

AUSTRALIAN INSTITUTE OF MARINE SCIENCE

Section 1: Agency overview and resources	81
1.1 Strategic direction	81
1.2 Agency resource statement	83
1.3 Budget measures.....	83
Section 2: Outcomes and planned performance	84
2.1 Outcomes and performance information	84
Section 3: Explanatory tables and budgeted financial statements	86
3.1 Explanatory tables	86
3.2 Budgeted Financial Statements.....	86

AUSTRALIAN INSTITUTE OF MARINE SCIENCE

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION

The Australian Institute of Marine Science (AIMS) is a Commonwealth statutory authority established by the *Australian Institute of Marine Science Act (1972)*. Its mission is to generate and transfer the knowledge to support the sustainable use and protection of the marine environment through innovative, world class research.

AIMS investigates the ecosystems of Australia's tropical seas from whole ecosystems down to the molecular level. Three broad strategic research directions¹ represent our future performance focus:

- understanding of tropical marine ecosystems and processes;
- understanding the responses of tropical marine systems to global changes; and
- supporting sustainable development of tropical marine-based industries.

The research program was developed in consultation with our stakeholders and is described in "AIMS Research Plan 2007-2011" (www.aims.gov.au). AIMS is building critical mass to describe and improve understanding of largely unknown marine ecosystems in Australia's tropical seas, through effective collaboration and strong links with users of marine science. This includes collaboration in major multi-agency research programs (e.g. the Marine and Tropical Science Research Facility and the Western Australian Marine Science Institution).

The major geographic focus of AIMS research effort is the Great Barrier Reef World Heritage Area and Ningaloo Reef. AIMS has also developed strong links with the offshore oil and gas industry to improve scientific understanding of the remote ecosystems of northwest Australia building on Government's investment in "Australia's Ocean Frontier - Northwest Australia" in the 2007-08 Budget. This knowledge will inform decision making and enhance protection and sustainable use of the region.

¹ "Strategic Directions" provides more detail on AIMS strategy and is available on the AIMS website (www.aims.gov.au).

AIMS Budget Statements

AIMS' research aligns strongly with Australia's National Research Priorities and supports Government Policy (e.g. Australia's Oceans Policy) and other priority initiatives such as the Great Barrier Reef Water Quality Protection Plan.

1.2 AGENCY RESOURCE STATEMENT

Table 1.1 shows the total resources from all origins. The table summarises how resources will be applied by outcome.

Table 1.1: CAC Act Body AIMS — Budget estimates for 2008-09 as at Budget May 2008

Source	Estimate of prior ⁺ year amounts available in	Proposed at Budget ⁼	Total Estimate	Estimated Available Appropriation
	2008-09 \$'000	2008-09 \$'000	2008-09 \$'000	2007-08 \$'000
Opening Balance/Reserves at Bank	10,937		10,937	
REVENUE FROM GOVERNMENT				
Ordinary Annual Services¹				
Outcome 1	-	27,701	27,701	26,645
Total ordinary annual services	-	27,701	27,701	26,645
Other services				
Total other services	-	-	-	-
Total Annual Appropriations	-	27,701	27,701	26,645
Total Funds from Government	-	27,701	27,701	26,645
FUNDS FROM OTHER SOURCES				
<i>Sale of goods and services</i>	-	-	-	3,361
Total	-	-	-	3,361
Total net resourcing for Agency	-	27,701	27,701	30,006

1. Appropriation Bill (No.1) 2008-09.

Note: Due to an outcome allocation problem within Central Budget Management System (CBMS), funds from Other Sources of \$21.314 million budgeted for 2008-09 (\$8.226 million for 2007-08) have not been included. These amounts have been included in table 3.2.1 Budgeted Departmental Income Statement. An adjustment will be made at Additional Estimates to reconcile CBMS with AIMS' budget.

AIMS is not directly appropriated as it is a CAC Act body. Appropriations are made to FMA Agency Innovation, Industry, Science and Research, which are then paid to AIMS and are considered 'departmental' for all purposes.

All figures are GST Exclusive.

Third Party Drawdowns from and on behalf of other agencies

AIMS has no Third Party Drawdowns from and on behalf of other agencies.

