

SUGAR RESEARCH AND DEVELOPMENT CORPORATION

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SUGAR RESEARCH AND DEVELOPMENT CORPORATION

Section 1: Overview

The Sugar Research and Development Corporation (the Corporation) is a statutory authority established under the *Primary Industries and Energy Research and Development Act 1989* (PIERD Act) and is also subject to the regulatory framework contained in the *Commonwealth Authorities and Companies Act 1997*.

The mission of the Corporation is to foster an innovative and sustainable Australian sugar industry through targeted investment in research and development (R&D).

The Corporation is a body within which a strategic view of the needs and opportunities for R&D in the sugar industry can be focused, and through which appropriate research can be encouraged and funded. The Corporation acts in partnership with industry, government, agribusiness, other R&D corporations and the broader community to conduct R&D projects in accordance with sugar industry and government priorities.

1.1 SUMMARY OF AGENCY CONTRIBUTIONS TO OUTCOMES

The products and services delivered by the Corporation (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
A profitable and internationally competitive Australian sugar industry providing economic, environmental and social benefits for rural and regional communities.	Output group 1: Regional Futures Output group 2: Emerging Technologies Output group 3: People Development

Section 2: Resources for 2007–08

2.1 APPROPRIATIONS AND OTHER RESOURCES

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

The Corporation does not receive direct appropriation funding.

Table 2.1: Total resources, 2007–08

Source	Total resources \$'000
Funds from industry sources	
– Levies	5,348
– Other	-
Funds from Australian Government	
– Appropriations	-
– Commonwealth contributions	5,348
Funds from other sources	
– Interest	500
– Other	-
Total resources	11,196

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 on investments	450	500
Royalties	-	-
Sale of goods and services	-	-
Other	-	-
Total resources	450	500
	2006–07	2007–08
Average staffing level (number)	8	10

2.2 BUDGET MEASURES, 2007–08

The Corporation is not affected by any 2007–08 Budget measure.

2.3 OTHER RESOURCE INFORMATION

The Corporation has no administered funds, special appropriations or special accounts.

Section 3: Outcomes

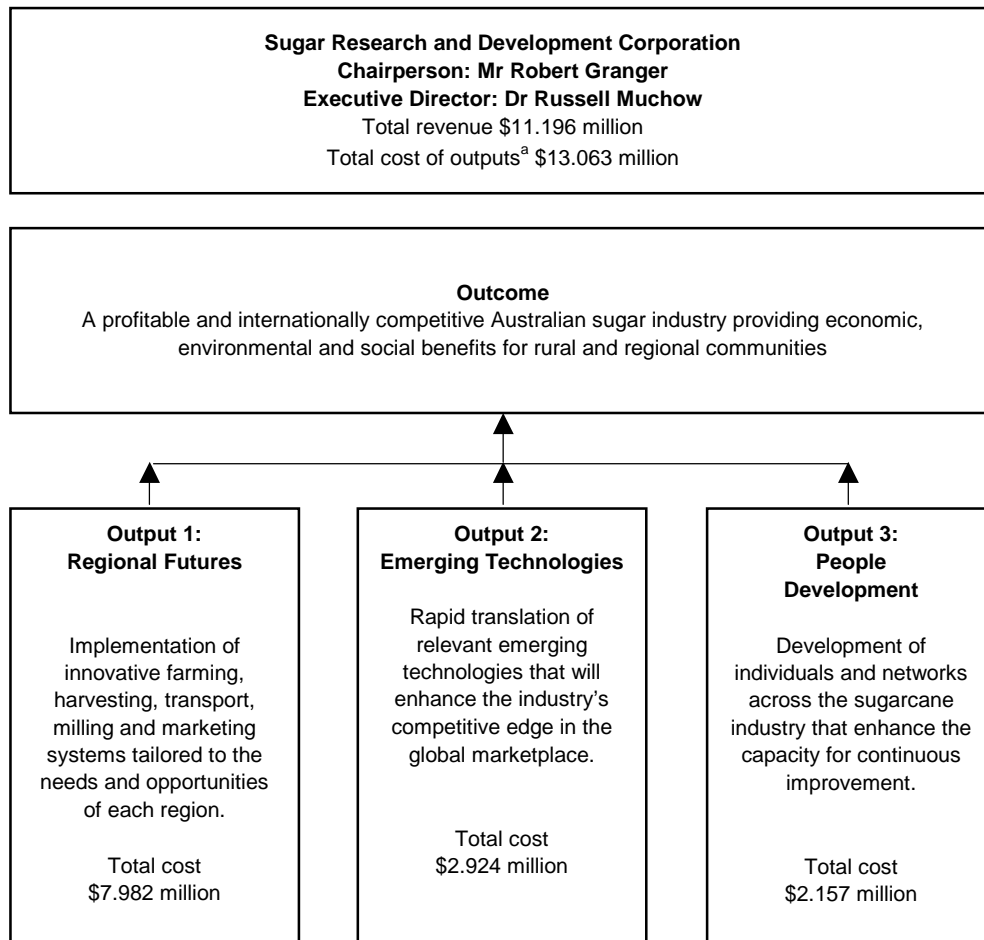
This section summarises how the resources identified in Section 2 will be used to contribute to the outcome of the Corporation. Key performance measures and performance evaluation activities are specified for each output. More detailed information on output attributes is maintained by agencies for internal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

