



BUDGET

**PORTFOLIO BUDGET STATEMENTS 2008-09
BUDGET RELATED PAPER NO. 1.14**

**INNOVATION, INDUSTRY, SCIENCE AND
RESEARCH PORTFOLIO**

**BUDGET INITIATIVES AND EXPLANATIONS
APPROPRIATIONS SPECIFIED BY OUTCOMES
AND OUTPUTS BY AGENCY**

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President of the Senate
Australian Senate
Parliament House
CANBERRA ACT 2600

Speaker
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Mr President
Dear Mr Speaker

I hereby submit Portfolio Budget Statements in support of the 2008-09 Budget for the Innovation, Industry, Science and Research portfolio.

These statements have been developed, and are submitted to the Parliament, as a statement on the outcomes for the portfolio.

I present these statements to provide accountability to the Parliament and, through it, the public.

Yours sincerely

Kim Carr

Abbreviations and conventions

The following notation may be used:

NEC/nec	not elsewhere classified
-	nil
..	not zero, but rounded to zero
na	not applicable (unless otherwise specified)
nfp	not for publication
\$m	\$ million
\$b	\$ billion

Figures in tables and in the text may be rounded. Figures in text are generally rounded to one decimal place, whereas figures in tables are generally rounded to the nearest thousand. Discrepancies in tables between totals and sums of components are due to rounding.

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A copy of this document can be located on the Australian Government Budget website at: <http://www.budget.gov.au>.

**USER GUIDE
TO THE
PORTFOLIO BUDGET
STATEMENTS**

USER GUIDE

The purpose of the 2008-09 Portfolio Budget Statements (PB Statements) is to inform Senators and Members of Parliament of the proposed allocation of resources to Government outcomes by agencies within the portfolio. Agencies receive resources from the annual appropriations acts, special appropriations (including standing appropriations and special accounts), and revenue from other sources.

A key role of the PB Statements is to facilitate the understanding of proposed annual appropriations in Appropriation Bills No. 1 and No. 2 2008-09 (or Appropriation Bill [Parliamentary Departments] No. 1 2008-09 for the parliamentary departments). In this sense the PB Statements are Budget related papers and are declared by the Appropriation Acts to be 'relevant documents' to the interpretation of the Acts according to section 15AB of the *Acts Interpretation Act 1901*.

The PB Statements provide information, explanation and justification to enable Parliament to understand the purpose of each outcome proposed in the Bills.

As required under section 12 of the *Charter of Budget Honesty Act 1998*, non-general government sector entities are not consolidated into the Commonwealth general government sector fiscal estimates and accordingly, these entities are not reported in the PB Statements.

STRUCTURE OF THE PORTFOLIO BUDGET STATEMENTS

The Portfolio Budget Statements have been revised for the 2008-09 Budget, with significant changes made to reduce the work load on agencies and to provide Parliament with more targeted and comprehensive information on government expenditure.

Included below is a brief outline of each section of the revised document.

Portfolio overview

The portfolio overview is largely unchanged with portfolio departments required to briefly outline the responsibilities of the portfolio, list the relevant agencies and Ministers and the resources available.

Agency Resources and Planned Performance

A statement (under the name of the agency) for each agency within the Portfolio.

Section 1: Agency overview and resources

- This section includes three components:
 - 1.1 Strategic Direction for 2008-09;
 - 1.2 Resource Statement; and
 - 1.3 Measures Table.
- The intention of section one is to provide readers with an overview of the functions and responsibilities of the agency, its contribution towards its outcomes for the budget year and the resources available.
- In the *Strategic Direction for 2008-09* agencies are to present a narrative approach rather than being restricted to a fixed number of headings. The key emphasis is on telling the agency 'story': the key strategies it is implementing to achieve its outcomes, what is involved and how success and progress are to be measured.
- The agency resource statement and measures table summarise resource information into two tables. Agencies are to use the new agency resource statement which details the source and nature of the all resources available to the agency. Budget Measures information is to reflect the information covered in Budget Paper 2, with the output group against which the measures are to be pursued included to improve cross-referencing.

Agency Resources and Planned Performance (continued)	
Section 2: Outcomes and Planned Performance	<ul style="list-style-type: none"> • The outcomes section has undergone significant change to re-orientate agency reporting towards their results in contributing to outcomes and away from focusing on the activities and processes of agencies. • The outcome resource statement provides lower level resourcing information for general users at the results level, grouped by output group rather than appropriation type as has been the case previously. • Following the outcome resource statement agencies will use output groups for each outcome to group their intended contributions and the performance indicators used to assess the agency's effectiveness. By focusing on the results and impacts agencies are making towards outcomes, the revised PB Statements will be more focused on how agencies contribute to outcomes rather than detailing activities.
Section 3: Explanatory tables and budgeted financial statements	<ul style="list-style-type: none"> • This section has been reworked to increase the readability of technical financial information. The section now includes: <ul style="list-style-type: none"> – an explanation of any differences at agency level between the information included in the Budget Papers and the PB Statements arising from the use of the GFS and AAS accounting methodologies; and – explanatory tables to provide supplementary information on the reconciliation between total available appropriation and outcome attribution, the re-phasing and use of appropriations, special account flows and Australian Government Indigenous Expenditure. • It should also be noted that the capital budget statement and the property, plant, equipment and intangibles statements are no longer mandatory in the financial statements. This change has been made because for the majority of agencies the information provided was of little value. Agencies with significant investment programs and/or balance sheets may continue using the statements to better explain their overall position.
Glossary	Explains key terms relevant to the Portfolio.

