



Budget 2018-19

Portfolio Budget Statements 2018-19 Budget Related Paper No. 1.13A

Jobs and Innovation Portfolio
(Industry, Innovation and Science)

Budget Initiatives and Explanations of
Appropriations Specified by Outcomes
and Programs by Entity

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Senator the Hon Michaelia Cash

Minister for Jobs and Innovation

Senator the Hon Matthew Canavan

Minister for Resources and Northern Australia

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

We hereby submit Portfolio Budget Statements in support of the 2018-19 Budget for the Industry, Innovation and Science sub-portfolio of the Jobs and Innovation Portfolio.

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

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

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Michaelia Cash'.

Senator the Hon Michaelia Cash

A handwritten signature in blue ink, appearing to read 'Matthew Canavan'.

Senator the Hon Matthew Canavan

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| nfp | not for publication |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.

Enquiries

Should you have any enquiries regarding this publication please contact the Chief Financial Officer, Department of Industry, Innovation and Science on (02) 6213 6000.

Links to Portfolio Budget Statements (including Portfolio Additional Estimates Statements and Portfolio Supplementary Additional Estimates Statements) can be located on the Australian Government Budget website at: www.budget.gov.au.

**USER GUIDE
TO THE
PORTFOLIO BUDGET STATEMENTS**

USER GUIDE

The purpose of the *2018-19 Portfolio Budget Statements* (PB Statements) is to inform Senators and Members of Parliament of the proposed allocation of resources to government outcomes by entities within the portfolio. Entities receive resources from the annual appropriation 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) 2018-19 (or Appropriation (Parliamentary Departments) Bill (No. 1) 2018-19 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*, only entities within the general government sector are included as part of the Commonwealth general government sector fiscal estimates and produce PB Statements where they receive funding (either directly or via portfolio departments) through the annual appropriation acts.

The Enhanced Commonwealth Performance Framework

The following diagram outlines the key components of the enhanced Commonwealth Performance Framework. The diagram identifies the content of each of the publications and the relationship between them. Links to the publications for each entity within the portfolio can be found in the introduction to Section 2: Outcomes and planned performance.

Enhanced Commonwealth Performance Framework
- key components of relevant publications

Portfolio Budget Statements (May)
Portfolio based

Supports Annual Appropriations. Informs Senators and Members of Parliament of the proposed allocation of other resources to **government outcomes and programs**.

Provides links to **relevant programs** undertaken by other Commonwealth entities.

Provides high level performance information for current, ongoing programs, particularly a **forecast of performance for the current year**.

Provides **detailed** prospective performance information for proposed new budget measures that require a **new program** or **significantly change an existing program**.

Corporate Plan (August)
Entity based

Primary planning document of a Commonwealth entity.

Sets out the **purposes** of the entity, the **activities** it will undertake to achieve its purposes and the **results** it expects to achieve over a minimum four year period.

Describes the **environment** in which the entity **operates**, the **capability** it requires to undertake **activities** and a discussion of **risk**.

Explains how the entity's **performance** will be **measured** and **assessed**.



Annual Performance Statement (October following year)
Entity based

Included in the Commonwealth entity's Annual Report. Focuses on **recent performance**.

Reports on the **actual performance results** for the year against the **forecasts** made in the **corporate plan** and **Portfolio Budget Statements**, and provides other performance information relevant to the entity.

Provides an **analysis** of the factors that **contributed** to the **entity's performance results**.

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PORTFOLIO OVERVIEW

JOBS AND INNOVATION PORTFOLIO OVERVIEW

Ministers and portfolio responsibilities

Senator the Hon Michaelia Cash has responsibility for the Jobs and Innovation Portfolio, supported by the Hon Craig Laundy MP and Senator the Hon Zed Seselja. Together, they are charged with harnessing the jobs of the future through new industries and small business so Australians can adapt and thrive in an era of innovation and technological change.

Senator the Hon Matthew Canavan is responsible for Resources and Northern Australia. Minister Canavan is charged with working closely with the Australian resources sector, which is one of the major contributors to Australia's economic prosperity, and is focused on unlocking the potential of northern Australia.

Structure of the portfolio

The Jobs and Innovation Portfolio is split into two sub-portfolios: Industry, Innovation and Science, and Jobs and Small Business. This document provides information on the Industry, Innovation and Science portion of the portfolio. For information on Jobs and Small Business refer to the *Portfolio Budget Statements 2018–19, Budget Related Paper 1.13B, Jobs and Innovation Portfolio (Jobs and Small Business)*.

The Jobs and Innovation Portfolio was established by the 20 December 2017 Administrative Arrangements Order. The Industry, Innovation and Science sub-portfolio comprises of:

- **Department of Industry, Innovation and Science (DIIS)**

The Department of Industry, Innovation and Science facilitates the growth and productivity of globally competitive industries. It also supports the building of a strong scientific capability, business innovation, and the commercialisation of new ideas as critical requirements for productivity and economic growth. As part of the Jobs and Innovation Portfolio, the department is broadening its role to drive growth and job creation for a more prosperous Australia by facilitating economic transformation and boosting business competitiveness.

- **Australian Institute of Marine Science (AIMS)**

AIMS' mission is to provide research and knowledge of Australia's tropical marine estate required to support growth in its sustainable use, effective environmental management and protection of its unique ecosystems.

Portfolio overview

- **Australian Nuclear Science and Technology Organisation (ANSTO)**

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

- **Commonwealth Scientific and Industrial Research Organisation (CSIRO)**

CSIRO aims to deliver scientific and innovative solutions for industry, society and the environment, and to contribute to national benefit, knowledge and capabilities, and public good.

- **Geoscience Australia**

Geoscience Australia is Australia's national public sector geoscience organisation and the nation's trusted adviser on the geology and geography of Australia. Geoscience Australia applies science and technology to describe and understand the Earth for the benefit of Australia.

- **IP Australia**

IP Australia is responsible for administering Australia's intellectual property rights system, specifically trademarks, patents, designs and plant breeder's rights.

- **National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA)**

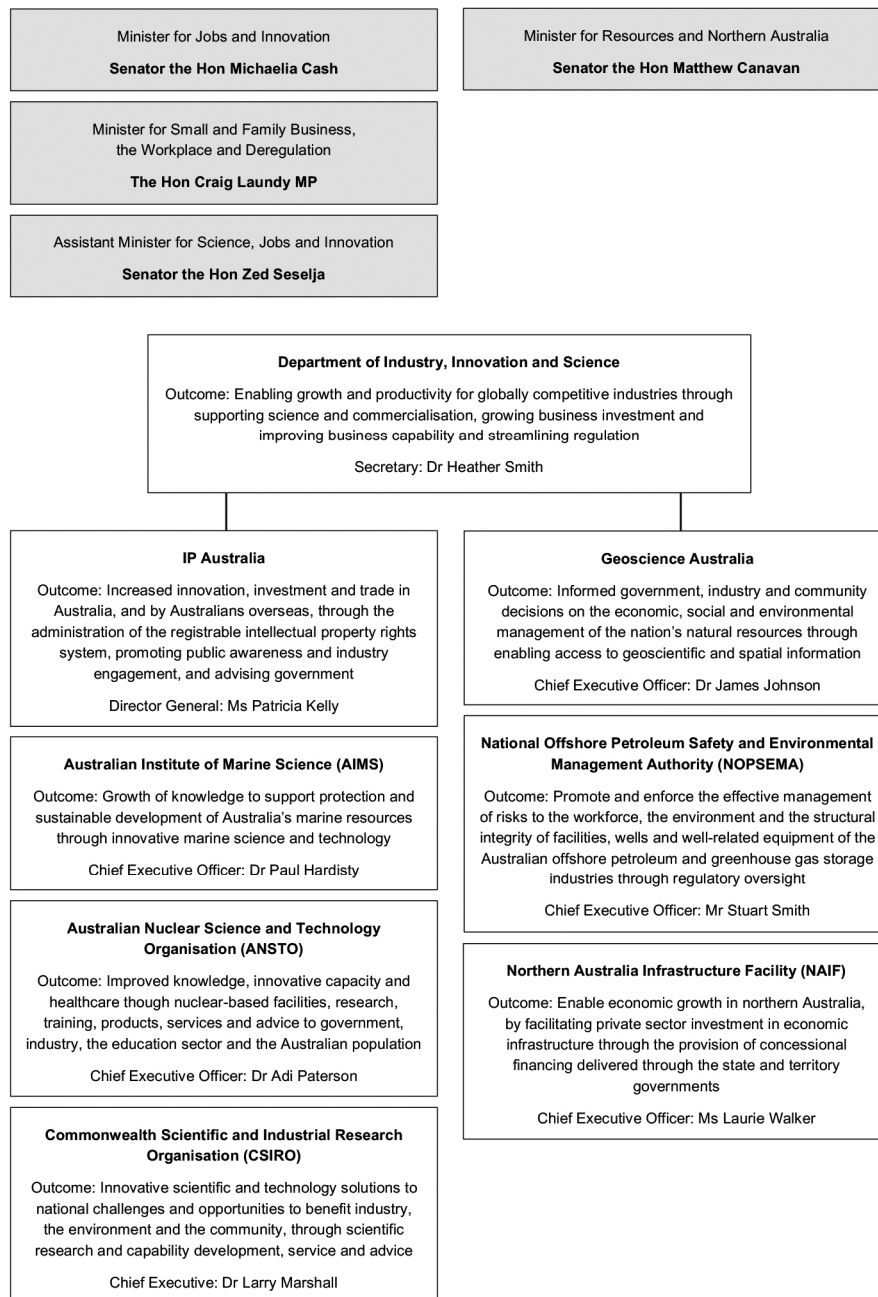
NOPSEMA is responsible for regulating the workplace health and safety, well integrity and environmental management of petroleum and greenhouse gas storage operations in Commonwealth waters.

- **Northern Australia Infrastructure Facility (NAIF)**

The NAIF offers debt or alternative financing mechanisms to encourage and complement private sector investment in infrastructure that benefits northern Australia.

For information on resourcing across the portfolio, please refer to Part 1: Agency Financial Resourcing in *Budget Paper No. 4: Agency Resourcing*.

Figure 1: Industry, Innovation and Science Portfolio structure and outcomes



**ENTITY RESOURCES AND
PLANNED PERFORMANCE**

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**NATIONAL OFFSHORE PETROLEUM SAFETY AND ENVIRONMENTAL
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**DEPARTMENT OF INDUSTRY,
INNOVATION AND SCIENCE**

**ENTITY RESOURCES AND PLANNED
PERFORMANCE**

DEPARTMENT OF INDUSTRY, INNOVATION AND SCIENCE

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DEPARTMENT OF INDUSTRY, INNOVATION AND SCIENCE

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Department of Industry, Innovation and Science drives growth and job creation for a more prosperous Australia, by facilitating economic transformation and boosting business competitiveness.

The business environment is changing fast due to the impact of new digital technologies, global trade and shifting demographics. As part of the Jobs and Innovation Portfolio, the department facilitates economic transformation through science, innovation and the commercialisation of new ideas and stimulates business growth, capability and market development. For example, the department is leading work on a whole-of-government strategy to maximise the opportunities presented by digital transformation. In partnership with the Department of Jobs and Small Business, it assists employees and businesses in structurally transitioning industries and regions.

The department also works with state and territory governments to open up resources and other export markets. The department is helping to unlock northern Australia's potential, with the \$5.0 billion Northern Australia Infrastructure Facility supporting private investment to leverage the regions' strong primary industries, tourism and access to Asia.

This effort relies on building strong relationships between businesses, employees, the science community, government, regulators and international partners. The department is focused on building a more competitive business environment, including through tax and regulatory reform, investment in key infrastructure, international collaboration, and helping business seamlessly engage with government.

The Australian Government has announced in the 2018-19 Budget that it is investing around \$2.4 billion over 12 years in Australia's research, science and technology capabilities, which is an investment in the future of our country and builds on the Government's existing science, research and innovation investment.

The establishment of an Australian Space Agency (\$26.0 million over four years) and the International Space Investment initiative (\$15.0 million over three years from 2019-20) will kick-start Australia's space industry. Investment in this tech-centred industry will create opportunities for business and job growth across the economy, including manufacturing, agriculture, communications, mining, and oil and gas industries.

The Australian Government's \$260.0 million investment in world-class satellite positioning infrastructure will provide more accurate, national coverage for our global

positioning systems and accessible satellite imagery capability. This will enable businesses to turn smart ideas into profit-making ventures and will help create jobs. Regional and remote communities and industries will also benefit from improved network reliability and service.

These significant investments will be complemented by the Australian Government's \$1.9 billion investment in National Research Infrastructure over the next decade. This will unlock research opportunities, providing researchers, universities and businesses across Australia with access to cutting-edge facilities. The scientific advances these long-term investments support will help attract talent, build skills, create jobs and enable Australian industry and business to thrive.

The Australian Government is building on its previous investment in industry transition programs by introducing new measures to help businesses improve their competitiveness, expand into new markets and create jobs. The SME Export Hubs program supports development of local, regional and Indigenous brands through business collaborations in areas of competitive strength. The Supporting Australian Innovation in Asia measure will help capture opportunities for Australian business, entrepreneurs and researchers in Asia – a region that is set to deliver nearly two thirds of global growth to 2030.

The Building Australia's Artificial Intelligence capability to support business measure includes support to develop Australia's Artificial Intelligence (AI) and machine learning capabilities. Bringing together businesses and AI researchers will help Australia capture opportunities in this rapidly emerging field.

The Australian Government has also invested in a number of initiatives to encourage more women to pursue STEM education and careers, including the Women in STEM Ambassador program and a toolkit to encourage girls into STEM studies. The Government is also supporting the science community to develop a Decadal Plan for Women in Science. This work will provide a strong evidence driven policy base from which to address gender inequality in the science sector.

The Australian Government is reforming the Research and Development (R&D) Tax Incentive to improve the effectiveness and integrity of the program. The measures announced in the 2018-19 Budget support additional R&D rather than business-as-usual activities.

These investments build on the department's existing efforts to support science and commercialisation; grow business investment and build business capability; and simplify doing business. The department's flagship initiatives, such as the Industry Growth Centres, the Entrepreneurs' Programme and the Cooperative Research Centres Program are strengthening our competitive advantage; improving collaboration; and building the skills and capability needed to prepare Australia for the jobs and industries of the future.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the Department of Industry, Innovation and Science for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the entity's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome 1' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: Department of Industry, Innovation and Science resource statement — Budget estimates for 2018-19 as at Budget May 2018

| | 2017-18 Estimated actual \$'000 | 2018-19 Estimate \$'000 |
|--|--|-------------------------------|
| Departmental | | |
| Annual appropriations - ordinary annual services | | |
| Prior year appropriations available (a) | 71,475 | 187,581 |
| Departmental appropriation | 381,182 | 387,193 |
| s74 Retained revenue receipts (b) | 83,389 | 66,110 |
| Departmental capital budget (c) | 25,234 | 25,769 |
| Annual appropriations - other services - non-operating | | |
| Prior year appropriations available (a) | 27,864 | 28,984 |
| Equity injection | 11,907 | 5,445 |
| Total departmental annual appropriations | 601,051 | 701,082 |
| Special accounts | | |
| Opening balance | 11,887 | 11,603 |
| Appropriation receipts | 4,000 | 4,000 |
| Non-appropriation receipts | 8,403 | 6,813 |
| Total special accounts | 24,290 | 22,416 |
| less departmental appropriations drawn from annual/special appropriations and credited to special accounts | 4,000 | 4,000 |
| Total departmental resourcing | 621,341 | 719,498 |

Table 1.1: Department of Industry, Innovation and Science resource statement — Budget estimates for 2018-19 as at Budget May 2018 (continued)

| | 2017-18 Estimated actual \$'000 | 2018-19 Estimate \$'000 |
|--|--|-------------------------------|
| Administered | | |
| Annual appropriations - ordinary annual services | | |
| Outcome 1 | 549,496 | 566,134 |
| Payments to corporate entities (d) | 1,045,019 | 1,104,615 |
| Annual appropriations - other services - non-operating | | |
| Prior year appropriations available (a) | 116,426 | 30,973 |
| Administered assets and liabilities | 8,000 | 5,000 |
| Payments to corporate entities (d) | 32,637 | 38,611 |
| Total administered annual appropriations | 1,751,578 | 1,745,333 |
| Total administered special appropriations (e) | 211,176 | 880,663 |
| Special accounts | | |
| Opening balance | 154,141 | 106,282 |
| Appropriation receipts | 45 | 9,900 |
| Non-appropriation receipts | 23,813 | 19,761 |
| Total special account receipts | 177,999 | 135,943 |
| less administered appropriations drawn from annual appropriations and credited to special accounts | 45 | 9,900 |
| less payments to corporate entities from annual appropriations | 1,077,656 | 1,143,226 |
| Total administered resourcing | 1,063,052 | 1,608,813 |
| Total resourcing for Industry, Innovation and Science | 1,684,393 | 2,328,311 |
| | | |
| Average staffing level (number) | 2,320 | 2,487 |

Prepared on a resourcing (i.e. appropriations available) basis.

Please note: All figures shown above are GST exclusive - these may not match figures in the cash flow statement.

(a) Estimated adjusted balance carried forward from previous year.

(b) Estimated retained revenue receipts under section 74 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

(c) Departmental Capital Budgets are not separately identified in Appropriation Bill (No. 1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details.

(d) This excludes special appropriation payments to the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA).

(e) The special appropriation figures include loan funding relating to the Northern Australia Infrastructure Facility (NAIF). The department is administering the loan payments on behalf of the NAIF entity. The figures also include payments to NOPSEMA through a special appropriation administered by the department. The funding is equal in value to the levies NOPSEMA collects from the oil and gas industries.

Third party payments from and on behalf of other entities

| | 2017-18 <i>Estimated actual</i> \$'000 | 2018-19 Estimate \$'000 |
|---|--|-------------------------------|
| Payments made to corporate entities within the Portfolio (a) | | |
| Ordinary Annual Services | | |
| Australian Institute of Marine Science | 44,847 | 47,377 |
| Australian Nuclear Science and Technology Organisation | 198,119 | 214,072 |
| Commonwealth Scientific and Industrial Research Organisation | 793,549 | 833,661 |
| Northern Australia Infrastructure Facility | 8,504 | 9,505 |
| Total ordinary annual services | 1,045,019 | 1,104,615 |
| Other services | | |
| Australian Institute of Marine Science | 1,600 | 150 |
| Australian Nuclear Science and Technology Organisation | 21,037 | 28,461 |
| Commonwealth Scientific and Industrial Research Organisation | 10,000 | 10,000 |
| Total other services | 32,637 | 38,611 |
| Total payments to corporate entities within the Portfolio | 1,077,656 | 1,143,226 |

(a) This excludes special appropriation payments to NOPSEMA.

1.3 BUDGET MEASURES

Budget measures in Part 1 relating to the Department of Industry, Innovation and Science are detailed in Budget Paper No. 2 and are summarised below.

Table 1.2: Department of Industry, Innovation and Science 2018-19 Budget measures

Part 1: Measures announced since the 2017-18 Mid-Year Economic and Fiscal Outlook (MYEFO)

| | Program | 2017-18 \$'000 | 2018-19 \$'000 | 2019-20 \$'000 | 2020-21 \$'000 | 2021-22 \$'000 |
|---|---------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Revenue measures | | | | | | |
| Fair Fees for National Measurement Institute services — amended charging arrangements | 3 | - | - | - | - | - |
| Administered revenues | | - | - | 77 | 233 | 444 |
| Departmental revenues | | - | - | 77 | 233 | 444 |
| Total | | - | - | 77 | 233 | 444 |
| Sport — building a more active Australia (a) | 3 | - | - | - | - | - |
| Administered revenues | | - | - | - | - | - |
| Departmental revenues | | - | 1,136 | - | - | - |
| Total | | - | 1,136 | - | - | - |
| Timor-Leste Conciliation (b) | 2 | - | nfp | nfp | nfp | nfp |
| Administered revenues | | - | - | - | - | - |
| Departmental revenues | | - | - | - | - | - |
| Total | | - | - | - | - | - |
| Total revenue measures | | | | | | |
| Administered | | - | - | - | - | - |
| Departmental | | - | 1,136 | 77 | 233 | 444 |
| Total | | - | 1,136 | 77 | 233 | 444 |
| Expense measures | | | | | | |
| Australian Antarctic Science | 1,3 | - | (330) | (148) | (127) | (63) |
| Administered expenses | | - | (330) | (148) | (127) | (63) |
| Departmental expenses | | - | 330 | 148 | 127 | 63 |
| Total | | - | - | - | - | - |

Part 1: Measures announced since the 2017-18 Mid-Year Economic and Fiscal Outlook (MYEFO) (continued)

| | | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
|--|---------|---------------|---------------|---------------|---------------|---------------|
| | Program | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Australian Technology and Science Growth Plan | | | | | | |
| — better data to track innovation in Australia (c) | 3 | | | | | |
| Administered expenses | | - | - | - | - | - |
| Departmental expenses | | - | - | - | - | - |
| Total | | - | - | - | - | - |
| — building Australia's Artificial Intelligence capability to support business (d) | All | | | | | |
| Administered expenses | | - | 4,900 | 9,700 | 7,200 | 3,700 |
| Departmental expenses | | - | 225 | 246 | 77 | 36 |
| Total | | - | 5,125 | 9,946 | 7,277 | 3,736 |
| — doubling our investment in Australia's supercomputing infrastructure (e) | 1 | | | | | |
| Administered expenses | | 70,000 | - | - | - | - |
| Departmental expenses | | - | - | - | - | - |
| Total | | 70,000 | - | - | - | - |
| — encouraging more women to pursue science, technology, engineering and mathematics (STEM) education and careers | 1,3 | | | | | |
| Administered expenses | | - | 1,550 | 1,010 | 810 | 810 |
| Departmental expenses | | - | 200 | 100 | - | - |
| Total | | - | 1,750 | 1,110 | 810 | 810 |
| — growing the Australian space industry | 2,3 | | | | | |
| Administered expenses | | - | - | 3,000 | 5,000 | 7,000 |
| Departmental expenses | | - | 5,718 | 6,763 | 6,844 | 6,713 |
| Total | | - | 5,718 | 9,763 | 11,844 | 13,713 |
| — Small and Medium Enterprises Export Hubs Program | 2,3 | | | | | |
| Administered expenses | | - | 2,500 | 4,700 | 5,848 | 6,100 |
| Departmental expenses | | - | 570 | 93 | 94 | 96 |
| Total | | - | 3,070 | 4,793 | 5,942 | 6,196 |
| — supporting Australian innovation in Asia | 1,3 | | | | | |
| Administered expenses | | - | 2,070 | 3,200 | 5,520 | 4,870 |
| Departmental expenses | | - | 828 | 1,006 | 1,399 | 1,106 |
| Total | | - | 2,898 | 4,206 | 6,919 | 5,976 |
| Better targeting the research and development tax incentive (f) | 1,3 | | | | | |
| Administered expenses | | - | 2,090 | 2,850 | 3,290 | 3,627 |
| Departmental expenses | | - | 15,011 | 13,267 | 12,131 | 12,596 |
| Total | | - | 17,101 | 16,117 | 15,421 | 16,223 |

Part 1: Measures announced since the 2017-18 Mid-Year Economic and Fiscal Outlook (MYEFO) (continued)

| | Program | 2017-18 \$'000 | 2018-19 \$'000 | 2019-20 \$'000 | 2020-21 \$'000 | 2021-22 \$'000 |
|---|---------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Delivering Australia's Digital Future — data sharing and release arrangements (g) | 3 | | | | | |
| Administered expenses | | - | - | - | - | - |
| Departmental expenses | | - | (415) | (355) | (342) | (345) |
| Total | | - | (415) | (355) | (342) | (345) |
| Delivering Australia's Digital Future — modernising business registers (h) | 3 | | | | | |
| Administered expenses | | - | - | - | - | - |
| Departmental expenses | | - | 990 | - | - | - |
| Total | | - | 990 | - | - | - |
| Government Response to the Small Business Digital Taskforce (c) | 3 | | | | | |
| Administered expenses | | - | - | - | - | - |
| Departmental expenses | | - | - | - | - | - |
| Total | | - | - | - | - | - |
| Hydrogen Energy Supply Chain project — pilot (e)(i) | 3 | | | | | |
| Administered expenses | | - | - | - | - | - |
| Departmental expenses | | 109 | 166 | 216 | 297 | - |
| Total | | 109 | 166 | 216 | 297 | - |
| Industry Programs – efficiencies (j) | 1,2 | | | | | |
| Administered expenses | | - | - | (11,000) | (9,000) | - |
| Departmental expenses | | - | - | - | - | - |
| Total | | - | - | (11,000) | (9,000) | - |
| National Radioactive Waste Management Facility — funding to complete detailed business case (k) | 2,3 | | | | | |
| Administered expenses | | - | nfp | - | - | - |
| Departmental expenses | | - | nfp | - | - | - |
| Total | | - | - | - | - | - |
| Regional Jobs and Investment Package — funding for Tasmania (e) | 2 | | | | | |
| Administered expenses | | (2,270) | - | - | - | - |
| Departmental expenses | | - | - | - | - | - |
| Total | | (2,270) | - | - | - | - |
| Sport — building a more active Australia (a) | 3 | | | | | |
| Administered expenses | | - | - | - | - | - |
| Departmental expenses | | - | 3,996 | - | - | - |
| Total | | - | 3,996 | - | - | - |
| Total expense measures | | | | | | |
| Administered | | 67,730 | 12,780 | 13,312 | 18,541 | 26,044 |
| Departmental | | 109 | 27,619 | 21,484 | 20,627 | 20,265 |
| Total | | 67,839 | 40,399 | 34,796 | 39,168 | 46,309 |

Part 1: Measures announced since the 2017-18 Mid-Year Economic and Fiscal Outlook (MYEFO) (continued)

| | | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
|---|---------|---------|--------------|--------------|------------|------------|
| | Program | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Capital measures | | | | | | |
| Better targeting the research and development tax incentive (f) | 3 | - | - | - | - | - |
| Administered capital | | - | - | - | - | - |
| Departmental capital | | - | 2,338 | 1,459 | 349 | 349 |
| Total | | - | 2,338 | 1,459 | 349 | 349 |
| Delivering Australia's Digital Future — modernising business registers (h) | 3 | - | - | - | - | - |
| Administered capital | | - | - | - | - | - |
| Departmental capital | | - | 111 | - | - | - |
| Total | | - | 111 | - | - | - |
| National Radioactive Waste Management Facility — funding to complete detailed business case (k) | 2,3 | - | - | - | - | - |
| Administered capital | | - | nfp | - | - | - |
| Departmental capital | | - | - | - | - | - |
| Total | | - | - | - | - | - |
| Sport — building a more active Australia (a) | 3 | - | - | - | - | - |
| Administered capital | | - | - | - | - | - |
| Departmental capital | | - | 484 | - | - | - |
| Total | | - | 484 | - | - | - |
| Total capital measures | | | | | | |
| Administered | | - | - | - | - | - |
| Departmental | | - | 2,933 | 1,459 | 349 | 349 |
| Total | | - | 2,933 | 1,459 | 349 | 349 |

Prepared on a Government Finance Statistics (fiscal) basis. Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

(a) The lead entity for the measure Sport — building a more active Australia is the Department of Health. The full measure description and package details appear in Budget Paper No. 2 under the Health portfolio.

