

Department of Innovation, Industry, Science and Research

Agency resources and planned performance

DEPARTMENT OF INNOVATION, INDUSTRY, SCIENCE AND RESEARCH

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DEPARTMENT OF INNOVATION, INDUSTRY, SCIENCE AND RESEARCH

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION

The Department of Innovation, Industry, Science and Research strives to encourage the sustainable growth of the Australian economy by developing a national innovation system that drives knowledge creation, cutting-edge science and research, international competitiveness and greater productivity for Australian businesses. The Department is committed to developing policies and delivering programs, in partnership with stakeholders, to provide lasting economic benefits ensuring Australia's competitive future. The Department will also work to boost innovation by Australian industry and improve social and economic benefits for the Australian community.

It will achieve this by focussing on four key themes: Innovation; Industry; Science and Research; and Small Business and Deregulation.

Innovation - building a culture of innovation and new ideas by strengthening investment in creativity and knowledge generation through a streamlined, national innovation system.

Industry - improving the economic viability and competitive advantage of Australian industry.

Science and Research - building a strong Australian science and research capability that can effectively contribute to the achievement of national economic, social and environmental objectives.

Small Business and Deregulation - improving the growth, performance and competitiveness of small businesses.

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 and by administered and departmental classification.

Table 1.1: Department of Innovation, Industry, Science and Research resource statement — Budget estimates for 2008-09 as at Budget May 2008

	Estimate of prior + year amounts in 2008-09 \$'000	Proposed at Budget = 2008-09 \$'000	Total Estimate 2008-09 \$'000	Estimated Appropriation Available 2007-08 \$'000
Ordinary Annual Services				
Departmental outputs				
Departmental outputs ¹	39,282	288,799	328,081	306,206
s31 relevant agency receipts	-	40,021	40,021	36,694
Total	39,282	328,820	368,102	342,900
Administered expenses¹				
Outcome 1	14,104	202,635	216,739	318,065
Outcome 2	-	226,774	226,774	239,366
Outcome 3	-	314,302	314,302	200,000
Payments to CAC Act bodies	-	880,854	880,854	854,975
Total	14,104	1,624,565	1,638,669	1,612,406
Total ordinary annual services	A 53,386	1,953,385	2,006,771	1,955,306
Other services²				
Administered expenses				
Payments to CAC Act bodies	-	9,270	9,270	32,400
Specific payments to States, ACT, NT and local government				
Outcome 1	396	-	396	2,748
Total	396	9,270	9,666	35,148
Departmental non-operating				
Equity injections	20,080	10,742	30,822	20,886
Previous years' outputs	-	1,180	1,180	
Total	20,080	11,922	32,002	20,886
Administered non-operating				
Administered Assets and Liabilities	3,325	49,701	53,026	65,358
Total	3,325	49,701	53,026	65,358
Total other services	B 23,801	70,893	94,694	121,392
Total Available Annual Appropriations	77,187	2,024,278	2,101,465	2,076,698
Special Appropriations				
Special Appropriations limited by criteria/entitlement				
<i>Higher Education Support Act 2003 – Higher Education Research Promotion</i>	-	4,648	4,648	415
<i>Higher Education Support Act 2003 – Institutional Grants Scheme (Higher Ed)</i>	-	311,310	311,310	117,069
<i>Higher Education Support Act 2003 – International Postgraduate Research Scholarship Scheme</i>	-	19,407	19,407	7,298
<i>Higher Education Support Act 2003 – Regional Protection Scheme (Higher Ed)</i>	-	1,605	1,605	1,220

Table 1.1: Department of Innovation, Industry, Science and Research resource statement — Budget estimates for 2008-09 as at Budget May 2008 (continued)

	Estimate of prior year amounts available in 2008-09 \$'000	Proposed at Budget 2008-09 \$'000	Total Estimate 2008-09 \$'000	Estimated Appropriation Available 2007-08 \$'000
<i>Higher Education Support Act 2003 – Research Infrastructure Block Grants</i> ³	-	225,655	225,655	86,834
<i>Higher Education Support Act 2003 – Research Training Scheme (Higher Ed)</i> ⁴	-	698,445	698,445	261,698
<i>Petroleum (Submerged Lands) Act 1967</i>	-	-	-	9,047
<i>Petroleum (Submerged Lands) Act 1967 - Admin Exp - Ashmore and Cartier Islands</i>	-	-	-	1,634
<i>Petroleum (Submerged Lands) Act 1967 - s129 Offshore Petroleum Royalties - payment to the States</i>	-	-	-	298,485
Special Appropriations limited by amount				
<i>Textile, Clothing and Footwear Strategic Investment Program Act 1999</i>	-	100,000	100,000	100,340
Total Special Appropriations	C	1,361,070	1,361,070	884,040
Total Appropriations excluding Special Accounts		3,385,348	3,462,535	2,960,738
Special Accounts ⁵				
Opening balance	3,203	-	3,203	56,141
Appropriation Receipts		1,000	1,000	1,000
Non-Appropriation receipts to Special Accounts	-	6,583	6,583	12,458
Amount transferred out due to AAO changes ⁶				(53,524)
Total Special Account	D	7,583	10,786	16,075
Total resourcing				
A+B+C+D	80,390	3,392,931	3,473,321	2,976,813
<i>less appropriations drawn from annual or special appropriations above and credited to special accounts</i>			(1,000)	(1,000)
<i>less payments to CAC Act bodies</i>			(890,124)	(887,375)
Total net resourcing for Department of Innovation, Industry, Science and Research			2,582,197	2,088,438

Notes

¹ Appropriation Bill (No.1) 2008-09² Appropriation Bill (No.2) 2008-09³ This item covers three programs - the Research Infrastructure Block Grants program, the Australian Scheme for Higher Education Repositories and the Implementation Assistance program.⁴ This item covers three programs - the Research Training Scheme, Australian Post Graduate Awards and the Commercialisation Training Scheme.⁵ Refer to Table 3.1.3 for further information.⁶ As a result of the AAOs of 3 December 2007, the Ranger Rehabilitation and Ministerial Council on Energy special accounts were transferred to the Department of Resources, Energy and Tourism (DRET). Additionally, parts of the Services for other Government and non-FMA agencies have also been transferred to DRET and the Bureau of Meteorology (BOM). Refer to Table 3.1.3 for further information.

DIISR Budget Statements

Third Party Drawdowns from and on behalf of other agencies	2008-09
	\$'000
Payments to CAC Act bodies within the Portfolio	
Ordinary Annual Services	
Australian Institute of Aboriginal and Torres Strait Islanders Studies	11,918
Australian Institute of Marine Science	27,701
Australian Nuclear Science and Technology Organisation	173,115
Commonwealth Scientific and Industrial Research Organisations	668,120
Total ordinary annual services	880,854
Other services	
Australian Nuclear Science and Technology Organisation	1,600
Commonwealth Scientific and Industrial Research Organisations	7,670
Total other services	9,270
Total payments to CAC Act bodies within the Portfolio	890,124

1.3 BUDGET MEASURES

Budget measures relating to the Department of Innovation, Industry, Science and Research are detailed in Budget Paper No. 2. Table 1.2 provides a summary of government measures and identifies the relevant output groups associated with each measure.

Table 1.2: Agency 2008-09 Budget measures

	Output Group	2008-09 \$'000	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000
Expense measures					
Australian Made Campaign - additional funding ¹					
Administered expense	1.1	-	-	-	-
Departmental outputs		-	-	-	-
Total		-	-	-	-
Automotive Review ²					
Administered expense	1.1	-	-	-	-
Departmental outputs		437	-	-	-
Total		437	-	-	-
Beaconsfield Community Fund - additional funding for Grubb Shaft Gold and Heritage Museum ³					
Administered expense	1.1	-	-	-	-
Departmental outputs		-	-	-	-
Total		-	-	-	-
Business Enterprise Centres					
Administered expense	1.1	9,988	10,231	10,228	10,225
Departmental outputs		512	269	272	275
Total		10,500	10,500	10,500	10,500
Enterprise Connect Innovation Centres - establishment ⁴					
Administered expense	1.1	18,359	16,880	14,485	14,485
Departmental outputs		47,553	42,120	36,316	36,316
Total		65,912	59,000	50,801	50,801
Excellence in Research for Australia ⁵					
Administered expense	3.1	16,486	10,095	2,407	1,000
Departmental outputs		-	-	-	-
Total		16,486	10,095	2,407	1,000
Liquefied Petroleum Gas Vehicle Scheme ⁶					
Administered expense	1.1	-	-	-	-
Departmental outputs		-	-	-	-
Total		-	-	-	-
Responsible Economic Management - Australian Industry Productivity Centres ⁷					
Administered expense	1.4	(20,220)	(20,220)	(20,220)	(20,220)
Departmental outputs		(15,252)	(15,362)	(15,831)	(15,663)
Total		(35,472)	(35,582)	(36,051)	(35,883)

