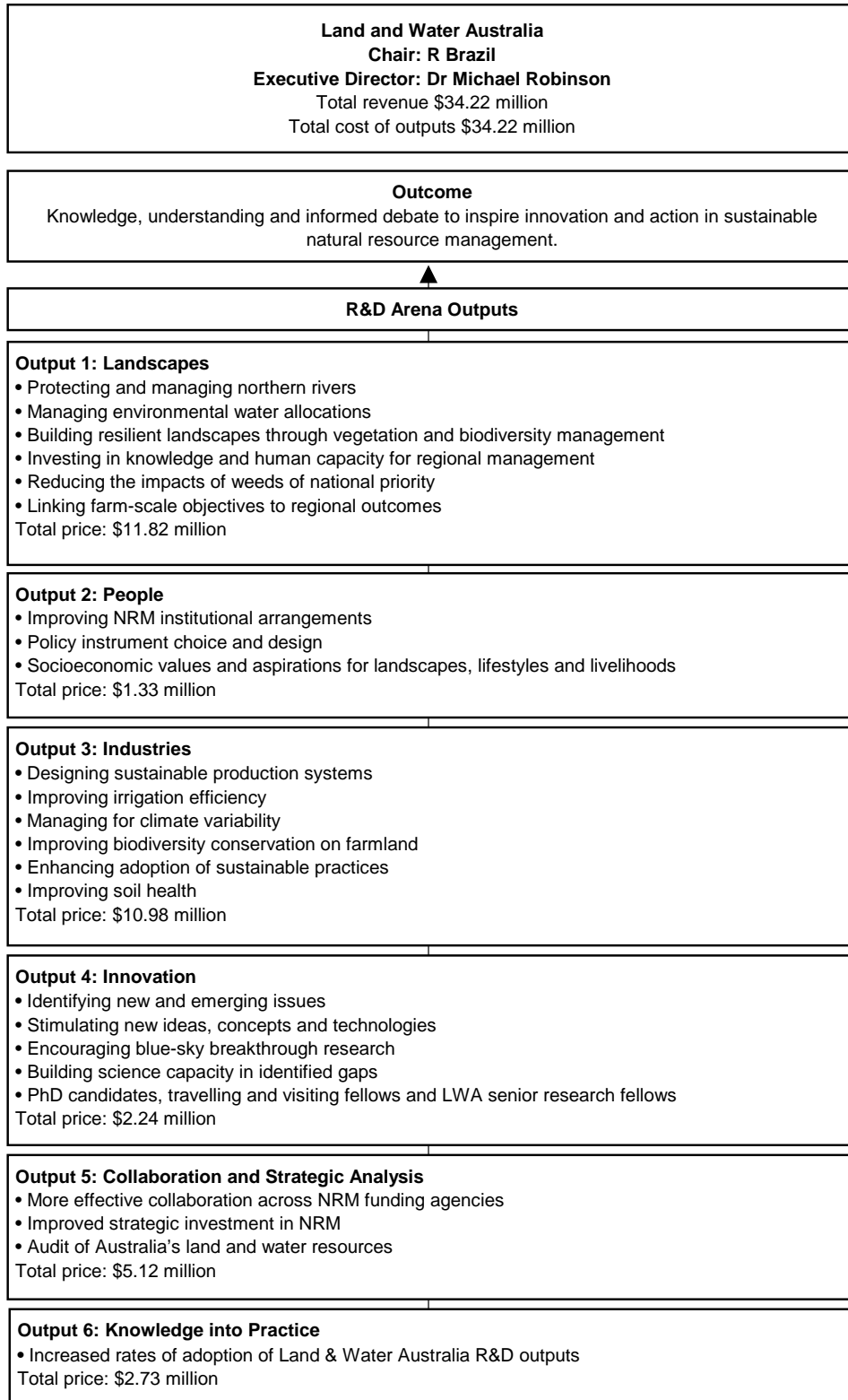
This section summarises how the resources identified in Section 2 will be used to contribute to the outcome of LWA. Key performance measures and performance evaluation activities are specified for each output. More detailed information on output attributes is maintained by agencies for internal management purposes.

3.1 SUMMARY OF OUTPUTS AND CONTRIBUTION TO OUTCOME

There has been no change from the 2006–07 PB Statements.

The relationship between activities of LWA and the outcome is summarised in Figure 1.