(b) The lead entity for the measure Timor-Leste Conciliation is the Department of Foreign Affairs and Trade. The full measure description and package details appear in Budget Paper No. 2 under the Foreign Affairs and Trade portfolio. The financial implications of this measure are not for publication (nfp) due to commercial sensitivities.

(c) The cost of this measure will be met from existing resources.

(d) This measure will provide \$25.0 million to the Cooperative Research Centres Program over the forward estimates. The full measure description and package details appear in Budget Paper No. 2 under the Jobs and Innovation portfolio.

(e) This measure is also listed in Table 1.1 of the 2017-18 Supplementary Additional Estimates Statements.

(f) The lead entity for the measure Better targeting the research and development tax incentive is the Department of the Treasury. The full measure description and package details appear in Budget Paper No. 2 under the Treasury portfolio.

(g) The lead entity for measure Delivering Australia's Digital Future — data sharing and release arrangements is the Department of the Prime Minister and Cabinet. The full measure description and package details appear in Budget Paper No. 2 under the Prime Minister and Cabinet portfolio.

(h) The lead entity for measure Delivering Australia's Digital Future — modernising business registers is the Australian Taxation Office. The full measure description and package details appear in Budget Paper No. 2 under the Treasury portfolio.

(i) This measure includes a National Partnership payment of \$50.0 million to the Victorian Government reported by the Department of the Treasury. Refer to the Department of the Treasury's Portfolio Budget Statements (Program 1.9).

(j) Additional savings of \$10.0 million have already been provided for by the Government. The savings from this measure will be redirected by the Government to repair the Budget and fund policy priorities.

(k) The funding for this measure is not for publication (nfp) due to commercial-in-confidence considerations.

Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth Performance Framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide an entity's complete performance story.

The most recent corporate plan and annual performance statement for the Department of Industry, Innovation and Science can be found at:

www.industry.gov.au/AboutUs/CorporatePublications.

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Enabling growth and productivity for globally competitive industries through supporting science and commercialisation, growing business investment and improving business capability and streamlining regulation.

Linked programs

| |
|---|
| <p><u>Portfolio Agencies</u> Australian Institute of Marine Science Australian Nuclear Science and Technology Organisation Commonwealth Scientific and Industrial Research Organisation Geoscience Australia IP Australia National Offshore Petroleum Safety and Environmental Management Authority Northern Australia Infrastructure Facility</p> |
| <p><u>Programs</u> <i>Australian Institute of Marine Science</i> <ul style="list-style-type: none"> • Program 1 - Marine Research <i>Australian Nuclear Science and Technology Organisation</i> <ul style="list-style-type: none"> • Program 1 - Science and Technology Solutions <i>Commonwealth Scientific and Industrial Research Organisation</i> <ul style="list-style-type: none"> • Program 1 - Research – Science, Services and Innovation Fund • Program 2 - National Research Infrastructure – National Facilities and Collections • Program 3 - Science and Industry Endowment Fund <i>Geoscience Australia</i> <ul style="list-style-type: none"> • Program 1 - Geoscientific and Spatial Information Services <i>IP Australia</i> <ul style="list-style-type: none"> • Program 1 - IP Rights Administration and Professional Registration • Program 2 - Education, Awareness and International Engagement • Program 3 - Advice to Government <i>National Offshore Petroleum Safety and Environmental Management Authority</i> <ul style="list-style-type: none"> • Program 1 - Regulatory oversight of Safety Cases, Well Operations Management Plans and Environment Plans coupled with effective monitoring, investigation and enforcement <i>Northern Australia Infrastructure Facility</i> <ul style="list-style-type: none"> • Program 1 - Northern Australia Infrastructure Facility </p> |
| <p><u>Contribution to Outcome 1 made by linked programs</u> The portfolio agencies' programs contribute to enabling growth and productivity for</p> |

| |
|---|
| globally competitive industries by supporting science and commercialisation, growing business investment and improving business capability and streamlining regulation. Further information on the linked programs is available in the entity resources and planned performance of the agencies' chapters. |
| Department of Agriculture and Water Resources |
| Programs <ul style="list-style-type: none"> • Program 1.2 - Sustainable Management – Natural Resources |
| Contribution to Outcome 1 made by linked programs <p>The Department of Agriculture and Water Resources contributes to supporting science and commercialisation, growing business investment and improving business capability by collaborating with the Department of Industry, Innovation and Science to stimulate research and collaboration, including through the Cooperative Research Centres Program that supports the development of agriculture and food industries in Australia. The departments also promote productive and internationally competitive industries through policies and initiatives, such as the Industry Growth Centres, that stimulate innovation, collaboration and improved access to international markets.</p> |
| Department of Defence |
| Programs <ul style="list-style-type: none"> • Program 2.1 - Strategic Policy and Intelligence |
| Contribution to Outcome 1 made by linked programs <p>The Department of Defence contributes to growing business investment and improving business capability by collaborating with the Department of Industry, Innovation and Science through the Centre for Defence Industry Capability (CDIC). The CDIC is helping to grow the capability and capacity of Australia's defence industry, particularly small to medium enterprises, to support the delivery of the Australian Government's \$200 billion investment in defence capability over the next decade. The CDIC provides advice, assistance and grants to eligible businesses to be better positioned to support the Department of Defence. It also facilitates access to Defence's innovation programs for Australian industry, academia and research organisations, working closely with the Defence Innovation Hub and Next Generation Technologies Fund. The CDIC supports the development and implementation of major policies that will plan and guide the Australian defence industry. For example, the Defence Export Strategy outlined that the Centre will manage an additional \$4.1 million per annum in grants to help build the capability of small to medium enterprises to compete internationally. The Centre also has a major focus on supporting Defence major capital acquisition programs including the continuous shipbuilding programs and the F-35 Joint Strike Fighter Programs to maximise Australian industry involvement.</p> |

| |
|--|
| Department of Education and Training |
| Programs <ul style="list-style-type: none"> • Program 2.1 - Commonwealth Grant Scheme • Program 2.3 - Higher Education Support • Program 2.4 - Higher Education Loan Program • Program 2.5 - Investment in Higher Education Research • Program 2.6 - Research Capacity • Program 2.7 - International Education Support • Program 2.8 - Building Skills and Capability |
| Contribution to Outcome 1 made by linked programs <p>The Department of Education and Training contributes to supporting science and commercialisation, growing business investment and improving business capability through improved access to quality higher education, international education and world-class science infrastructure, research, skills and training.</p> |
| Department of Foreign Affairs and Trade |
| Programs <ul style="list-style-type: none"> • Program 1.1 - Foreign Affairs and Trade Operations |
| Contribution to Outcome 1 made by linked programs <p>The Department of Foreign Affairs and Trade contributes to supporting science and commercialisation, growing business investment and improving business capability through its role in science diplomacy, co-investment in the Australia-India Strategic Research Fund and collaboration on the Global Innovation Strategy with the Department of Industry, Innovation and Science, advancement of Australia's trade and investment interests, and as the lead in the conciliation process between Australia and Timor-Leste on maritime boundaries in the Timor Sea.</p> |
| Austrade |
| Programs <ul style="list-style-type: none"> • Program 1.1 - Promotion of Australia's export and other international economic interests • Program 1.2 - Programs to promote Australia's exports and other international economic interests |
| Contribution to Outcome 1 made by linked programs <p>Austrade contributes to growing business investment and improving business capability by promoting Australia's exports and other international economic interests through the provision of information, advice and services to businesses, associations, institutions and government, and working with the Department of Industry, Innovation and Science on the Government's National Innovation and Science Agenda, including the development and implementation of the Global Innovation Strategy, to help businesses build their global networks, and identify and capitalise on opportunities in the global marketplace.</p> |

| |
|---|
| Department of Health |
| Programs <ul style="list-style-type: none"> • Program 1.1 - Health Policy Research and Analysis |
| Contribution to Outcome 1 made by linked programs <p>The Department of Health contributes to supporting science and commercialisation and growing business investment and improving business capability, including through the Biomedical Translation Fund—a Health portfolio measure under the National Innovation and Science Agenda, administered by the Department of Industry, Innovation and Science. The Departments of Health and Industry, Innovation and Science also work together to simplify the regulatory environment, such as for national chemicals regulation.</p> |
| Department of Home Affairs |
| Programs <ul style="list-style-type: none"> • Program 2.2 - Migration • Program 3.1 - Border Revenue • Program 3.2 - Trade Facilitation and Industry Engagement |
| Contribution to Outcome 1 made by linked programs <p>The Department of Home Affairs contributes to growing business investment and improving business capability through its contribution to Australia's anti-dumping system in coordination with the Anti-Dumping Commission and provision of tariff and duty credits and concessions. The Department of Home Affairs is also working with the Department of Industry, Innovation and Science on the Significant Investor Visa Complying Investment Framework that encourages the expansion of Australia's venture capital fund capacity, attracting investment into innovative early stage companies, particularly from new sources of foreign investment. The Department of Industry, Innovation and Science will continue to work with the Department of Home Affairs on changes to employer sponsored permanent skilled migration.</p> |
| Department of Infrastructure, Regional Development and Cities |
| Programs <ul style="list-style-type: none"> • Program 1.1 - Infrastructure Investment • Program 3.1 - Regional Development |
| Contribution to Outcome 1 made by linked programs <p>The Department of Infrastructure, Regional Development and Cities contributes to supporting science and commercialisation, growing business investment and improving business capability by collaborating with the Department of Industry, Innovation and Science on the implementation of the White Paper on Developing Northern Australia.</p> |

| |
|---|
| Department of Jobs and Small Business |
| Programs <ul style="list-style-type: none"> • Program 1.1 - Employment Services • Program 2.3 - Small Business Support |
| Contribution to Outcome 1 made by linked programs <p>As part of the Jobs and Innovation portfolio, the Department of Jobs and Small Business works closely with the Department of Industry, Innovation and Science and contributes to growing business investment and improving business capability. It creates policies that help Australians find and keep work, meet employer needs and increase Australia's workforce participation, and provides policy support for the Australian Small Business Advisory Service, which also includes the Australian Small Business Advisory Service's Northern Australia Tourism Initiative. Like the Department of Industry, Innovation and Science, the Department of Jobs and Small Business works to assist employees in structurally transitioning industries. The departments work closely together to ensure there is a whole of government response to structural adjustment.</p> |
| Department of the Environment and Energy |
| Programs <ul style="list-style-type: none"> • Program 1.1 - Sustainable Management of Natural Resources and the Environment • Program 1.3 - Commonwealth Environmental Water • Program 2.2 - Adapting to Climate Change • Program 3.1 - Antarctica: Science, Policy and Presence • Program 4.1 - Energy |
| Contribution to Outcome 1 made by linked programs <p>The Department of the Environment and Energy contributes to supporting science and commercialisation, growing business investment and improving business capability through its role in facilitating the delivery of reliable and affordable energy to underpin a productive and growing economy. The Department of the Environment and Energy works collaboratively with the Department of Industry, Innovation and Science in the planning phase of the National Carp Control Plan, Antarctic Science Collaboration Initiative, Reef Restoration and Adaptation Program, the implementation of the Australian Government's Domestic Gas Strategy, the implementation of the Australian Domestic Gas Security Mechanism, through its support for the COAG Energy Council, and international engagement with Australia's key energy resource markets.</p> <p>The Department of the Environment and Energy also provides joint secretariat for the National Climate Science Advisory Committee. The Committee advises the Australian Government on a nationally integrated approach to climate change impacts and informs the direction and sustainability of Australia's climate science capacity and research priorities.</p> |

| |
|--|
| The Treasury |
| Programs <ul style="list-style-type: none"> • Program 1.4 - General Revenue Assistance • Program 1.9 - National Partnership Payments to the States |
| Contribution to Outcome 1 made by linked programs The Treasury contributes to supporting taxation benefits including the Research and Development (R&D) Tax Incentive, the Early Stage Venture Capital Limited Partnerships tax concessions, Venture Capital Limited Partnerships tax concessions, Pooled Development Funds tax concessions and tax incentives for early stage investors ('angel investors'); and payments for the environmental management of the former Rum Jungle mine site. |
| Australian Competition and Consumer Commission |
| Programs <ul style="list-style-type: none"> • Program 1.1 - Australian Competition and Consumer Commission |
| Contribution to Outcome 1 made by linked programs The Australian Competition and Consumer Commission contributes to growing business investment and improving business capability by achieving compliance with the <i>Competition and Consumer Act 2010</i> and associated legislation in order to protect, strengthen and supplement the way competition works in Australian markets and industries to improve the efficiency of the economy and the welfare of Australians. |
| Australian Taxation Office |
| Programs <ul style="list-style-type: none"> • Program 1.1 - Australian Taxation Office • Program 1.7 - Fuel Tax Credit Scheme • Program 1.10 - Research and Development Tax Incentive |
| Contribution to Outcome 1 made by linked programs The Australian Taxation Office contributes to supporting science and commercialisation, growing business investment and improving business capability through taxation benefits including the Research and Development (R&D) Tax Incentive, Tax Incentives for Angel Investors, the Fuel Tax Credit Scheme, the Early Stage Venture Capital Limited Partnerships tax concessions, Venture Capital Limited Partnerships tax concessions and Pooled Development Funds tax concessions. |

Budgeted expenses for Outcome 1

This table shows how much the Department of Industry, Innovation and Science intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.

Table 2.1.1: Budgeted expenses for Outcome 1^(a)

Outcome 1: Enabling growth and productivity for globally competitive industries through supporting science and commercialisation, growing business investment and improving business capability and streamlining regulation.

| | 2017-18 Estimated actual \$'000 | 2018-19 Budget \$'000 | 2019-20 Forward estimate \$'000 | 2020-21 Forward estimate \$'000 | 2021-22 Forward estimate \$'000 |
|--|--|-----------------------------|--|--|--|
| Program 1: Supporting Science and Commercialisation | | | | | |
| Administered expenses | | | | | |
| Ordinary annual services (Appropriation Bill No. 1) | 278,203 | 256,321 | 278,368 | 284,018 | 286,416 |
| Administered total | 278,203 | 256,321 | 278,368 | 284,018 | 286,416 |
| Total expenses for program 1 | 278,203 | 256,321 | 278,368 | 284,018 | 286,416 |
| Program 2: Growing Business Investment and Improving Business Capability | | | | | |
| Administered expenses | | | | | |
| Ordinary annual services (Appropriation Bill No. 1) | 271,248 | 299,913 | 219,077 | 187,865 | 190,401 |
| Ordinary annual services (Appropriation Bill No. 1) credited to special accounts | 33,000 | 9,900 | - | - | - |
| Special appropriations | 77,331 | 44,602 | 39,563 | 19,945 | 60 |
| Special accounts | 36,482 | 15,410 | 15,810 | 15,110 | 15,110 |
| Expenses not requiring appropriation in the Budget year (b) | 30,813 | 310,323 | 552,437 | 631,724 | 375,299 |
| Administered total | 448,874 | 680,148 | 826,887 | 854,644 | 580,870 |
| Total expenses for program 2 | 448,874 | 680,148 | 826,887 | 854,644 | 580,870 |
| Program 3: Program Support | | | | | |
| Departmental expenses | | | | | |
| Departmental appropriation | 381,182 | 387,193 | 372,471 | 363,205 | 364,415 |
| s74 Retained revenue receipts (c) | 83,389 | 66,110 | 62,079 | 61,585 | 62,222 |
| Special accounts | 8,403 | 6,813 | 5,050 | 5,036 | 5,036 |
| Expenses not requiring appropriation in the Budget year (d) | 99,837 | 44,806 | 47,277 | 44,321 | 43,310 |
| Departmental total | 572,811 | 504,922 | 486,877 | 474,147 | 474,983 |
| Total expenses for program 3 | 572,811 | 504,922 | 486,877 | 474,147 | 474,983 |

Table 2.1.1: Budgeted expenses for Outcome 1 (continued)

| | 2017-18 Estimated actual \$'000 | 2018-19 Budget \$'000 | 2019-20 Forw ard estimate \$'000 | 2020-21 Forw ard estimate \$'000 | 2021-22 Forw ard estimate \$'000 |
|--|--|-----------------------------|---|---|---|
| Outcome 1 Totals by appropriation type | | | | | |
| Administered expenses | | | | | |
| Ordinary annual services (Appropriation Bill No. 1) | 549,451 | 556,234 | 497,445 | 471,883 | 476,817 |
| Ordinary annual services (Appropriation Bill No. 1) credited to special accounts | 33,000 | 9,900 | - | - | - |
| Special appropriations | 77,331 | 44,602 | 39,563 | 19,945 | 60 |
| Special accounts | 36,482 | 15,410 | 15,810 | 15,110 | 15,110 |
| Expenses not requiring appropriation in the Budget year (b) | 30,813 | 310,323 | 552,437 | 631,724 | 375,299 |
| Administered total | 727,077 | 936,469 | 1,105,255 | 1,138,662 | 867,286 |
| Departmental expenses | | | | | |
| Departmental appropriation | 381,182 | 387,193 | 372,471 | 363,205 | 364,415 |
| s74 Retained revenue receipts (c) | 83,389 | 66,110 | 62,079 | 61,585 | 62,222 |
| Special accounts | 8,403 | 6,813 | 5,050 | 5,036 | 5,036 |
| Expenses not requiring appropriation in the Budget year (d) | 99,837 | 44,806 | 47,277 | 44,321 | 43,310 |
| Departmental total | 572,811 | 504,922 | 486,877 | 474,147 | 474,983 |
| Total expenses for Outcome 1 | 1,299,888 | 1,441,391 | 1,592,132 | 1,612,809 | 1,342,269 |
| Movement of administered funds between years (e) | | | | | |
| Outcome 1: | | | | | |
| Program 2 | | | | | |
| Advanced Manufacturing Grow th Fund | (10,012) | 10,012 | - | - | - |
| Encouraging Innovation in Advanced Manufacturing | (3,000) | 3,000 | - | - | - |
| Coal Mining Abatement Technology Support Package | (3,000) | 2,250 | 750 | - | - |
| Total movement of administered funds | (16,012) | 15,262 | 750 | - | - |
| | 2017-18 | 2018-19 | | | |
| Average staffing level (number) | 2,320 | 2,487 | | | |

(a) Further information on payments to corporate entities can be found in the "Third Party Payments" section of Table 1.1: Entity Resource Statement.

(b) Expenses not requiring appropriation relate to depreciation and amortisation expenses for the National Offshore Petroleum Titles Administrator, and the expenses associated with the concessional loans proposed under the Northern Australia Infrastructure Facility.

(c) Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act.

(d) Expenses not requiring appropriation are made up of depreciation expenses, amortisation expenses, audit fees and write-down of assets.

(e) Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

Table 2.1.2: Program components of Outcome 1

| Program 1: Supporting Science and Commercialisation | | | | | |
|--|--|-----------------------------|---|---|---|
| | 2017-18 Estimated actual \$'000 | 2018-19 Budget \$'000 | 2019-20 Forw ard estimate \$'000 | 2020-21 Forw ard estimate \$'000 | 2021-22 Forw ard estimate \$'000 |
| <i>Sub-program 1.1: Science awareness, infrastructure and international engagement</i> | | | | | |
| Annual administered expenses: | | | | | |
| Access to World-leading Astronomy Infrastructure | 5,556 | 11,333 | 11,918 | 12,538 | 12,789 |
| Antarctic Science Collaboration Initiative | - | - | 5,000 | 5,000 | 5,000 |
| Australia-China Science and Research Fund | 2,538 | 2,204 | 2,204 | 2,204 | 2,204 |
| Australia-India Strategic Research Fund | 2,213 | 3,110 | 2,110 | 3,680 | 2,680 |
| Australian Astronomical Observatory | 1,495 | - | - | - | - |
| Global Innovation Strategy | 6,536 | 6,536 | 7,626 | 8,376 | 8,726 |
| High Performance Computing – Paw sey (a) | 70,000 | - | - | - | - |
| Inspiring all Australians in STEM | 12,239 | 13,775 | 10,415 | 10,215 | 10,215 |
| National Carp Control Plan | - | 3,677 | - | - | - |
| Square Kilometre Array Radio Telescope Project | 3,600 | 39,000 | 39,000 | 44,000 | 36,000 |
| Total annual administered expenses | 104,177 | 79,635 | 78,273 | 86,013 | 77,614 |
| Total sub-program 1.1 expenses | 104,177 | 79,635 | 78,273 | 86,013 | 77,614 |
| <i>Sub-program 1.2: Business research, development and commercialisation</i> | | | | | |
| Annual administered expenses: | | | | | |
| Business Research and Innovation Initiative | 9,207 | 3,560 | 9,214 | 3,468 | 9,222 |
| Cooperative Research Centres Program | 160,868 | 167,341 | 184,331 | 187,540 | 192,240 |
| Digital Productivity | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 |
| Innovation Investment Fund | 116 | 122 | 127 | 134 | 140 |
| Research and Development Tax Incentive | 2,335 | 4,163 | 4,923 | 5,363 | 5,700 |
| Total annual administered expenses | 174,026 | 176,686 | 200,095 | 198,005 | 208,802 |
| Total sub-program 1.2 expenses | 174,026 | 176,686 | 200,095 | 198,005 | 208,802 |
| Total program 1 expenses | 278,203 | 256,321 | 278,368 | 284,018 | 286,416 |

Table 2.1.2: Program components of Outcome 1 (continued)

| Program 2: Growing Business Investment and Improving Business Capability | | | | | |
|---|----------------|----------------|----------------|----------------|----------------|
| | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
| | Estimated | Budget | Forw ard | Forw ard | Forw ard |
| | actual | | estimate | estimate | estimate |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| <i>Sub-program 2.1: Competitive marketplace</i> | | | | | |
| Annual administered expenses: | | | | | |
| Australian Business Number and Business Names Registration System - expansion | 50 | 50 | 50 | 50 | 50 |
| Bindaree Beef - assistance | - | 5,525 | - | - | - |
| Clean Technology Investment Programs | 150 | - | - | - | - |
| Geocoded National Address File (b) | 2,057 | 8,455 | - | - | - |
| Industry 4.0 Testlabs for Australia | - | 5,000 | - | - | - |
| Support for Industry Service Organisations program | 4,042 | 4,043 | 4,104 | 4,161 | 4,223 |
| Total annual administered expenses | 6,299 | 23,073 | 4,154 | 4,211 | 4,273 |
| Total sub-program 2.1 expenses | 6,299 | 23,073 | 4,154 | 4,211 | 4,273 |
| <i>Sub-program 2.2: Business and market development</i> | | | | | |
| Annual administered expenses: | | | | | |
| Artificial Intelligence Capability Fund | - | 100 | 100 | - | 300 |
| Asialink Business | 3,259 | 3,183 | 3,138 | 3,250 | 2,997 |
| Entrepreneurs' Programme | 120,001 | 123,356 | 122,357 | 117,712 | 118,691 |
| Industry Grow th Centres | 78,980 | 59,841 | 51,271 | 49,097 | 51,000 |
| SME Export Hubs | - | 2,500 | 4,700 | 5,848 | 6,100 |
| Total annual administered expenses | 202,240 | 188,980 | 181,566 | 175,907 | 179,088 |
| Total sub-program 2.2 expenses | 202,240 | 188,980 | 181,566 | 175,907 | 179,088 |

Table 2.1.2: Program components of Outcome 1 (continued)

| Program 2: Growing Business Investment and Improving Business Capability | | | | | |
|---|----------------|----------------|---------------|---------------|--------------|
| | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
| | Estimated | Budget | Forward | Forward | Forward |
| | actual | | estimate | estimate | estimate |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| <i>Sub-program 2.3: Economic transition</i> | | | | | |
| Annual administered expenses: | | | | | |
| Advanced Manufacturing Growth Fund | 3,717 | 33,212 | 9,500 | - | - |
| Automotive Diversification Programme (c) | 1,839 | - | - | - | - |
| Automotive Transformation Scheme | 2,848 | - | - | - | - |
| Cyber Security – implementation of Australia's Cyber Security Strategy | 500 | 4,250 | 6,750 | - | - |
| Encouraging Innovation in Advanced Manufacturing | 1,583 | 11,250 | 4,250 | 2,500 | - |
| International Space Investment | - | - | 3,000 | 5,000 | 7,000 |
| Next Generation Manufacturing Investment Programme (c) | 21,184 | 8,600 | 1,124 | 100 | - |
| Tasmanian Jobs and Investment Fund | 3,230 | - | - | - | - |
| Toyota Major Facelift Vehicle and Supplier Grant | 667 | - | - | - | - |
| Total annual administered expenses | 35,568 | 57,312 | 24,624 | 7,600 | 7,000 |
| Special appropriations: | | | | | |
| Automotive Transformation Scheme Act 2009 | 77,271 | 44,542 | 39,503 | 19,885 | - |
| Total special appropriations | 77,271 | 44,542 | 39,503 | 19,885 | - |
| Special account expenses: | | | | | |
| Services for Other Entities and Trust Moneys - Innovation Special Account | 22,514 | 300 | 700 | - | - |
| Total special account expenses | 22,514 | 300 | 700 | - | - |
| Total sub-program 2.3 expenses | 135,353 | 102,154 | 64,827 | 27,485 | 7,000 |

Table 2.1.2: Program components of Outcome 1 (continued)

| Program 2: Growing Business Investment and Improving Business Capability | | | | | |
|---|---------------|---------------|---------------|---------------|---------------|
| | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
| | Estimated | Budget | Forward | Forward | Forward |
| | actual | | estimate | estimate | estimate |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Sub-program 2.4: Resources | | | | | |
| Annual administered expenses: | | | | | |
| Australian Domestic Gas Security Mechanism | 500 | - | - | - | - |
| Coal Mining Abatement Technology Support Package | 1,000 | 2,250 | 750 | - | - |
| Maralinga Maintenance | 239 | 239 | 239 | - | - |
| Onshore Gas Social and Economic Research Fund | 1,000 | 1,000 | 1,000 | - | - |
| Petroleum Royalties Administration | 40 | 40 | 40 | 40 | 40 |
| Radioactive Waste Management | 16,598 | 13,843 | - | - | - |
| Rum Jungle Mine Site - Environmental Rehabilitation | 46 | 69 | 97 | - | - |
| Supporting the Development of New Onshore Gas Supply | 7,718 | 13,107 | 6,607 | 107 | - |
| Total annual administered expenses | 27,141 | 30,548 | 8,733 | 147 | 40 |
| Special appropriations: | | | | | |
| <i>Offshore Minerals Act 1994</i> | 60 | 60 | 60 | 60 | 60 |
| Total special appropriations | 60 | 60 | 60 | 60 | 60 |
| Special account expenses: | | | | | |
| Clean Energy Initiative Special Account | | | | | |
| Carbon Capture and Storage Flagships | 33,000 | 9,900 | - | - | - |
| National Offshore Petroleum Titles Administrator | 13,968 | 15,110 | 15,110 | 15,110 | 15,110 |
| Total special account expenses | 46,968 | 25,010 | 15,110 | 15,110 | 15,110 |
| Expenses not requiring appropriation in the Budget year: | | | | | |
| National Offshore Petroleum Titles Administrator (d) | 1,032 | 1,684 | 1,684 | 1,684 | 1,684 |
| Total expenses not requiring appropriation in the Budget year | 1,032 | 1,684 | 1,684 | 1,684 | 1,684 |
| Total sub-program 2.4 expenses | 75,201 | 57,302 | 25,587 | 17,001 | 16,894 |

Table 2.1.2: Program components of Outcome 1 (continued)

| Program 2: Growing Business Investment and Improving Business Capability | | | | | |
|---|--|-----------------------------|---|---|---|
| | 2017-18 Estimated actual \$'000 | 2018-19 Budget \$'000 | 2019-20 Forw ard estimate \$'000 | 2020-21 Forw ard estimate \$'000 | 2021-22 Forw ard estimate \$'000 |
| Sub-program 2.5: Northern Australia Development | | | | | |
| Expenses not requiring appropriation in the Budget year: | | | | | |
| Northern Australia Infrastructure Facility (e) | 29,781 | 308,639 | 550,753 | 630,040 | 373,615 |
| Total expenses not requiring appropriation in the Budget year | 29,781 | 308,639 | 550,753 | 630,040 | 373,615 |
| Total sub-program 2.5 expenses | 29,781 | 308,639 | 550,753 | 630,040 | 373,615 |
| Total program 2 expenses | 448,874 | 680,148 | 826,887 | 854,644 | 580,870 |
| (a) This figure represents the expense of the measure listed in the 2017-18 Supplementary Additional Estimates Statements. | | | | | |
| (b) This program transferred from the Department of the Prime Minister and Cabinet. The 2017-18 estimate reflects the part-year impact of the financials. | | | | | |
| (c) This is a component of the Growth Fund. | | | | | |
| (d) Expenses not requiring appropriation relate to depreciation and amortisation expenses for the National Offshore Petroleum Titles Administrator. | | | | | |
| (e) Expenses not requiring appropriation relate to the expenses associated with the concessional loans proposed under the Northern Australia Infrastructure Facility. | | | | | |

Program 3: Program Support^(a)

| | 2017-18 Estimated actual \$'000 | 2018-19 Budget \$'000 | 2019-20 Forw ard estimate \$'000 | 2020-21 Forw ard estimate \$'000 | 2021-22 Forw ard estimate \$'000 |
|---|--|-----------------------------|---|---|---|
| Annual departmental expenses: | | | | | |
| Ordinary annual services (Appropriation Bill No. 1) | 381,182 | 387,193 | 372,471 | 363,205 | 364,415 |
| s74 Retained revenue receipts (b) | 83,389 | 66,110 | 62,079 | 61,585 | 62,222 |
| Special accounts (c) | 8,403 | 6,813 | 5,050 | 5,036 | 5,036 |
| Expenses not requiring appropriation in the Budget year (d) | 99,837 | 44,806 | 47,277 | 44,321 | 43,310 |
| Total program 3 expenses | 572,811 | 504,922 | 486,877 | 474,147 | 474,983 |

(a) This table includes the transfer of departmental funding from the Department of the Prime Minister and Cabinet for the Spatial Data function.