Table 1.2: Agency 2008-09 Budget measures (continued)

	Output Group	2008-09 \$'000	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000
- Building Entrepreneurship in Small Business Program	1.1				
Administered expense		(8,900)	(200)	-	-
Departmental outputs		(1,348)	(98)	-	-
Total		(10,248)	(298)	-	-
- Commercial Ready					
Administered expense	2.1	(62,481)	(188,890)	(200,638)	(208,800)
Departmental outputs		(7,548)	(11,331)	(13,157)	(14,367)
Total		(70,029)	(200,221)	(213,795)	(223,167)
- Electronic Authentication and Verification ⁸					
Administered expense	1.4	-	-	-	-
Departmental outputs		(8,434)	-	-	-
Total		(8,434)	-	-	-
- Global Opportunities Program ⁹					
Administered expense	1.2	-	-	-	-
Departmental outputs		(14,350)	(14,200)	(14,600)	(15,000)
Total		(14,350)	(14,200)	(14,600)	(15,000)
- Innovation Ambassador Program					
Administered expense	2.1	(610)	(820)	(820)	-
Departmental outputs		(806)	(1,069)	(875)	-
Total		(1,416)	(1,889)	(1,695)	-
- Intermediary Access Program ¹⁰					
Administered expense	2.1	(3,240)	(3,970)	(5,180)	(4,680)
Departmental outputs		(365)	(565)	(568)	(367)
Total		(3,605)	(4,535)	(5,748)	(5,047)
- Invest Australia functions - merge into Austrade ¹¹					
Administered expense	1.2	-	-	-	-
Departmental outputs		(23,800)	(24,200)	(24,200)	-
Total		(23,800)	(24,200)	(24,200)	-
- National Nanotechnology Strategy					
Administered expense	2.3	-	-	-	-
Departmental outputs		-	(5,633)	(5,630)	-
Total		-	(5,633)	(5,630)	-
Pharmaceuticals Partnership Program ¹²					
Administered expense	1.1	(450)	-	-	-
Departmental outputs		-	-	-	-
Total		(450)	-	-	-
Research Quality Framework ¹³					
Administered expense	3.1	(15,486)	(9,095)	(1,407)	-
Departmental outputs		(10,388)	(588)	-	-
Total		(25,874)	(9,683)	(1,407)	-
Scholarships for a Competitive Future - postgraduate scholarships increase					
Administered expense	3.1	2,285	43,706	66,320	96,671
Departmental outputs		-	-	-	-
Total		2,285	43,706	66,320	96,671

Table 1.2: Agency 2008-09 Budget measures (continued)

	Output Group	2008-09 \$'000	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000
Small Business Advisory Committee - establishment ¹⁴					
Administered expense	1.1	-	-	-	-
Departmental outputs		-	-	-	-
Total		-	-	-	-
South Australian Innovation and Investment Fund and Labour Assistance Package - supplementary funding to Mitsubishi Employees ¹⁵					
Administered expense		4,200	10,500	10,855	-
Departmental outputs		838	872	235	-
Total		5,038	11,372	11,090	-
Tackling Climate Change					
- Clean Business Australia - Climate Ready Program					
Administered expense	2.1	13,133	22,570	23,770	15,527
Departmental outputs		-	-	-	-
Total		13,133	22,570	23,770	15,527
- Clean Business Australia - Green Building Fund					
Administered expense	2.1	22,500	37,500	15,000	15,000
Departmental outputs		-	-	-	-
Total		22,500	37,500	15,000	15,000
- Clean Business Australia - Retooling for Climate Change					
Administered expense	2.1	10,926	21,793	24,465	17,816
Departmental outputs		-	-	-	-
Total		10,926	21,793	24,465	17,816
Green Car Innovation Fund					
Administered expense	2.1	-	-	-	100,000
Departmental outputs		-	-	-	-
Total		-	-	-	100,000
Textile, clothing and footwear industry review ¹⁶					
Administered expense	1.1	-	-	-	-
Departmental outputs		395	-	-	-
Total		395	-	-	-
Total expense measures	Administered	(13,510)	(49,920)	(60,735)	37,024
	Departmental	(32,556)	(29,785)	(38,038)	(8,806)
	Total	(46,066)	(79,705)	(98,773)	28,218

Table 1.2: Agency 2008-09 Budget measures (continued)

	Output Group	2008-09 \$'000	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000
Capital measures					
Enterprise Connect Innovation Centres					
- establishment ¹⁷					
Administered capital	1.1	1,500	750	-	-
Departmental capital		1,600	200	-	-
Total		3,100	950	-	-
Responsible Economic Management					
- Australian Industry Productivity Centres ¹⁸					
Administered capital	1.1	-	-	-	-
Departmental capital		(500)	-	-	-
Total		(500)	-	-	-
- Electronic Authentication and Verification ¹⁹					
Administered capital	1.4	-	-	-	-
Departmental capital		(1,451)	-	-	-
Total		(1,451)	-	-	-
- Global Opportunities Program					
Administered capital	1.2	-	-	-	-
Departmental capital		(2,050)	(800)	(800)	(800)
Total		(2,050)	(800)	(800)	(800)
National Nanotechnology Strategy					
Administered capital	2.3	-	-	-	-
Departmental capital		-	(500)	-	-
Total		-	(500)	-	-
Total capital measures	Administered	1,500	750	-	-
	Departmental	(2,401)	(1,100)	(800)	(800)
	Total	(901)	(350)	(800)	(800)

Prepared on a Government Financial Statistics (fiscal) basis

Notes

1. This measure has an impact of \$0.9m in 2007-08
2. This measure has an impact of \$0.7m in 2007-08.
3. This measure has an impact of \$0.3m in 2007-08.
4. This measure has an impact of \$18.5m in 2007-08.
5. Funded from savings from the Research Quality Framework (with \$7.8m for 2007-08) and includes additional funding of \$1.0m p.a for the Learned Academies.
6. This measure has an impact of \$19.1m in 2007-08.
7. This savings measure has an impact of \$12.9m in 2007-08.
8. This savings measure has an impact of \$6.0m in 2007-08.
9. The remaining funding for this program transferred to Austrade as part of the Machinery of Government change.
10. This savings measure has an impact of \$0.5m in 2007-08.
11. This savings measure has an impact of \$12.3m in 2007-08.
12. This measure has an impact of \$2.7m in savings for 2007-08.
13. This savings measure has an impact of \$7.8m in 2007-08. Administered savings to fund the Excellence in Research for Australia measure.
14. Departmental funding of \$0.3m p.a. to be absorbed within existing resources
15. This measure has a saving of \$35.0m in 2007-08.
16. This measure has an impact of \$0.5m in 2007-08.
17. This measure has an impact of \$1.6m in 2007-08.
18. This savings measure has an impact of \$0.6m in 2007-08.
19. This savings measure has an impact of \$1.7m in 2007-08.

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.

Each outcome is described below by output groups, specifying the performance indicators and targets used to assess and monitor the performance of the Department of Innovation, Industry, Science and Research in achieving government outcomes.

2.1.1 Outcome 1: Improve the economic viability and competitive advantage of Australian industry, including the manufacturing and services sectors, through the delivery of initiatives to address impediments to market development and encourage the take up of innovation within those sectors.

Outcome 1 Strategy

The Department will work to improve social and economic viability, competitive advantage and international engagement of Australian industries, with a particular focus on the manufacturing and services sectors. This will be achieved through measures identified in Output Group 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

Outcome 1	2008-09 Total estimate of available resources \$'000	2007-08 Estimated actual \$'000
Output Group 1.1		
Administered Items		
Automotive Components Limited Bearings	-	2,000
Asia-Pacific Partnership on Clean Development and Climate ¹	-	499
Australian Industry Productivity Centres	-	910
Australian Made Campaign	900	900
Australian Tourism Development Programme ¹	-	4,153
Beaconsfield Community Fund - establishment	-	3,061
Building Entrepreneurship in Small Business Program	4,920	14,115
Business Enterprise Centres	9,988	-
Energy Initiatives - ethanol distribution scheme - establishment ¹	-	2,763
Liquefied Petroleum Gas Vehicle Scheme	97,140	160,400
Enterprise Connect Innovation Centres - establishment	18,359	5,310
Ethanol Production ¹	-	21,805
Geelong Innovation and Investment Fund	8,210	-
General Motors Holden - assistance	-	2,000
Home Based Business Seminar	-	344
Indigenous Tourism Business Ready Program ¹	-	325
Labour Market and Structural Adjustment Assistance - South Australia Assistance Package	3,292	6,956
Mentor Resources	-	50
Petroleum Royalty Administration ¹	-	15
Pharmaceuticals Partnerships Program	29,292	26,906
Port Kembla Industry Facilitation Fund - establishment	-	2,592
Regulation Reduction Incentive Fund	-	200
Scottsdale Industry and Community Development Fund - establishment	4,000	4,000
Small scale mammalian cell production facility -establishment	1,000	1,000
South Australian Innovation and Investment Fund and Labour Assistance Package - supplementary funding for Mitsubishi Employees	4,200	-
SPP - Payment to NT in lieu of royalties ¹	-	1,209
Stockman's Hall of Fame and Outback Heritage Centre - upgrade ¹	-	400
Structural adjustment package (Electrolux) - establishment	12,946	7,054
Support for Industry Service Organisations	3,681	3,485
Textile Clothing and Footwear - Structural Adjustment Program	4,790	8,333
World Youth Day 2008 - contribution ¹	-	10,000