3.1 SUMMARY OF OUTPUTS AND CONTRIBUTION TO OUTCOME

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

The Corporation's outcome has not changed from 2006-07. The outputs have changed to be consistent with those in the Corporation's new R&D Plan 2007-2012, which is expected to apply from 1 July 2007.

Figure 1: Contributions to Outcome



a As SRDC is primarily funded through industry levies and indirect Commonwealth appropriation rather than funded on the basis of the price of its outputs, the total cost of Outcome and outputs is shown rather than total price.

3.2 OUTCOME PERFORMANCE INFORMATION

3.2.1 Contributions to achievement of Outcome

The Corporation's outcome is delivered through three outputs which are listed in Table 1.1 that align with the three Investment Arenas of the R&D Plan 2007–2012. The outcome reflects the priorities of industry and government. Individual outcomes for the three output groups of Regional Futures, Emerging Technologies and People Development are indicated in Figure 1. The three output groups all contribute to the outcome of a more profitable and sustainable sugar industry.

The Corporation operates through targeted investment in research and development in partnership with researchers from the sugarcane industry and other organisations, drawing on funds provided by both the sugarcane industry and the Australian Government.

3.2.2 Performance information for the Outcome

Performance information for the Corporation's outcome and for output groups are summarised in Table 3.1.

Table 3.1: Performance information for Outcome

Effectiveness—overall achievement of Outcome	
Outcome component	Effectiveness indicators
A profitable and internationally competitive Australian sugar industry providing economic, environmental and social benefits for rural and regional communities	SRDC's R&D investments are well targeted and responsive to priority needs SRDC is delivering on industry priorities and the Australian Government's national and rural industry priorities SRDC is continually improving the management of its R&D portfolio by learning, experimenting, and influencing beneficial change
Performance information by output	
Output	Performance indicators
Output 1: Regional Futures	
Implementation of innovative farming, harvesting, transport, milling and marketing systems tailored to the needs and opportunities of each region	Enhanced structure and functioning of regional sugarcane industry value chains (approximately 14 projects) Enhanced resource utilisation in the farming and harvesting sectors (approximately 48 projects) Enhanced processes and product range in the transport, milling and marketing sectors (approximately 9 projects) <i>Price: \$7.982 million</i>
Output 2: Emerging Technologies	
Rapid translation of relevant emerging technologies that will enhance the industry's competitive edge in the global marketplace	Enhanced approaches for sugarcane genetic improvement (approximately 6 projects) Enhanced technological innovation across the sugarcane industry (approximately 9 projects) <i>Price: \$2.924 million</i>
Output 3: People Development	
Development of individuals and networks across the sugarcane industry that enhance the capacity for continuous improvement	Enhanced effectiveness of individuals contributing to the sugarcane industry (approximately 9 projects and 17 scholarships) Enhanced effectiveness of partnerships and networks contributing to the sugarcane industry (approximately 9 projects) <i>Price: \$2.157 million</i>

3.2.3 Evaluations for Outcome

The processes that the Corporation uses in evaluating its outcome and outputs include an annual review of SRDC's performance by the SRDC Board; annual consultations on SRDC's results and performance with the representative bodies and with industry representatives in each region/mill area; and evaluations by the Board of the effectiveness of various groups and types of projects. One specific evaluation planned for 2007-08 is a review of the effectiveness and benefits of SRDC's Grower Group Innovation Projects. In July 2007, the Board will determine any additional evaluations to be conducted in 2007-08. SRDC will also implement the outcomes of reviews conducted in 2006-07 of the SRDC Scholarships Program and of SRDC's Travel and Learning Opportunity projects.