Figure 1: Contributions to Outcome



3.2 OUTCOME PERFORMANCE INFORMATION

3.2.1 Contributions to achievement of Outcome

Land & Water Australia will achieve more sustainable use and management of Australia's water, land and vegetation resources through research targeted to critical issues and new opportunities and by focusing on the adoption of research outputs throughout the investment cycle.

Our primary investment foci will be on working towards sustainable primary industries and production landscapes through integrated strategies on water, climate and landscape systems. These strategies will embody biophysical, social, economic and institutional research within a frame of encouraging innovation and adoption.

High impact research will be achieved through strategic investment, extensive collaboration and proactive adoption planning and will be demonstrated via in-depth Return On Investment analyses.

3.2.2 Performance information for Outcome 1

Performance information for individual outputs and output groups relating to LWA are summarised in Table 3.1. Price includes a component of corporate overhead.

Table 3.1: Performance information for Outcome

Effectiveness—overall achievement of Outcome	
Outcome component	Effectiveness indicators
<p><i>Corporate</i> Improvements in the understanding, management and condition of Australia's natural resources that can be linked demonstrably with the adoption of the Outputs of our research investments</p> <p><i>Research investment</i> Generation of new knowledge useful to the sustainable management and use of Australia's natural resources</p> <p><i>Collaboration</i> Number and financial leverage of programme and project partnerships Improved strategic investment in NRM</p> <p>Audit of Australia's land and water resources</p> <p><i>Knowledge into practice</i> Evidence of increased rates of adoption of Land & Water Australia R&D outputs</p>	<p>Quantitative measures of knowledge assets generated, adoption of this knowledge, and estimated resulting improvements in condition of Australia's natural resources.</p> <p>Audit of knowledge assets and technologies produced from research and disseminated, and predictions of their utility.</p> <p>Financial leverage of collaborative programmes achieved allowing programmes to meet research commitments.</p> <p>LWA's strategic investments better positioned in integrated water and climate strategies</p> <p>Development of indicators of resource condition and social and economic change as identified in the National Monitoring and Evaluation Framework.</p> <p>Adoption profiles of Land & Water Australia programme and portfolio outputs.</p>
Performance information by output	
Output	Performance indicators
Output 1: Landscapes	
<p>Protecting and managing northern rivers Managing environmental water allocations Building resilient landscapes through vegetation and biodiversity management Reducing the impacts of weeds of national priority Investing in knowledge and human capacity for regional management Linking farm-scale objectives to regional outcomes</p>	<p>Better informed government and regional community water planning for tropical rivers in northern Australia.</p> <p>Improved understanding of the ecological needs of aquatic ecosystems leading to improved ability for policy makers, planners and managers to make more informed decisions on water allocation costs and benefits.</p> <p>Improved understanding of the value of vegetation in providing ecosystem services.</p> <p>Improved national capacity to reduce the rate of emergence of new weed problems and the impact of existing weeds.</p> <p>More people working in government and regional NRM organisations with greater knowledge of how to manage land and water resources.</p> <p><i>Price: \$11.82 million</i></p>

LWA Budget Statement: Outcomes

Performance information by output	
Output	Performance indicators
Output 2: People	
<p>Improving NRM institutional arrangements Policy instrument choice and design Socioeconomic values and aspirations for landscapes, lifestyles and livelihoods</p>	<p>Better informed policy and legislation on the regulation of indigenous rights through environmental legislation. More effective engagement of volunteers in natural resources management, especially at the regional level. Increased participation of landholders in market-based instruments for natural resources management. Adoption of indigenous water agreements that complement indigenous livelihoods in land and water management. Improved awareness of new approaches for sustainable governance and management in peri-urban areas. Enhanced capacity and awareness of opportunities for effective indigenous engagement in water resources planning, management and reform. Adoption of best practice governance principles and indicators for regional natural resources management. Demonstration of improved design approaches for landholder conservation contract duration and renegotiation to achieve sustainable outcomes.</p> <p><i>Price: \$1.33 million</i></p>
Output 3: Industries	
<p>Designing sustainable production systems Improving irrigation efficiency Managing for climate variability Improving biodiversity conservation on farmland Enhancing adoption of sustainable practices Improving soil health</p>	<p>10% increase in mixed farm productivity driven by a 5% increase in grain yields and a 10% increase in livestock production. 6,500 mixed farmers adopting changed farm practices which increase their sustainability and profitability. Improved condition of natural resources on farm in line with catchment targets. Substantial improvement in the environmental and productive performance of irrigated agriculture. A measured increase in grain, dairy, meat, horticulture and wool producers using climate and seasonal forecasting tools to increase sustainability and profitability. The state of knowledge regarding the key drivers of Australian climate on a regional basis established to inform risk and adaptation strategies at regional and commodity scale. Applied research undertaken with commodity producers and natural resource managers in regions to develop adaptation strategies specifically relevant by commodity and region. Increase in the number of soil health projects being undertaken by research and extension providers. Increase in the number of farmers participating in workshops and training activities in soil health aimed at achieving adoption of changed practices on farm.</p> <p><i>Price: \$10.98 million</i></p>