Table 2.1: Total resources for Outcome 1 (continued)

Outcome 1	2008-09 Total estimate of available resources \$'000	2007-08 Estimated actual \$'000
Special Appropriations		
<i>Petroleum (Submerged Lands) Act 1967¹</i>	-	9,047
<i>Petroleum (Submerged Lands) Act 1967 - Admin Exp - Ashmore and Cartier Islands¹</i>	-	1,634
<i>Petroleum (Submerged Lands) Act 1967 - s129 Offshore Petroleum Royalties - payment to the States¹</i>	-	298,485
<i>Textile, Clothing and Footwear Strategic Investment Program Act 1999</i>	100,000	100,340
Special Accounts		
Services for other Governments and non-FMA agencies -s20 FMA Act (A)		
Opening balance	6	783
Appropriation receipts	-	-
Non-Appropriation receipts to Special Accounts	83	143
Amount transferred out due to AAO changes ²	-	(592)
Ranger Rehabilitation -s20 FMA Act (S)		
Opening balance	-	46,172
Appropriation receipts	-	-
Non-Appropriation receipts to Special Accounts	-	1,359
Amount transferred out due to AAO changes ³	-	(47,531)
Subtotal for Output Group 1.1	302,807	700,625
Output Group 1.2		
Departmental Outputs		
Program Management	53,387	64,803
Revenues from other sources (s.31)	211	3,207
Special Accounts		
Ministerial Council on Energy Special Account		
Opening balance	-	5,357
Appropriation receipts	-	-
Non-Appropriation receipts to Special Accounts	-	2,467
Amount transferred out due to AAO changes ³	-	(5,401)
Subtotal for Output Group 1.2	53,598	70,433
Output Group 1.3		
Departmental Outputs		
Policy Advice	39,843	59,323
Revenues from other sources (s.31)	107	190
Special Accounts		
Australian Building Codes Board Special Account		
Opening balance	1,995	2,418
Appropriation receipts	1,000	1,000
Non-Appropriation receipts to Special Accounts	6,500	6,711
Subtotal for Output Group 1.3	49,445	69,642

Table 2.1: Total resources for Outcome 1 (continued)

Outcome 1	2008-09 Total estimate of available resources \$'000	2007-08 Estimated actual \$'000
Output Group 1.4		
Departmental Outputs		
Business Services	113,365	102,186
Revenues from other sources (s.31)	30,283	29,785
Subtotal for Output Group 1.4	143,648	131,971
Total resources for Outcome 1	549,498	972,671
	2008-09	2007-08
Average staffing level (number)	1,149	1,227

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.

Notes

1. As a result of the AAOs of 3 December 2007, these programs were transferred to the Department of Resources, Energy and Tourism (DRET). The estimated actuals for these programs reflect the actual expenses incurred up to the date of transfer.
2. As a result of the AAOs of 3 December 2007, one of the special accounts in this category, the Gas Transfer Price Consultancy account, has been transferred to DRET. In addition, two accounts under this category, the United State Air Force (USAF) and the IPS accounts have been transferred to the Bureau of Meteorology (BOM). The estimated actual includes the actual receipts up to the date of transfer.
3. As a result of the AAO's of 3 December 2007, these accounts were transferred to DRET. The estimated actual includes the actual receipts up to the date of transfer.

Contributions to Outcome 1

Output Group 1: Industry

Output Group 1 components contribute to achieving Outcome 1 through the delivery of:

- industry policy advice on a range of issues (such as regulation, skills shortages and infrastructure constraints) that impact the international competitiveness and growth of Australian businesses including those in the services economy;
- sectoral policy advice and the implementation and delivery of effective programs in areas such as automotive (including the Automotive Competitiveness and Investment Scheme); textiles, clothing and footwear; pharmaceuticals; engineering; building; aerospace; and the information and communications technology sectors;
- specialised business, measurement and online services through the Enterprise Connect network, the National Measurement Institute (including a national trade measurement system) and business.gov.au; and
- other initiatives that address impediments to market development and encourage international integration and the take up of innovation within those sectors.

In addition, the Department will work to improve the growth, performance and competitiveness of small businesses (including independent contractors) by:

- working across government to ensure business is considered in policy making, in particular in the areas of innovation; deregulation; and competition, taxation and workplace relations policy; and
- improving business entrepreneurship and access to information on business best practice and government requirements.

Output Group 1: Industry

Components of Output Group 1:

1.1 Administered Items

- Australian Made Campaign

Improves the competitive advantage of Australian industry through the promotion of Australian exports using the Australian Made, Australian Grown Logo, and is targeted primarily at stimulating new and increased export activity by Australian manufacturers in particular overseas markets.

- Building Entrepreneurship in Small Business Program

Fosters entrepreneurship, including maximising the growth potential and sustainability of small business, by providing competitive, merit-based grants to organisations to improve the business skills of Australian small business owners and/or managers.

- Business Enterprise Centres

Provides the ability to deliver timely advice to small business owners, those intending to start a small business and independent contractors on issues that are important to them in establishing and growing their business.

- Enterprise Connect Innovation Centres

Connects businesses with new ideas and new technologies. The centres will benefit businesses in the target market to upgrade their capabilities and be more productive and competitive.

- Geelong Innovation and Investment Fund

Assists with industry development in Geelong as a result of the decision by Ford Australia to restructure its Geelong manufacturing operations. The package will support new investment to assist in creating sustainable job opportunities in the Geelong region.

- Labour Market and Structural Adjustment Assistance – South Australia Assistance Package

Following the decision of Mitsubishi Motors Corporation to close its plant at Lonsdale in Adelaide and to reduce the workforce at its Tonsley Park facility, this package assists with structural adjustment in South Australia. It combines labour market program assistance tailored to meet the needs of displaced workers as well as support for new investment that will create sustainable job opportunities in South Australia.

- Liquefied Petroleum Gas Vehicle Scheme

Encourages the uptake and use of LPG as an alternative transport fuel.

- Pharmaceuticals Partnership Program

Improves the competitiveness of the pharmaceuticals industry by providing an incentive for pharmaceuticals companies to undertake additional high quality research and development and partnerships in Australia.

Output Group 1: Industry (continued)

- **Scottsdale Industry and Community Development Fund - establishment**
Provides structural adjustment assistance in the form of competitive, merit-based grants to local businesses and groups for new employment creation in the Scottsdale region of Tasmania. It will also assist with improvements to road access to the planned eco-tourism development at Musselroe Bay.
 - **Small Scale Mammalian Cell Production Facility - establishment**
Improves the competitiveness of the pharmaceuticals industry by supporting the establishment of a viable Small Scale Mammalian Cell Production Facility that will fill the infrastructure gap in Australia's biomanufacturing industry.
 - **South Australian Innovation and Investment Fund and Labour Assistance Package – supplementary funding to Mitsubishi Employees**
In response to the closure of the Mitsubishi Tonsley Park vehicle assembly plant in Adelaide, the Fund aims to assist the creation of sustainable new jobs through innovative manufacturing and/or technology projects in South Australia, with a focus on the southern suburbs of Adelaide.
 - **Structural Adjustment Package (Electrolux) - establishment**
Supports new investment and creates sustainable new jobs in South Australia, with a focus on the Adelaide region generally, in response to the decision by Electrolux to restructure its manufacturing facilities in South Australia. To be eligible for the fund, new investment should help to create new or additional business capacity designed to enhance employment, business and economic opportunities.
 - **Support for Industry Service Organisations**
Improves the competitiveness of Australian industry by ensuring Australian membership of and participation in the meetings of key international organisations in the areas of standards, conformance, laboratory accreditation and certification.
 - **Textile, Clothing and Footwear - Structural Adjustment Program**
Supports further TCF industry consolidation and labour market adjustment by providing assistance through the Job Network, the Restructuring Initiative Grants Scheme and the Regional Partnerships program.
 - **TCF Post-2005 Strategic Investment Program (SIP) Scheme**
Fosters the development of a sustainable and internationally competitive textiles, clothing and footwear manufacturing industry and textile, clothing and footwear design industry in Australia by providing incentives which will promote investment and innovation.
- 1.2 Program Management
1.3 Policy Advice
1.4 Business Services