(b) Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act.

(c) Excludes expenditure funded via the Ordinary Annual Services (Appropriation Bill No. 1).

(d) Expenses not requiring appropriation are made up of depreciation expenses, amortisation expenses, audit fees and write-down of assets.

Table 2.1.3: Performance criteria for Outcome 1

Table 2.1.3 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2018-19 Budget measures have created new programs or materially changed existing programs.

| | |
|---|--|
| Outcome 1 - Enabling growth and productivity for globally competitive industries through supporting science and commercialisation, growing business investment and improving business capability and streamlining regulation. | |
| Program 1 - Supporting Science and Commercialisation The objective of Program 1 is to facilitate the development and uptake of new ideas and technology and translate them into commercial activity. It will increase productivity, improve Australia's competitiveness and drive economic growth by delivering better scientific and economic outcomes for Australia, including encouraging collaboration between researchers and businesses. The components of Program 1 are grouped under the following sub-programs: <ul style="list-style-type: none"> • Sub-program 1.1- Science awareness, infrastructure and international engagement – this sub-program is designed to improve science awareness, infrastructure and international engagement to support the creation and dissemination of scientific and technical information as an input to the economic process • Sub-program 1.2- Business research, development and commercialisation – this sub-program is designed to provide incentives for business research, development and commercialisation, facilitate the innovative adoption and diffusion of digital technologies, and encourage collaboration between businesses and researchers to drive innovation and thus contribute to improved productivity. | |
| Delivery | <ul style="list-style-type: none"> • Support the creation and sharing of scientific and technological information as an input to commercial activity • Encourage collaboration between the research sector and businesses to generate solutions that lead to improved productivity, international competitiveness and address national and international challenges • Support international collaboration on science, technology and innovation • Maintain a strong science base focused on meeting Australia's priorities • Promote the innovative adoption and diffusion of digital technologies. |
| Performance information | |
| Intended results | Performance criteria |
| Growth in the proportions of small, medium and large firms engaging in innovative activity | <ul style="list-style-type: none"> • Proportion of Australia's businesses that are innovation active |
| Increased investment by businesses in intangible assets - i.e. the knowledge assets of an organisation | <ul style="list-style-type: none"> • Private gross fixed capital formation - intellectual property products • Business research and development expenditure as a percentage of GDP |
| Growth in the value add of knowledge-intensive industries | <ul style="list-style-type: none"> • Gross value added and employment by knowledge-intensive industries |
| Improved returns from the commercialisation of research | <ul style="list-style-type: none"> • Number and value of research contracts, consultancies and collaborations entered into by research institutions |

| Improvement in Australia’s performance in scientific research | | <ul style="list-style-type: none">Share of world’s top one per cent of highly cited publications | | | | |
|---|--|--|-----------------|-----------------|-----------------|-----------------|
| Sub-program 1.1 - Science awareness, infrastructure and international engagement <ul style="list-style-type: none">Increased science awarenessImproved research infrastructureEnhanced international engagement. | | | | | | |
| Contributing components | Performance criteria (a) | 2017-18 targets | 2018-19 targets | 2019-20 targets | 2020-21 targets | 2021-22 targets |
| Australia-China Science and Research Fund; Australia-India Strategic Research Fund | Number of collaborative research projects completed that reported strengthened international relationships | 18 | 13 | 1 | 13 | 10 |
| Global Innovation Strategy | Number of activities completed that reported strengthened international relationships | 54 | 64 | 80 | 98 | 31 |
| Australian Antarctic Science | <i>To be developed following finalisation of program design and consultation with stakeholders</i> | | | | | |
| Inspiring all Australians in STEM | Number of direct engagements supported by Inspiring Australia activities | 3,086 | 3,200 | 3,200 | 3,200 | 3,200 |
| | Number of institutions participating in the Science in Australia Gender Equity process | 45 | 44 | - | - | - |

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| | | | | | | |
|--|--|-----|-----|-----|-----|---|
| Encouraging more women to pursue science, technology, engineering and mathematics (STEM) education and careers | <i>Effective delivery of initiatives to encourage more women and girls to pursue science education and careers</i> | | | | | |
| Access to World-leading Astronomy Infrastructure | Proportion of proposals for competitively allocated observing time on European Southern Observatory (ESO) telescopes at La Silla - Paranal Observatory, Chile, led by Principal Investigators from Australia (%) | 6.1 | 7.5 | 7.5 | 7.5 | - |
| | Proportion of total competitively allocated observing hours on the ESO 8.2-metre Very Large Telescope (VLT) allocated to proposals led by Principal Investigators from Australia (%) | 5.5 | 7.5 | 7.5 | 7.5 | - |
| | Number of unique Australian institutions involved at the Principal Investigator or Co - Investigator level, allocated competitive observing time on ESO telescopes at La Silla - Paranal Observatory, Chile | 9 | 6 | 6 | 6 | - |
| Square Kilometre Array Radio Telescope Project | Number of Australian companies/research institutions participating in the SKA Pre-Construction Work Program. | 7 | 7 | - | - | - |

(a) New or modified performance criteria that reflect materially changed programs are shown in *italics*.

| Sub-program 1.2 - Business research, development and commercialisation <ul style="list-style-type: none"> Increased research and development in business Increased commercialisation Increased collaboration between businesses and researchers Enhanced digital skills and capabilities. | | | | | | |
|--|--|-----------------|---|-----------------|-----------------|-----------------|
| Contributing components | Performance criteria | 2017-18 targets | 2018-19 targets | 2019-20 targets | 2020-21 targets | 2021-22 targets |
| Business Research and Innovation Initiative | Proportion of feasibility studies completed (per round) (%) | 100 | 100 | 100 | 100 | 100 |
| | Proportion of proof of concept projects completed (per round) (%) | 60 | 90 | 90 | 90 | 90 |
| | Proportion of participating agencies procuring a solution developed under the program (per round) (%) | 20 | 50 | 50 | 50 | 50 |
| Cooperative Research Centres (CRC) Program | Number of CRCs and CRC Projects supported | 104 | 130 | 137 | 116 | 113 |
| | Number of commercialisation agreements reported by CRCs and CRC Projects | 327 | 306 | 235 | 235 | 235 |
| | Number of applications for patents filed by CRCs and CRC Projects | 49 | 46 | 35 | 35 | 35 |
| Quantum Computing | To be developed as part of the company's (Silicon Quantum Computing Pty Ltd) business plan and finalised in consultation with the Silicon Quantum Computing board | | | | | |
| Research and Development (R&D) Tax Incentive | R&D expenditure registered with the department by entities in order to claim the tax incentive through their annual tax returns (\$'000) | 16,000,000 | The department does not have forward estimates for the R&D Tax Incentive program. The number of entities includes R&D-performing subsidiaries of head companies. The registered R&D is reported against the income year in which it is registered. This is the year following the year in which the companies undertake the R&D activity. | | | |
| | Number of entities registering R&D expenditure with the department in order to claim the tax incentive through their annual tax returns | 15,500 | | | | |
| Digital Productivity (Digital Careers) | Number of students participating in computational thinking and digital technology activities | 62,753 | 80,000 | 80,000 | - | - |
| | Number of new student registrations on the Ribit Platform | 10,680 | 21,000 | 21,000 | - | - |
| Purposes | Purpose 1: Supporting Science and Commercialisation – Facilitating the development and uptake of new ideas and technology and translating them into commercial activity. | | | | | |

Material changes to Program 1 resulting from the following measures:

- Australian Antarctic Science
- Australian Technology and Science Growth Plan — supporting Australian innovation in Asia
- Australian Technology and Science Growth Plan — encouraging more women to pursue science, technology, engineering and mathematics (STEM) education and careers
- Australian Technology and Science Growth Plan — Building Australia's Artificial Intelligence capability to support business.

| | |
|---|--|
| Program 2 - Growing Business Investment and Improving Business Capability <p>The objective of Program 2 is to build a diversified, flexible, resilient and dynamic economic base that can identify and adapt to new markets and emerging opportunities. It will drive Australia's future prosperity and continued jobs growth by supporting the transformation of existing industries and the growth of new ones, enabling access to new markets and increasing competitiveness in existing markets.</p> <p>The components of Program 2 are grouped under the following sub-programs:</p> <ul style="list-style-type: none"> • Sub-program 2.1: Competitive marketplace – this sub-program is designed to create a more competitive marketplace to achieve profitable and sustainable industry futures • Sub-program 2.2: Business and market development – this sub-program is designed to enhance business leadership, management, digital and entrepreneurial skills, increase innovation and investment in growth sectors and open up international export markets to Australian businesses • Sub-program 2.3: Economic transition – this sub-program is designed to encourage innovation and investment to underpin industry transformation • Sub-program 2.4: Resources – this sub-program is designed to support the sustainable development of the resources sector, attract private sector investment and encourage innovative technologies • Sub-program 2.5: Northern Australia Development – this sub-program is designed to drive economic growth and investment in northern Australia. | |
| Delivery | <ul style="list-style-type: none"> • Work with industry to support businesses to build the capability (including digital) necessary to achieve profitable and sustainable futures • Encourage innovation and investment in growth sectors to underpin industry transformation • Support economic development in northern Australia • Work collaboratively across government to open up resources and other export markets • Work nationally and internationally to attract private sector investment. |
| Performance information | |
| Intended results | Performance criteria |
| Growth in new private sector investment | <ul style="list-style-type: none"> • Annual private business investment growth |
| Increased foreign direct investment in Australia | <ul style="list-style-type: none"> • Foreign direct investment as a share of annual GDP |
| Improved management and organisational capabilities in Australian businesses | <ul style="list-style-type: none"> • Proportion of businesses with a strategic plan in place • Proportion of businesses monitoring Key Performance Indicators • Proportion of businesses that have introduced or changed a digital business strategy |
| Improvement in Australia's ranking in international performance indices | <ul style="list-style-type: none"> • Australia's ranking in World Bank ease of doing business index • Australia's ranking in Global Innovation Index • Australia's ranking in the Global Entrepreneurship Monitor indicator of total early-stage entrepreneurship activity (TEA) |

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| Sub-program 2.1 - Competitive marketplace | | | | | | |
|--|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| <ul style="list-style-type: none"> Improved market competitiveness. | | | | | | |
| Contributing components | Performance criteria | 2017-18 targets | 2018-19 targets | 2019-20 targets | 2020-21 targets | 2021-22 targets |
| Certain Inputs to Manufacture (CIM) | Number of new duty registrations | 4 | 4 | 4 | 4 | 4 |
| | Total value of duty concessions to eligible firms (\$'000) | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 |
| Textile Clothing and Footwear—Register of Approved Occupational Clothing | Proportion of registrations within 30 days of complete information being provided (%) | 100 | 90 | 90 | 90 | 90 |
| Tradex | Number of active Tradex Order users | 590 | 580 | 560 | 560 | 500 |
| | Total value of duty and/or tax concessions to eligible firms (\$'000) | 155,000 | 135,000 | 133,000 | 133,000 | 125,000 |
| Geocoded National Address File (G-NAF) | Updated versions of the G-NAF are published via data.gov.au on a quarterly basis to enable greater use of high-value foundational spatial data by the Australian community | | | | | |
| Support for Industry Service Organisations | Australian memberships of key international standardisation and accreditation bodies are maintained | | | | | |

| Sub-program 2.2 - Business and market development <ul style="list-style-type: none"> Improved business management and capability Increased innovation and investment in growth sectors Development of new markets Improved export performance. | | | | | | |
|---|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| Contributing components | Performance criteria (a) | 2017-18 targets | 2018-19 targets | 2019-20 targets | 2020-21 targets | 2021-22 targets |
| Asialink Business | Number of courses run on Asia Capability Development | 5 | 5 | 5 | 5 | 5 |
| | Number of events held promoting and building Asia capabilities | 50 | 50 | 50 | 50 | 50 |
| Entrepreneurs' Programme | Number of services provided to strengthen business management and networks, develop start-up capabilities, enhance research collaborations, and facilitate commercialisation of novel products, processes and services | 6,932 | 6,932 | 6,832 | 6,832 | 6,832 |
| Industry Growth Centres Initiative | Number of Growth Centre activities | 137 | 160 | 170 | 180 | 190 |
| | Number of participants in Growth Centre activities | 2,146 | 2,200 | 2,500 | 3,000 | 3,500 |
| | Established Growth Centres are delivering against the Initiative's objectives through implementation of Sector Competitiveness Plans including activities to: <ul style="list-style-type: none"> identify and pursue opportunities for regulatory reform including improving industry standards increase collaboration between business and researchers increase business engagement with supply chains and international markets identify sector skills needs and improve management and workforce skills. | | | | | |
| SME Export Hubs | <i>Number of SME Export Hub Activities</i> | - | 280 | 300 | 300 | 300 |
| | <i>Number of SME reporting increased revenue/export sales</i> | - | 0 | 50 | 100 | 150 |
| | <i>SME Export Hubs are delivering against their objectives through networks of SMEs identifying their competitive strengths and innovation potential and developing Hub Export Plans including activities to:</i> <ul style="list-style-type: none"> <i>increase business engagement with supply chains and international markets</i> <i>identify SME Export Hubs skills needs and improve management and workforce skills.</i> | | | | | |

(a) New or modified performance criteria that reflect materially changed programs are shown in *italics*.

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| Sub-program 2.3 - Economic transition <ul style="list-style-type: none"> Increased capital and innovation investment Increased job opportunities. | | | | | | |
|--|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| Contributing components | Performance criteria (a) | 2017-18 targets | 2018-19 targets | 2019-20 targets | 2020-21 targets | 2021-22 targets |
| Advanced Manufacturing Growth Fund | Induced private sector investment in new or expanded business activity (\$'000) | 16,142 | 83,100 | 26,695 | - | - |
| Automotive Transformation Scheme | Total value of plant and equipment and innovation investment by Australian automotive industry induced by the Automotive Transformation Scheme (\$'000) | 182,405 | 158,117 | 154,446 | 76,343 | - |
| Next Generation Manufacturing Investment Programme | Induced private sector investment in new or expanded activity (\$'000) | 47,770 | 12,601 | 5,255 | - | - |
| Cyber Security Small Business Program | Testing Capability (number of tests) per month conducted by the Council of Registered Ethical Security Testers (CREST) approved members | 0 | 200 | 250 | - | - |
| | Number of small business grants inducing investment in cyber security through CREST providers | 0 | 1,700 | 2,900 | - | - |
| International Space Investment | <i>To be developed following finalisation of program design and consultation with stakeholders noting that any investment in strategic international space projects will target a minimum of 80 per cent of the investment being made in Australia for the benefit of Australian space industry firms</i> | | | | | |

(a) New or modified performance criteria that reflect materially changed programs are shown in *italics*.

| Sub-program 2.4 - Resources <ul style="list-style-type: none"> Sustainable development of the resources sector Increased private investment Uptake of innovative technologies. | | | | | | |
|--|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| Contributing components | Performance criteria | 2017-18 targets | 2018-19 targets | 2019-20 targets | 2020-21 targets | 2021-22 targets |
| Carbon Capture and Storage Flagships | Number of projects supported to accelerate the deployment of low emission technologies | 9 | 8 | - | - | - |
| Coal Mining Abatement Technology Support Package | Number of projects supported to develop technologies to safely reduce coal mining fugitive methane emissions | 1 | 1 | 1 | - | - |
| Offshore Minerals Act 1994 | Percentage of Offshore Minerals Act 1994 fees received paid to states/ Northern Territory for administration (%) | 100 | 100 | 100 | 100 | 100 |
| Maralinga Maintenance | Effective management of Maralinga section 400 in line with obligations under the 2009 Handback Deed | | | | | |
| National Offshore Petroleum Titles Administrator | Titles administration is effective and delivered on a full cost recovery basis, in accordance with regulatory requirements | | | | | |
| NT Uranium Royalty (Ranger Project Area) Administration (including SPP) | Efficient and effective biannual collection, payment and reconciliation of uranium royalties | | | | | |
| Petroleum Royalties Administration | Timely and accurate delivery of audit and monthly administration and verification of petroleum royalties | | | | | |
| Royalty Payments WA – Offshore Petroleum and Greenhouse Gas Storage Act 2006 (SPP) | Timely and accurate calculation, verification and advice to the Commonwealth Treasury of the amount payable to Western Australia | | | | | |
| Radioactive Waste Management | Effective delivery of activities supporting the Government's radioactive waste management strategy | | | | | |
| Rum Jungle Mine Site – Environmental Rehabilitation Project (SPP) | Effective delivery of scheduled activities for the Rum Jungle Mine Site Rehabilitation Project | | | | | |
| Supporting the Development of New Onshore Gas Supply (Energy for the Future) | Effective delivery of the projects in the Gas Acceleration Program to bring forward additional gas supply to the east coast market | | | | | |

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| Sub-program 2.5 - Northern Australia Development <ul style="list-style-type: none">Increased economic growth and investment in northern Australia. | | | | | | |
|---|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| Contributing components | Performance criteria | 2017-18 targets | 2018-19 targets | 2019-20 targets | 2020-21 targets | 2021-22 targets |
| Northern Australia Infrastructure Facility (NAIF) | The Northern Australia Infrastructure Facility (NAIF) was established as a Corporate Commonwealth Entity on 1 July 2016. Refer to NAIF’s Budget Statement for information about the facility’s performance criteria and targets | | | | | |
| Purposes | Purpose 2: Growing Business Investment and Improving Business Capability – Building a diversified, flexible, resilient and dynamic economic base that can identify and adapt to new markets and emerging opportunities. | | | | | |
| Material changes to Program 2 resulting from the following measures: <ul style="list-style-type: none">Australian Technology and Science Growth Plan — Growing the Australian Space IndustryAustralian Technology and Science Growth Plan — Small and Medium Enterprises Export Hubs Program. | | | | | | |

| | |
|---|--|
| <p>Program 3 - Program Support</p> <p>The objectives of Program 3 are to make it easier for business to interact with government and reduce the cost of doing business in Australia, and provide effective and efficient administrative services and support to the department, government, industry and other stakeholders. It will facilitate competition and innovation, boost productivity and enhance Australia's international competitiveness by reducing the burden on industry of inefficient regulation and improving the delivery of our programs and services.</p> <p>The components of Program 3 are grouped under the following sub-programs:</p> <ul style="list-style-type: none"> • Sub-program 3.1: Simplifying doing business – this sub-program aims to facilitate competition and innovation by making it easier for business to interact with government and reducing the cost of doing business in Australia. It is achieved through: <ul style="list-style-type: none"> ◦ Regulatory reform and functions – the department will reduce the burden on industry of inefficient regulation by the implementation of regulatory reform across all levels of government, ensuring that the regulatory environment strikes the right balance between efficient markets and community expectations ◦ Better services and information for business – the department will improve the delivery of our services and programs by streamlining and simplifying business services and programs, as well as providing information to assist businesses to grow and improving the ways in which it is delivered. • Sub-program 3.2: Building a high performance organisation – this sub-program aims to provide effective and efficient operational and administrative support and specific services to the department, government, industry and other stakeholders. | |
| Delivery | <ul style="list-style-type: none"> • Make it simpler for businesses to find, understand and access government services to help them start, run, grow and leave their businesses • Personalise and streamline business dealings with government • Be an exemplar of innovation, embracing digital solutions to improve the efficiency and business experience of our program delivery function • Develop new ways to provide information and services to businesses to help them better understand business opportunities and challenges • Drive better connections between business programs to build impact and scale • Contribute to economy-wide regulatory reforms that reduce business costs • Take opportunities to use regulation as a selling point for Australia, its products and services • Create a conducive operating environment for competitive Australian businesses • Contribute to the Australian Government's Shared Services Program and Streamlining Government Grants Administration Program to increase the effectiveness and efficiency of services within government • Foster a strong and collaborative development culture that builds employee capabilities and creates career opportunities • Improve the delivery of internal enabling and support services through regularly reviewing key processes to: remove internal red tape, optimise the use of digital technologies and increase efficiency • Become an agency of choice for new and existing employees. |

| Performance information | | | | | | |
|--|--|--|-----------------|-----------------|-----------------|-----------------|
| Intended results | | Performance criteria | | | | |
| The quality of regulation (measured via domestic and international reviews) | | <ul style="list-style-type: none">Australia's ranking by the OECD product market regulation index | | | | |
| Business and government satisfaction with delivery of regulation reform | | <ul style="list-style-type: none">Portfolio net regulatory reduction for business | | | | |
| The ease of doing business in Australia | | <ul style="list-style-type: none">Australia's ranking by the World Bank ease of doing business index | | | | |
| Sub-program 3.1 - Simplifying doing business <ul style="list-style-type: none">Reduced burden on industry of inefficient regulationRegulation administered fairly, effectively and efficientlyImproved access for business to Australian Government services and informationStreamlined and integrated program delivery. | | | | | | |
| Contributing components | Performance criteria | 2017-18 targets | 2018-19 targets | 2019-20 targets | 2020-21 targets | 2021-22 targets |
| Regulatory policy advice | Provision of high-quality, timely and strategic industry policy advice to support the Australian Government's deregulation agenda | | | | | |
| Portfolio Regulatory Reform | Successful implementation of portfolio regulatory reform | | | | | |
| National Business Simplification Initiative (NBSI) | Working effectively with other portfolios and with state and territory governments to help simplify the process of operating a business in Australia and improve business regulation and services | | | | | |
| Sub-program 3.2 - Building a high performance organisation <ul style="list-style-type: none">Effective and efficient provision of general operational and administrative supportEffective and efficient provision of specific services. | | | | | | |
| Contributing components | Performance criteria | 2017-18 targets | 2018-19 targets | 2019-20 targets | 2020-21 targets | 2021-22 targets |
| Corporate, financial, digital and analytical services | Effective and efficient provision of corporate, financial, digital and analytical services | | | | | |
| Purposes | Purpose 1: Supporting Science and Commercialisation – Facilitating the development and uptake of new ideas and technology and translating them into commercial activity. Purpose 2: Growing Business Investment and Improving Business Capability – Building a diversified, flexible, resilient and dynamic economic base that can identify and adapt to new markets and emerging opportunities. Purpose 3: Simplifying Doing Business – Facilitating competition and innovation by making it easier for businesses to interact with government and reducing the cost of doing business. | | | | | |

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2018-19 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

There are no material differences between the entity resources table and the financial statements.

3.1.2 Explanatory notes and analysis of budgeted financial statements

Departmental Financial Statements

Budgeted Departmental Income Statement

The statement shows the estimated net cost of services for the department.

The budgeted net cost of services to the department for delivering its programs in 2018-19 is \$431.3 million.

Expenses

Total departmental expenses budgeted for 2018-19 are \$504.9 million, comprising \$299.4 million for employee expenses, \$161.7 million for suppliers, \$43.0 million for depreciation and amortisation and \$0.8 million for other expenses.