Performance information by output	
Output	Performance indicators
Output 4: Innovation	
<p>Identifying new and emerging issues Stimulating new ideas, concepts and technologies Encouraging blue-sky breakthrough research Building science capacity in identified gaps PhD candidates, travelling and visiting fellows and LWA senior research fellows</p>	<p>Effects of bushfires on water yield and quality better understood New remote sensing technology used for mapping vegetation Indigenous values and rights in water management recognised New technology for desalinating brackish groundwater Environmental water needs of Australia's rivers mapped</p> <p><i>Price: \$2.24 million</i></p>
Output 5: Collaboration and Strategic Analysis	
<p>More effective collaboration across NRM funding agencies Improved strategic investment in NRM Audit of Australia's land and water resources</p>	<p>Effective collaborations with 45 partner organisations allowing transmission of programme information across agencies Integrated water and climate strategies better positioning LWA's strategic investments Development of indicators of resource condition and social and economic change for better understanding of NRM</p> <p><i>Price: \$5.12 million</i></p>
Output 6: Knowledge into Practice	
<p>Increased adoption of Land & Water Australia R&D outputs</p>	<p>Corporate events to be held sharing LWA R&D (excluding programme events) – 15 per year Corporate publications – 10 published, 12,000 distributed Programme publications – 90 published, 68,000 distributed Web views – 100,000 views Increasing adoption scores from stakeholders across 8 key adoption measures gathered in the stakeholder survey Improving access to and use of R&D by the 56 regional NRM bodies (CMAs) by developing and rolling out the 'NRM toolbar' Improving the capacity of at least 6 regional NRM bodies to manage knowledge through pilots and training Improving knowledge sharing between regional NRM bodies through establishing sister regions (4 pairings) and regional knowledge sharing events (4)</p> <p><i>Price: \$2.73 million</i></p>

3.2.3 Evaluations for Outcome

Land & Water Australia has a comprehensive, transparent and robust outcome evaluation methodology based on analyses of Return On Investment. Twenty analyses have been conducted and reported to date, with two in progress. These now cover over 50% of all completed projects since the establishment of the Corporation. The individual evaluation studies are aggregated and updated annually to provide a portfolio Return On Investment which can be tracked over time. The result is reported in our annual report.

New evaluations planned for 2007-08 are:

- the National Rivers Consortium
- the National Program for River Contaminants
- the Native Vegetation R&D Program.

These evaluations will be completed by September 2007 along with an update of LWA's portfolio return on investment. The results will be published by 31 December 2007.

Section 4: Other reporting requirements

4.1 PURCHASER–PROVIDER ARRANGEMENTS

LWA has no purchaser–provider arrangements.

4.2 COST RECOVERY ARRANGEMENTS

LWA has no cost recovery arrangements.

4.3 AUSTRALIAN GOVERNMENT INDIGENOUS EXPENDITURE

LWA has no indigenous expenditure.

Section 5: Budgeted financial statements

5.1 ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

A break-even position is forecast for 2007-08 while the estimated annual operating result for 2006-07 is a deficit of \$5.304 million. The estimated deficit is due to differences in timing between receipt and expenditure of funding and estimated and actual completion of research commitments and reflects a utilisation of prior year surpluses.