Key Performance Indicators	2008-09 Target
<p>Australian Made Campaign</p> <p>Stimulate new export activity by Australian manufacturers and growth in exports by existing export manufacturers.</p>	<p>Establish a baseline measure of aggregate sales of products of Australian Made Campaign Limited (AMCL) licensees in each target market as a basis for measuring changes in sales in subsequent years.</p> <p>Measure export activity of all AMCL licensees including the number of licensees exporting and using the logo on exported products.</p> <p>Ensure that AMCL matches the Commonwealth's contribution on a dollar for dollar basis and not less than 50% of the matching contribution to be cash funding by AMCL.</p>
<p>Building Entrepreneurship in Small Business Program</p> <p>Effective management of existing program contracts and commitments.</p>	<p>Compliance and financial reporting obligations as required in contracts undertaken and managed in line with best practice program management.</p>
<p>Business Enterprise Centres (BECs)</p> <p>The number of additional low cost advisory services provided to small business by the BECs (funded under this initiative) to assist the development and prosperity of small businesses in Australia.</p>	<p>36 Business Enterprise Centres (BECs) funded to provide additional low cost advisory services to small business in 2008-09.</p> <p>BECs to report twice yearly on the increase and expansion in the services they provide (funded under this initiative) over those services previously provided by the BECs (which are funded under other arrangements).</p>
<p>Enterprise Connect Innovation Centres</p> <p>Contribution to improved performance of client small and medium businesses.</p>	<p>2,000 firms provided with advice, attended workshops and/or participated in innovation networking activities.</p> <p>1,000 small and medium manufacturing enterprises provided with hands-on support from the Network.</p> <p>50 Researcher in Business placements made.</p>
<p>Liquefied Petroleum Gas Vehicle Scheme</p> <p>Assistance to motorists to offset high petrol prices.</p>	<p>Approximately 80,000 conversions in 2008-09.</p>

Key Performance Indicators	2008-09 Target
<p>Pharmaceuticals Partnership Program</p> <p>Effective management of existing program contracts and commitments in relation to:</p> <ul style="list-style-type: none"> • The increase in pharmaceuticals research and development activity undertaken in Australia; and • The number of linkages and new collaborations within the industry. 	<p>\$108 million of additional research and development in 2008-09 compared to base periods.</p> <p>50 linkages and collaborations being undertaken in 2008-09.</p> <p>Compliance and financial reporting obligations as required in contracts undertaken and managed in line with best practice program management.</p>
<p>Scottsdale Industry and Community Development Fund</p> <p>Supporting the establishment and maintenance of long-term sustainable employment opportunities in the municipality of Dorset, Tasmania.</p>	<p>Number of sustainable jobs retained or created in the 11 projects supported during the period of the Fund, including:</p> <ul style="list-style-type: none"> • no redundancies at Auspine mills in Scottsdale; and • creation of 30 full time equivalents in all remaining projects.
<p>Small Scale Mammalian Cell Production Facility</p> <p>Progress relating to the construction of the facility.</p>	<p>Final engineering design report accepted by the Department.</p>
<p>Support for Industry Service Organisations</p> <p>Ensure Australian involvement in key international standards and conformity assessment bodies in support of competitiveness and trade facilitation objectives.</p>	<p>Maintain membership of the key international standards and conformity assessment bodies. Maintain or increase the level of Australian involvement in the international bodies.</p>
<p>Structural Adjustment Programs</p> <p><i>Structural Adjustment Package (Electrolux) – establishment</i></p> <p><i>Geelong Innovation and Investment Fund</i></p> <p><i>Labour Market and Structural Adjustment Assistance – South Australia Assistance Package</i></p> <p><i>South Australian Innovation and Investment Fund and Labour Assistance Package – Supplementary funding to Mitsubishi Employees</i></p> <p>The investment value of projects approved during the year under structural adjustment funds.</p> <p>The number of jobs expected to be created from projects approved during the year under structural adjustment funds.</p>	<p>\$115 million.</p> <p>460 jobs created.</p>

Key Performance Indicators	2008-09 Target
<p>Textile, Clothing and Footwear - Structural Adjustment Program</p> <p>Facilitate industry consolidation and ameliorate adverse effects of industry adjustment on workers and regions.</p>	<p>The extent to which TCF industry consolidation and labour market adjustment continues to occur. Demand should decrease over time.</p>
<p>Textile, Clothing and Footwear Strategic Investment Program (TCF-SIP)</p> <p>The amount of TCF investment in new plant and equipment and innovation.</p>	<p>The amount of expenditure in excess of \$110 million on plant or equipment and in excess of \$70 million on innovation.</p>

Evaluations for Outcome 1 - Industry

The following evaluations are planned for 2008-09:

- Review of Australia's Automotive Industry.* The Automotive Review is being conducted by the Hon Steve Bracks, with the support of an expert panel. As part of the review, current assistance arrangements, including the Automotive Competitiveness and Investment Scheme (ACIS) will be examined. A final report to Government is due by 31 July 2008.
- Review of the Australian Textile, Clothing and Footwear Industry.* The Terms of Reference for the Review specify that it will consider the appropriateness and effectiveness of assistance provided through sector-specific assistance and trade measures. The Reviewer, Professor Roy Green is due to report to the Australian Government by 31 August 2008.

2.1.2 Outcome 2: A streamlined national innovation system to facilitate innovation uptake by Australian industry and drive improved social and economic benefits for the Australian community.

Outcome 2 Strategy

The Department will work to boost innovation by Australian industry and improve social and economic benefits for the Australian community through the delivery of measures identified in Output Group 2.

Outcome 2 Resource statement

Table 2.1 provides additional detail of Budget appropriations and the total resourcing for outcome 2.

Table 2.1 Total resources for Outcome 2

Outcome 2	2008-09 Total estimate of available resources \$'000	2007-08 Estimated actual \$'000
Output Group 2.1		
Administered Items		
Building on IT Strengths	-	1,771
Clean Business Australia - Climate Ready Program	13,133	-
Clean Business Australia - Green Building Fund	22,500	-
Clean Business Australia - Retooling for Climate Change	10,926	-
COMET	13,500	14,000
Commercial Ready	154,290	210,230
Industry Cooperative Innovation Program	6,925	5,845
Intermediary Access Program	-	2,951
National Stem Cell Centre	5,500	6,000
Subtotal for Output Group 2.1	226,774	240,797
Output Group 2.2		
Departmental Outputs		
Program Management	36,270	48,109
Revenues from other sources (s.31)	1,017	739
Subtotal for Output Group 2.2	37,287	48,848
Output Group 2.3		
Departmental Outputs		
Policy Advice	13,888	12,104
Revenues from other sources (s.31)	19	23
Subtotal for Output Group 2.3	13,907	12,127
Total resources for Outcome 2	277,968	301,772
	2008-09	2007-08
Average staffing level (number)	313	359

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.

Contributions to Outcome 2

Output Group 2: Innovation

Output Group 2 components contribute to achieving Outcome 2 by:

- undertaking a comprehensive review of the current innovation initiatives across all levels of government, science and research disciplines and industry sectors;
- focusing innovation policy and incentives for business innovation and research and development to promote global competitiveness and economic growth;
- developing measurement infrastructure to support innovation, industry and community objectives;
- accelerating the take up of new technology and knowledge, so Australian industry can access the best ideas from around Australia and the rest of the world, including encouraging collaboration and partnerships;
- developing multiple pathways for industry to access the knowledge and expertise in universities and research agencies; and
- cultivating public awareness and understanding of the scope and significance of innovation.

Output Group 2: Innovation
Components of Output Group 2: 2.1 Administered Items
<ul style="list-style-type: none">• Clean Business Australia – Climate Ready Program Assists small and medium enterprises to develop and bring to the market new products that save energy and water, reduce pollution and use waste products in innovative ways.• Clean Business Australia – Green Building Fund Helps Australian businesses implement cost-saving energy efficiency measures by subsidising 50 per cent of the costs of retrofitting and re-commissioning existing commercial office buildings, up to a maximum of \$200,000 per building.• Clean Business Australia – Retooling for Climate Change Helps Australian manufacturers to improve their production processes, reduce their environmental footprint, and cut carbon emissions.• COMET Provides individuals and early stage companies with access to growth capital and the management, business and intellectual property skills to bring new ideas and products to market.