Section 4: Other reporting requirements

4.1 PURCHASER–PROVIDER ARRANGEMENTS

Agencies may need to provide resources to other general government sector bodies, for example in payment for services rendered or as part of cross-agency initiatives. Consequently, the sum of amounts in agency resourcing tables in Budget Paper No. 4, and in the resourcing tables in this document, will not equal total resourcing at the whole-of-government level (as reproduced in Budget Paper No. 1).

The Corporation has no purchaser–provider arrangements.

4.2 COST RECOVERY ARRANGEMENTS

The Corporation has no cost recovery arrangements.

4.3 AUSTRALIAN GOVERNMENT INDIGENOUS EXPENDITURE

The Corporation has no Australian Government indigenous expenditure.

Section 5: Budgeted financial statements

5.1 ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

Total revenues are budgeted to decrease marginally in 2007-08 compared with the estimated revenues for 2006-07, reflecting a slight decline in the forecast crop size. However, expenditure will grow by up to 9% in 2007-08 to meet the established outcome and outputs of the corporation while continuing to maintain reserves at an appropriate level.

Cash holdings will decline in 2007-08 due to increased project activity to spend surpluses accumulated in prior years. However, cash at the end of 2007-08 will remain above \$5.0 million, and will represent 46.0% of the following year's forecast expenditure, well within the Corporation's target range of 30-50% of forecast expenditure.

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	10,080	10,696	10,696	10,696	10,696
Goods and services	-	-	-	-	-
Fees and fines	-	-	-	-	-
Interest	450	500	500	500	500
Dividends	-	-	-	-	-
Rents	-	-	-	-	-
Royalties	-	-	-	-	-
Other	-	-	-	-	-
Total revenue	10,530	11,196	11,196	11,196	11,196
Gains					
Foreign exchange gains	-	-	-	-	-
Reversals of previous asset write-downs	-	-	-	-	-
Sale of assets	-	-	-	-	-
Other	-	-	-	-	-
Total gains	-	-	-	-	-
Total income	10,530	11,196	11,196	11,196	11,196
EXPENSE					
Employees	764	833	875	919	965
Suppliers	1,004	1,173	1,220	1,270	1,323
Grants	9,872	11,024	8,910	8,137	8,508
Depreciation and amortisation	31	32	33	33	33
Finance costs	-	-	-	-	-
Write-down of assets and impairment of assets	-	-	-	-	-
Losses from sale of assets	-	-	-	-	-
Foreign exchange losses	-	-	-	-	-
Other	-	-	-	-	-
Total expenses	11,671	13,062	11,038	10,359	10,829
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	(1,141)	(1,866)	158	837	367
Income tax expense	-	-	-	-	-
Surplus/(Deficit)	-	-	-	-	-
Minority interest in surplus (deficit)	-	-	-	-	-
Surplus (deficit) attributable to the Australian Government	(1,141)	(1,866)	158	837	367

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	810	(1,024)	(863)	(23)	344
Trade and other receivables	518	518	518	518	518
Investments accounted for under the equity method	-	-	-	-	-
Investments	6,129	6,129	6,129	6,129	6,129
Other investments	-	-	-	-	-
Tax assets	-	-	-	-	-
Other	-	-	-	-	-
Total financial assets	7,457	5,623	5,784	6,624	6,991
Non-financial assets					
Land and buildings	6	6	6	6	6
Infrastructure, plant and equipment	75	43	40	37	34
Investment properties	-	-	-	-	-
Inventories	-	-	-	-	-
Intangibles	-	-	-	-	-
Biological assets	-	-	-	-	-
Other	-	-	-	-	-
Total non-financial assets	81	49	46	43	40
Assets held for sale	-	-	-	-	-
Total assets	7,538	5,672	5,830	6,667	7,031
LIABILITIES					
Interest bearing liabilities					
Loans	-	-	-	-	-
Leases	-	-	-	-	-
Deposits	-	-	-	-	-
Other	-	-	-	-	-
Total interest bearing liabilities	-	-	-	-	-
Provisions					
Employees	175	175	175	175	175
Other	-	-	-	-	-
Total provisions	175	175	175	175	175
Payables					
Suppliers	84	84	84	84	84
Grants	274	274	274	274	274
Dividends	-	-	-	-	-
Other	-	-	-	-	-
Total payables	358	358	358	358	358
Liabilities included in disposal groups held for sale	-	-	-	-	-
Total liabilities	533	533	533	533	533
Net assets	7,005	5,139	5,297	6,134	6,498