1.3 BUDGET MEASURES

AIMS has no budget measures in the 2008-09 Budget, therefore Table 1.2 is not presented.

Section 2: Outcomes and planned performance

2.1 OUTCOMES AND PERFORMANCE INFORMATION

The Australian Government requires agencies to measure their intended and actual performance in terms of outcomes. Government outcomes are the results, impacts or consequences of actions by the Government on the Australian community. Agencies are required to identify the output groups which demonstrate their contribution to Government outcomes over the coming year.

AIMS' outcome is described below with the contributing output group, specifying the performance indicators and targets used to assess and monitor the performance of AIMS in achieving government outcomes.

2.1.1 Outcome 1: Enhanced scientific knowledge supporting the protection and sustainable development of Australia's marine resources.

Outcome 1 Strategy

AIMS has one outcome. The strategy to deliver its outcome is outlined in Section 1.1.

Outcome 1 Resource statement

Table 2.1 provides additional detail of Budget appropriations and the total resourcing for outcome 1.

Table 2.1: Total resources for Outcome 1

	2008-09 Total estimate of available resources \$'000	2007-08 Estimated actual \$'000
Outcome 1: Enhanced scientific knowledge supporting the protection and sustainable development of Australia's marine resources.		
Output Group 1.1: New knowledge for users of marine resources		
Departmental Output	27,701	26,645
Revenues from other sources	-	3,361
Subtotal for Output 1	27,701	30,006
Total resources for Outcome 1	27,701	30,006

	2008-09	2007-08
Average staffing level (number)	205	169

Note: Departmental Appropriation splits and totals, by outcome and output, are indicative estimates and may change in the course of the budget year as government priorities change.

Note: Due to an outcome allocation problem within Central Budget Management System (CBMS), funds from Other Sources of \$21.314 million budgeted for 2008-09 (\$8.226 million for 2007-08) have not been included. These amounts have been included in table 3.2.1 Budgeted Departmental Income Statement. An adjustment will be made at Additional Estimates to reconcile CBMS with AIMS' budget.

Contributions to Outcome 1

Output Group 1.1: New knowledge for users of marine resources

Output Group 1.1: New knowledge for users of marine resources	
<p>Effective transfer of information generated from delivery of research described in AIMS' Research Plan will contribute to the AIMS outcome. This information is transferred to Government, environmental managers, industry, research peers and the community. Key results to be delivered by AIMS' research are described in the Research Plan 2007-2011.</p> <p>AIMS has an ongoing process of evaluation of its performance which includes: annual assessment and reporting against performance indicators; regular submission of research findings to external review by peers; regular discussion with key stakeholders; an annual cycle of staff appraisal; and external expert review.</p>	
Key Performance Indicators	2008-09 Target
Scientific publications.	Transfer new knowledge generated by AIMS and its collaborators through high quality scientific publications in high impact journals and relevant user-focussed publications.
Science quality and impact.	Ongoing improvement in the quality and impact of AIMS' journal publications measured by retrospective citation analysis using Science Citation Index during the period of the Quadrennium.
Increase in science capacity.	Increase in number of post-doctoral positions.
Joint ventures.	Enhance impact and research capacity through co-investment in research.
Leverage through collaboration.	Maintain and focus AIMS collaborative approach to research to build critical mass and co-invest with other research providers.
Enhance Australia's future capabilities in marine science.	Contribution to teaching e.g. the number of jointly supervised postgraduate students.
Transfer to users.	Enhance user uptake of AIMS research reported by examples of practices, instruments and processes developed by AIMS that have been adopted by users in industry, government and the community.
Funding mix.	External earnings and source of funds.
Health safety and environment.	Health and safety index and measures taken as part of ongoing effort to reduce AIMS' environmental footprint.

Section 3: Explanatory tables and budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of agency finances for the budget year 2008-09. It explains how budget plans are incorporated into the financial statements and provides further details of movements in administered funds, special accounts and government Indigenous expenditure.

3.1 EXPLANATORY TABLES

3.1.1 Reconciliation of total available appropriation and outcomes

AIMS is a CAC Act body and not required to include Table 3.1.1.