Output Group 2: Innovation (continued)	
<ul style="list-style-type: none"> • Industry Cooperative Innovation Program Encourages business-to-business cooperation on innovation projects that enhance productivity, growth and international competitiveness in Australian industries, with particular focus on meeting strategic industry needs. • National Stem Cell Centre Undertakes research of the highest quality in the stem cell field in order to discover and ultimately commercialise new therapies for human disease. <p>2.2 Program Management 2.3 Policy Advice</p>	
Key Performance Indicators	2008-09 Target
<p>Clean Business Australia - Climate Ready Program</p> <p>Increase in industry projects developing and commercialising clean green technologies.</p>	Program successfully implemented and first two rounds held.
<p>Clean Business Australia - Green Building Fund</p> <p>Assist building owners in meeting the cost of retro-fitting and retro-commissioning commercial office buildings to achieve energy efficiency gains and greenhouse gas abatement.</p>	110 eligible refurbishments.
<p>Clean Business Australia - Retooling for Climate Change</p> <p>Support small and medium-sized manufacturers to improve the energy efficiency of their operations.</p>	70 eligible projects.
<p>COMET</p> <p>Effective program management promoting:</p> <ul style="list-style-type: none"> • Capital Raising: • Alliances (strategic, joint ventures & other); • Management Skills Development; and • Sustainability of Companies. 	<p>40 per cent of customers raise capital.</p> <p>30 per cent of customers achieve an alliance.</p> <p>80 per cent of customers report as rating of critical or useful for the categories: management skills transfer; adding value to business; and transfer of commercialisation skills.</p> <p>70 per cent of companies will still be trading five years after completing COMET.</p>

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Key Performance Indicators	2008-09 Target
<p>Commercial Ready</p> <p>Effective management of existing program contracts and commitments in relate to:</p> <ul style="list-style-type: none"> • Intellectual property generated (eg: patent applications in Australia and overseas); • Number of staff employed on project retained following the project; and • Additional funds/investment attracted from other sources. 	<p>Successfully manage the remaining Commercial Ready projects to meet the milestones in their funding agreements.</p> <p>Compliance and financial reporting obligations as required in contracts undertaken and managed in line with best practice management.</p>
<p>Industry Cooperative Innovation Program</p> <p>Effective program management to facilitate project outcomes and regular reporting from consortium participants outlining the benefits of collaboration.</p>	<p>Successfully manage the remaining ICIP projects to meet the milestones in their funding agreements.</p> <p>Consortium participants to report at the end of project on the level of their participation in collaborative projects and expected future collaboration.</p>
<p>National Stem Cell Centre</p> <p>Undertake world-class stem cell research.</p> <p>Develop innovative, commercially focused stem cell technologies.</p>	<p>20 or more publications in key peer-reviewed journals.</p> <p>5 or more commercialisation agreements for Australian Stem Cell Centre owned IP.</p>

Evaluations for Outcome 2 - Innovation

The following evaluations are planned for 2008-09

- *Review of the National Innovation System.* The wide ranging review of Australia's national innovation system is being conducted by an expert panel chaired by Dr Terry Cutler. The Review will examine the coherence and effectiveness of existing government support for innovation. The Panel will provide a Green Paper to the Government detailing policy options by 31 July 2008. The Green Paper will be released for public comment and used as the basis for the development of a Government White Paper.

2.1.3 Outcome 3: Maintain a strong science and research capacity required to generate and utilise knowledge within the science and research, higher education and industry sectors through investment in research infrastructure, skill development and promoting collaboration both within Australia and internationally.

Outcome 3 Strategy

The Department will continue to build a strong Australian science and research capacity.

Outcome 3 Resource statement

Table 2.1 provides additional detail of Budget appropriations and the total resourcing for outcome 3.

Table 2.1 Total resources for Outcome 3

Outcome 3	2008-09 Total estimate of available resources \$'000	2007-08 Estimated actual \$'000
Output Group 3.1		
Administered Items¹		
Learned Academies - supplementation	1,000	-
Anglo-Australian Telescope Board	4,916	2,405
Cooperative Research Centres	182,782	126,755
International Education and Training (Australia-India Strategic Research Fund element only)	6,912	2,103
International Science Linkages	11,678	8,823
National Collaborative Research Infrastructure Strategy	102,800	96,860
Science Connections Programme	4,214	1,764
Special Appropriations¹		
Higher Education Support Act 2003 – Higher Education Research Promotion	4,648	415
Higher Education Support Act 2003 – Institutional Grants Scheme (Higher Ed)	311,310	117,069
Higher Education Support Act 2003 – International Postgraduate Research Scholarship Scheme	19,407	7,298
Higher Education Support Act 2003 – Regional Protection Scheme (Higher Ed)	1,605	1,220
Higher Education Support Act 2003 – Research Infrastructure Block Grants ²	225,655	86,834
Higher Education Support Act 2003 – Research Training Scheme (Higher Ed) ³	698,445	261,698
Subtotal for Output Group 3.1	1,575,372	713,244
Output Group 3.2		
Departmental Outputs		
Program Management	16,772	19,520
Revenues from other sources (s.31)	8,571	3,099
Special Accounts⁴		
Science and Technology Donations / Sponsorship Special Account		
Opening balance	610	1,411
Appropriation receipts	-	-
Non-Appropriation receipts to Special Accounts	-	1,778
Subtotal for Output Group 3.2	25,343	22,619

Table 2.1 Total resources for Outcome 3

Outcome 3	2008-09 Total estimate of available resources \$'000	2007-08 Estimated actual \$'000
Output Group 3.3		
Departmental Outputs		
Policy Advice	14,274	8,475
Revenues from other sources (s.31)	24	23
Subtotal for Output Group 3.3	14,298	8,498
Total resources for Outcome 3	1,615,013	744,361
	2008-09	2007-08
Average staffing level (number)	309	327

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.

Notes

1. As a result of the AAOs of 3 December 2007 and 25 January 2008, these programs were transferred in from the former Department of Education, Science and Training (DEST). The estimated actuals reflect the amounts that were transferred.
2. This item covers the three programs - the Research Infrastructure Block Grants program, the Australian Scheme for Higher Education Repositories and the Implementation Assistance program.
3. This item covers three programs - the Research Training Scheme, Australian Postgraduate Awards and the Commercialisation Training Scheme.
4. As a result of the AAOs of 3 December 2007, this account was transferred in from the former Department of Education, Science and Training (DEST). The estimated actuals reflect the amounts that were transferred.

Contributions to Outcome 3

Output Group 3: Innovation

Output Group 3 components contribute to achieving Outcome 3 by:

- developing a policy framework and financial support arrangements for higher education institutions for research and research training to promote skills development;
- investing in research infrastructure to provide access to the best facilities for the greatest number of researchers through a number of initiatives, including the National Collaborative Research Infrastructure Strategy, the research facility element of the Higher Education Endowment Fund, and representing Australia's interests in hosting the Square Kilometre Array telescope;
- promoting a strong culture of collaboration, networking and clustering across and between universities, research institutes, industry and the community in order to maximise Australia's capabilities and the utilisation of ideas and knowledge;
- facilitating and supporting science and research cooperation and strategic alliances with international partners by Australian researchers, universities, industry and research institutes, to increase participation in, and access to leading scientific research globally, for the benefit of all Australians; and
- raising science awareness within the Australian community through Questacon and other science awareness programs.

Output Group 3: Science and Research

Components of Output Group 3:

3.1 Administered Items

- **Learned Academies - supplementation**
Promotes research and scholarship in the natural and applied sciences, technological development and applied technology, the social sciences and the humanities by providing support additional to the Higher Education Research Promotion Program to the Learned Academies.
- **Anglo-Australian Telescope Board**
Provides world-class optical and infrared observing facilities enabling Australian and British astronomers to do excellent science.
- **Cooperative Research Centres**
Turn Australia's scientific innovations into successful new products, services and technologies, making our industries more efficient, productive and competitive and delivering economic, social and environmental benefits to Australia. Emphasises the importance of collaboration between business and other end users and researchers to maximise the benefits of research through an enhanced process of utilisation, commercialisation and technology transfer.

Output Group 3: Science and Research (continued)

- International Education and Training (Australia-India Strategic Research Fund element only)
Facilitates and supports Science and Technology research cooperation between Australia and India. Assists Australian researchers to increase their participation in leading edge scientific research with Indian scientists, raises the profile of Australian research, and supports the development of strategic alliances between Australian researchers and Indian researchers.
- International Science Linkages
Support Australian scientists, from both the public and private sectors, to collaborate with international partners on leading edge science and technology in order to contribute to Australia's economic, social and environmental well-being.
- National Collaborative Research Infrastructure Strategy
Provides researchers with access to the infrastructure and collaborative networks necessary to undertake world-class research.
- Science Connections Program
Increases awareness of the important roles that science, technology and innovation play in ensuring the well-being of our society and the environmentally sustainable growth of our economy; highlights the outstanding contributions to science and science education made by our researchers and science teachers; and encourages young people to consider continuing studies in science, mathematics and engineering beyond the compulsory years of schooling, and to consider entry into science-based careers.
- Higher Education Research Promotion
Promotes research and scholarship in the natural and applied sciences, technological development and applied technology, the social sciences and the humanities by support for the Learned Academies, the National Academies Forum and other eligible institutions.
- Institutional Grants Scheme (Higher Ed)
Maintains and strengthens Australia's knowledge base and research capabilities by providing general purpose financial support underpinning the development of an effective research and research training system in the higher education sector.
- International Postgraduate Research Scholarship Scheme
Enables international students to undertake a postgraduate research qualification in Australia and gain experience with leading Australian researchers.
- Regional Protection Scheme (Higher Ed)
Protects designated regional higher education providers from losses they would otherwise incur in their total Research Training Scheme and Institutional Grant Scheme allocations against a 2001 baseline.