Income

Total departmental own-source income budgeted for in 2018-19 is \$73.6 million, comprising \$66.1 million from sale of goods and rendering of services, \$6.8 million from other independent sources and \$0.7 million in resources received free of charge.

Revenue from Government for 2018-19 is budgeted at \$387.2 million.

Budgeted Departmental Balance Sheet

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

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Assets

Total departmental assets budgeted for 2018-19 are \$297.4 million, comprising \$195.5 million in non-financial assets and \$101.9 million in financial assets.

Non-financial assets include \$93.5 million for land and buildings, \$60.0 million for intangibles, \$30.3 million for property, plant and equipment, \$9.4 million in other assets and \$2.3 million for inventories. Financial assets consist of \$85.2 million for receivables, \$13.3 million for cash and \$3.4 million in other assets.

Liabilities

Total departmental liabilities budgeted for in 2018-19 are \$154.8 million, comprising \$87.9 million in provisions and \$66.9 million in payables.

Statement of Changes in Equity – Summary of movement

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

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.

Administered Financial Statements

Schedule of Budgeted Income and Expenses

The schedule shows the estimated income and expenses for programs administered by the department on behalf of the Australian Government.

Expenses

Total administered expenses budgeted for in 2018-19 are \$2.1 billion, represented by \$1.1 billion in payments to corporate Commonwealth entities, \$467.2 million in grants, \$308.6 million in concessional loan discounts, \$109.3 million in suppliers and depreciation, \$44.5 million in subsidies and \$6.8 million in employee benefits.

Income

Total administered income budgeted for in 2018-19 is \$1.2 billion, represented by \$1.1 billion in royalties, \$59.8 million in interest, \$52.7 million in fees and \$17.2 million in other revenue.

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 Australian Government.

Assets

Total administered assets budgeted for in 2018-19 are \$4.2 billion, represented by \$3.4 billion in investments, \$683.8 million in cash and receivables, \$93.7 million in other financial assets and \$5.9 million in non-financial assets.

Liabilities

Total administered liabilities budgeted for in 2018-19 are \$68.8 million, represented by \$66.9 million in payables and \$1.9 million in provisions.

Schedule of Budgeted Administered Cash Flows

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

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

| | 2017-18 Estimated actual \$'000 | 2018-19 Budget \$'000 | 2019-20 Forward estimate \$'000 | 2020-21 Forward estimate \$'000 | 2021-22 Forward estimate \$'000 |
|--|--|-----------------------------|--|--|--|
| EXPENSES | | | | | |
| Employee benefits | 283,844 | 299,360 | 297,031 | 300,589 | 303,188 |
| Suppliers | 206,034 | 161,730 | 146,026 | 129,804 | 128,041 |
| Grants | 196 | 77 | 66 | - | - |
| Depreciation and amortisation | 43,009 | 43,027 | 43,026 | 43,026 | 43,026 |
| Write-down and impairment of assets | 39,000 | - | - | - | - |
| Other expenses | 728 | 728 | 728 | 728 | 728 |
| Total expenses | 572,811 | 504,922 | 486,877 | 474,147 | 474,983 |
| LESS: | | | | | |
| OWN-SOURCE INCOME | | | | | |
| Own-source revenue | | | | | |
| Sale of goods and rendering of services | 83,389 | 66,110 | 62,079 | 61,585 | 62,222 |
| Other revenue | 8,403 | 6,813 | 5,050 | 5,036 | 5,036 |
| Total own-source revenue | 91,792 | 72,923 | 67,129 | 66,621 | 67,258 |
| Gains | | | | | |
| Other gains | 728 | 728 | 728 | 728 | 728 |
| Total gains | 728 | 728 | 728 | 728 | 728 |
| Total own-source income | 92,520 | 73,651 | 67,857 | 67,349 | 67,986 |
| Net (cost of)/contribution by services | (480,291) | (431,271) | (419,020) | (406,798) | (406,997) |
| Revenue from Government | 381,182 | 387,193 | 372,471 | 363,205 | 364,415 |
| Surplus/(deficit) attributable to the Australian Government | (99,109) | (44,078) | (46,549) | (43,593) | (42,582) |
| Total comprehensive income/(loss) | (99,109) | (44,078) | (46,549) | (43,593) | (42,582) |
| Total comprehensive income/(loss) attributable to the Australian Government | (99,109) | (44,078) | (46,549) | (43,593) | (42,582) |

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June (continued)

| | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Total comprehensive income/(loss) excluding depreciation/ amortisation expenses previously funded through revenue appropriations | (56,100) | (1,051) | (3,523) | (567) | 444 |
| less depreciation/amortisation expenses previously funded through revenue appropriations | 43,009 | 43,027 | 43,026 | 43,026 | 43,026 |
| Total comprehensive income/(loss) - as per the statement of comprehensive income | (99,109) | (44,078) | (46,549) | (43,593) | (42,582) |

Prepared on Australian Accounting Standards basis.

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

| | 2017-18 Estimated actual \$'000 | 2018-19 Budget \$'000 | 2019-20 Forw ard estimate \$'000 | 2020-21 Forw ard estimate \$'000 | 2021-22 Forw ard estimate \$'000 |
|-----------------------------------|--|-----------------------------|---|---|---|
| ASSETS | | | | | |
| Financial assets | | | | | |
| Cash and cash equivalents | 13,864 | 13,354 | 12,354 | 12,354 | 12,354 |
| Trade and other receivables | 87,246 | 85,206 | 81,141 | 78,978 | 77,770 |
| Accrued revenue | 3,387 | 3,387 | 3,387 | 3,387 | 3,387 |
| Total financial assets | 104,497 | 101,947 | 96,882 | 94,719 | 93,511 |
| Non-financial assets | | | | | |
| Land and buildings | 97,817 | 93,530 | 91,742 | 85,210 | 77,761 |
| Property, plant and equipment | 38,629 | 30,270 | 18,932 | 7,959 | 2,812 |
| Intangibles | 59,154 | 59,996 | 58,134 | 59,922 | 56,904 |
| Inventories | 2,338 | 2,338 | 2,338 | 2,338 | 2,338 |
| Other non-financial assets | 9,399 | 9,399 | 9,399 | 9,399 | 9,399 |
| Total non-financial assets | 207,337 | 195,533 | 180,545 | 164,828 | 149,214 |
| Total assets | 311,834 | 297,480 | 277,427 | 259,547 | 242,725 |
| LIABILITIES | | | | | |
| Payables | | | | | |
| Suppliers | 17,662 | 17,662 | 17,662 | 17,662 | 17,662 |
| Grants | 270 | 270 | 270 | 270 | 270 |
| Other payables | 50,459 | 48,969 | 47,427 | 45,831 | 44,179 |
| Total payables | 68,391 | 66,901 | 65,359 | 63,763 | 62,111 |
| Provisions | | | | | |
| Employee provisions | 86,126 | 86,126 | 86,126 | 86,126 | 86,126 |
| Other provisions | 1,747 | 1,747 | 1,747 | 1,747 | 1,747 |
| Total provisions | 87,873 | 87,873 | 87,873 | 87,873 | 87,873 |
| Total liabilities | 156,264 | 154,774 | 153,232 | 151,636 | 149,984 |
| Net assets | 155,570 | 142,706 | 124,195 | 107,911 | 92,741 |
| EQUITY* | | | | | |
| Contributed equity | 508,585 | 539,799 | 567,837 | 595,146 | 622,558 |
| Reserves | 9,079 | 9,079 | 9,079 | 9,079 | 9,079 |
| Accumulated deficit | (362,094) | (406,172) | (452,721) | (496,314) | (538,896) |
| Total Equity | 155,570 | 142,706 | 124,195 | 107,911 | 92,741 |

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

Prepared on Australian Accounting Standards basis.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2018-19)

| | Retained earnings \$'000 | Asset revaluation reserve \$'000 | Contributed equity/ capital \$'000 | Total equity \$'000 |
|--|--------------------------------|---|---|---------------------------|
| Opening balance as at 1 July 2018 | | | | |
| Balance carried forward from previous period | (362,094) | 9,079 | 508,585 | 155,570 |
| Adjusted opening balance | (362,094) | 9,079 | 508,585 | 155,570 |
| Comprehensive income | | | | |
| Surplus/(deficit) for the period | (44,078) | - | - | (44,078) |
| Total comprehensive income | (44,078) | - | - | (44,078) |
| Contributions by owners | | | | |
| Equity injection - Appropriation | - | - | 5,445 | 5,445 |
| Departmental Capital Budget (DCB) | - | - | 25,769 | 25,769 |
| Sub-total transactions with owners | - | - | 31,214 | 31,214 |
| Estimated closing balance as at 30 June 2019 | (406,172) | 9,079 | 539,799 | 142,706 |
| Closing balance attributable to the Australian Government | (406,172) | 9,079 | 539,799 | 142,706 |

Prepared on Australian Accounting Standards basis.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

| | 2017-18 Estimated actual \$'000 | 2018-19 Budget \$'000 | 2019-20 Forward estimate \$'000 | 2020-21 Forward estimate \$'000 | 2021-22 Forward estimate \$'000 |
|---|--|-----------------------------|--|--|--|
| OPERATING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Appropriations | 398,382 | 389,233 | 376,536 | 365,368 | 365,623 |
| Sale of goods and rendering of services | 83,389 | 66,110 | 62,079 | 61,585 | 62,222 |
| Net GST received | 20,696 | 16,254 | 14,682 | 13,053 | 12,878 |
| Other | 8,410 | 6,813 | 5,050 | 5,036 | 5,036 |
| Total cash received | 510,877 | 478,410 | 458,347 | 445,042 | 445,759 |
| Cash used | | | | | |
| Employees | 283,569 | 299,360 | 297,031 | 300,589 | 303,188 |
| Suppliers | 200,247 | 162,492 | 146,840 | 130,672 | 128,965 |
| Net GST paid | 20,696 | 16,254 | 14,682 | 13,053 | 12,878 |
| Other | 924 | 805 | 794 | 728 | 728 |
| Total cash used | 505,436 | 478,911 | 459,347 | 445,042 | 445,759 |
| Net cash from/(used by) operating activities | 5,441 | (501) | (1,000) | - | - |
| INVESTING ACTIVITIES | | | | | |
| Cash used | | | | | |
| Purchase of property, plant and equipment and intangibles | 42,479 | 31,223 | 28,038 | 27,309 | 27,412 |
| Total cash used | 42,479 | 31,223 | 28,038 | 27,309 | 27,412 |
| Net cash from/(used by) investing activities | (42,479) | (31,223) | (28,038) | (27,309) | (27,412) |
| FINANCING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Contributed equity | 37,141 | 31,214 | 28,038 | 27,309 | 27,412 |
| Total cash received | 37,141 | 31,214 | 28,038 | 27,309 | 27,412 |
| Net cash from/(used by) financing activities | 37,141 | 31,214 | 28,038 | 27,309 | 27,412 |
| Net increase/(decrease) in cash held | 103 | (510) | (1,000) | - | - |
| Cash and cash equivalents at the beginning of the reporting period | 13,761 | 13,864 | 13,354 | 12,354 | 12,354 |
| Cash and cash equivalents at the end of the reporting period | 13,864 | 13,354 | 12,354 | 12,354 | 12,354 |

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)

| | 2017-18 Estimated actual \$'000 | 2018-19 Budget \$'000 | 2019-20 Forw ard estimate \$'000 | 2020-21 Forw ard estimate \$'000 | 2021-22 Forw ard estimate \$'000 |
|--|--|-----------------------------|---|---|---|
| NEW CAPITAL APPROPRIATIONS | | | | | |
| Capital budget - Bill 1 (DCB) | 25,234 | 25,769 | 25,242 | 25,616 | 25,717 |
| Equity injections - Bill 2 | 11,907 | 5,445 | 2,796 | 1,693 | 1,695 |
| Total new capital appropriations | 37,141 | 31,214 | 28,038 | 27,309 | 27,412 |
| Provided for: | | | | | |
| Purchase of non-financial assets | 37,141 | 31,214 | 28,038 | 27,309 | 27,412 |
| Total items | 37,141 | 31,214 | 28,038 | 27,309 | 27,412 |
| PURCHASE OF NON-FINANCIAL ASSETS | | | | | |
| Funded by capital appropriations (a) | 14,236 | 5,445 | 2,796 | 1,693 | 1,695 |
| Funded by capital appropriation - DCB (b) | 26,156 | 25,769 | 25,242 | 25,616 | 25,717 |
| Funded internally from departmental resources (c) | 2,087 | 9 | - | - | - |
| TOTAL | 42,479 | 31,223 | 28,038 | 27,309 | 27,412 |
| RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE | | | | | |
| Total purchases | 42,479 | 31,223 | 28,038 | 27,309 | 27,412 |
| Total cash used to acquire assets | 42,479 | 31,223 | 28,038 | 27,309 | 27,412 |

(a) Includes both current Bill 2 and prior Act 2/4/6 appropriations.

(b) Does not include annual finance lease costs. Includes purchases from current and previous years' Departmental Capital Budgets (DCBs).

(c) Includes the following sources of funding:

- current Bill 1 and prior year Act 1/3/5 appropriations (excluding amounts from the DCB)
- internally developed asset
- s 74 Retained revenue receipts.

Prepared on Australian Accounting Standards basis.

Table 3.6: Statement of asset movements (Budget year 2018-19)

| | Buildings | Other property, plant and equipment | Computer softw are and intangibles | Total |
|---|-----------------|--|---|-----------------|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| As at 1 July 2018 | | | | |
| Gross book value | 105,267 | 92,798 | 128,971 | 327,036 |
| Accumulated depreciation/ amortisation and impairment | (7,450) | (54,169) | (69,817) | (131,436) |
| Opening net book balance | 97,817 | 38,629 | 59,154 | 195,600 |
| Capital asset additions | | | | |
| Estimated expenditure on new or replacement assets | | | | |
| By purchase - appropriation ordinary annual services | 7,151 | 13,384 | 10,688 | 31,223 |
| Total additions | 7,151 | 13,384 | 10,688 | 31,223 |
| Other movements | | | | |
| Depreciation/amortisation expense | (11,438) | (21,743) | (9,846) | (43,027) |
| Total other movements | (11,438) | (21,743) | (9,846) | (43,027) |
| As at 30 June 2019 | | | | |
| Gross book value | 112,418 | 106,182 | 139,659 | 358,259 |
| Accumulated depreciation/ amortisation and impairment | (18,888) | (75,912) | (79,663) | (174,463) |
| Closing net book balance | 93,530 | 30,270 | 59,996 | 183,796 |

Prepared on Australian Accounting Standards basis.

Table 3.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

| | 2017-18 Estimated actual \$'000 | 2018-19 Budget \$'000 | 2019-20 Forward estimate \$'000 | 2020-21 Forward estimate \$'000 | 2021-22 Forward estimate \$'000 |
|--|--|-----------------------------|--|--|--|
| EXPENSES | | | | | |
| Employee benefits | 6,828 | 6,772 | 6,772 | 6,772 | 6,772 |
| Suppliers | 89,106 | 107,634 | 94,190 | 94,660 | 96,680 |
| Fees | 40 | 40 | 40 | 40 | 40 |
| Subsidies | 80,119 | 44,542 | 39,503 | 19,885 | - |
| Grants | 520,171 | 467,158 | 412,313 | 385,581 | 388,495 |
| Depreciation and amortisation | 1,032 | 1,684 | 1,684 | 1,684 | 1,684 |
| Payments to corporate Commonwealth entities | 1,076,663 | 1,139,308 | 1,143,137 | 1,147,146 | 1,150,948 |
| Concessional loan discounts | 29,781 | 308,639 | 550,753 | 630,040 | 373,615 |
| Total expenses administered on behalf of Government | 1,803,740 | 2,075,777 | 2,248,392 | 2,285,808 | 2,018,234 |
| LESS: | | | | | |
| OWN-SOURCE INCOME | | | | | |
| Own-source revenue | | | | | |
| Taxation revenue | | | | | |
| Indirect tax | 750 | 550 | 550 | 550 | 550 |
| Total taxation revenue | 750 | 550 | 550 | 550 | 550 |
| Non-taxation revenue | | | | | |
| Fees from regulatory services | 47,724 | 52,693 | 55,675 | 55,675 | 55,675 |
| Interest | 11,629 | 59,791 | 147,892 | 248,930 | 308,180 |
| Royalties | 994,850 | 1,085,155 | 978,156 | 886,874 | 811,585 |
| Other non-taxation revenue | 10,200 | 16,698 | 16,716 | 16,735 | 1,134 |
| Total non-taxation revenue | 1,064,403 | 1,214,337 | 1,198,439 | 1,208,214 | 1,176,574 |
| Total own-sourced income administered on behalf of Government | 1,065,153 | 1,214,887 | 1,198,989 | 1,208,764 | 1,177,124 |
| Net (cost of)/contribution by services | (738,587) | (860,890) | (1,049,403) | (1,077,044) | (841,110) |
| Total comprehensive income/(loss) | (738,587) | (860,890) | (1,049,403) | (1,077,044) | (841,110) |

Prepared on Australian Accounting Standards basis.

Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

| | 2017-18 Estimated actual \$'000 | 2018-19 Budget \$'000 | 2019-20 Forw ard estimate \$'000 | 2020-21 Forw ard estimate \$'000 | 2021-22 Forw ard estimate \$'000 |
|---|--|-----------------------------|---|---|---|
| ASSETS | | | | | |
| Financial assets | | | | | |
| Cash in special accounts | 32,917 | 29,350 | 30,440 | 32,230 | 33,520 |
| Trade and other receivables | 162,230 | 654,462 | 1,571,047 | 2,628,416 | 3,210,619 |
| Other investments | 3,457,110 | 3,397,826 | 3,315,417 | 3,236,266 | 3,146,393 |
| Accrued revenue | 90,180 | 93,736 | 83,719 | 80,901 | 67,633 |
| Total financial assets | 3,742,437 | 4,175,374 | 5,000,623 | 5,977,813 | 6,458,165 |
| Non-financial assets | | | | | |
| Leasehold improvements | 519 | 1,677 | 1,435 | 1,193 | 951 |
| Property, plant and equipment | 1,065 | 1,638 | 2,011 | 2,384 | 2,757 |
| Intangibles | 3,097 | 2,582 | 1,867 | 1,152 | 937 |
| Total non-financial assets | 4,681 | 5,897 | 5,313 | 4,729 | 4,645 |
| Total assets administered on behalf of Government | 3,747,118 | 4,181,271 | 5,005,936 | 5,982,542 | 6,462,810 |
| LIABILITIES | | | | | |
| Payables | | | | | |
| Suppliers | 12,524 | 12,524 | 12,524 | 12,524 | 12,524 |
| Subsidies | 13,202 | 9,834 | 9,989 | - | - |
| Grants | 44,570 | 44,570 | 44,570 | 44,570 | 44,570 |
| Total payables | 70,296 | 66,928 | 67,083 | 57,094 | 57,094 |
| Provisions | | | | | |
| Employee provisions | 1,876 | 1,876 | 1,876 | 1,876 | 1,876 |
| Total provisions | 1,876 | 1,876 | 1,876 | 1,876 | 1,876 |
| Total liabilities administered on behalf of Government | 72,172 | 68,804 | 68,959 | 58,970 | 58,970 |
| Net assets/(liabilities) | 3,674,946 | 4,112,467 | 4,936,977 | 5,923,572 | 6,403,840 |

Prepared on Australian Accounting Standards basis.

Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

| | 2017-18 Estimated actual \$'000 | 2018-19 Budget \$'000 | 2019-20 Forw ard estimate \$'000 | 2020-21 Forw ard estimate \$'000 | 2021-22 Forw ard estimate \$'000 |
|---|--|-----------------------------|---|---|---|
| OPERATING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Interest | 455 | - | - | - | - |
| Fees | 16,080 | 18,000 | 18,000 | 18,000 | 18,000 |
| Royalties | 989,288 | 1,081,599 | 988,173 | 889,692 | 824,853 |
| Net GST received | 62,185 | 57,483 | 51,500 | 48,874 | 49,367 |
| Other | 10,950 | 17,248 | 17,266 | 17,285 | 1,684 |
| Levy receipts | 31,644 | 34,693 | 37,675 | 37,675 | 37,675 |
| Total cash received | 1,110,602 | 1,209,023 | 1,112,614 | 1,011,526 | 931,579 |
| Cash used | | | | | |
| Suppliers | 89,146 | 107,674 | 94,230 | 94,700 | 96,720 |
| Grant | 520,171 | 467,158 | 412,313 | 385,581 | 388,495 |
| Employees | 6,828 | 6,772 | 6,772 | 6,772 | 6,772 |
| Subsidies | 105,476 | 47,910 | 39,348 | 29,874 | - |
| Net GST paid | 62,185 | 57,483 | 51,500 | 48,874 | 49,367 |
| Other | 735 | 3,257 | - | - | - |
| Payments to corporate Commonw ealth entities | 1,076,663 | 1,139,308 | 1,143,137 | 1,147,146 | 1,150,948 |
| Total cash used | 1,861,204 | 1,829,562 | 1,747,300 | 1,712,947 | 1,692,302 |
| Net cash from/(used by) operating activities | (750,602) | (620,539) | (634,686) | (701,421) | (760,723) |

Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June) (continued)

| | 2017-18 Estimated actual \$'000 | 2018-19 Budget \$'000 | 2019-20 Forw ard estimate \$'000 | 2020-21 Forw ard estimate \$'000 | 2021-22 Forw ard estimate \$'000 |
|---|--|-----------------------------|---|---|---|
| INVESTING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Repayments of advances and loans | 15,009 | 56,920 | 149,554 | 255,521 | 318,362 |
| Total cash received | 15,009 | 56,920 | 149,554 | 255,521 | 318,362 |
| Cash used | | | | | |
| Advances and loans made | 77,000 | 798,000 | 1,424,000 | 1,629,000 | 966,000 |
| Investments | 44,299 | 6,240 | 6,240 | 6,240 | 1,240 |
| Purchase of property, plant and equipment and intangibles | 1,500 | 2,900 | 1,100 | 1,100 | 1,600 |
| Corporate Commonw ealth entity investments | 32,637 | 38,611 | 55,000 | 75,000 | 4,000 |
| Total cash used | 155,436 | 845,751 | 1,486,340 | 1,711,340 | 972,840 |
| Net cash from/(used by) investing activities | (140,427) | (788,831) | (1,336,786) | (1,455,819) | (654,478) |
| Net increase/(decrease) in cash held | (891,029) | (1,409,370) | (1,971,472) | (2,157,240) | (1,415,201) |
| Cash and cash equivalents at beginning of reporting period | 82,509 | 32,917 | 29,350 | 30,440 | 32,230 |
| Cash from Official Public Account for: | | | | | |
| Appropriations | 1,805,802 | 2,541,512 | 3,148,990 | 3,342,963 | 2,593,825 |
| Appropriations - Administered assets and liabilities | 44,299 | 6,240 | 6,240 | 6,240 | 1,240 |
| Equity appropriation - corporate Commonw ealth entities | 32,637 | 38,611 | 10,000 | 10,000 | 4,000 |
| Special accounts | 45 | 9,900 | - | - | - |
| GST appropriations | 62,185 | 57,483 | 51,500 | 48,874 | 49,367 |
| Total cash from Official Public Account | 1,944,968 | 2,653,746 | 3,216,730 | 3,408,077 | 2,648,432 |
| Cash to Official Public Account for: | | | | | |
| Appropriations | (1,041,346) | (1,190,460) | (1,192,668) | (1,200,173) | (1,182,574) |
| GST appropriations | (62,185) | (57,483) | (51,500) | (48,874) | (49,367) |
| Total cash to Official Public Account | (1,103,531) | (1,247,943) | (1,244,168) | (1,249,047) | (1,231,941) |
| Cash and cash equivalents at end of reporting period | 32,917 | 29,350 | 30,440 | 32,230 | 33,520 |

Table 3.10: Administered capital budget statement (for the period ended 30 June)

| | 2017-18 Estimated actual \$'000 | 2018-19 Budget \$'000 | 2019-20 Forw ard estimate \$'000 | 2020-21 Forw ard estimate \$'000 | 2021-22 Forw ard estimate \$'000 |
|---|--|-----------------------------|---|---|---|
| NEW CAPITAL APPROPRIATIONS | | | | | |
| Administered Assets and Liabilities - Bill 2 | 8,000 | 5,000 | 5,000 | 5,000 | - |
| Total new capital appropriations | 8,000 | 5,000 | 5,000 | 5,000 | - |
| Provided for: | | | | | |
| Other Items | 8,000 | 5,000 | 5,000 | 5,000 | - |
| Total items | 8,000 | 5,000 | 5,000 | 5,000 | - |

Prepared on Australian Accounting Standards basis.

Table 3.11: Statement of administered asset movements (Budget year 2018-19)

| | Buildings | Other property, plant and equipment | Computer software and intangibles | Total |
|---|--------------|--|--|----------------|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| As at 1 July 2018 | | | | |
| Gross book value | 591 | 1,493 | 9,923 | 12,007 |
| Accumulated depreciation/amortisation and impairment | (72) | (428) | (6,826) | (7,326) |
| Opening net book balance | 519 | 1,065 | 3,097 | 4,681 |
| CAPITAL ASSET ADDITIONS | | | | |
| Estimated expenditure on new or replacement assets | | | | |
| By purchase - other | 1,500 | 700 | 700 | 2,900 |
| Total additions | 1,500 | 700 | 700 | 2,900 |
| Other movements | | | | |
| Depreciation/amortisation expense | (342) | (127) | (1,215) | (1,684) |
| Total other movements | (342) | (127) | (1,215) | (1,684) |
| As at 30 June 2019 | | | | |
| Gross book value | 2,091 | 2,193 | 10,623 | 14,907 |
| Accumulated depreciation/amortisation and impairment | (414) | (555) | (8,041) | (9,010) |
| Closing net book balance | 1,677 | 1,638 | 2,582 | 5,897 |

Prepared on Australian Accounting Standards basis.

AUSTRALIAN INSTITUTE OF MARINE SCIENCE

ENTITY RESOURCES AND PLANNED PERFORMANCE

AUSTRALIAN INSTITUTE OF MARINE SCIENCE

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AUSTRALIAN INSTITUTE OF MARINE SCIENCE

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Australian Institute of Marine Science (AIMS) is a corporate Commonwealth entity established by the *Australian Institute of Marine Science Act 1972* (AIMS Act).

The mission of AIMS is to provide research and knowledge of Australia's tropical marine estate required to support growth in its sustainable use, effective environmental management and protection of its unique ecosystems.