3.1.2 Movement of administered funds between years

AIMS has no administered appropriations therefore Table 3.1.2 is not presented.

3.1.3 Special Accounts

AIMS has no special accounts therefore Table 3.1.3 is not presented.

3.1.4 Australian Government Indigenous Expenditure

AIMS has no 2008-09 AGIE to report therefore Table 3.1.4 is not presented.

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Differences in agency resourcing and financial statements

AIMS' resource information is not affected by differences between Australian Accounting Standards (AAS) and Government Finance Statistics (GFS).

3.2.2 Analysis of budgeted financial statements

Budgeted departmental income statement

AIMS revenue has increased since the estimates in the 2007-08 Portfolio Budget Statements due to success in attracting a major contract to improve scientific understanding of marine ecosystems in northwest Australia. This will have an impact over the next three years.

Employee and supplier expenses have also increased due to this new contract since additional staff needed to be employed and supplier expenditure relating to works will be incurred.

Depreciation and amortisation has increased since the last Portfolio Budget Statements due to the commissioning of AIMS' new research vessel in October 2007 and the commissioning of assets associated with new capital programs.

Budgeted departmental balance sheet

This statement shows the estimated financial position of AIMS. The net asset position is expected to remain constant over the budget and forward years.

Budgeted departmental Statement of cash flows

This statement provides information on the extent and nature of cash flows by categorising them into expected cash flows from operating activities, investing and financing activities. The cash payments are comparable to revenues and expenses in the Income Statement, except for depreciation and amortisation where there is no cash involved.

3.2.3 Budgeted financial statements tables

**Table 3.2.1: Budgeted departmental income statement
(for the period ended 30 June)**

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
INCOME					
Revenue					
Revenues from Government	26,630	27,626	27,888	28,525	28,951
Goods and services	7,355	20,095	18,434	14,281	12,011
Interest	855	1,200	1,150	1,100	1,100
Grants	2,750	-	-	-	-
Other	627	19	19	19	19
Total revenue	38,217	48,940	47,491	43,925	42,081
Gains					
Sale of assets	718	-	-	-	-
Total gains	718	-	-	-	-
Total income	38,935	48,940	47,491	43,925	42,081
EXPENSE					
Employees	14,093	19,633	20,238	19,179	18,433
Suppliers	14,292	22,506	20,322	18,240	17,142
Grants	230	-	-	-	-
Depreciation and amortisation	5,892	6,737	6,867	6,442	6,442
Finance costs	64	64	64	64	64
Total expenses	34,571	48,940	47,491	43,925	42,081
Surplus (deficit) attributable to the Australian Government	4,364	-	-	-	-

Note: Due to an outcome allocation problem within Central Budget Management System (CBMS), \$21.314 million in Funds from Other Sources for 2008-09 (\$8.226 million for 2007-08) have not been included in Table 1.1 AIMS resource statement and Table 2.1 Total Resources for Outcome 1. An adjustment will be made at Additional Estimates to reconcile CBMS with AIMS' budget.

Prepared on Australian Accounting Standards basis.

**Table 3.2.2: Budgeted departmental balance sheet
(as at 30 June)**

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
ASSETS					
Financial assets					
Cash and equivalents	200	200	250	270	270
Trade and other Receivables	3,520	3,927	4,883	5,382	5,938
Investments	10,737	12,787	13,678	16,079	16,079
Total financial assets	14,457	16,914	18,811	21,731	22,287
Non-financial assets					
Land and buildings	48,547	47,992	47,793	47,612	47,612
Infrastructure, plant and equipment	26,920	24,207	21,815	19,127	18,571
Inventories	247	247	247	247	247
Intangibles	117	83	55	31	31
Other	271	276	281	286	286
Total non-financial assets	76,102	72,805	70,191	67,303	66,747
Total assets	90,559	89,719	89,002	89,034	89,034
LIABILITIES					
Provisions					
Employees	6,050	5,950	5,850	5,850	5,850
Total provisions	6,050	5,950	5,850	5,850	5,850
Payables					
Suppliers	2,413	2,095	1,527	1,659	1,659
Grants & consultancies	1,138	718	668	568	568
Total payables	3,551	2,813	2,195	2,227	2,227
Total liabilities	9,601	8,763	8,045	8,077	8,077
Net assets	80,958	80,956	80,957	80,957	80,957
EQUITY*					
Parent entity interest					
Contributed equity	31,607	31,607	31,607	31,607	31,607
Reserves	34,375	34,375	34,375	34,375	34,375
Retained surpluses or accumulated deficits	14,976	14,974	14,975	14,975	14,975
Total parent entity interest	80,958	80,956	80,957	80,957	80,957
Current assets	14,975	17,437	19,339	22,264	22,820
Non-current assets	75,584	72,282	69,663	66,770	66,214
Current liabilities	8,881	8,106	7,442	7,471	7,471
Non-current liabilities	720	657	603	606	606