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	-	-	-	-	-
Reserves	2	2	2	2	2
Retained surpluses or accumulated deficits	7,003	5,137	5,295	6,132	6,496
Total parent entity interest	7,005	5,139	5,297	6,134	6,498
Minority interest					
Contributed equity	-	-	-	-	-
Reserves	-	-	-	-	-
Retained surpluses or accumulated deficits	-	-	-	-	-
Total minority interest	-	-	-	-	-
Total equity	7,005	5,139	5,297	6,134	6,498
Current assets	7,457	5,623	5,784	6,624	6,991
Non-current assets	81	49	46	43	40
Current liabilities	533	533	533	533	533
Non-current liabilities	-	-	-	-	-

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	-	-	-	-	-
Appropriations	-	-	-	-	-
Interest	450	500	500	500	500
Dividends	-	-	-	-	-
Other	10,167	10,696	10,696	10,696	10,696
Total cash received	10,617	11,196	11,196	11,196	11,196
Cash used					
Employees	(764)	(833)	(875)	(919)	(965)
Suppliers	(1,212)	(1,173)	(1,220)	(1,270)	(1,323)
Grants	(9,821)	(11,024)	(8,910)	(8,137)	(8,508)
Borrowing costs	-	-	-	-	-
Other	-	-	-	-	-
Income taxes paid	-	-	-	-	-
Total cash used	(11,797)	(13,030)	(11,005)	(10,326)	(10,796)
Net cash from or (used by) operating activities	(1,180)	(1,834)	191	870	400
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	-	30	-	-	-
Proceeds from sales of financial instruments	-	-	-	-	-
Investments	-	-	-	-	-
Other	-	-	-	-	-
Total cash received	-	30	-	-	-
Cash used					
Purchase of property, plant and equipment	(30)	(30)	(30)	(30)	(31)
Purchase of financial instruments	-	-	-	-	-
Investments	-	-	-	-	-
Other	-	-	-	-	-
Total cash used	(30)	(30)	(30)	(30)	(31)
Net cash from or (used by) investing activities	(30)	-	(30)	(30)	(31)

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	-	-	-	-	-
Proceeds from issuing financial instruments	-	-	-	-	-
Other	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Repayments of debt	-	-	-	-	-
Dividends paid	-	-	-	-	-
Other	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from or (used by) financing activities	-	-	-	-	-
Net increase or (decrease) in cash held	(1,210)	(1,834)	161	840	369
Cash at the beginning of the reporting period	8,149	6,939	5,105	5,266	6,106
Effect of exchange rate movements on cash at the beginning of reporting period	-	-	-	-	-
Cash at the end of the reporting period	6,939	5,105	5,266	6,106	6,475

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	7,003	-	2	-	7,005
Adjustment for changes in accounting policies	-	-	-	-	-
Adjusted opening balance	7,003	-	2	-	7,005
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	(1,866)	-	-	-	(1,866)
Total income and expenses recognised directly in equity	(1,866)	-	-	-	(1,866)
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	5,137	-	2	-	5,139

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	-	-	-	-	-
Other	-	-	-	-	-
Total represented by	-	-	-	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation	-	-	-	-	-
Funded internally by departmental resources	30	30	30	30	31
Total	30	30	30	30	31

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	-	-	-	-	107	-	-	-	107
Accumulated depreciation	-	-	-	-	(26)	-	-	-	(26)
Opening net book value	-	-	-	-	81	-	-	-	81
Additions:									
by purchase	-	-	-	-	30	-	-	-	30
by finance lease	-	-	-	-	-	-	-	-	-
internally developed	-	-	-	-	-	-	-	-	-
from acquisitions of entities or operations (including restructuring)	-	-	-	-	-	-	-	-	-
Revaluations and impairment through equity	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-
Depreciation/amortisation expense	-	-	-	-	(32)	-	-	-	(32)
Impairments recognised in operating result	-	-	-	-	-	-	-	-	-
Other movements	-	-	-	-	-	-	-	-	-
Disposals:									
from disposal of entities or operations (including restructuring)	-	-	-	-	-	-	-	-	-
other disposals	-	-	-	-	(30)	-	-	-	(30)
As at 30 June 2008									
Gross book value	-	-	-	-	107	-	-	-	107
Accumulated depreciation	-	-	-	-	(58)	-	-	-	(58)
Estimated closing net book value	-	-	-	-	49	-	-	-	49