AIMS achieves this by:

- developing and participating in integrated observing systems and undertaking robust long-term monitoring of key components of Australia's tropical coastal and marine ecosystems
- undertaking strategic and applied research into major gaps in our understanding of the impacts of natural and human pressures on these ecosystems
- enabling effective environmental risk assessment by government and industry through developing decision tools that drive efficiency gains in evidence-based regulatory regimes and marine industry development
- developing, deploying (and potentially marketing) innovative data analysis platforms and underwater sensing technologies
- contributing to a growing body of publicly available data and information bases
- engaging in national and international research collaborations, to leverage investment, ensure uptake of research, and promote outcomes enhancing Australia's role in supporting regional blue economies
- optimising the use of its world-class research infrastructure (vessels, aquaria, ocean monitoring equipment and laboratories) to support research conducted by AIMS and research collaborators.

This helps AIMS achieve its vision for Australia of:

- a healthy, resilient Great Barrier Reef
- sustainable coastal ecosystems and industries across tropical Australia
- environmentally sustainable offshore oil and gas development.

As a marine nation, Australia derives significant cultural, environmental and economic benefits from our ocean and coastal territories. These ocean and coastal territories also define our relationships with other countries, and play an increasingly important role as Australia's 'window' to the rapidly growing Asian region.

The AIMS 5-year Corporate Plan provided to the Australian Government in 2015 and updated annually, articulates the broad scale, multidisciplinary capability applied to achieving AIMS' three high priority outcomes for Australia's tropical marine estate. The AIMS 10-year strategic plan, also released in 2015, is currently in mid-term review and will be updated and aligned with the enhanced Commonwealth performance framework by July 2018.

In addition, AIMS and joint leader CSIRO will be assessing the feasibility of developing and deploying coral reef recovery, restoration and adaption technologies for the Great Barrier Reef. The Reef Restoration and Adaptation Program will deliver the scientific, engineering and social validation of prospective approaches, as well as stakeholder and partner engagement (Australian and international), development of co-ordination and governance frameworks, future program costing (research and development and deployment phases), the identification of funding options, and include an independent review. The scoping phase of this program is part of a \$60 million funding boost for Reef protection measures announced in the 2017-18 Mid-Year Economic and Fiscal Outlook, and will be built on as part of the Australian Government's \$500 million investment over seven years to support implementation of the Reef 2050 Long-Term Sustainability Plan.

AIMS achieves its successes through the judicious use of its three main assets – its staff, its infrastructure and its culture. These come together to form the following guiding principles of AIMS' research and development, internal and external relationships and organisational ethos:

- health, safety and environment: leading the way in providing safe and low environmental impact marine research
- trusted adviser: delivering independent, evidence-based scientific advice to our stakeholders for the economic, environmental and social good of Australia
- focused research: executing focused plans aligned to national research priorities and with identified pathways to impact
- knowledge transfer: documenting and widely disseminating findings through a variety of mechanisms and formats
- excellence and innovation: undertaking high-calibre research and technology development
- return on investment: maximising investment in marine science through collaborations, co-investment and industry-funded research.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to AIMS for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the entity's operations) classification.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome 1' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: AIMS resource statement — Budget estimates for 2018-19 as at Budget May 2018

| | 2017-18 <i>Estimated actual</i> \$'000 | 2018-19 Estimate \$'000 |
|--|--|-------------------------------|
| Opening balance/cash reserves at 1 July (a) | 37,246 | 36,773 |
| Funds from Government | | |
| Annual appropriations - ordinary annual services (b) | | |
| Outcome 1 | 44,847 | 47,377 |
| Annual appropriations - other services (c) | | |
| Equity injection | 1,600 | 150 |
| Total annual appropriations | 46,447 | 47,527 |
| Total funds from Government | 46,447 | 47,527 |
| Funds from other sources | | |
| Interest | 1,200 | 1,200 |
| Sale of goods and services | 24,884 | 23,788 |
| Other | 400 | 150 |
| Total funds from other sources | 26,484 | 25,138 |
| Total net resourcing for AIMS | 110,177 | 109,438 |
| | 2017-18 | 2018-19 |
| Average staffing level (number) | 228 | 243 |

Prepared on a resourcing (i.e. appropriations available) basis.

Please note: All figures shown above are GST exclusive - these may not match figures in the cash flow statement.

(a) Includes cash at bank and cash on deposit.

(b) Appropriation Bill (No. 1) 2018-19.

(c) Appropriation Bill (No. 2) 2018-19.

AIMS is not directly appropriated as it is a corporate Commonwealth entity. Appropriations are made to the Department of Industry, Innovation and Science and are then paid to AIMS and are considered departmental for all purposes.

1.3 BUDGET MEASURES

Table 1.2: AIMS 2018-19 Budget measures

There are no Budget measures relating to AIMS detailed in Budget Paper No 2; therefore Table 1.2 is not presented.

Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide an entity's complete performance story.

The most recent corporate plan for AIMS can be found at:
www.aims.gov.au/publications.html.

The most recent annual performance statement can be found at:
www.aims.gov.au/docs/publications/annual-reports.html.

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Growth of knowledge to support protection and sustainable development of Australia's marine resources through innovative marine science and technology.

Linked programs

| |
|--|
| Department of Industry, Innovation and Science |
| Programs <ul style="list-style-type: none">• Program 1 - Supporting Science and Commercialisation |
| Contribution to Outcome 1 made by linked programs <p>The Department of Industry, Innovation and Science contributes to Outcome 1 through its policies and programs supporting science and commercialisation including the Australia-China Science and Research Fund, which facilitates an AIMS international collaboration (a).</p> |
| Department of Education and Training |
| Programs <ul style="list-style-type: none">• Program 2.6 - Research Capacity |
| Contribution to Outcome 1 made by linked programs <p>The Department of Education and Training contributes to Outcome 1 through its policies and programs to invest in Australia's research capacity, including the National Collaborative Research Infrastructure Strategy.</p> |
| Department of the Environment and Energy |
| Programs <ul style="list-style-type: none">• Program 1.1 - Sustainable Management of Natural Resources and the Environment |
| Contribution to Outcome 1 made by linked programs <p>The Department of the Environment and Energy and AIMS work together on the implementation of the Reef 2050 Plan to protect and conserve the Great Barrier Reef.</p> |

(a) Sino-Australian Centre for Healthy Coasts (SACHC) Joint Research Centre.

Budgeted expenses for Outcome 1

This table shows how much AIMS intends to spend (on an accrual basis) on achieving the outcome, broken down by program.

Table 2.1.1: Budgeted expenses for Outcome 1

Outcome 1: Growth of knowledge to support protection and sustainable development of Australia's marine resources through innovative marine science and technology.

| | 2017-18 Estimated actual \$'000 | 2018-19 Budget \$'000 | 2019-20 Forward estimate \$'000 | 2020-21 Forward estimate \$'000 | 2021-22 Forward estimate \$'000 |
|--|--|-----------------------------|--|--|--|
| Program 1: Marine Research | | | | | |
| Revenue from Government | | | | | |
| Ordinary annual services (Appropriation Bill No. 1) | 44,847 | 47,377 | 44,836 | 45,408 | 45,950 |
| Expenses not requiring appropriation in the budget year (a) | 4,235 | 4,400 | 4,107 | 4,163 | 4,830 |
| Revenues from industry sources | 26,484 | 25,138 | 24,560 | 23,057 | 24,449 |
| Total expenses for Program 1 | 75,566 | 76,915 | 73,503 | 72,628 | 75,229 |
| Outcome 1 totals by resource type | | | | | |
| Revenue from Government | | | | | |
| Ordinary annual services (Appropriation Bill No. 1) | 44,847 | 47,377 | 44,836 | 45,408 | 45,950 |
| Expenses not requiring appropriation in the budget year (a) | 4,235 | 4,400 | 4,107 | 4,163 | 4,830 |
| Revenues from industry sources | 26,484 | 25,138 | 24,560 | 23,057 | 24,449 |
| Total expenses for Outcome 1 | 75,566 | 76,915 | 73,503 | 72,628 | 75,229 |
| | 2017-18 | 2018-19 | | | |
| Average staffing level (number) | 228 | 243 | | | |

(a) Expenses not requiring appropriation in the budget year are made up of depreciation expenses and amortisation expenses.

Table 2.1.2: Program components of Outcome 1

AIMS' program is not broken down by components; therefore Table 2.1.2 is not presented.

Table 2.1.3: Performance criteria for Outcome 1

Table 2.1.3 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2018-19 Budget measures have created new programs or materially changed existing programs.

| Outcome 1 – Growth of knowledge to support protection and sustainable development of Australia's marine resources through innovative marine science and technology. | |
|--|---|
| Program 1 – Marine Research | |
| This program contributes to the outcome by providing research services focused on supporting the sustainable development by industry of Australia's marine estate, while ensuring the protection of high value marine and coastal ecosystems through effective environmental management. The program delivers knowledge to a broad range of stakeholders including relevant Commonwealth and state government ministers, departments and agencies, marine industries (particularly in the oil and gas, port and tourism sectors), domestic and international science communities and the general public. | |
| Delivery | <p>AIMS delivers Program 1 by:</p> <ul style="list-style-type: none"> • developing and contributing to integrated observing systems and conducting robust long-term monitoring of key components of Australia's tropical coastal and marine ecosystems • conducting strategic and applied research investigating major gaps in our understanding of the impacts of natural and human pressures on Australia's tropical coastal and marine ecosystems • providing advice, data and knowledge products that enable effective environmental risk assessment and the development of evidence-based regulatory regimes by government and marine industry • contributing to a growing body of publicly available data and information • engaging in national and international research collaborations, to leverage investment, harness capability, ensure uptake of knowledge, and promote outcomes enhancing Australia's role in supporting regional blue economies • engaging meaningfully with traditional owners to integrate western and traditional knowledge systems for the sustainable use and effective management of Australia's tropical marine ecosystems • optimising the use of world-class research infrastructure (vessels, aquaria, ocean monitoring equipment and laboratories) to support research conducted by AIMS and research collaborators • developing, deploying (and potentially marketing) innovative data and underwater sensing technologies. |

| Performance information | | |
|-------------------------|---|---|
| Year | Performance criteria | Targets |
| 2017-18 | Scientific excellence, innovation and impact is maintained or increased | On track to achieve performance target |
| | Successful delivery of strategic and applied research and monitoring that is aligned with national research priorities and stakeholder needs | On track to achieve performance target |
| | Research advice and data/knowledge products are used by stakeholders to assess the impacts of natural and human pressures on sensitive marine ecosystems | On track to achieve performance target |
| | Increased research capability, capacity, impact and science diplomacy through participation in formal national and international collaborations, joint ventures, partnerships and strategic alliances | On track to achieve performance target |
| | Optimal use of research infrastructure assets | On track to achieve performance target |
| 2018-19 | Scientific excellence innovation and impact is maintained or increased | Maintain acknowledged domestic and global high standing in relevant fields of research and confidence of key stakeholders in research outputs |
| | Successful delivery of strategic and applied research and monitoring that addresses national research priorities and stakeholder needs | Maintain or increase the amount of stakeholder commissioned research |
| | Research advice and data/knowledge products are critical for stakeholders to assess the impacts of natural and human pressures on sensitive marine ecosystems | Maintain or increase the number of peer reviewed publications, data sets and derived knowledge products that are used by stakeholders and are publicly available |
| | Increased research capability, capacity, impact and science diplomacy through participation in formal national and international collaborations, joint ventures, partnerships and strategic alliances | Maintain or increase number and scale of domestic and international research partnerships, collaborations, joint ventures and strategic alliances Maintain or increase participation by AIMS on advisory panels and committees |
| | Optimal use of research infrastructure assets | Maintain or increase usage of research infrastructure |
| 2019-20 and beyond | As per 2018-19 | As per 2018-19 |
| Purposes | To provide the research and knowledge of Australia's tropical marine estate required to support growth in its use, effective environmental management and protection of its unique ecosystems. | |

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2018-19 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

There are no material differences between the entity resources table and the financial statements.

3.1.2 Explanatory notes and analysis of budgeted financial statements

AIMS' budget statements have been prepared on an accrual accounting basis, having regard to the Statement of Accounting concepts, and in accordance with:

- Finance Reporting Rules (FRR)
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB).

Budgeted Departmental Income Statement

The income statement shows the estimated net cost of services for AIMS.

AIMS is projecting losses of \$4.4 million in 2018-19, \$4.1 million in 2019-20, \$4.2 million in 2020-21 and \$4.8 million in 2021-22. The operating losses are predominantly due to unfunded depreciation expenses relating to assets for which capital was previously provided by the Australian Government. The operating losses have been approved by the Australian Government for the forward years to 2021-22.

Sales of goods and rendering of services represent co-investments and fees for services contracts with external organisations and companies. The figures provided for sales of goods and rendering of services are estimates based on thorough market analysis; however, these may vary with changes to economic conditions.

Budgeted Departmental Balance Sheet

This statement shows the estimated financial position for AIMS at the end of each financial year.

The increase in land and buildings for the 2020-21 and 2021-22 years represents investments in building refurbishment for ageing buildings.

An equity injection of \$0.2 million for 2018-19 is to be received as a result of the Public Service Modernisation Fund measure, which commenced in 2017-18 with \$1.6 million of equity funding and will be applied to the installation of a Solar Photovoltaic System.

Budgeted Departmental Statement of Cash Flows

The budgeted statement of cash flows provides information on the extent and nature of cash flows by categorising them into expected cash flows from operating, investing and financing activities.

AIMS' level of cash flow over the years remains fairly static. However, much of the cash is committed for capital expenditure and research initiatives.

Budgeted Departmental Capital Expenditure Statement

The budgeted internally funded capital expenditure relates to expenditure for the construction of new buildings, infrastructure and purchase of plant and equipment, including information technology-related assets.

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

| | 2017-18 Estimated actual \$'000 | 2018-19 Budget \$'000 | 2019-20 Forw ard estimate \$'000 | 2020-21 Forw ard estimate \$'000 | 2021-22 Forw ard estimate \$'000 |
|--|--|-----------------------------|---|---|---|
| EXPENSES | | | | | |
| Employee benefits | 29,324 | 29,846 | 31,010 | 31,751 | 31,919 |
| Suppliers | 33,986 | 34,648 | 30,365 | 28,693 | 30,459 |
| Depreciation and amortisation | 12,256 | 12,421 | 12,128 | 12,184 | 12,851 |
| Total expenses | 75,566 | 76,915 | 73,503 | 72,628 | 75,229 |
| LESS: | | | | | |
| OWN-SOURCE INCOME | | | | | |
| Own-source revenue | | | | | |
| Sale of goods and rendering of services | 24,884 | 23,788 | 23,210 | 21,707 | 22,749 |
| Interest | 1,200 | 1,200 | 1,200 | 1,200 | 1,500 |
| Other | 400 | 150 | 150 | 150 | 200 |
| Total own-source revenue | 26,484 | 25,138 | 24,560 | 23,057 | 24,449 |
| Total own-source income | 26,484 | 25,138 | 24,560 | 23,057 | 24,449 |
| Net (cost of)/contribution by services | (49,082) | (51,777) | (48,943) | (49,571) | (50,780) |
| Revenue from Government | 44,847 | 47,377 | 44,836 | 45,408 | 45,950 |
| Surplus/(deficit) attributable to the Australian Government | (4,235) | (4,400) | (4,107) | (4,163) | (4,830) |
| Total comprehensive income/(loss) | (4,235) | (4,400) | (4,107) | (4,163) | (4,830) |
| Total comprehensive income/(loss) attributable to the Australian Government | (4,235) | (4,400) | (4,107) | (4,163) | (4,830) |

Prepared on Australian Accounting Standards basis.

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

| | 2017-18 Estimated actual \$'000 | 2018-19 Budget \$'000 | 2019-20 Forw ard estimate \$'000 | 2020-21 Forw ard estimate \$'000 | 2021-22 Forw ard estimate \$'000 |
|--|--|-----------------------------|---|---|---|
| ASSETS | | | | | |
| Financial assets | | | | | |
| Cash and cash equivalents | 250 | 250 | 250 | 250 | 250 |
| Trade and other receivables | 7,595 | 7,277 | 7,110 | 6,674 | 7,018 |
| Other investments | 36,996 | 36,523 | 38,005 | 34,801 | 25,707 |
| Total financial assets | 44,841 | 44,050 | 45,365 | 41,725 | 32,975 |
| Non-financial assets | | | | | |
| Land and buildings | 91,491 | 91,343 | 89,381 | 91,892 | 98,692 |
| Property, plant and equipment | 50,299 | 46,735 | 44,091 | 41,682 | 39,799 |
| Intangibles | 3,994 | 4,318 | 4,124 | 3,892 | 3,688 |
| Inventories | 248 | 273 | 241 | 227 | 238 |
| Other non-financial assets | 3,614 | 4,007 | 3,522 | 3,482 | 3,527 |
| Total non-financial assets | 149,646 | 146,676 | 141,359 | 141,175 | 145,944 |
| Total assets | 194,487 | 190,726 | 186,724 | 182,900 | 178,919 |
| LIABILITIES | | | | | |
| Payables | | | | | |
| Suppliers | 4,112 | 4,243 | 3,720 | 3,516 | 3,730 |
| Other payables | 5,544 | 5,346 | 5,264 | 4,990 | 5,195 |
| Total payables | 9,656 | 9,589 | 8,984 | 8,506 | 8,925 |
| Provisions | | | | | |
| Employee provisions | 10,914 | 11,470 | 12,180 | 12,997 | 13,427 |
| Total provisions | 10,914 | 11,470 | 12,180 | 12,997 | 13,427 |
| Total liabilities | 20,570 | 21,059 | 21,164 | 21,503 | 22,352 |
| Net assets | 173,917 | 169,667 | 165,560 | 161,397 | 156,567 |
| EQUITY* | | | | | |
| Parent entity interest | | | | | |
| Contributed equity | 88,207 | 88,357 | 88,357 | 88,357 | 88,357 |
| Reserves | 68,144 | 68,144 | 68,144 | 68,144 | 68,144 |
| Retained surplus (accumulated deficit) | 17,566 | 13,166 | 9,059 | 4,896 | 66 |
| Total parent entity interest | 173,917 | 169,667 | 165,560 | 161,397 | 156,567 |
| Total equity | 173,917 | 169,667 | 165,560 | 161,397 | 156,567 |

*Equity is the residual interest in assets after the deduction of liabilities.
Prepared on Australian Accounting Standards basis.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2018-19)

| | Retained earnings \$'000 | Asset revaluation reserve \$'000 | Contributed equity/ capital \$'000 | Total equity \$'000 |
|--|--------------------------------|---|---|---------------------------|
| Opening balance as at 1 July 2018 | | | | |
| Balance carried forward from previous period | 17,566 | 68,144 | 88,207 | 173,917 |
| Adjusted opening balance | 17,566 | 68,144 | 88,207 | 173,917 |
| Comprehensive income | | | | |
| Surplus/(deficit) for the period | (4,400) | - | - | (4,400) |
| Total comprehensive income | (4,400) | - | - | (4,400) |
| of which: | | | | |
| Attributable to the Australian Government | (4,400) | - | - | (4,400) |
| Transactions with owners | | | | |
| Contributions by owners | | | | |
| Equity injection - Appropriation | - | - | 150 | 150 |
| Sub-total transactions with owners | - | - | 150 | 150 |
| Estimated closing balance as at 30 June 2019 | 13,166 | 68,144 | 88,357 | 169,667 |
| Closing balance attributable to the Australian Government | 13,166 | 68,144 | 88,357 | 169,667 |

Prepared on Australian Accounting Standards basis.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

| | 2017-18 Estimated actual \$'000 | 2018-19 Budget \$'000 | 2019-20 Forw ard estimate \$'000 | 2020-21 Forw ard estimate \$'000 | 2021-22 Forw ard estimate \$'000 |
|---|--|-----------------------------|---|---|---|
| OPERATING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Appropriations | 44,847 | 47,377 | 44,836 | 45,408 | 45,950 |
| Sale of goods and rendering of services | 27,307 | 23,894 | 23,265 | 21,852 | 22,606 |
| Interest | 1,528 | 1,200 | 1,200 | 1,200 | 1,500 |
| Other | 400 | 150 | 150 | 150 | 200 |
| Total cash received | 74,082 | 72,621 | 69,451 | 68,610 | 70,256 |
| Cash used | | | | | |
| Employees | 28,300 | 29,290 | 30,300 | 30,934 | 31,489 |
| Suppliers | 35,187 | 34,921 | 30,341 | 28,826 | 30,297 |
| Total cash used | 63,487 | 64,211 | 60,641 | 59,760 | 61,786 |
| Net cash from/(used by) operating activities | 10,595 | 8,410 | 8,810 | 8,850 | 8,470 |
| INVESTING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Proceeds from sales of property, plant and equipment | 228 | 317 | 56 | 126 | 168 |
| Investments | - | 473 | - | 3,204 | 9,094 |
| Total cash received | 228 | 790 | 56 | 3,330 | 9,262 |
| Cash used | | | | | |
| Purchase of property, plant and equipment and intangibles | 11,741 | 9,350 | 7,384 | 12,180 | 17,732 |
| Investments | 9,196 | - | 1,482 | - | - |
| Total cash used | 20,937 | 9,350 | 8,866 | 12,180 | 17,732 |
| Net cash from/(used by) investing activities | (20,709) | (8,560) | (8,810) | (8,850) | (8,470) |
| FINANCING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Contributed equity | 1,600 | 150 | - | - | - |
| Total cash received | 1,600 | 150 | - | - | - |
| Net cash from/(used by) financing activities | 1,600 | 150 | - | - | - |
| Net increase/(decrease) in cash held | (8,514) | - | - | - | - |
| Cash and cash equivalents at the beginning of the reporting period | 8,764 | 250 | 250 | 250 | 250 |
| Cash and cash equivalents at the end of the reporting period | 250 | 250 | 250 | 250 | 250 |

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)

| | 2017-18 Estimated actual \$'000 | 2018-19 Budget \$'000 | 2019-20 Forw ard estimate \$'000 | 2020-21 Forw ard estimate \$'000 | 2021-22 Forw ard estimate \$'000 |
|--|--|-----------------------------|---|---|---|
| NEW CAPITAL APPROPRIATIONS | | | | | |
| Equity injections - Bill 2 | 1,600 | 150 | - | - | - |
| Total new capital appropriations | 1,600 | 150 | - | - | - |
| Provided for: | | | | | |
| Purchase of non-financial assets | 1,600 | 150 | - | - | - |
| Total items | 1,600 | 150 | - | - | - |
| PURCHASE OF NON-FINANCIAL ASSETS | | | | | |
| Funded by capital appropriations (a) | 1,600 | 150 | - | - | - |
| Funded internally from departmental resources (b) | 10,141 | 9,200 | 7,384 | 12,181 | 17,732 |
| TOTAL | 11,741 | 9,350 | 7,384 | 12,181 | 17,732 |
| RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE | | | | | |
| Total purchases | 11,741 | 9,350 | 7,384 | 12,181 | 17,732 |
| Total cash used to acquire assets | 11,741 | 9,350 | 7,384 | 12,181 | 17,732 |

(a) Includes both current Bill 2 and prior Act 2/4/6 appropriations and special capital appropriations.

(b) Includes the following sources of funding:

- current Bill 1 and prior year Act 1/3/5 appropriations (excluding amounts from the DCB)
- donations and contributions
- gifts
- internally developed assets
- proceeds from the sale of assets.

Prepared on Australian Accounting Standards basis.

Table 3.6: Statement of asset movements (Budget year 2018-19)

| | Buildings | Other property, plant and equipment | Computer software and intangibles | Total |
|---|----------------|--|--|-----------------|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| As at 1 July 2018 | | | | |
| Gross book value | 105,325 | 72,470 | 6,909 | 184,704 |
| Accumulated depreciation/ amortisation and impairment | (13,834) | (22,171) | (2,915) | (38,920) |
| Opening net book balance | 91,491 | 50,299 | 3,994 | 145,784 |
| Capital asset additions | | | | |
| Estimated expenditure on new or replacement assets | | | | |
| By purchase - appropriation equity (a) | 150 | - | - | 150 |
| By purchase - other | 4,356 | 3,704 | 1,140 | 9,200 |
| Total additions | 4,506 | 3,704 | 1,140 | 9,350 |
| Other movements | | | | |
| Depreciation/amortisation expense | (4,654) | (6,951) | (816) | (12,421) |
| Disposals (b) | - | (317) | - | (317) |
| Total other movements | (4,654) | (7,268) | (816) | (12,738) |
| As at 30 June 2019 | | | | |
| Gross book value | 109,831 | 75,857 | 8,049 | 193,737 |
| Accumulated depreciation/ amortisation and impairment | (18,488) | (29,122) | (3,731) | (51,341) |
| Closing net book balance | 91,343 | 46,735 | 4,318 | 142,396 |

(a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2017-18, including CDABs.

(b) Net proceeds may be returned to the OPA.

Prepared on Australian Accounting Standards basis.

Table 3.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

AIMS has no Schedule of budgeted income and expenses administered on behalf of Government; therefore Table 3.7 is not presented.

Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

AIMS has no Schedule of budgeted assets and liabilities administered on behalf of Government; therefore Table 3.8 is not presented.

Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

AIMS has no Schedule of budgeted administered cash flows; therefore Table 3.9 is not presented.

Table 3.10: Administered capital budget statement (for the period ended 30 June)

AIMS has no Administered capital budget statement; therefore Table 3.10 is not presented.

Table 3.11: Statement of administered asset movements (Budget year 2018-19)

AIMS has no Statement of administered asset movements; therefore Table 3.11 is not presented.

AUSTRALIAN NUCLEAR SCIENCE AND TECHNOLOGY ORGANISATION

ENTITY RESOURCES AND PLANNED PERFORMANCE

AUSTRALIAN NUCLEAR SCIENCE AND TECHNOLOGY ORGANISATION

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AUSTRALIAN NUCLEAR SCIENCE AND TECHNOLOGY ORGANISATION

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Australian Nuclear Science and Technology Organisation (ANSTO) is Australia's national nuclear research and development organisation, and the custodian of Australia's nuclear capabilities and expertise. Consistent with the functions mandated by the *Australian Nuclear Science and Technology Organisation Act 1987*, ANSTO applies its capabilities and expertise to radiopharmaceutical production and supply, research into areas of national priority including human health, the environment, the nuclear fuel cycle, food security, national security and water resource management, and helping Australian industries solve complex problems in areas such as materials engineering. ANSTO also carries out its mandate by providing expert advice to government and other stakeholders on all matters relating to nuclear science, technology and engineering. ANSTO is a corporate Commonwealth entity under the *Public Governance, Performance and Accountability Act 2013*.

ANSTO is the custodian of much of Australia's most significant landmark and national research infrastructure, including the Open Pool Australian Lightwater (OPAL) multipurpose reactor, the Australian Synchrotron, the Australian Centre for Neutron Scattering and the Centre for Accelerator Science, and operates it for the benefit of industry, the Australian and international research communities and all Australians.