*Note: 'equity' is the residual interest in assets after deduction of liabilities.
Prepared on Australian Accounting Standards basis.

**Table 3.2.3: Budgeted departmental statement of cash flows
(for the period ended 30 June)**

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	7,798	20,527	18,146	14,393	11,455
Appropriations	26,611	27,700	27,888	28,525	28,951
Interest	992	1,200	1,150	1,120	1,100
Other	1,202	533	605	622	19
Total cash received	36,603	49,960	47,789	44,660	41,525
Cash used					
Employees	14,586	19,733	20,338	19,179	18,433
Suppliers	15,804	24,740	22,263	19,511	17,142
Total cash used	30,390	44,473	42,601	38,690	35,575
Net cash from or (used by) operating activities	6,213	5,487	5,188	5,970	5,950
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	1,353	548	677	700	-
Total cash received	1,353	548	677	700	-
Cash used					
Purchase of property, plant and equipment	11,449	3,985	4,924	4,249	5,950
Total cash used	11,449	3,985	4,924	4,249	5,950
Net cash from or (used by) investing activities	(10,096)	(3,437)	(4,247)	(3,549)	(5,950)
Net increase or (decrease) in cash held	(3,883)	2,050	941	2,421	-
Cash at the beginning of the reporting period	14,820	10,937	12,987	13,928	16,349
Cash at the end of the reporting period	10,937	12,987	13,928	16,349	16,349

Prepared on Australian Accounting Standards basis.

Table 3.2.4: Departmental statement of changes in equity — summary of movement (Budget year 2008-09)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2008					
Balance carried forward from previous period	14,976	34,375		31,607	80,958
Adjusted opening balance	14,976	34,375	-	31,607	80,958
Income and expense					
Surplus (deficit) for the period	-	-	-	-	-
Total income and expenses recognised directly in equity	-	-	-	-	-
Transactions with owners					
Other movements	(2)	-	-	-	(2)
Sub-total transactions with owners	(2)	-	-	-	(2)
Estimated closing balance as at 30 June 2009	14,974	34,375	-	31,607	80,956

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

AIMS has no budgeted income and expenses administered on behalf of government therefore Table 3.2.5 is not presented.

Table 3.2.6: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

AIMS has no budgeted assets and liabilities administered on behalf of government therefore Table 3.2.6 is not presented.

Table 3.2.7: Schedule of budgeted administered cash flows (for the period ended 30 June)

AIMS has no budgeted administered cash flows therefore Table 3.2.7 is not presented.

3.2.4 Notes to the financial statements

Note 1: Goods and Services

Goods and Services represents contracts (mostly co-investment) entered into with external organisations.

Note 2: Grants

Grant revenue of \$2.75 million was part of a one-off grant, towards the construction of AIMS' new research vessel, which was completed in October 2007.

Note 3: Employees Expenses

Employee's expenses are based on projected staff levels and includes anticipated salary increases.

Note 4: Investments

A large component of investments represents cash held for employee provisions and for asset replacement. AIMS has an asset replacement plan that is being implemented. Decisions made as part of the AIMS budgeting process will impact investments and be reflected in future budget papers.

Note 5: Employee Provisions

Provision has been made for AIMS' liability for employee entitlements arising from services rendered by employees. The liability is an estimate of the unpaid annual recreation leave and long service leave.

Note 6: Payables

This category includes contract revenue received in advance.