Output Group 3: Science and Research (continued)	
<ul style="list-style-type: none"> • Research Infrastructure Block Grants Enhance the development and maintenance of research and associated infrastructure via: the core Research Infrastructure Block Grants program, which provides general purpose financial support to higher education providers for infrastructure; the Australian Scheme for Higher Education Repositories, which assists eligible higher education providers to establish and maintain digital repositories; and the Implementation Assistance program, which provides funding to assist higher education providers to develop and implement data gathering and reporting systems for bibliometric and other data as part of the Excellence in Research for Australia initiative. • Research Training Scheme (Higher Ed) Enhances research training provision by Australian higher education providers through: the Research Training Scheme, which provides support to higher education providers for research training for students undertaking Doctorate and Masters degrees by research; Australian Post Graduate Awards, which provide financial support to postgraduate students of exceptional research promise; and the Commercialisation Training Scheme, which provides research commercialisation training to for the next generation of Australian researchers to equip them with the skills, knowledge and experience to bring research based ideas, inventions and innovations to market. • Scholarships for a Competitive Future – Postgraduate Scholarships Will double the number of postgraduate scholarships for higher degree (PhD and Masters) research students available under the Australian Postgraduate Awards Scheme by 2012. • Excellence in Research for Australia (ERA) Program <i>Description and performance information included within the Australian Research Council section on page 127.</i> <p>3.2 Program Management</p> <p>3.3 Policy Advice</p>	
Key Performance Indicators	2008-09 Target
<p>Learned Academies - supplementation</p> <p>Number of learned academies receiving funding to support activities that foster an understanding of, or promote, research and scholarship in science, social science or the humanities in Australia.</p>	Four organisations supported.
<p>Anglo-Australian Telescope Board</p> <p>Level of subscription by astronomers for usage of the Anglo-Australian Telescope.</p>	Subscription rate of 100% of available observing time (subject to weather conditions and down time for maintenance).

Key Performance Indicators	2008-09 Target
<p>Cooperative Research Centres</p> <p>Number of Cooperative Research Centres (CRC) supported.</p> <p>Number of CRC Third Year Reviews conducted by 31 March 2009.</p>	<p>45 Cooperative Research Centres supported.</p> <p>14 Reviews undertaken.</p>
<p>International Postgraduate Research Scholarships</p> <p>Financial support provided to Higher Education Institutions to attract high quality international students undertaking higher degrees by research in Australia.</p>	<p>330 places allocated to higher education institutions in 2009.</p>
<p>International Science Programs</p> <p>Number of international science collaborative activities supported.</p> <p>Number of organisations (including public and private) supported to conduct international science activities.</p> <p>Number of economies and multilateral organisations with which science collaborative activities were undertaken.</p>	<p>310 international science collaborative activities supported.</p> <p>25 organisations (including public and private) supported to conduct international science activities.</p> <p>23 nations and/or multilateral organisations with which science collaborative activities were undertaken.</p>
<p>Research Infrastructure Initiatives</p> <p>Number of innovative ICT collaboration tools and applications developed and deployed for use by researchers.</p> <p>Number of research facilities participating in collaborative research infrastructure projects.</p>	<p>At least five ICT collaboration tools and applications implemented and in use by researchers.</p> <p>110 research facilities participating in collaborative research infrastructure projects.</p>
<p>Research, Research Training and Infrastructure for Universities Initiatives</p> <p>Provision of funding to Australian Higher Education Institutions to support research, research training and research infrastructure.</p> <p>Number of Higher Education Institutions which receive financial support for their research, research training and research infrastructure.</p>	<p>All appropriation funding distributed to eligible institutions on the basis of relevant funding criteria.</p> <p>At least 21,500 places are supported via the Research Training Scheme annually.</p> <p>Support provided to 41 Higher Education Institutions.</p>

Key Performance Indicators	2008-09 Target
<p>Higher Education Research Promotion</p> <p>Number of learned academies and other eligible institutions receiving funding support for activities that foster an understanding of, or promote, research and scholarship in science, social science or the humanities in Australia.</p>	<p>Eight organisations supported.</p>
<p>Science Connections</p> <p>Number of National Science Week projects registered on the National Science Week website.</p>	<p>600 projects registered on the National Science Week website.</p>

Evaluations for Outcome 3 – Science and Research

The following evaluations are planned for 2008-09:

- Cooperative Research Centres (CRC) Program – (as part of the Review of the National Innovation System).* The CRC Program encourages collaboration between industry and researchers to enhance Australia's industrial, commercial, and economic growth through the development of sustained, user-driven, cooperative public-private research centres that achieve high levels of outcomes in adoption and commercialisation. The review will assess the appropriateness, effectiveness and efficiency of the CRC Program and make recommendations to improve innovation outcomes. The review will be completed by 31 July 2008.
- Science Connections Program.* The program funds a range of activities promoting awareness of science and innovation and its importance to the Australian community, particularly amongst young people. The evaluation will examine the effectiveness, appropriateness and efficiency of the program. The evaluation will be completed by August 2008.

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 the reconciliation between the agency and outcome resource statements, movements in administered funds, special accounts and government Indigenous expenditure.

3.1 EXPLANATORY TABLES

3.1.1 Reconciliation of total available appropriation and outcomes

The Agency Resource Statement (Table 1.1) details the total available appropriation available to an agency from all sources. For departmental operating appropriations (outputs) this includes carry-forward amounts as well as amounts appropriated at Budget. As agencies incur and are funded for future liabilities, generally depreciation and employee entitlements, the total amount of departmental operating appropriation available to an agency is unlikely to be fully utilised in the Budget year. The difference between the agency level resource statement and the sum of all outcome resource statements is the expected carry-forward amount of resources for the 2009-10 Budget year, including amounts related to meeting future obligations to maintain the agency's asset base and to meet employee entitlement liabilities.

Table 3.1.1: Reconciliation of total available appropriation and outcomes

	\$'000
Total available departmental operating appropriation (outputs)	368,102
Less estimated payments in 2008-09	(325,320)
Estimated departmental outputs carried forward and available for 2009-10	42,782

3.1.2 Movement of administered funds between years

Administered funds can be provided for a specified period, for example under annual Appropriation Acts. Funds not used in the specified period are subject to review by the Minister for Finance and Deregulation, and may be moved to a future period, in accordance with provisions in legislation. Table 3.1.2 shows the movement of administered funds approved since the 2007-08 Additional Estimates.

Table 3.1.2: Movement of administered funds between years

Movements of funding between years	2007-08 \$'000	2008-09 \$'000	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000
Annual Administered Appropriations					
Outcome 1					
Building Entrepreneurship in Small Business Program	(1,166)	600	566	-	-
Geelong Innovation and Investment Fund	(2,505)	2,505	-	-	-
Labour Market and Structural Adjustment Assistance - South Australia Assistance Package	(3,292)	3,292	-	-	-
Structural Adjustment package (electrolux) - establishment	(2,946)	2,946	-	-	-
Scottsdale Industry and Community Development Fund - establishment	(2,000)	2,000	-	-	-
Outcome 1 Annual	(11,909)	11,343	566	-	-
Outcome 2					
Industry Cooperative Innovation Program	(475)	475	-	-	-
Outcome 2 Annual	(475)	475	-	-	-
Total Annual Administered Appropriations	(12,384)	11,818	566	-	-

3.1.3 Special Accounts

Special accounts provide a means to set aside and record amounts used for specified purposes. Special Accounts can be created by a Finance Minister's Determination under the *Financial Management and Accountability Act 1997* or under separate enabling legislation. Table 3.1.3 shows the expected additions (receipts) and reductions (payments) for each account used by the Department of Innovation, Industry, Science and Research.