ANSTO assumed ownership of the Australian Synchrotron in July 2016 following the Australian Government's commitment of \$520 million in operational funding for the 10 years to 2026 as part of the National Innovation and Science Agenda. Following the successful staff migration, ANSTO has been working to capitalise on the Government's investment by securing capital investment to support the second wave of development at the facility. To date, over \$82 million in capital expansion funding has been secured. This funding will help expand the number of beamlines at the facility from 10 to as many as 18, increasing research output at the facility and alleviating current demand issues. Detailed design of the first two new beamlines is underway, with construction expected to commence later this year.

ANSTO produces 10,000 potentially lifesaving doses of radioisotopes each week using the OPAL reactor. These radioisotopes are used in nuclear medicine procedures across Australia for the diagnosis and treatment of heart disease and a range of cancers, and on average will be required by one in two Australians during their lifetime. Construction of the new export-scale ANSTO Nuclear Medicine (ANM) facility is now complete, with operations ramping-up throughout 2018. The facility will enable ANSTO to triple its nuclear medicine production, guaranteeing ongoing access to these

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important nuclear medicines for all Australians and significantly increasing Australia's ability to help meet global needs.

ANSTO's strategic objectives, as set out in the current Corporate Plan, are:

- putting people first: equipping and empowering our people to respond to the growing nuclear science and technology needs of Australia and the world
- world-class science and technology outcomes: creating innovative solutions to complex problems and providing new insights into our world
- strategic management of landmark and national infrastructure: realising opportunities, serving users and creating value
- nuclear expertise and advice: providing expert science and technology-based advice and services to support Australia's nuclear policy
- nuclear business and innovation: providing services and products to our customers that benefit the broader community.

More information on ANSTO's strategic objectives and major activities can be found in ANSTO's Corporate Plan and website: www.ansto.gov.au.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to ANSTO for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the entity's operations) classification.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome 1' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: ANSTO resource statement — Budget estimates for 2018-19 as at Budget May 2018

| | 2017-18 <i>Estimated actual</i> \$'000 | 2018-19 Estimate \$'000 |
|--|--|-------------------------------|
| Opening balance/cash reserves at 1 July | 10,052 | 15,052 |
| Funds from Government | | |
| Annual appropriations - ordinary annual services (a) | | |
| Outcome 1 | 198,119 | 214,072 |
| Annual appropriations - other services (b) | | |
| Equity injection | 21,037 | 28,461 |
| Total annual appropriations | 219,156 | 242,533 |
| Total funds from Government | 219,156 | 242,533 |
| Funds from other sources | | |
| Interest | 2,500 | 2,500 |
| Sale of goods and services | 98,403 | 106,919 |
| Other | 9,842 | 9,842 |
| Total funds from other sources | 110,745 | 119,261 |
| Total net resourcing for ANSTO | 339,953 | 376,846 |
| | 2017-18 | 2018-19 |
| Average staffing level (number) | 1,277 | 1,303 |

Prepared on a resourcing (i.e. appropriations available) basis.

Please note: All figures shown above are GST exclusive - these may not match figures in the cash flow statement.

(a) Appropriation Bill (No. 1) 2018-19.

(b) Appropriation Bill (No. 2) 2018-19.

ANSTO is not directly appropriated as it is a corporate Commonwealth entity. Appropriations are made to the Department of Industry, Innovation and Science and then paid to ANSTO and are considered departmental for all purposes.

1.3 BUDGET MEASURES

Budget measures in Part 1 relating to ANSTO are detailed in Budget Paper No. 2 and are summarised below.

Table 1.2: ANSTO 2018-19 Budget measures

Part 1: Measures announced since the 2017-18 Mid-Year Economic and Fiscal Outlook (MYEFO)

| | Program | 2017-18 \$'000 | 2018-19 \$'000 | 2019-20 \$'000 | 2020-21 \$'000 | 2021-22 \$'000 |
|---|---------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Expense measures | | | | | | |
| Funding Radioactive Waste Management and Decommissioning Projects | 1 | | | | | |
| Departmental expenses | | - | 7,700 | - | - | - |
| Total | | - | 7,700 | - | - | - |
| Total expense measures | | | | | | |
| Departmental | | - | 7,700 | - | - | - |
| Total | | - | 7,700 | - | - | - |

Prepared on a Government Finance Statistics (fiscal) basis. Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

Part 2: Other measures not previously reported in a portfolio statement

ANSTO does not have any other measures not previously reported in a portfolio statement; therefore no table is presented.

SECTION 2: OUTCOMES AND PLANNED PERFORMANCE

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide an entity's complete performance story.

The most recent corporate plan for ANSTO can be found at:

<http://www.ansto.gov.au/Resources/Publications/CorporatePlan/index.htm>.

The most recent annual performance statement can be found at:

<http://www.ansto.gov.au/Resources/Publications/AnnualReports/index.htm>.

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Improved knowledge, innovative capacity and healthcare through nuclear-based facilities, research, training, products, services and advice to government, industry, the education sector and the Australian population.

Linked programs

| |
|---|
| Department of Industry, Innovation and Science |
| Programs <ul style="list-style-type: none">• Program 1 – Supporting science and commercialisation• Program 3 – Program support |
| Contribution to Outcome 1 made by linked programs <p>The Department of Industry, Innovation and Science contributes to Outcome 1 through its policies and programs supporting science and commercialisation and through the operation of the Office of the Chief Scientist and the Office of Innovation and Science Australia.</p> |
| Department of Education and Training |
| Programs <ul style="list-style-type: none">• Program 2.6 – Research Capacity |
| Contribution to Outcome 1 made by linked programs <p>The Department of Education and Training contributes to Outcome 1 through its policies and programs to invest in Australia’s research capacity, including the National Collaborative Research Infrastructure Strategy.</p> |

Budgeted expenses for Outcome 1

This table shows how much ANSTO intends to spend (on an accrual basis) on achieving the outcome, broken down by program.

Table 2.1.1: Budgeted expenses for Outcome 1

Outcome 1: Improved knowledge, innovative capacity and healthcare through nuclear-based facilities, research, training, products, services and advice to government, industry, the education sector and the Australian population.

| | 2017-18 Estimated actual \$'000 | 2018-19 Budget \$'000 | 2019-20 Forw ard estimate \$'000 | 2020-21 Forw ard estimate \$'000 | 2021-22 Forw ard estimate \$'000 |
|--|--|-----------------------------|---|---|---|
| Program 1: Science and Technology Solutions | | | | | |
| Revenue from Government | | | | | |
| Ordinary annual services (Appropriation Bill No. 1) | 198,119 | 214,072 | 211,574 | 218,706 | 225,354 |
| Revenues from industry sources | 110,745 | 119,261 | 114,562 | 112,925 | 112,925 |
| Expenses not requiring appropriation in the budget year (a) | 193,599 | 39,551 | 38,010 | 45,315 | 44,260 |
| Total expenses for Program 1.1 | 502,463 | 372,884 | 364,146 | 376,946 | 382,539 |
| Outcome 1 totals by resource type | | | | | |
| Revenue from Government | | | | | |
| Ordinary annual services (Appropriation Bill No. 1) | 198,119 | 214,072 | 211,574 | 218,706 | 225,354 |
| Revenues from industry sources | 110,745 | 119,261 | 114,562 | 112,925 | 112,925 |
| Expenses not requiring appropriation in the budget year (a) | 193,599 | 39,551 | 38,010 | 45,315 | 44,260 |
| Total expenses for Outcome 1 | 502,463 | 372,884 | 364,146 | 376,946 | 382,539 |
| Average staffing level (number) | | | | | |
| | 1,277 | 1,303 | | | |

(a) Reflects approved operating losses due to accounting treatment of non-cash items including impairment of assets; ANSTO's ongoing decommissioning program; and depreciation costs for new facilities and asset revaluations.

Table 2.1.2: Program components of Outcome 2

ANSTO's program is not broken down by components; therefore Table 2.1.2 is not presented.

Table 2.1.3: Performance criteria for Outcome 1

Table 2.1.3 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2018-19 Budget measures have created new programs or materially changed existing programs.

| Outcome 1 – Improved knowledge, innovative capacity and healthcare through nuclear-based facilities, research, training, products, services and advice to government, industry, the education sector and the Australian population. | | |
|--|--|--|
| Program 1 – Science and Technology Solutions | | |
| This program contributes to the outcome through the operation and strategic management of landmark and national research infrastructure. ANSTO provides nuclear products and services, and applies its unique expertise for nuclear research, specialised advice and education and training. | | |
| Delivery | ANSTO delivers Program 1 by: <ul style="list-style-type: none">engaging in innovative research, through strategic partnerships and collaborations, that has scientific and commercial impact and align with Australia's Science and Research Prioritiesmanaging landmark and national research infrastructure for the benefit of industry, the Australian and international research communities, and Australiaproviding products and services, including radiopharmaceuticals, to the health sector and industry that benefit the broader communityproviding expert trusted science and technology-based advice and services to government, the education and academic communities, and the Australian public. | |
| Performance information | | |
| Year | Performance criteria | Targets |
| 2017-18 | Full use of our landmark infrastructure Continue to achieve a high standard of operational efficiency and effectiveness for ANSTO's landmark and national research infrastructure. ANSTO is currently on track to achieve its performance targets. | <ul style="list-style-type: none">OPAL Research Reactor: days at power Target: 300 daysAustralian Synchrotron facility use Target: 95%Neutron beam instruments: average use Target: 85%Accelerators: average instrument use Target: 65% |
| | Human health products Supply vital medicines and diagnostics that enhance human health. ANSTO is currently on track to achieve its performance targets. | Radiopharmaceutical doses: potential doses. Target: 4,604,611 |
| 2018-19 | Full use of our landmark infrastructure Continue to achieve a high standard of operational efficiency and effectiveness for ANSTO's landmark and national research infrastructure. | As per 2017-18 |

| | | |
|-----------------|--|--|
| | Human health products Supply vital medicines and diagnostics that enhance human health. | Radiopharmaceutical doses: potential doses. Target: 5,733,561 |
| 2019-20 | Full use of our landmark infrastructure Continue to achieve a high standard of operational efficiency and effectiveness for ANSTO's landmark and national research infrastructure. | As per 2017-18 |
| | Human health products Supply vital medicines and diagnostics that enhance human health. | Radiopharmaceutical doses: potential doses Target: 5,905,444 |
| 2020-21 | Full use of our landmark infrastructure Continue to achieve a high standard of operational efficiency and effectiveness for ANSTO's landmark and national research infrastructure. | As per 2017-18 |
| | Human health products Supply vital medicines and diagnostics that enhance human health. | Radiopharmaceutical doses: potential doses Target: 6,082,607 |
| 2021-22 | Full use of our landmark infrastructure Continue to achieve a high standard of operational efficiency and effectiveness for ANSTO's landmark and national research infrastructure. | As per 2017-18 |
| | Human health products Supply vital medicines and diagnostics that enhance human health. | Radiopharmaceutical doses: potential doses Target: 6,264,960 |
| Purposes | ANSTO's purpose is set by the following core functions, as provided by the <i>Australian Nuclear Science and Technology Organisation Act 1987</i> : <ul style="list-style-type: none"> • conduct research and development in relation to nuclear science and technology • produce and use radioisotopes, isotopic techniques and nuclear radiation for medicine, science, industry, commerce and agriculture • encourage and facilitate the application and use of the results from research and development • manage radioactive materials and waste arising from various prescribed activities • provide goods and services related to core activities • provide advice to government and undertake international liaison in nuclear-related matters • make available (on a commercial basis where appropriate) facilities, equipment and expertise for research in nuclear science and technology • publish scientific and technical reports, periodicals and papers, and provide public information and advice • facilitate education and training in nuclear science and technology, including through granting scientific research studentships and fellowships, in cooperation with universities, professional bodies and other education and research institutions. | |

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2018-19 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

There are no material differences between the entity resources table and the financial statements.

3.1.2 Explanatory notes and analysis of budgeted financial statements

ANSTO's budgeted financial statements are presented on a consolidated basis in accordance with AASB 10 (Consolidated Financial Statements). The consolidated financial statements incorporate the assets and liabilities and the results of all entities controlled by ANSTO as defined in AASB 10.

In accordance with whole of Government reporting for Public Non-Financial Corporation (PNFC) entities, these financial statements do not include financials for ANSTO Nuclear Medicine Pty Ltd (ANM).

Budgeted Departmental Income Statement

The statement shows the estimated net cost of services for the organisation. Total expenses in 2018-19 are estimated at \$372.9 million compared to the estimate for 2017-18 of \$502.5 million. Total revenue in 2018-19 is estimated to be \$333.3 million (including appropriation) compared to the estimate of \$308.9 million for 2017-18, an increase of \$24.4 million.

ANSTO has projected an approved operating loss of \$193.6 million for 2017-18. The loss is largely due to the accounting treatment of non-cash items including impairment of assets; ANSTO's ongoing decommissioning program; and depreciation costs for new facilities and asset revaluations.

Budgeted Departmental Balance Sheet

This statement shows the estimated end of year financial position of ANSTO.

Financial assets increased from \$147.4 million in 2017-18 to \$183.8 million in 2018-19. The ANM project is reflected in other investments.

Budgeted Departmental Statement of Cash Flows

Budgeted cash flows, as reflected in the statement of cash flows, provides information on the extent and nature of cash flows by categorising them into expected cash flows from operating, investing and financing activities.

The movements in cash flow are consistent with movements in the Income Statement and the Balance Sheet.

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

| | 2017-18 Estimated actual \$'000 | 2018-19 Budget \$'000 | 2019-20 Forw ard estimate \$'000 | 2020-21 Forw ard estimate \$'000 | 2021-22 Forw ard estimate \$'000 |
|--|--|-----------------------------|---|---|---|
| EXPENSES | | | | | |
| Employee benefits | 155,204 | 156,695 | 155,028 | 159,304 | 163,276 |
| Suppliers | 99,761 | 105,154 | 99,482 | 109,879 | 112,000 |
| Grants | 3,273 | 2,988 | 2,767 | 2,767 | 2,767 |
| Depreciation and amortisation | 96,147 | 85,591 | 85,189 | 82,865 | 82,365 |
| Finance costs | 22,153 | 22,456 | 21,680 | 22,131 | 22,131 |
| Write-down and impairment of assets | 125,925 | - | - | - | - |
| Total expenses | 502,463 | 372,884 | 364,146 | 376,946 | 382,539 |
| LESS: | | | | | |
| OWN-SOURCE INCOME | | | | | |
| Own-source revenue | | | | | |
| Sale of goods and rendering of services | 98,403 | 106,919 | 101,925 | 101,925 | 101,925 |
| Interest | 2,500 | 2,500 | 2,500 | 1,000 | 1,000 |
| Other | 9,842 | 9,842 | 10,137 | 10,000 | 10,000 |
| Total own-source revenue | 110,745 | 119,261 | 114,562 | 112,925 | 112,925 |
| Total own-source income | 110,745 | 119,261 | 114,562 | 112,925 | 112,925 |
| Net (cost of)/contribution by services | (391,718) | (253,623) | (249,584) | (264,021) | (269,614) |
| Revenue from Government | 198,119 | 214,072 | 211,574 | 218,706 | 225,354 |
| Surplus/(deficit) attributable to the Australian Government | (193,599) | (39,551) | (38,010) | (45,315) | (44,260) |
| OTHER COMPREHENSIVE INCOME | | | | | |
| Changes in asset revaluation surplus | 1,350 | - | - | - | - |
| Total other comprehensive income | 1,350 | - | - | - | - |
| Total comprehensive income/(loss) | (192,249) | (39,551) | (38,010) | (45,315) | (44,260) |
| Total comprehensive income/(loss) attributable to the Australian Government | (192,249) | (39,551) | (38,010) | (45,315) | (44,260) |

Prepared on Australian Accounting Standards basis.

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

| | 2017-18 Estimated actual \$'000 | 2018-19 Budget \$'000 | 2019-20 Forward estimate \$'000 | 2020-21 Forward estimate \$'000 | 2021-22 Forward estimate \$'000 |
|--|--|-----------------------------|--|--|--|
| ASSETS | | | | | |
| Financial assets | | | | | |
| Cash and cash equivalents | 10,052 | 15,052 | 17,052 | 19,552 | 21,052 |
| Trade and other receivables | 24,539 | 40,008 | 40,730 | 40,730 | 25,730 |
| Other investments | 112,698 | 128,602 | 135,197 | 129,931 | 133,854 |
| Other financial assets | 95 | 95 | 95 | 95 | 95 |
| Total financial assets | 147,384 | 183,757 | 193,074 | 190,308 | 180,731 |
| Non-financial assets | | | | | |
| Land and buildings | 276,654 | 272,600 | 271,546 | 262,692 | 263,838 |
| Property, plant and equipment | 834,540 | 807,774 | 776,775 | 748,864 | 702,453 |
| Intangibles | 85,665 | 84,065 | 82,465 | 78,865 | 80,265 |
| Inventories | 30,448 | 33,176 | 36,202 | 36,202 | 36,202 |
| Tax assets | 1,074 | 1,074 | 1,074 | 1,074 | 1,074 |
| Other non-financial assets | 5,429 | 4,332 | 2,420 | 2,420 | 2,420 |
| Total non-financial assets | 1,233,810 | 1,203,021 | 1,170,482 | 1,130,117 | 1,086,252 |
| Total assets | 1,381,194 | 1,386,778 | 1,363,556 | 1,320,425 | 1,266,983 |
| LIABILITIES | | | | | |
| Payables | | | | | |
| Suppliers | 2,041 | 606 | 975 | 975 | 975 |
| Other payables | 35,525 | 33,163 | 27,699 | 27,699 | 27,699 |
| Total payables | 37,566 | 33,769 | 28,674 | 28,674 | 28,674 |
| Provisions | | | | | |
| Employee provisions | 43,770 | 43,770 | 43,770 | 43,770 | 43,770 |
| Other provisions | 376,788 | 397,259 | 417,142 | 419,326 | 410,144 |
| Total provisions | 420,558 | 441,029 | 460,912 | 463,096 | 453,914 |
| Total liabilities | 458,124 | 474,798 | 489,586 | 491,770 | 482,588 |
| Net assets | 923,070 | 911,980 | 873,970 | 828,655 | 784,395 |
| EQUITY* | | | | | |
| Parent entity interest | | | | | |
| Contributed equity | 791,214 | 819,675 | 819,675 | 819,675 | 819,675 |
| Reserves | 508,785 | 508,785 | 508,785 | 508,785 | 508,785 |
| Retained surplus (accumulated deficit) | (376,929) | (416,480) | (454,490) | (499,805) | (544,065) |
| Total parent entity interest | 923,070 | 911,980 | 873,970 | 828,655 | 784,395 |
| Total equity | 923,070 | 911,980 | 873,970 | 828,655 | 784,395 |

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

Prepared on Australian Accounting Standards basis.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2018-19)

| | Retained earnings \$'000 | Asset revaluation reserve \$'000 | Other reserves \$'000 | Contributed equity/ capital \$'000 | Total equity \$'000 |
|--|--------------------------------|---|-----------------------------|---|---------------------------|
| Opening balance as at 1 July 2018 | | | | | |
| Balance carried forward from previous period | (376,929) | 498,774 | 10,011 | 791,214 | 923,070 |
| Adjusted opening balance | (376,929) | 498,774 | 10,011 | 791,214 | 923,070 |
| Comprehensive income | | | | | |
| Surplus/(deficit) for the period | (39,551) | - | - | - | (39,551) |
| Total comprehensive income | (39,551) | - | - | - | (39,551) |
| of which: | | | | | |
| Attributable to the Australian Government | (39,551) | - | - | - | (39,551) |
| Contributions by owners | | | | | |
| Equity injection - Appropriation | - | - | - | 28,461 | 28,461 |
| Sub-total transactions with owners | (39,551) | - | - | 28,461 | (11,090) |
| Estimated closing balance as at 30 June 2019 | (456,031) | 498,774 | 10,011 | 819,675 | 872,429 |
| Closing balance attributable to the Australian Government | (456,031) | 498,774 | 10,011 | 819,675 | 872,429 |

Prepared on Australian Accounting Standards basis.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

| | 2017-18 Estimated actual \$'000 | 2018-19 Budget \$'000 | 2019-20 Forw ard estimate \$'000 | 2020-21 Forw ard estimate \$'000 | 2021-22 Forw ard estimate \$'000 |
|---|--|-----------------------------|---|---|---|
| OPERATING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Appropriations | 198,119 | 214,072 | 211,574 | 218,706 | 225,354 |
| Sale of goods and rendering of services | 103,059 | 91,450 | 101,203 | 101,925 | 101,925 |
| Interest | 2,500 | 2,500 | 2,500 | 1,000 | 1,000 |
| Other | 27,173 | 17,614 | 4,673 | 10,000 | 10,000 |
| Total cash received | 330,851 | 325,636 | 319,950 | 331,631 | 338,279 |
| Cash used | | | | | |
| Employees | 155,204 | 156,695 | 155,028 | 159,304 | 163,276 |
| Suppliers | 123,513 | 109,317 | 102,139 | 109,879 | 112,000 |
| Other | 4,923 | 18,025 | 6,855 | 2,767 | 2,767 |
| Total cash used | 283,640 | 284,037 | 264,022 | 271,950 | 278,043 |
| Net cash from/(used by) operating activities | 47,211 | 41,599 | 55,928 | 59,681 | 60,236 |
| INVESTING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Proceeds from sales of financial instruments | 436,031 | 418,509 | 424,722 | 418,166 | 406,077 |
| Other | - | - | - | - | 15,000 |
| Total cash received | 436,031 | 418,509 | 424,722 | 418,166 | 421,077 |
| Cash used | | | | | |
| Purchase of property, plant and equipment and intangibles | 69,182 | 53,171 | 51,536 | 42,500 | 38,500 |
| Purchase of financial instruments | 420,097 | 430,398 | 427,114 | 432,847 | 441,313 |
| Other | 15,000 | - | - | - | - |
| Total cash used | 504,279 | 483,569 | 478,650 | 475,347 | 479,813 |
| Net cash from/(used by) investing activities | (68,248) | (65,060) | (53,928) | (57,181) | (58,736) |
| FINANCING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Contributed equity | 21,037 | 28,461 | - | - | - |
| Total cash received | 21,037 | 28,461 | - | - | - |
| Net cash from/(used by) financing activities | 21,037 | 28,461 | - | - | - |
| Net increase/(decrease) in cash held | - | 5,000 | 2,000 | 2,500 | 1,500 |
| Cash and cash equivalents at the beginning of the reporting period | 10,052 | 10,052 | 15,052 | 17,052 | 19,552 |
| Cash and cash equivalents at the end of the reporting period | 10,052 | 15,052 | 17,052 | 19,552 | 21,052 |

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)

| | 2017-18 Estimated actual \$'000 | 2018-19 Budget \$'000 | 2019-20 Forw ard estimate \$'000 | 2020-21 Forw ard estimate \$'000 | 2021-22 Forw ard estimate \$'000 |
|--|--|-----------------------------|---|---|---|
| NEW CAPITAL APPROPRIATIONS | | | | | |
| Equity injections - Bill 2 | 21,037 | 28,461 | - | - | - |
| Total new capital appropriations | 21,037 | 28,461 | - | - | - |
| Provided for: | | | | | |
| Purchase of non-financial assets | 13,646 | 6,421 | - | - | - |
| Other Items | 7,391 | 22,040 | - | - | - |
| Total items | 21,037 | 28,461 | - | - | - |
| PURCHASE OF NON-FINANCIAL ASSETS | | | | | |
| Funded by capital appropriations (a) | 12,182 | 8,171 | 3,536 | - | - |
| Funded internally from departmental resources (b) | 57,000 | 45,000 | 48,000 | 42,500 | 38,500 |
| TOTAL | 69,182 | 53,171 | 51,536 | 42,500 | 38,500 |
| RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE | | | | | |
| Total purchases | 69,182 | 53,171 | 51,536 | 42,500 | 38,500 |
| Total cash used to acquire assets | 69,182 | 53,171 | 51,536 | 42,500 | 38,500 |

(a) Includes both current Bill 2 and prior Act 2/4/6 appropriations and special capital appropriations.

(b) Includes the following sources of funding:

- current Bill 1 and prior year Act 1/3/5 appropriations (excluding amounts from the DCB)
- donations and contributions
- gifts
- internally developed assets
- s 74 Retained revenue receipts
- proceeds from the sale of assets.

Prepared on Australian Accounting Standards basis.

Table 3.6: Statement of asset movements (Budget year 2018-19)

| | Land | Buildings | Other property, plant and equipment | Computer software and intangibles | Total |
|---|----------------|-----------------|--|--|------------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| As at 1 July 2018 | | | | | |
| Gross book value | 115,688 | 194,333 | 1,051,326 | 135,250 | 1,496,597 |
| Accumulated depreciation/ amortisation and impairment | - | (33,367) | (216,786) | (49,585) | (299,738) |
| Opening net book balance | 115,688 | 160,966 | 834,540 | 85,665 | 1,196,859 |
| Capital asset additions | | | | | |
| Estimated expenditure on new or replacement assets | | | | | |
| By purchase - appropriation equity (a) | - | 4,200 | 2,000 | 221 | 6,421 |
| By purchase - appropriation ordinary annual services (b) | - | 5,600 | 39,371 | 1,779 | 46,750 |
| Total additions | - | 9,800 | 41,371 | 2,000 | 53,171 |
| Other movements | | | | | |
| Depreciation/amortisation expense | - | (13,854) | (68,137) | (3,600) | (85,591) |
| Total other movements | - | (13,854) | (68,137) | (3,600) | (85,591) |
| As at 30 June 2019 | | | | | |
| Gross book value | 115,688 | 204,133 | 1,092,697 | 137,250 | 1,549,768 |
| Accumulated depreciation/ amortisation and impairment | - | (47,221) | (284,923) | (53,185) | (385,329) |
| Closing net book balance | 115,688 | 156,912 | 807,774 | 84,065 | 1,164,439 |

(a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2018-19, including CDABs.

(b) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No.1) 2018-19 for depreciation/amortisation expenses, DCBs or other operational expenses.

Prepared on Australian Accounting Standards basis.

Table 3.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

ANSTO has no budgeted income and expenses administered on behalf of government; therefore Table 3.7 is not presented.

Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

ANSTO has no budgeted assets and liabilities administered on behalf of government; therefore Table 3.8 is not presented.

Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

ANSTO has no budgeted administered cash flows; therefore Table 3.9 is not presented.

Table 3.10: Schedule of administered capital budget statement (for the period ended 30 June)

ANSTO has no administered capital budget; therefore Table 3.10 is not presented.

Table 3.11: Statement of administered asset movements (Budget year 2018-19)

ANSTO has no administered asset movements; therefore Table 3.11 is not presented.