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PORTFOLIO OVERVIEW

INNOVATION, INDUSTRY, SCIENCE AND RESEARCH PORTFOLIO OVERVIEW

MINISTER(S) AND PORTFOLIO RESPONSIBILITIES

The Innovation, Industry, Science and Research portfolio has the following Ministers:

Minister for Innovation, Industry, Science and Research

Senator the Hon Kim Carr

Minister for Small Business, Independent Contractors and the Service Economy

Minister Assisting the Finance Minister on Deregulation

The Hon Dr Craig Emerson MP

The Innovation, Industry, Science and Research portfolio comprises:

The Department of Innovation, Industry, Science and Research (DIISR)

The Department strives to create an environment where new ideas are nurtured and innovation drives productivity, economic growth and social well being, by strengthening the links between science, research and industry.

The Australian Institute of Aboriginal and Torres Strait Islander Studies (AIATSIS)

AIATSIS is the world's premier institution for information and research about the cultures and lifestyles of Aboriginal and Torres Strait Islander peoples.

The Australian Institute of Marine Science (AIMS)

AIMS generates and transfers knowledge to support the sustainable use and protection of the marine environment through innovative, world class research.

The Australian Nuclear Science and Technology Organisation (ANSTO)

ANSTO is Australia's national nuclear research and development organisation and the centre of Australia's nuclear expertise.

The Australian Research Council (ARC)

The ARC is a primary source of advice to the Government on investment in the national research effort. The ARC supports the highest quality research and research training through national competition in all fields of science, social sciences and the humanities; and brokers partnerships between researchers and industry, government, community organisations and the international community.

Portfolio overview

The Commonwealth Scientific and Industrial Research Organisation (CSIRO)

CSIRO carries out scientific research to assist Australian industry and to further the interests of the Australian community; and to contribute to national and international objectives and responsibilities of the Australian Government.

IP Australia

IP Australia is the Australian Government agency responsible for granting patent, trade mark, industrial design and plant breeder's rights.

In addition, the portfolio has responsibility for the operations of:

The Anglo-Australian Telescope Board (AATB)

The AATB owns and operates the world-class Anglo-Australian Observatory based in Australia. It is a world leader in astronomical (optical) research and in the development of innovative telescope instrumentation.

The Office of the Chief Scientist

The Office of the Chief Scientist provides information and advice on emerging issues in innovation, science and research and administrative support for Australia's Chief Scientist and the Prime Minister's Science, Engineering and Innovation Council.

Portfolio Functions

The functions and responsibilities of the portfolio of Innovation, Industry, Science and Research include:

Manufacturing and commerce including industry and market development; industry innovation policy and technology diffusion; promotion of industrial research and development, and commercialisation; biotechnology (excluding gene technology regulation); export services; marketing, including export promotion, of manufactures and services; investment promotion; enterprise improvement; construction industry; small business policy and implementation; business.gov.au management; facilitation and development of service industries; information and communications technology industry development; bounties on the production of goods; trade marks, plant breeder's rights and patents of inventions and designs; country of origin labelling; weights and measures standards; civil space issues; analytical laboratory services; science policy; promotion of collaborative research in science and technology; science communications; co-ordination of research policy; administration of financial support arrangements for higher education institutions' research and research training activities; investing in research infrastructure; funding of research grants and fellowships; and commercialisation and utilisation of public sector research relating to portfolio programs and research activities undertaken by the following portfolio agencies - the AIATSIS, AIMS, ANSTO, CSIRO and AATB.

Figure 1: Innovation, Industry, Science and Research portfolio structure and outcomes



PORTFOLIO RESOURCES MADE AVAILABLE IN THE BUDGET YEAR

Table 1: Portfolio resources made available in the Budget year

	Appropriation			Receipts	Total
	Bill No. 1 \$m	Bill No. 2 \$m	Special \$m	\$m	\$m
Department of Innovation, Industry, Science and Research					
Administered appropriations	743.711	49.701	1,361.070	0.083	2,154.565
Departmental appropriations	288.799	11.922	-	46.521	347.242
Total:					2,501.807
Australian Institute of Aboriginal and Torres Strait Islander Studies					
Administered appropriations	-	-	-	-	0.000
Departmental appropriations	11.918	-	-	-	11.918
Total:					11.918
Australian Institute of Marine Science					
Administered appropriations	-	-	-	-	-
Departmental appropriations	27.701	-	-	-	27.701
Total:					27.701
Australian Nuclear Science and Technology Organisation					
Administered appropriations	-	-	-	-	-
Departmental appropriations	173.115	1.600	-	46.106	220.821
Total:					220.821
Australian Research Council					
Administered appropriations	0.040	-	595.764	1.925	597.729
Departmental appropriations	15.856	-	-	-	15.856
Total:					613.585
Commonwealth Scientific and Industrial Research Organisation					
Administered appropriations	-	-	-	-	-
Departmental appropriations	668.120	7.670	-	368.991	1,044.781
Total:					1,044.781
IP Australia					
Administered appropriations	-	-	-	-	-
Departmental appropriations	5.953	0.238	-	146.996	153.187
Total:					153.187