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	12,751	13,018	12,980	12,967	13,136
Goods and services	19,704	20,492	21,312	22,164	23,051
Interest	750	700	700	700	700
Other	10	10	10	10	10
Total income	33,215	34,220	35,002	35,841	36,897
EXPENSE					
Employees	4,686	4,827	4,971	5,121	5,274
Suppliers	33,558	29,091	29,736	30,426	31,425
Depreciation and amortisation	275	302	295	294	198
Total expenses	38,519	34,220	35,002	35,841	36,897
Surplus (Deficit) before income tax	(5,304)	-	-	-	-
Income tax expense	-	-	-	-	-
Surplus (deficit) attributable to the Australian Government	(5,304)	-	-	-	-

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	6,148	5,424	5,712	6,019	6,291
Trade and other receivables	1,576	1,639	1,705	1,773	1,844
Investments	7,027	7,027	7,027	7,027	7,027
Total financial assets	14,751	14,090	14,444	14,819	15,162
Non-financial assets					
Land and buildings	533	385	237	89	-
Infrastructure, plant and equipment	136	131	132	136	131
Intangibles	221	172	124	74	70
Other	49	49	51	50	49
Total non-financial assets	939	737	544	349	250
Total assets	15,690	14,827	14,988	15,168	15,412
LIABILITIES					
Provisions					
Employees	876	902	929	971	1,015
Other	150	150	150	150	150
Total provisions	1,026	1,052	1,079	1,121	1,165
Payables					
Suppliers	6,712	5,823	5,957	6,095	6,295
Total payables	6,712	5,823	5,957	6,095	6,295
Total liabilities	7,738	6,875	7,036	7,216	7,460
Net assets	7,952	7,952	7,952	7,952	7,952
EQUITY^a					
Parent entity interest					
Reserves	199	199	199	199	199
Retained surpluses or accumulated deficits	7,753	7,753	7,753	7,753	7,753
Total equity	7,952	7,952	7,952	7,952	7,952
Current assets	14,800	14,139	14,495	14,869	15,211
Non-current assets	890	688	493	299	201
Current liabilities	7,458	6,620	6,805	7,007	7,257
Non-current liabilities	280	255	231	209	203

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	19,263	20,429	21,246	22,096	22,980
Appropriations	12,751	13,018	12,980	12,967	13,136
Interest	750	700	700	700	700
Other	10	10	10	10	10
Total cash received	32,774	34,157	34,936	35,773	36,826
Cash used					
Employees	4,661	4,801	4,944	5,079	5,230
Suppliers	32,202	29,980	29,604	30,287	31,224
Total cash used	36,863	34,781	34,548	35,366	36,454
Net cash from or (used by) operating activities	(4,089)	(624)	388	407	372
INVESTING ACTIVITIES					
Cash received					
Investments	4,000	-	-	-	-
Total cash received	4,000	-	-	-	-
Cash used					
Purchase of property, plant and equipment	120	100	100	100	100
Total cash used	120	100	100	100	100
Net cash from or (used by) investing activities	3,880	(100)	(100)	(100)	(100)
Net increase or (decrease) in cash held	(209)	(724)	288	307	272
Cash at the beginning of the reporting period	6,357	6,148	5,424	5,712	6,019
Cash at the end of the reporting period	6,148	5,424	5,712	6,019	6,291

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	7,753	199	-	-	7,952
Adjustment for changes in accounting policies	-	-	-	-	-
Adjusted opening balance	7,753	199	-	-	7,952
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	-	-	-	-	-
Total income and expenses recognised directly in equity	-	-	-	-	-
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)	-	-	-	-	-
Other:					
Restructuring	-	-	-	-	-
Sub-total transactions with owners	-	-	-	-	-
Transfers between equity components	-	-	-	-	-
Estimated closing balance as at 30 June 2008	7,753	199	-	-	7,952

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					
Total equity injections	-	-	-	-	-
Total loans	-	-	-	-	-
Total capital appropriations	-	-	-	-	-
Represented by:					
Purchase of non-financial assets	120	100	100	100	100
Other	-	-	-	-	-
Total represented by	120	100	100	100	100
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation	-	-	-	-	-
Funded internally by departmental resources	120	100	100	100	100
Total	120	100	100	100	100

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

	Buildings	Other infrastructure plant and equipment	Computer Software	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2007				
Gross book value	722	353	676	1,751
Accumulated depreciation	(189)	(217)	(455)	(861)
Opening net book value	533	136	221	890
Additions:				
by purchase	-	75	25	100
Depreciation/amortisation expense	(148)	(80)	(74)	(302)
Disposals:				
from disposal of entities or operations (including restructuring)	-	-	-	-
from disposal of entities or other – at cost	-	-	(326)	(326)
other – accumulated amortisation/depreciation	-	-	326	326
As at 30 June 2008				
Gross book value	722	428	375	1,525
Accumulated depreciation	(337)	(297)	(203)	(837)
Estimated closing net book value	385	131	172	688