COMMONWEALTH SCIENTIFIC AND INDUSTRIAL RESEARCH ORGANISATION

ENTITY RESOURCES AND PLANNED PERFORMANCE

COMMONWEALTH SCIENTIFIC AND INDUSTRIAL RESEARCH ORGANISATION

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COMMONWEALTH SCIENTIFIC AND INDUSTRIAL RESEARCH ORGANISATION

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Commonwealth Scientific and Industrial Research Organisation (CSIRO) is a corporate Commonwealth entity within the portfolio. The organisation's primary functions are set out in the *Science and Industry Research Act 1949*.

Consistent with its outcome statement, CSIRO aims to deliver scientific and innovative solutions for industry, society and the environment, and to contribute to national benefit, knowledge and capabilities, and public good.

In pursuing this outcome, CSIRO embraces its distinct role as a large-scale mission directed, multi-disciplinary science and technology organisation, and a preferred industry research and commercialisation collaboration partner and a trusted science adviser to government and industry on problems of national significance.

CSIRO's Business Units and commercial services are key mechanisms for delivering excellent science and achieving outcomes aligned with the Australian Government's National Science Statement, Science and Research Priorities, and the Industry Knowledge Priorities identified by Industry Growth Centres. CSIRO does this by working with government, industry and others in the innovation system, to support existing industries and to create new ones.

The capacity to deliver impact is underpinned by investing in capabilities that build strength in areas of national need, ensuring that Australia has the knowledge, skills and infrastructure required to respond to national and international challenges.

Fundamental to CSIRO's impact is:

- strengthening existing industry alliances to actively encourage the application and adoption of CSIRO research, creating new industries and expanding collaborations with small and medium enterprises
- examining opportunities for increasing collaboration with other parts of the national innovation system, including other publicly funded research agencies, universities and other innovators, including industry

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- maximising use of national research infrastructure by Australian and international researchers, including by encouraging industry access to relevant facilities and maintaining collections of national importance
- establishing stronger connections with top global research and technology peers
- maintaining science excellence in CSIRO research to deliver future impact
- promoting careers in science, investing in quality research training, and improving science, technology, engineering and maths (STEM) education to ensure that Australia has robust scientific education programs, career opportunities, research endeavours and school students and teachers who understand how STEM is applied in the real world
- providing the Australian Government with independent scientific and technical advice as required, and informing the policy making process to assist the Australian Government to decide how to best meet the challenges Australia faces
- delivering the CSIRO Innovation Fund (CIF), a National Innovation and Science Agenda initiative, to commercialise breakthroughs from CSIRO, universities and publicly funded research for the national interest. The CIF will invest in start-up and spin-off companies, existing Small and Medium Enterprises (SME) engaged in translation of research, and company formation opportunities.

CSIRO research investment is divided into two programs: Research – Science, Services and Innovation Fund (Program 1) and National Research Infrastructure – National Facilities and Collections (Program 2).

Program 3 is the Science and Industry Endowment Fund (SIEF), a separately constituted trust under the *Science and Industry Endowment Act 1926* that makes strategic investments in scientific research that address issues of national priority for Australia.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to CSIRO for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the entity's operations) classification.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome 1' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: CSIRO resource statement — Budget estimates for 2018-19 as at Budget May 2018

| | 2017-18 Estimated actual \$'000 | 2018-19 Estimate \$'000 |
|--|--|-------------------------------|
| Opening balance/cash reserves at 1 July | 260,819 | 219,981 |
| Funds from Government | | |
| Annual appropriations - ordinary annual services (a) | | |
| Outcome 1 | 793,549 | 833,661 |
| Annual appropriations - other services (b) | | |
| Equity injection | 10,000 | 10,000 |
| Total annual appropriations | 803,549 | 843,661 |
| Total funds from Government | 803,549 | 843,661 |
| Funds from other sources | | |
| Interest | 8,482 | 7,620 |
| Royalties | 41,400 | 47,700 |
| Sale of goods and services | 427,257 | 453,338 |
| Rental income | 5,973 | 6,000 |
| Proceeds from asset sales | - | 46,300 |
| Other | 34,531 | 23,390 |
| Total funds from other sources | 517,643 | 584,348 |
| Total net resourcing for CSIRO | 1,582,011 | 1,647,990 |
| | 2017-18 | 2018-19 |
| Average staffing level (number) | 5,063 | 5,183 |

Prepared on a resourcing (i.e. appropriations available) basis.

Please note: All figures shown above are GST exclusive - these may not match figures in the cash flow statement.

(a) Appropriation Bill (No. 1) 2018-19.

(b) Appropriation Bill (No. 2) 2018-19.

CSIRO is not directly appropriated as it is a corporate Commonwealth entity. Appropriations are made to the Department of Industry, Innovation and Science and are then paid to CSIRO and are considered departmental for all purposes.

1.3 BUDGET MEASURES

Budget measures in Part 1 relating to CSIRO are detailed in Budget Paper No. 2 and are summarised below.

Table 1.2: CSIRO 2018-19 Budget measures

Part 1: Measures announced since the 2017-18 Mid-Year Economic and Fiscal Outlook (MYEFO)

| | Program | 2017-18 \$'000 | 2018-19 \$'000 | 2019-20 \$'000 | 2020-21 \$'000 | 2021-22 \$'000 |
|--|---------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Expense measures | | | | | | |
| National Consumer Data Right (a) | 1 | | | | | |
| Administered expenses | | - | - | - | - | - |
| Departmental expenses | | - | 3,672 | 2,854 | 2,455 | 2,472 |
| Total | | - | 3,672 | 2,854 | 2,455 | 2,472 |
| Australian Technology and Science Growth Plan - building Australia's Artificial Intelligence capability to support business (b) | 1 | | | | | |
| Administered expenses | | - | - | - | - | - |
| Departmental expenses | | - | 1,272 | 405 | 410 | 208 |
| Total | | - | 1,272 | 405 | 410 | 208 |
| Total expense measures | | | | | | |
| Administered | | - | - | - | - | - |
| Departmental | | - | 4,944 | 3,259 | 2,865 | 2,680 |
| Total | | - | 4,944 | 3,259 | 2,865 | 2,680 |
| Capital measures | | | | | | |
| Commonwealth Science and Industrial Research Organisation Property Portfolio - investment (c) | 1,2 | | | | | |
| Administered capital | | - | - | - | - | - |
| Departmental capital | | - | 18,700 | 38,500 | 58,300 | (31,900) |
| Total | | - | 18,700 | 38,500 | 58,300 | (31,900) |
| Total capital measures | | | | | | |
| Administered | | - | - | - | - | - |
| Departmental | | - | 18,700 | 38,500 | 58,300 | (31,900) |
| Total | | - | 18,700 | 38,500 | 58,300 | (31,900) |

Prepared on a Government Finance Statistics (fiscal) basis. Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

(a) The lead entity for measure National Consumer Data Right is the Australian Competition and Consumer Commission (ACCC). The full measure description and package details appear in Budget Paper No. 2 under the Treasury portfolio.

(b) The lead entity for the measure Australian Technology and Science Growth Plan – building Australia's Artificial Intelligence capability to support business is the Department of Industry, Innovation and Science. The full measure description and package details appear in Budget Paper No. 2 under the Jobs and Innovation portfolio.

(c) Funding for this measure will be allocated from internal resources and from the sale of assets. This measure extends beyond the forward estimates.

Part 2: Other measures not previously reported in a portfolio statement

CSIRO does not have any other measures not previously reported in a portfolio statement; therefore no table is presented.

Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide an entity's complete performance story.

The most recent corporate plan for CSIRO can be found at:
www.csiro.au/en/About/Strategy-structure/Corporate-plan.

The most recent annual performance statement can be found at:
www.csiro.au/en/About/Our-impact/Reporting-our-impact.

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Innovative scientific and technology solutions to national challenges and opportunities to benefit industry, the environment and the community, through scientific research and capability development, services and advice.

Linked programs

| |
|---|
| Department of Industry, Innovation and Science |
| Programs <ul style="list-style-type: none"> • Program 1 - Supporting Science and Commercialisation • Program 3 - Program Support |
| Contribution to Outcome 1 made by linked programs The Department of Industry, Innovation and Science contributes to Outcome 1 through its policies and programs supporting science and commercialisation and through the operation of the Office of the Chief Scientist and the Office of Innovation and Science Australia. |
| Department of Agriculture and Water Resources |
| Programs <ul style="list-style-type: none"> • Program 2.2 - Plant and Animal Health |
| Contribution to Outcome 1 made by linked program The Department of Agriculture and Water Resources contributes to Outcome 1 through contributions to the operating costs of the Australian Animal Health Laboratory. |
| Department of Education and Training |
| Programs <ul style="list-style-type: none"> • Program 2.6 - Research Capacity |
| Contribution to Outcome 1 made by linked program The Department of Education and Training contributes to Outcome 1 through its policies and programs to invest in Australia's research capacity, including the National Collaborative Research Infrastructure Strategy. |
| Department of the Environment and Energy |
| Programs <ul style="list-style-type: none"> • Program 1.1 - Sustainable Management of Natural Resources and the Environment • Program 1.2 - Environmental Information and Research • Program 2.2 - Adapting to Climate Change • Program 3.1 - Antarctica: Science, Policy and Presence |

| |
|--|
| <p>Contribution to Outcome 1 made by linked programs</p> <p>The Department of the Environment and Energy contributes to Outcome 1 through the provision of funding to support science and research in the areas of marine science, climate science, ecology, ecotoxicology, hydrology, hydrogeology, informatics and risk analysis.</p> <p>The Department of the Environment and Energy also supports the Earth Systems and Climate Change Hub and other CSIRO partner Hubs, by providing funding through the National Environmental Science Program.</p> |
| <p>Bureau of Meteorology</p> |
| <p>Program</p> <ul style="list-style-type: none"> • Program 1.1 - Bureau of Meteorology |
| <p>Contribution to Outcome 1 made by linked program</p> <p>The Bureau of Meteorology contributes to Outcome 1 as a Hub partner, and co-research organisation, for the Earth Systems and Climate Change Hub to which CSIRO is the host organisation.</p> |

Budgeted expenses for Outcome 1

This table shows how much CSIRO intends to spend (on an accrual basis) on achieving the outcome, broken down by program.

Table 2.1.1: Budgeted expenses for Outcome 1

Outcome 1: Innovative scientific and technology solutions to national challenges and opportunities to benefit industry, the environment and the community, through scientific research and capability development, services and advice.

| | 2017-18 Estimated actual \$'000 | 2018-19 Budget \$'000 | 2019-20 Forw ard estimate \$'000 | 2020-21 Forw ard estimate \$'000 | 2021-22 Forw ard estimate \$'000 |
|--|--|-----------------------------|---|---|---|
| Program 1: Research - Science, Services and Innovation Fund | | | | | |
| Revenue from Government | | | | | |
| Ordinary annual services (Appropriation Bill No. 1) | 658,012 | 698,866 | 703,007 | 699,421 | 702,616 |
| Expenses not requiring appropriation in the budget year (a) | 33,254 | 26,750 | 28,603 | 28,377 | 28,373 |
| Revenues from other independent sources | 467,171 | 491,742 | 500,608 | 522,484 | 533,276 |
| Total expenses for Program 1 | 1,158,437 | 1,217,358 | 1,232,218 | 1,250,282 | 1,264,265 |
| Program 2: National Research Infrastructure - National Facilities and Collections | | | | | |
| Revenue from Government | | | | | |
| Ordinary annual services (Appropriation Bill No. 1) | 135,537 | 134,795 | 135,695 | 135,039 | 134,920 |
| Expenses not requiring appropriation in the budget year (a) | 23,949 | 16,981 | 15,641 | 15,415 | 15,369 |
| Revenues from other independent sources | 48,868 | 51,181 | 52,088 | 49,476 | 50,381 |
| Total expenses for Program 2 | 208,354 | 202,957 | 203,424 | 199,930 | 200,670 |
| Program 3: Science and Industry Endowment Fund | | | | | |
| Revenue from Government | | | | | |
| Ordinary annual services (Appropriation Bill No. 1) | - | - | - | - | - |
| Expenses not requiring appropriation in the budget year (a) | 22,005 | 16,453 | 12,289 | 2,100 | 2,281 |
| Revenues from other independent sources | 1,604 | 1,125 | 844 | 539 | 363 |
| Total expenses for Program 3 | 23,609 | 17,578 | 13,133 | 2,639 | 2,644 |
| Outcome 1 totals by resource type | | | | | |
| Revenue from Government | | | | | |
| Ordinary annual services (Appropriation Bill No. 1) | 793,549 | 833,661 | 838,702 | 834,460 | 837,536 |
| Expenses not requiring appropriation in the budget year (a) | 79,208 | 60,184 | 56,533 | 45,892 | 46,023 |
| Revenues from other independent sources | 517,643 | 544,048 | 553,540 | 572,499 | 584,020 |
| Total expenses for Outcome 1 | 1,390,400 | 1,437,893 | 1,448,775 | 1,452,851 | 1,467,579 |
| Average staffing level (number) | | | | | |
| | 2017-18 5,063 | 2018-19 5,183 | | | |

(a) Expenses not requiring appropriation in the budget year consists of approved operating losses.

Table 2.1.2: Program components of Outcome 1

CSIRO's programs are not broken down by components; therefore Table 2.1.2 is not presented.

Table 2.1.3: Performance criteria for Outcome 1

Table 2.1.3 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2018-19 Budget measures have created new programs or materially changed existing programs.

| Outcome 1 – Innovative scientific and technology solutions to national challenges and opportunities to benefit industry, the environment and the community, through scientific research and capability development, services and advice. | | |
|--|---|---|
| Program 1 - Research – Science, Services and Innovation Fund | | |
| This program contributes to the outcome by providing scientific solutions, information and advice to industry and government with a focus on identifying pathways for adoption. Research programs provide science in areas of complex challenges and support students and researchers at various career stages to boost the calibre of researchers working in the Australian community. Education and Outreach programs contribute to the maintenance of Australia's science capacity, which helps Australia to remain innovative and competitive in science. CSIRO Publishing operates as an independent science and technology publisher with a global reputation for quality products and services covering a wide range of scientific disciplines. | | |
| Delivery | CSIRO delivers Program 1 by: <ul style="list-style-type: none">• providing advice and solutions that inform and protect society and the environment, help industry competitiveness, and improve the quality of goods and services for industry and consumers• providing products, technical and advisory services to industry and government• collaborating with businesses, public sector organisations and other publicly funded research agencies (PFRAs), universities and schools to undertake research, fund eligible investment proposals and provide education programs• investing in proposals from universities, PFRAs and their partners to bring forward the commercialisation of research-based solutions aligned with the Government's Science and Research Priorities, and priority industry sectors as currently articulated via Industry Growth Centres• education and outreach activities to develop increased knowledge of science and its application to students, parents, teachers and the Australian community• administering the Innovation Fund to support start-up businesses and a culture of innovation and entrepreneurship in Australia. | |
| Performance information | | |
| Year | Performance criteria | Targets |
| 2017-18 (a) | Demonstrate triple-bottom-line impacts through: <ul style="list-style-type: none">• Assessment of the quality of impact from independent Business Unit Reviews• An external 'Value of CSIRO Impact Assessment' every two years• Externally validated case studies | <ul style="list-style-type: none">• 80% either benchmark or strong• Benefit Cost Ratio 5:1• Minimum of 6 per year |

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| | | |
|---------------------|--|--|
| 2018-19 | <p>Demonstrate triple-bottom-line impacts through:</p> <ul style="list-style-type: none"> • Assessment of the quality of impact from independent Business Unit Reviews • An external 'Value of CSIRO Impact Assessment' every two years • Externally validated case studies | <ul style="list-style-type: none"> • 80% either benchmark or strong • - • Minimum of 6 per year |
| 2019-20 and beyond | <p>Demonstrate triple-bottom-line impacts through:</p> <ul style="list-style-type: none"> • Assessment of the quality of impact from independent Business Unit Reviews • An external 'Value of CSIRO Impact Assessment' • Externally validated case studies | As per 2017-18 |
| Purposes (b) | <p>CSIRO's purpose is to provide innovative scientific and technology solutions to national challenges and opportunities to benefit industry, the environment and the community, through scientific research and capability development, services and advice.</p> | |

(a) CSIRO is currently on track to achieve its 2017-18 performance targets.

(b) Refers to updated purpose statement that will be reflected in the 2018-19 Corporate Plan.

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| Program 2 – National Research Infrastructure - National Facilities and Collections | | |
|---|---|---|
| This program contributes to the outcome by CSIRO hosting National Research Infrastructure and the Australian National Research Collections on behalf of the scientific community to assist with the delivery of research. These facilities and collections are available for use by the Australian and international research communities and are increasingly publicly accessible. | | |
| Delivery | CSIRO delivers Program 2 by: <ul style="list-style-type: none">managing and operating the National Facilities including the Australian Animal Health Laboratory, Australia Telescope National Facility, Marine National Facility (MNF) and Pawsey Supercomputing Centremanaging and operating the Australian National Research Collections including the Australian National Fish Collection, Australian National Insect Collection, Australian National Herbarium, Australian National Wildlife Collection, National Tree Seed Collection, National Algae Culture Collection, and the Atlas of Living Australia, the portal to the collections, providing free online accessthe identification of facility needs, and the design and creation of new facilitiesensuring access, both nationally and internationally, to the National Facilities and Australian National Research Collections for the Australian and international research community. | |
| Performance information | | |
| Year | Performance criteria | Targets |
| 2017-18 (a) | Use of the facilities and collections as measured through: successful observations (b), time lost during observations and operations, core-hour use, outward loans and successful research days delivered (c). | <ul style="list-style-type: none">Minimum of 70% successful astronomy observationsMaximum 5% time lost during scheduled observation |
| | | 90% core hours on Magnus supercomputer |
| | | 70% outward loans (over 5 years) |
| | | <ul style="list-style-type: none">Minimum of 90% successful research days delivered on MNFMaximum of 10% time lost during scheduled MNF operations |
| 2018-19 | Use of the facilities and collections as measured through: successful observations (b), time lost during observations and operations, core-hour use, outward loans and successful research days delivered. | As per 2017-18 |
| 2019-20 and beyond | Use of the facilities and collections as measured through: successful observations (b), time lost during observations and operations, core-hour use, outward loans and successful research days delivered. | As per 2017-18 |
| Purposes (d) | CSIRO's purpose is to provide innovative scientific and technology solutions to national challenges and opportunities to benefit industry, the environment and the community, through scientific research and capability development, services and advice. | |

(a) CSIRO is currently on track to achieve its 2017-18 performance targets.

(b) Success measures that observations were able to be completed.

(c) Success means that the science was able to be completed consistent with voyage objectives.

(d) Refers to updated purpose statement that will be reflected in the 2018-19 Corporate Plan.

Program 3 – Science and Industry Endowment Fund

This program contributes to the outcome by making strategic investments in scientific research that addresses issues of national priority for Australia. The Science and Industry Endowment Fund (SIEF) is established by Commonwealth legislation, the *Science and Industry Endowment Act 1926*, for the purpose of supporting scientific and industrial research for the benefit of Australia and its people. Currently SIEF expenditure is funded from the gift of \$150 million received from CSIRO in 2010, and the NSW Department of Industry Endowment of \$25 million received in 2017.

| | |
|-----------------|--|
| Delivery | <p>The program is delivered through the awarding of funds by the Trustee for:</p> <ul style="list-style-type: none"> investing in science that contributes to Australia's sustainable future such as fundamental research for sustainable resource use, environmental protection and community health, collaborative research that brings together organisations capable of working together on solutions to national challenges, and scholarships that create and sustain young researchers capable of addressing national challenges the Experimental Development Program, which funds the progression of experimental research and technology development to a stage where it attracts commercial investment and market uptake the STEM + Business Fellowship program, which aims to build deeper connections and collaborations between researchers and small and medium enterprises, accelerating the adoption of new ideas and technologies and giving early career researchers practical, on-ground experience with industry the Research Infrastructure Program, which invests in major facilities and equipment to increase the capacity for nationally significant and collaborative research the SIEF Research Projects Program that will conclude during the forward reporting period, requiring a change in future years in the performance information used to assess SIEF outcomes the NSW STEM Initiative (announced late 2017), which will develop or partner with programs to attract students into STEM at school, higher and vocational education, and retain talent in NSW STEM industries. |
|-----------------|--|

Performance information

| Year | Performance criteria | Targets |
|-------------|--|--|
| 2017-18 (a) | Evidence of outcomes and impacts of funded projects as demonstrated by case study impact narratives and evaluations. | Minimum of 1 case study |
| | Proportion of research projects involving more than one organisation. | >93% |
| | Use of the research infrastructure as measured through time allocations. | >60% operational time used, 20% usage in collaborative projects |
| | Technologies receiving ongoing commercialisation support from venture capital or industry sources after one year of completing the Experimental Development Program. | - |
| | Number of projects where additional STEM+ business funds are spent on research between the company and the STEM + Fellow's host research team or with others. | - |

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| | | |
|--------------------|--|---------------------------|
| 2018-19 | Evidence of outcomes and impacts of funded projects as demonstrated by case study impact narratives and evaluations. | Minimum of 2 case studies |
| | Proportion of research projects involving more than one organisation. | >94% |
| | Use of the research infrastructure as measured through time allocations. | As per 2017-18 |
| | Technologies receiving ongoing commercialisation support from venture capital or industry sources after one year of completing the Experimental Development Program. | Minimum of 1 case study |
| | Number of projects where additional STEM+ business funds are spent on research between the company and the STEM + Fellow's host research team or with others. | 12 |
| 2019-20 and beyond | Evidence of outcomes and impacts of funded projects as demonstrated by case study impact narratives and evaluations. | As per 2018-19 |
| | Proportion of research projects involving more than one organisation. | |
| | Use of the research infrastructure as measured through time allocations. | |
| | Technologies receiving ongoing commercialisation support from venture capital or industry sources after one year of completing the Experimental Development Program. | |
| | Number of projects where additional STEM+ business funds are spent on research between the company and the STEM + Fellow's host research team or with others. | |
| Purposes (b) | CSIRO's purpose is to provide innovative scientific and technology solutions to national challenges and opportunities to benefit industry, the environment and the community, through scientific research and capability development, services and advice. | |

(a) CSIRO is currently on track to achieve its 2017-18 performance targets.

(b) Refers to updated purpose statement that will be reflected in the 2018-19 Corporate Plan.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2018-19 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

There are no material differences between the entity resources table and the financial statements.

3.1.2 Explanatory notes and analysis of budgeted financial statements

CSIRO's budgeted financial statements are presented on a consolidated basis in accordance with AASB 10 (Consolidated Financial Statements).

The budgeted consolidated financial statements comprise the financial statements of the CSIRO and its subsidiaries. CSIRO has a number of subsidiaries, including WLAN Services Pty Ltd (WLAN), the Science and Industry Endowment Fund (SIEF), the CSIRO Chile Research Fundación (Fundación), National ICT Australia (NICTA), the Innovation Fund entities and the US Office entities. WLAN ceased trading in 2017-18.

Budgeted Departmental Income Statement

The Revenue from Government estimate for 2018-19 of \$833.7 million includes \$4.9 million in funding for the new measures outlined in Table 1.2. CSIRO's funding has also increased by \$8.8 million across the forward estimates period due to the measures outlined in Table 1.2.

CSIRO is budgeting for an operating loss in 2018-19 and in the forward estimates years predominantly due to the distribution of funds by the Science and Industry Endowment Fund and unfunded depreciation expenses relating to assets for which capital was previously provided by government through the Education Investment Fund and the National Collaborative Research Infrastructure Strategy.

Budgeted Departmental Balance Sheet

Equity is expected to decrease across the forward estimates, reflecting the change in the accumulated deficit in relation to the approved operating loss.

Budgeted Departmental Capital Expenditure Statement

The budgeted internally funded capital expenditure relates to construction of new and refurbishment of existing buildings and purchase of plant and equipment, including scientific equipment and information technology related assets.

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

| | 2017-18 Estimated actual \$'000 | 2018-19 Budget \$'000 | 2019-20 Forw ard estimate \$'000 | 2020-21 Forw ard estimate \$'000 | 2021-22 Forw ard estimate \$'000 |
|--|--|-----------------------------|---|---|---|
| EXPENSES | | | | | |
| Employee benefits | 722,318 | 754,282 | 766,944 | 775,481 | 793,245 |
| Suppliers | 481,156 | 505,670 | 503,029 | 496,834 | 493,377 |
| Depreciation and amortisation | 184,417 | 175,423 | 175,422 | 175,421 | 175,242 |
| Finance costs | 2,509 | 2,518 | 3,380 | 5,115 | 5,715 |
| Total expenses | 1,390,400 | 1,437,893 | 1,448,775 | 1,452,851 | 1,467,579 |
| LESS: | | | | | |
| OWN-SOURCE INCOME | | | | | |
| Own-source revenue | | | | | |
| Sale of goods and rendering of services | 427,257 | 453,338 | 462,061 | 473,845 | 483,622 |
| Interest | 8,482 | 7,620 | 7,339 | 7,034 | 6,858 |
| Rental income | 5,973 | 6,000 | 6,100 | 6,200 | 6,300 |
| Royalties and licence fees | 41,400 | 47,700 | 53,800 | 60,680 | 62,000 |
| Other revenue | 34,531 | 23,390 | 24,240 | 24,740 | 25,240 |
| Total own-source revenue | 517,643 | 538,048 | 553,540 | 572,499 | 584,020 |
| Gains | | | | | |
| Sale of assets | - | 6,000 | - | - | - |
| Total gains | - | 6,000 | - | - | - |
| Total own-source income | 517,643 | 544,048 | 553,540 | 572,499 | 584,020 |
| Net (cost of)/contribution by services | (872,757) | (893,845) | (895,235) | (880,352) | (883,559) |
| Revenue from Government | 793,549 | 833,661 | 838,702 | 834,460 | 837,536 |
| Surplus/(deficit) attributable to the Australian Government | (79,208) | (60,184) | (56,533) | (45,892) | (46,023) |
| Total comprehensive income/(loss) | (79,208) | (60,184) | (56,533) | (45,892) | (46,023) |
| Total comprehensive income/(loss) attributable to the Australian Government | (79,208) | (60,184) | (56,533) | (45,892) | (46,023) |

Prepared on Australian Accounting Standards basis.