Table 3.1.3: Estimates of Special Account cash flows and balances

		Opening balance 2008-09 2007-08	Receipts 2008-09 2007-08	Payments 2008-09 2007-08	Closing balance 2008-09 2007-08
	Outcome	\$'000	\$'000	\$'000	\$'000
Services for other Governments and non-FMA agencies ¹	1	6	83	83	6
-s20 FMA Act (A)		783	143	328	598
Ranger Rehabilitation ²	1	-	-	-	-
-S20 FMA Act (S)		46,172	1,359	-	-
Australian Building Codes Board Special Account	1	1,995	7,500	7,500	1,995
-s20 FMA Act (D)		2,418	7,711	8,134	1,995
Ministerial Council on Energy ²	1	-	-	-	-
-s20 FMA Act (D)		5,357	2,467	2,423	-
Science and Technology Donations / Sponsorship Special Account	3	610	-	-	610
-s39 FMA 1997 (D)		1,411	1,778	2,579	610
Total special accounts					
2008-09 Budget estimate		2,611	7,583	7,583	2,611
Total special accounts					
2007-08 estimate actual		56,141	13,458	13,464	3,203

(A) = Administered (D) = Departmental (S) = Special Public Monies
FMA Act = Financial Management and Accountability Act 1997

Notes

- As a result of the AAOs of 3 December 2007, one of the special accounts in this category, the Gas Transfer Price Consultancy account, has been transferred to the Department of Resources, Energy and Tourism (DRET). In addition, two accounts under this category, the United State Air Force (USAF) and the IPS accounts have been transferred to the Bureau of Meteorology. The results presented above for these accounts represent the actual receipts and payments up to the date of transfer. The closing balances were transferred out are not disclosed above.
- As a result of the AAO's of 3 December 2007, these accounts were transferred to the DRET. The results presented above for these accounts represent the actual receipts and payments up to the date of transfer. The closing balances were transferred to DRET and are not disclosed above.

3.1.4 Australian Government Indigenous Expenditure

Table 3.1.4: Australian Government Indigenous Expenditure

	Appropriations				Other \$'000	Total \$'000	Output Group
	Bill No. 1 \$'000	Bill No. 2 \$'000	Special Approp \$'000	Total Approp \$'000			
	Department of Innovation, Industry, Science and Research						
Outcome 1							
<i>Indigenous graduate recruitment, traineeships and cadetships</i>							
						1.3	
Departmental 2008-09	54	-	-	54	-	54	
Departmental 2007-08	38	-	-	38	-	38	
Total Outcome 1 2008-09	54	-	-	54	-	54	
Total Outcome 1 2007-08	38	-	-	38	-	38	
Outcome 3							
<i>Questacon - Indigenous Outreach Programmes</i>							
						3.2	
Departmental 2008-09	-	-	-	-	-	-	
Departmental 2007-08	119	-	-	119	-	119	
Total Outcome 3 2008-09	-	-	-	-	-	-	
Total Outcome 3 2007-08	119	-	-	119	-	119	
TOTAL - Innovation, Industry, Science and Research							
Total Departmental 2008-09	54	-	-	54	-	54	
Total Departmental 2007-08	157	-	-	157	-	157	
Total AGIE 2008-09	54	-	-	54	-	54	
Total AGIE 2007-08	157	-	-	157	-	157	

3.1 BUDGETED FINANCIAL STATEMENTS

3.2.1 Differences in agency resourcing and financial statements

The Department of Innovation, Industry, Science and Research's resourcing statement Table 1.1 is directly comparable to the budgeted financial statements for 2008-09.

3.2.2 Analysis of budgeted financial statements

The budgeted financial statements for the Department of Innovation, Industry, Science and Research are presented in this section. The variations presented in the previous sections have been incorporated into these statements.

The financial statements incorporate the following resources:

- resources relating to the former Department of Industry, Tourism and Resources (DITR) up until the Administrative Arrangement Orders (AAOs) of 3 December 2007 at which point the Department was abolished;
- the resourcing transfers from the former DITR and the former Department of Education, Science and Training (DEST) under FMA Act Determination 2007/05 – Section 32 (Transfer from DITR to DIISR) and FMA Act Determination 2007/03 – Section 32 (Transfer from DEST to DIISR) respectively; and
- resources for special appropriations attached to functions that were transferred from the former DEST as part of the AAOs of 3 December 2007 and 25 January 2008.

BUDGETED FINANCIAL STATEMENTS

Departmental Financial Statements

Budgeted Departmental Income Statement

The statement shows the estimated revenues and expenses for the Department.

The expected actual result for 2007-08 is an operating deficit of \$0.5 million in 2007-08. This relates to the Australian Building Codes Board (ABCB) drawing down from cash reserves in the special account to fund its activities.

The Department is budgeting for a break-even operating result in 2008-09.

Revenue

Total departmental revenue budgeted for 2008-09 is \$335.5 million, comprising \$288.8 million from revenues from Government and \$46.7 million from revenue from independent sources.

Expenses

Total departmental expenses budgeted for in 2008-09 are \$335.5 million, comprising \$173.8 million from employees, \$136.7 million from suppliers, \$23.2 million from depreciation and amortisation, \$1.3 million from grants and \$0.6 million from other expenses.

Budgeted Departmental Balance Sheet

The statement shows the estimated end of year position for departmental assets and liabilities.

Assets

Total departmental assets budgeted for in 2008-09 are \$209.6 million, comprising \$154.4 million in non-financial assets and \$55.2 million in financial assets.

The \$154.4 million in non-financial assets includes \$72.1 million for infrastructure, plant and equipment, \$64.1 million for land and buildings, \$14.0 million for intangibles and \$4.5 million in other assets. The \$55.2 million in financial assets consists of \$46.3 million for receivables, \$5.5 million for cash, \$1.8 million for accrued revenues and \$1.6 million for investments.

Liabilities

Total departmental liabilities budgeted for in 2008-09 are \$86.9 million, comprising \$48.7 million in provisions and \$38.2 million in payables.

The \$48.7 million in provisions includes \$48.0 million for employees and \$0.7 million in other provisions. The \$38.2 million in payables includes \$20.6 million in other payables and \$17.6 million in suppliers.

Budgeted Departmental Statement of Cash Flows

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

Statement of Changes in Equity – Summary of movement

The statement shows the expected movement of equity during the budget year.

Administered Financial Statements

Schedule of Budgeted Income and Expenses

The schedule shows the estimated revenues and expenses for programs administered by the Department on behalf of the Government.

Appropriations can only be made to *Financial Management and Accountability Act 1997* (FMA Act) agencies. While *Commonwealth Authorities and Companies Act 1997* (CAC Act) agencies may receive funds from appropriations, this is made as a payment from government rather than CAC Act bodies being appropriated directly. As a result these funds are now reported in the portfolio department's income statement as an Administered expense.

Revenue

Total administered revenue budgeted for in 2008-09 is \$7.3 million, comprising \$1.5 million in other sources of non-taxation revenue, \$2.8 million in interest and \$3.0 million in customs duties.

The estimated actual in 2007-08 of \$568.8 million largely consists of royalties and fees. As a result of the AAOs the revenue estimates for royalties and fees are not shown by the Department in the forward years as the related programs were transferred to the Department of Resources, Energy and Tourism (DRET).

Expenses

Total administered expenses budgeted for 2008-09 are \$3,507.7 million, comprising \$2,094.0 million in grants, \$890.1 million in payments to CAC Act bodies, \$511.1 million in subsidies and \$12.4 million in suppliers.

Schedule of Budgeted Assets and Liabilities

The schedule shows the estimated end of year position for assets and liabilities administered by the Department on behalf of the Government.

Assets

Total administered assets budgeted for in 2008-09 are \$2,343.1 million, comprising \$2,040.1 million in investments, \$298.3 million in receivables and \$4.8 million in non-financial assets.

Liabilities

Total administered liabilities budgeted for in 2008-09 are \$248.4 million, comprising \$223.9 million in grants and subsidies, \$19.9 million in other provisions and \$4.5 million in other payables.

Schedule of Budgeted Administered Cash Flows

The schedule shows the estimated cash receipts and payments administered by the Department on behalf of the Government.

Appropriations can only be made to *Financial Management and Accountability Act 1997* (FMA Act) agencies. While *Commonwealth Authorities and Companies Act 1997* (CAC Act) agencies may receive funds from appropriations, this is made as a payment from government rather than CAC Act bodies being appropriated directly. As a result these funds are now reported in the portfolio department's Administered cash flow statement.

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 20010-11 \$'000	Forward estimate 2011-12 \$'000
INCOME					
REVENUE					
Revenues from Government	315,520	288,799	282,875	294,195	305,964
Goods and services	36,952	41,142	42,137	43,068	44,027
Other	8,602	5,590	2,678	2,654	2,477
Total revenue	361,074	335,531	327,690	339,917	352,468
Total income	361,074	335,531	327,690	339,917	352,468
EXPENSE					
Employees	178,448	173,804	169,815	174,932	179,774
Suppliers	153,313	136,672	132,396	137,988	146,119
Grants	9,472	1,305	1,090	1,075	1,075
Depreciation and amortisation	19,792	23,198	23,837	25,370	24,948
Other	549	552	552	552	552
Total expenses	361,574	335,531	327,690	339,917	352,468
Deficit attributable to the Australian Government	(500)	-	-	-	-

**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	5,535	5,537	5,537	5,481	5,481
Receivables	45,366	46,301	56,856	70,727	72,320
Investments	1,584	1,584	1,584	1,584	1,584
Accrued revenues	1,745	1,745	1,745	1,745	1,745
Total financial assets	54,230	55,167	65,722	79,537	81,130
Non-financial assets					
Land and buildings	64,766	64,178	65,778	64,664	62,741
Infrastructure, plant and equipment	63,869	72,129	65,962	60,617	51,811
Intangibles	10,984	13,983	18,199	14,092	21,070
Inventories	1,533	1,533	1,524	1,524	1,524
Prepayments	2,975	2,624	2,411	2,492	2,366
Total non-financial assets	144,127	154,447	153,874	143,389	139,512
Total assets	198,357	209,614	219,596	222,926	220,642
LIABILITIES					
Payables					
Suppliers	17,615	17,615	17,615	17,615	17,615
Other payables	19,320	20,609	21,528	22,064	22,205
Total payables	36,935	38,224	39,143	39,679	39,820
Provisions					
Employees	48,757	47,983	48,486	50,280	47,855
Other	693	693	693	693	693
Total provisions	49,450	48,676	49,179	50,973	48,548
Total liabilities	86,385	86,900	88,322	90,652	88,368
Net assets	111,972	122,714	131,274	132,274	132,274
EQUITY					
Contributed equity	102,243	112,985	121,545	122,545	122,545
Asset Revaluation Reserve	10,229	10,229	10,229	10,229	10,229
Accumulated deficits	(500)	(500)	(500)	(500)	(500)
Total equity	111,972	122,714	131,274	132,274	132,274
Current assets	58,738	59,324	69,657	83,553	85,020
Non-current assets	139,619	150,290	149,939	139,373	135,622
Current liabilities	63,912	63,252	63,681	65,211	63,143
Non-current liabilities	22,473	23,648	24,641	25,441	25,225

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

**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	39,021	40,931	41,956	42,881	43,835
Appropriations	306,896	288,075	272,501	280,511	304,563
GST Received	15,810	13,853	13,404	13,962	14,775
Other cash received	8,629	5,590	2,678	2,654	2,477
Total cash received	370,356	348,449	330,539	340,008	365,650
Cash used					
Employees	177,012	174,578	169,312	173,138	182,199
Suppliers	146,603	135,032	131,255	137,533	145,852
Grants	9,472	1,305	1,090	1,075	1,075
GST Paid	15,989	13,853	13,404	13,962	14,775
Other cash used	552	552	552	552	552
Total cash used	349,628	325,320	315,613	326,260	344,453
Net cash from operating activities	20,728	23,129	14,926	13,748	21,197
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	35,384	33,869	23,486	14,804	21,197
Total cash used	35,384	33,869	23,486	14,804	21,197
Net cash used by investing activities	(35,384)	(33,869)	(23,486)	(14,804)	(21,197)
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	18,219	10,742	8,560	1,000	-
Total cash received	18,219	10,742	8,560	1,000	-
Net cash used by financing activities	18,219	10,742	8,560	1,000	-
Net increase or decrease in cash held	3,563	2	-	(56)	-
Cash at the beginning of the the reporting period	1,972	5,535	5,537	5,537	5,481
Cash at the end of the reporting period	5,535	5,537	5,537	5,481	5,481

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	(500)	10,229	-	102,243	111,972
Adjusted opening balance	(500)	10,229	-	102,243	111,972
Transactions with owners					
<i>Contribution by owners</i>					
Equity injection	-	-	-	10,742	10,742
Sub-total transactions with owners	-	-	-	10,742	10,742
Estimated closing balance as at 30 June 2009	(500)	10,229	-	112,985	122,714

Table 3.2.5: Schedule of budgeted income and expenses administered on behalf of Government (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 ADMINISTERED ON BEHALF OF GOVERNMENT					
Revenue					
Taxation					
Other taxes, fees and fines	3,000	3,000	3,000	3,000	3,000
Total taxation	3,000	3,000	3,000	3,000	3,000
Non-taxation					
Interest	4,590	2,792	2,474	2,411	953
Other sources of non-taxation revenues	561,187	1,483	1,483	1,483	1,483
Total non-taxation	565,777	4,275	3,957	3,894	2,436
Total revenues administered on behalf of Government	568,777	7,275	6,957	6,894	5,436
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Grants and Royalties	1,649,522	2,094,005	2,049,422	1,951,015	1,858,023
Subsidies	550,813	511,102	448,956	348,587	305,450
Suppliers	4,953	12,442	10,113	8,068	8,068
Write down and impairment of assets	2,716	-	-	-	-
Payments to CAC Act bodies	887,375	890,124	894,067	921,734	919,133
Total expenses administered on behalf of Government	3,095,379	3,507,673	3,402,558	3,229,404	3,090,674

Table 3.2.6: Schedule of budgeted assets and liabilities administered on behalf of Government (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 ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Receivables	254,060	298,253	332,177	361,963	360,662
Investments	2,036,098	2,040,110	2,032,597	2,024,963	2,024,963
Total financial assets	2,290,158	2,338,363	2,364,774	2,386,926	2,385,625
Non-financial assets					
Other	4,766	4,766	4,766	4,766	4,766
Total non-financial assets	4,766	4,766	4,766	4,766	4,766
Total assets administered on behalf of Government	2,294,924	2,343,129	2,369,540	2,391,692	2,390,391
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Provisions					
Other provisions	19,949	19,949	19,949	19,949	19,949
Total provisions	19,949	19,949	19,949	19,949	19,949
Payables					
Grants and subsidies	225,499	223,924	208,880	184,467	173,917
Other payables	4,534	4,534	4,534	4,534	4,534
Total payables	230,033	228,458	213,414	189,001	178,451
Total liabilities administered on behalf of Government	249,982	248,407	233,363	208,950	198,400

**Table 3.2.7: Schedule of budgeted administered 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					
Other taxes, fees and fines	3,000	3,000	3,000	3,000	3,000
Royalties	557,151	-	-	-	-
Interest	2,606	2,025	1,650	1,525	-
GST received	214,734	270,774	265,939	253,170	241,103
Cash from the Official Public Account					
– Appropriations	2,547,002	2,987,665	2,952,769	2,880,734	2,785,141
Other	2,595	2,083	2,083	2,083	2,083
Total cash received	3,327,088	3,265,547	3,225,441	3,140,512	3,031,327
Cash used					
Suppliers	4,953	12,442	10,113	8,068	8,068
Royalties and fees	310,375	-	-	-	-
Grant payments	1,344,442	2,086,682	2,049,422	1,951,015	1,858,023
Payments to CAC Act bodies	887,375	890,124	894,067	921,734	919,133
Cash to Official Public Account	565,209	7,025	6,650	6,525	5,000
GST payments	214,734	270,774	265,939	253,170	241,103
Total cash used	3,327,088	3,267,047	3,226,191	3,140,512	3,031,327
Net cash used by operating activities	-	(1,500)	(750)	-	-
INVESTING ACTIVITIES					
Cash received					
Repayments of advances	43,041	7,500	5,000	3,500	30,654
Total cash received	43,041	7,500	5,000	3,500	30,654
Cash used					
Advances and loans made	100,814	51,526	38,700	33,000	29,000
Cash to Official Public Account	43,041	7,500	5,000	3,500	30,654
Total cash used	143,855	59,026	43,700	36,500	59,654
Net cash from investing activities	(100,814)	(51,526)	(38,700)	(33,000)	(29,000)
FINANCING ACTIVITIES					
Cash received					
Administered Capital Appropriations	100,814	53,026	39,450	33,000	29,000
Cash from Official Public Account	214,734	270,774	265,939	253,170	241,103
Total cash received	315,548	323,800	305,389	286,170	270,103
Cash used					
Cash to Official Public Account	214,734	270,774	265,939	253,170	241,103
Total cash used	214,734	270,774	265,939	253,170	241,103
Net cash from financing activities	100,814	53,026	39,450	33,000	29,000
Net increase or (decrease) in cash held					
Cash at beginning of reporting period	-	-	-	-	-
Net increase/(decrease) in cash held	-	-	-	-	-
Cash at end of reporting period	-	-	-	-	-

3.2.4 Notes to the financial statements

Basis of accounting

Accounting Policy

The agency budget statements have been prepared on an accrual accounting basis, having regard to the Statement of Accounting Concepts, and in accordance with:

- The Finance Minister's Orders; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB).

Departmental and Administered Items

Departmental assets, liabilities, revenues and expenses are those items that are controlled by the Department that are used by the Department in producing its outputs and include:

- computers, plant and equipment used in providing goods and services;
- liabilities for employee entitlements;
- revenue from appropriations or independent sources in payments for outputs; and
- employee, supplier and depreciation expenses incurred in providing agency outputs.

Administered items are those that the Department does not control and which are subject to prescriptive rules or conditions established by legislation or Australian Government Policy, in order to achieve Australian Government outcomes.

Administered expenses include grant payments and subsidies, whilst administered revenue includes levies, fees and fines.