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

| | 2017-18 Estimated actual \$'000 | 2018-19 Budget \$'000 | 2019-20 Forw ard estimate \$'000 | 2020-21 Forw ard estimate \$'000 | 2021-22 Forw ard estimate \$'000 |
|---|--|-----------------------------|---|---|---|
| ASSETS | | | | | |
| Financial assets | | | | | |
| Cash and equivalents | 219,981 | 245,811 | 217,765 | 272,640 | 351,804 |
| Trade and other receivables | 59,483 | 64,142 | 65,674 | 65,644 | 65,640 |
| Other investments | 86,212 | 96,212 | 106,212 | 116,212 | 120,212 |
| Total financial assets | 365,676 | 406,165 | 389,651 | 454,496 | 537,656 |
| Non-financial assets | | | | | |
| Land and buildings | 1,542,633 | 1,478,565 | 1,510,833 | 1,496,767 | 1,392,679 |
| Property, plant and equipment | 556,541 | 535,186 | 514,631 | 493,776 | 472,922 |
| Heritage and cultural assets | 4,206 | 4,206 | 4,206 | 4,206 | 4,206 |
| Investment property | 51,110 | 51,110 | 51,110 | 51,110 | 51,110 |
| Intangibles | 20,580 | 21,380 | 22,180 | 22,980 | 23,780 |
| Inventories | 1,474 | 1,474 | 1,474 | 1,474 | 1,474 |
| Other non-financial assets | 41,337 | 41,337 | 41,337 | 41,337 | 41,337 |
| Total non-financial assets | 2,217,881 | 2,133,258 | 2,145,771 | 2,111,650 | 1,987,508 |
| Total assets | 2,583,557 | 2,539,423 | 2,535,422 | 2,566,146 | 2,525,164 |
| LIABILITIES | | | | | |
| Payables | | | | | |
| Suppliers | 64,162 | 70,471 | 69,811 | 70,000 | 69,990 |
| Other payables | 128,831 | 128,831 | 129,531 | 131,831 | 134,731 |
| Total payables | 192,993 | 199,302 | 199,342 | 201,831 | 204,721 |
| Interest bearing liabilities | | | | | |
| Interest bearing liabilities | 39,097 | 34,963 | 75,478 | 135,613 | 129,693 |
| Total interest bearing liabilities | 39,097 | 34,963 | 75,478 | 135,613 | 129,693 |
| Provisions | | | | | |
| Employee provisions | 193,732 | 197,607 | 199,583 | 203,575 | 207,646 |
| Other provisions | 28,665 | 28,665 | 28,665 | 28,665 | 28,665 |
| Total provisions | 222,397 | 226,272 | 228,248 | 232,240 | 236,311 |
| Total liabilities | 454,487 | 460,537 | 503,068 | 569,684 | 570,725 |
| Net assets | 2,129,070 | 2,078,886 | 2,032,354 | 1,996,462 | 1,954,439 |
| EQUITY* | | | | | |
| Contributed equity | 290,955 | 300,955 | 310,955 | 320,955 | 324,955 |
| Reserves | 1,387,073 | 1,387,073 | 1,387,073 | 1,387,073 | 1,387,073 |
| Retained surplus (accumulated deficit) | 451,042 | 390,858 | 334,326 | 288,434 | 242,411 |
| Total parent equity interest | 2,129,070 | 2,078,886 | 2,032,354 | 1,996,462 | 1,954,439 |
| Total equity | 2,129,070 | 2,078,886 | 2,032,354 | 1,996,462 | 1,954,439 |

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

Prepared on Australian Accounting Standards basis.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2018-19)

| | Retained earnings | Asset revaluation reserve | Other reserves | Contributed equity/ capital | Total equity |
|--|----------------------|---------------------------------|-------------------|-----------------------------------|------------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Opening balance as at 1 July 2018 | | | | | |
| Balance carried forward from previous period | 451,042 | 1,381,697 | 5,376 | 290,955 | 2,129,070 |
| Adjusted opening balance | 451,042 | 1,381,697 | 5,376 | 290,955 | 2,129,070 |
| Comprehensive income | | | | | |
| Surplus/(deficit) for the period | (60,184) | - | - | - | (60,184) |
| Total comprehensive income | (60,184) | - | - | - | (60,184) |
| of which: | | | | | |
| Attributable to the Australian Government | (60,184) | - | - | - | (60,184) |
| Transactions with owners | | | | | |
| Contributions by owners | | | | | |
| Equity Injection | - | - | - | 10,000 | 10,000 |
| Sub-total transactions with owners | - | - | - | 10,000 | 10,000 |
| Estimated closing balance as at 30 June 2019 | 390,858 | 1,381,697 | 5,376 | 300,955 | 2,078,886 |
| Closing Balance attributable to the Australian Government | 390,858 | 1,381,697 | 5,376 | 300,955 | 2,078,886 |

Prepared on Australian Accounting Standards basis.

S

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

| | 2017-18 Estimated actual \$'000 | 2018-19 Budget \$'000 | 2019-20 Forward estimate \$'000 | 2020-21 Forward estimate \$'000 | 2021-22 Forward estimate \$'000 |
|---|--|-----------------------------|--|--|--|
| OPERATING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Receipts from Government | 793,549 | 833,661 | 838,702 | 834,460 | 837,536 |
| Sale of goods and rendering of services | 497,852 | 502,304 | 520,375 | 540,725 | 551,922 |
| Interest | 8,709 | 7,695 | 7,393 | 7,064 | 6,862 |
| Net GST received | 15 | - | - | - | - |
| Other | 30,031 | 23,390 | 24,240 | 24,740 | 25,240 |
| Total cash received | 1,330,156 | 1,367,050 | 1,390,710 | 1,406,989 | 1,421,560 |
| Cash used | | | | | |
| Employees | 740,612 | 750,407 | 764,968 | 771,489 | 789,174 |
| Suppliers | 488,734 | 499,361 | 503,688 | 496,645 | 493,387 |
| Borrowing costs | 1,709 | 2,518 | 2,680 | 2,815 | 2,815 |
| Total cash used | 1,231,055 | 1,252,286 | 1,271,336 | 1,270,949 | 1,285,376 |
| Net cash from/(used by) operating activities | 99,101 | 114,764 | 119,374 | 136,040 | 136,184 |
| INVESTING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Proceeds from sales of property, plant and equipment | - | 46,300 | 21,000 | - | 74,100 |
| Total cash received | - | 46,300 | 21,000 | - | 74,100 |
| Cash used | | | | | |
| Purchase of property, plant and equipment and intangibles | 136,103 | 131,100 | 208,935 | 141,300 | 125,200 |
| Other | 10,000 | 10,000 | 10,000 | 10,000 | 4,000 |
| Total cash used | 146,103 | 141,100 | 218,935 | 151,300 | 129,200 |
| Net cash from/(used by) investing activities | (146,103) | (94,800) | (197,935) | (151,300) | (55,100) |
| FINANCING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Contributed equity | 10,000 | 10,000 | 10,000 | 10,000 | 4,000 |
| Other | - | - | 45,000 | 65,000 | - |
| Total cash received | 10,000 | 10,000 | 55,000 | 75,000 | 4,000 |
| Cash used | | | | | |
| Finance lease payments | 3,836 | 4,134 | 4,485 | 4,865 | 5,920 |
| Total cash used | 3,836 | 4,134 | 4,485 | 4,865 | 5,920 |
| Net cash from/(used by) financing activities | 6,164 | 5,866 | 50,515 | 70,135 | (1,920) |
| Net increase/(decrease) in cash held | (40,838) | 25,830 | (28,046) | 54,875 | 79,164 |
| Cash and cash equivalents at the beginning of the reporting period | 260,819 | 219,981 | 245,811 | 217,765 | 272,640 |
| Cash and cash equivalents at the end of the reporting period | 219,981 | 245,811 | 217,765 | 272,640 | 351,804 |

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)

| | 2017-18 Estimated actual \$'000 | 2018-19 Budget \$'000 | 2019-20 Forw ard estimate \$'000 | 2020-21 Forw ard estimate \$'000 | 2021-22 Forw ard estimate \$'000 |
|--|--|-----------------------------|---|---|---|
| NEW CAPITAL APPROPRIATIONS | | | | | |
| Equity injections - Bill 2 | 10,000 | 10,000 | 10,000 | 10,000 | 4,000 |
| Other - Bill 2 | - | - | 45,000 | 65,000 | - |
| Total new capital appropriations | 10,000 | 10,000 | 55,000 | 75,000 | 4,000 |
| Provided for: | | | | | |
| Purchase of non-financial assets | - | - | 45,000 | 65,000 | - |
| Other Items | 10,000 | 10,000 | 10,000 | 10,000 | 4,000 |
| Total Items | 10,000 | 10,000 | 55,000 | 75,000 | 4,000 |
| PURCHASE OF NON-FINANCIAL ASSETS | | | | | |
| ASSETS | | | | | |
| Funded by capital appropriations | - | - | 43,700 | 31,500 | 34,800 |
| Funded internally from departmental resources (a) | 136,103 | 131,100 | 165,235 | 109,800 | 90,400 |
| TOTAL | 136,103 | 131,100 | 208,935 | 141,300 | 125,200 |
| RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE | | | | | |
| Total purchases | 136,103 | 131,100 | 208,935 | 141,300 | 125,200 |
| Total cash used to acquire assets: | 136,103 | 131,100 | 208,935 | 141,300 | 125,200 |

(a) Includes the following sources of funding:

- current Bill 1 and prior year Act 1/3/5 appropriations
- donations and contributions
- internally developed assets
- own source revenue receipts
- proceeds from the sale of assets.

Prepared on Australian Accounting Standards basis.

Table 3.6: Statement of asset movements (Budget year 2018-19)

| | Land | Buildings | Property, plant and equipment | Heritage and cultural | Investment property | Intangibles | Total |
|---|-----------------|------------------|----------------------------------|--------------------------|------------------------|----------------|------------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| As at 1 July 2018 | | | | | | | |
| Gross book value | 384,489 | 2,798,142 | 1,228,161 | 11,947 | 51,110 | 57,616 | 4,531,465 |
| Accumulated depreciation/amortisation and impairment | - | (1,639,998) | (671,620) | (7,741) | - | (37,036) | (2,356,395) |
| Opening net book balance | 384,489 | 1,158,144 | 556,541 | 4,206 | 51,110 | 20,580 | 2,175,070 |
| Capital asset additions | | | | | | | |
| Estimated expenditure on new or replacement assets | | | | | | | |
| By purchase - other | - | 74,100 | 53,000 | - | - | 4,000 | 131,100 |
| Total additions | - | 74,100 | 53,000 | - | - | 4,000 | 131,100 |
| Other movements | | | | | | | |
| Depreciation/amortisation expense | - | (97,868) | (74,355) | - | - | (3,200) | (175,423) |
| Disposals | (35,100) | (5,200) | - | - | - | - | (40,300) |
| Total other movements | (35,100) | (103,068) | (74,355) | - | - | (3,200) | (215,723) |
| As at 30 June 2019 | | | | | | | |
| Gross book value | 349,389 | 2,867,042 | 1,281,161 | 11,947 | 51,110 | 61,616 | 4,622,265 |
| Accumulated depreciation/amortisation and impairment | - | (1,737,866) | (745,975) | (7,741) | - | (40,236) | (2,531,818) |
| Closing net book balance | 349,389 | 1,129,176 | 535,186 | 4,206 | 51,110 | 21,380 | 2,090,447 |

Prepared on Australian Accounting Standards basis.

Table 3.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

CSIRO has no budgeted income and expenses administered on behalf of Government; therefore Table 3.7 is not presented.

Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

CSIRO has no budgeted assets and liabilities administered on behalf of Government; therefore Table 3.8 is not presented.

Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

CSIRO has no budgeted administered cash flows; therefore Table 3.9 is not presented.

Table 3.10: Administered capital budget statement (for the period ended 30 June)

CSIRO has no administered capital budget; therefore Table 3.10 is not presented.

Table 3.11: Statement of administered asset movements (Budget year 2018-19)

CSIRO has no administered asset movements; therefore Table 3.11 is not presented.

GEOSCIENCE AUSTRALIA

ENTITY RESOURCES AND PLANNED PERFORMANCE

GEOSCIENCE AUSTRALIA

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GEOSCIENCE AUSTRALIA

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

Geoscience Australia is Australia's pre-eminent public-sector geoscience organisation and the nation's trusted adviser on the geology and geography of Australia. It applies science and technology to describe and understand the Earth for the benefit of Australia.

Geoscience Australia delivers a wide range of products and services that address important national issues to assist government and the community to make informed decisions about the use of natural resources, the management of the environment, and community safety.

Geoscience Australia contributes to Australian Government priorities through six key strategic priorities:

- building Australia's resource wealth: to maximise benefits from Australia's minerals and energy resources, now and into the future
- ensuring Australia's community safety: so that Australian communities are more resilient to natural hazards
- securing Australia's water resources: to optimise and sustain the use of Australia's water resources
- managing Australia's marine jurisdictions: to maximise benefits from the sustainable use of Australia's marine jurisdiction
- providing fundamental geographic information: to understand the location and timing of processes, activities and changes across Australia to inform decision making for both natural and built environments
- maintaining geoscience knowledge and capability: to maintain an enduring and accessible knowledge base and capability to enable evidence-based policy and decision making by government, industry and the community.

While these strategic priorities form the foundation of the organisation's ongoing program of work, Geoscience Australia will have a particular focus in supporting the Australian Government's national agenda for jobs and growth.

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This will see the continuation of the Exploring for the Future program, an Australian Government initiative dedicated to boosting investment in resource exploration in northern Australia. This is an under-explored region and offers significant potential for development and economic growth.

Geoscience Australia will deliver a resource prospectus for minerals, energy and groundwater that will attract industry investment and support a vibrant mining, equipment and services industry. Geoscience Australia will lead the delivery of a suite of new pre-competitive geoscience data and knowledge for targeted areas of northern Australia.

Through new measures, Geoscience Australia will play an instrumental role in developing digital infrastructure and capability to equip Australian businesses and industry with the tools to compete internationally, supporting jobs, growth and national prosperity.

Geoscience Australia will deliver a world-class satellite imagery capability that will track environmental change across Australia in unprecedented detail, and can identify soil and coastal erosion, crop growth, water quality and changes to cities and regions.

This will provide businesses and government with reliable, standardised and easily accessible products to inform decisions on land planning, agriculture, mining, environment analysis and research. These products will have the capacity to increase efficiency, bolster profit and create jobs.

Positioning information is now an integral part of society delivering value through increased productivity, safety and innovation.

Geoscience Australia will establish a national ground infrastructure network for positioning, navigation and timing data that will deliver accurate (three to five centimetres), near real-time positioning data across Australia's mobile network. This will support sectors such as agriculture, logistics and construction.

In addition to the national ground infrastructure network, Geoscience Australia will deliver a satellite positioning capability. This will improve the accuracy (ten centimetres), integrity and availability of positioning data across Australia and its maritime jurisdiction. The Satellite Based Augmentation System is an international standard used to deliver precise and high-integrity positioning, navigation and timing data via satellite. This will support regional Australia and sectors such as the aviation and maritime sectors.

When implemented together, the national ground infrastructure network and the satellite positioning capability will provide comprehensive and accurate positioning data across all of Australia and its maritime jurisdiction.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to Geoscience Australia for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the entity's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome 1' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: Geoscience Australia resource statement — Budget estimates for 2018-19 as at Budget May 2018

| | 2017-18 Estimated actual \$'000 | 2018-19 Estimate \$'000 |
|--|--|-------------------------------|
| Departmental | | |
| Annual appropriations - ordinary annual services (a) | | |
| Prior year appropriations available | 67,206 | 46,713 |
| Departmental appropriation (b) | 151,108 | 184,381 |
| s74 Retained revenue receipts (c) | 47,599 | 40,089 |
| Departmental capital budget (d) | 4,662 | 4,645 |
| Annual appropriations - other services - non-operating | | |
| Equity injection | - | 10,435 |
| Total departmental annual appropriations | 270,575 | 286,263 |
| Total departmental resourcing | 270,575 | 286,263 |
| Administered | | |
| Annual appropriations - ordinary annual services (a) | | |
| UN Grant in Aid | 20 | 19 |
| Total administered annual appropriations | 20 | 19 |
| Total administered resourcing | 20 | 19 |
| Total resourcing for Geoscience Australia | 270,595 | 286,282 |
| Average staffing level (number) | 600 | 600 |

Prepared on a resourcing (i.e. appropriations available) basis.

Please note: All figures shown above are GST exclusive - these may not match figures in the cash flow statement.

(a) Appropriation Bill (No. 1) 2018-19.

(b) Excludes Departmental Capital Budget (DCB).

(c) Estimated retained revenue receipts under section 74 of the PGPA Act.

(d) Departmental Capital Budgets are not separately identified in Appropriation Bill (No.1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.

1.3 BUDGET MEASURES

Budget measures in Part 1 relating to Geoscience Australia are detailed in Budget Paper No. 2 and are summarised below.

Table 1.2: Geoscience Australia 2018-19 Budget measures

| | Program | 2017-18 \$'000 | 2018-19 \$'000 | 2019-20 \$'000 | 2020-21 \$'000 | 2021-22 \$'000 |
|---|---------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Expense measures | | | | | | |
| Australian Technology and Science Grow th Plan — better GPS to support Australian business | 1 | - | - | - | - | - |
| Administered expenses | | - | - | - | - | - |
| Departmental expenses | | - | 9,191 | 10,196 | 10,286 | 10,372 |
| Total | | - | 9,191 | 10,196 | 10,286 | 10,372 |
| Australian Technology and Science Grow th Plan — better GPS for Regional Australia | 1 | - | - | - | - | - |
| Administered expenses | | - | - | - | - | - |
| Departmental expenses | | - | 18,264 | 28,639 | 43,043 | 42,956 |
| Total | | - | 18,264 | 28,639 | 43,043 | 42,956 |
| Australian Technology and Science Grow th Plan — w orld class satellite imagery for Australian businesses | 1 | - | - | - | - | - |
| Administered expenses | | - | - | - | - | - |
| Departmental expenses | | - | - | 11,848 | 12,236 | 12,768 |
| Total | | - | - | 11,848 | 12,236 | 12,768 |
| Total expense measures | | | | | | |
| Administered | | - | - | - | - | - |
| Departmental | | - | 27,455 | 50,683 | 65,565 | 66,096 |
| Total | | - | 27,455 | 50,683 | 65,565 | 66,096 |
| Capital measures | | | | | | |
| Australian Technology and Science Grow th Plan — better GPS to support Australian business | 1 | - | - | - | - | - |
| Administered capital | | - | - | - | - | - |
| Departmental capital | | - | 2,329 | 7,345 | 9,674 | 4,566 |
| Total | | - | 2,329 | 7,345 | 9,674 | 4,566 |
| Australian Technology and Science Grow th Plan — better GPS for Regional Australia | 1 | - | - | - | - | - |
| Administered capital | | - | - | - | - | - |
| Departmental capital | | - | 8,106 | 11,981 | 7,915 | - |
| Total | | - | 8,106 | 11,981 | 7,915 | - |
| Total capital measures | | | | | | |
| Administered | | - | - | - | - | - |
| Departmental | | - | 10,435 | 19,326 | 17,589 | 4,566 |
| Total | | - | 10,435 | 19,326 | 17,589 | 4,566 |

Prepared on a Government Finance Statistics (fiscal) basis. Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

Part 2: Other measures not previously reported in a portfolio statement

Geoscience Australia does not have any other measures not previously reported in a portfolio statement; therefore no table is presented.

Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide an entity's complete performance story.

The most recent corporate plan for Geoscience Australia can be found at:
<http://www.ga.gov.au/about/corporate-plan>.

The most recent annual performance statement can be found at:
<http://www.ga.gov.au/about/corporate-documents/annual-report>.

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Informed government, industry and community decisions on the economic, social and environmental management of the nation's natural resources through enabling access to geoscientific and spatial information.

Linked programs

| |
|---|
| Department of Industry, Innovation and Science |
| Programs <ul style="list-style-type: none"> • Program 1 – Supporting Science and Commercialisation • Program 2 – Growing Business Investment and Improving Business Capability • Program 3 – Program Support |
| Contribution to Outcome 1 made by linked programs The Department of Industry, Innovation and Science contributes to Outcome 1 through its policies and programs supporting science, commercialisation and the sustainable development of the resources sector, and encouraging innovative technologies. |
| Bureau of Meteorology |
| Programs <ul style="list-style-type: none"> • Program 1 – Bureau of Meteorology |
| Contribution to Outcome 1 made by linked programs The Bureau of Meteorology collaborates with Geoscience Australia to provide the Joint Australian Tsunami Warning System. |

Budgeted expenses for Outcome 1

This table shows how much Geoscience Australia intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.

Table 2.1.1: Budgeted expenses for Outcome 1

Outcome 1: Informed government, industry and community decisions on the economic, social and environmental management of the nation's natural resource through enabling access to geoscientific and spatial information.

| | 2017-18 Estimated actual \$'000 | 2018-19 Budget \$'000 | 2019-20 Forward estimate \$'000 | 2020-21 Forward estimate \$'000 | 2021-22 Forward estimate \$'000 |
|---|--|-----------------------------|--|--|--|
| Program 1: Geoscientific and Spatial Information Services | | | | | |
| Administered expenses | | | | | |
| Ordinary annual services (Appropriation Bill No. 1) | 20 | 19 | 19 | 19 | 19 |
| Administered total | 20 | 19 | 19 | 19 | 19 |
| Departmental expenses | | | | | |
| Departmental appropriation | 151,108 | 184,381 | 191,511 | 183,555 | 185,008 |
| s74 Retained revenue receipts (a) | 47,599 | 40,089 | 40,089 | 40,089 | 40,053 |
| Expenses not requiring appropriation in the Budget year (b) | 10,610 | 11,722 | 11,997 | 12,015 | 11,820 |
| Departmental total | 209,317 | 236,192 | 243,597 | 235,659 | 236,881 |
| Total expenses for program 1.1 | 209,337 | 236,211 | 243,616 | 235,678 | 236,900 |
| Outcome 1 Totals by appropriation type | | | | | |
| Administered expenses | | | | | |
| Ordinary annual services (Appropriation Bill No. 1) | 20 | 19 | 19 | 19 | 19 |
| Administered total | 20 | 19 | 19 | 19 | 19 |
| Departmental expenses | | | | | |
| Departmental appropriation | 151,108 | 184,381 | 191,511 | 183,555 | 185,008 |
| s74 Retained revenue receipts (a) | 47,599 | 40,089 | 40,089 | 40,089 | 40,053 |
| Expenses not requiring appropriation in the Budget year (b) | 10,610 | 11,722 | 11,997 | 12,015 | 11,820 |
| Departmental total | 209,317 | 236,192 | 243,597 | 235,659 | 236,881 |
| Total expenses for Outcome 1 | 209,337 | 236,211 | 243,616 | 235,678 | 236,900 |
| Average staffing level (number) | | | | | |
| | 600 | 600 | | | |

(a) Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act.

(b) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, make good expenses, audit fees and accounting treatment of accommodation lease expenses.

Table 2.1.2: Program components of Outcome 1

Geoscience Australia's program is not broken down by components; therefore Table 2.1.2 is not presented.

Table 2.1.3: Performance criteria for Outcome 1

Table 2.1.3 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2018-19 Budget measures have created new programs or materially changed existing programs.

| Outcome 1 – Informed government, industry and community decisions on the economic, social and environmental management of the nation’s natural resources through enabling access to geoscientific and spatial information. | | |
|--|---|--|
| Program 1 – Geoscientific and Spatial Information Services | | |
| This program contributes to the outcome by providing a wide range of products and services through a number of work programs and activities. This work enables the Australian Government and the community to make informed decisions about the use of natural resources, the management of the environment, and community safety. | | |
| Delivery | Geoscience Australia delivers Program 1 by: <ul style="list-style-type: none">tracking and monitoring environmental change across Australia using world-class satellite imageryestablishing a national ground station network to deliver accurate positioning, navigation and timing data across Australia’s mobile networkdelivering satellite positioning capability to provide accurate positioning, navigation and timing data across Australia and its maritime jurisdictionattracting exploration investment to Australia by building a prospectus of minerals and energy resource potentialsupporting Australia’s capability to manage the impact of natural hazardsinforming the understanding of the location, quantity, quality and sustainable use of Australia’s groundwater and surface water systemscontributing to the sustainable development of marine resources and conservation of key ecosystemsproviding reliable national fundamental information about the geographies of the nationensuring geoscientific and geospatial data, information and collections are gathered, managed and made accessible for the use of all Australians both now and into the future. | |
| Performance information | | |
| Year | Performance criteria | Targets |
| 2017-18 | Program Performance <ul style="list-style-type: none">Geoscience Australia’s products and services are fit-for-purpose, meet stakeholder needs and are underpinned by quality science. Products and Services - Stakeholder Satisfaction <ul style="list-style-type: none">Overall level of stakeholder satisfaction with Geoscience Australia. | Geoscience Australia has established an ongoing science evaluation review process to assess the quality of its work program against specific performance criteria using an independent external panel of experts and referee consultations. Results from the last round of science evaluations confirm that |

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| | | |
|--------------------|---|--|
| | <ul style="list-style-type: none"> The level of stakeholder satisfaction with the quality of Geoscience Australia's products and services. The level of stakeholder satisfaction with the timeliness of Geoscience Australia in delivering its products and services. | <p>Geoscience Australia's products and services are fit-for-purpose and are underpinned by quality science.</p> <p>The science evaluations also delivered recommendations to improve performance which will be reviewed and addressed as part of the 2018–19 work planning process.</p> <p>Geoscience Australia undertakes a biennial stakeholder survey.</p> <p>Results from the 2017 stakeholder survey shows the overall level of satisfaction with Geoscience Australia was 91 per cent against a target of 80 per cent. This result is up 3 per cent on the previous survey.</p> <p>In more detailed results, the level of stakeholder satisfaction with the quality of Geoscience Australia's products and services, and timeliness in delivering those products and services, was 92 per cent and 73 per cent respectively.</p> <p>The result for timeliness is below the targeted level of 80 per cent. Geoscience Australia will continue to review and monitor the turnaround of its products and services to ensure agreed timelines are met.</p> |
| 2018-19 | <p>Program Performance</p> <ul style="list-style-type: none"> Geoscience Australia's products and services are fit-for-purpose, meet stakeholder needs and are underpinned by quality science. <p>Products and Services - Stakeholder Satisfaction</p> <ul style="list-style-type: none"> Overall level of stakeholder satisfaction with Geoscience Australia. The level of stakeholder satisfaction with the quality of Geoscience Australia's products and services. The level of stakeholder satisfaction with the timeliness of Geoscience Australia in delivering its products and services. | <p>Products and services are fit-for-purpose and adhere to Geoscience Australia's science principles.</p> <p>The level of stakeholder satisfaction is 80 per cent or greater.</p> |
| 2019-20 and beyond | As per 2018-19 | As per 2018-19 |
| Purposes | <p>Geoscience Australia is Australia's pre-eminent public sector geoscience organisation and the nation's trusted adviser on the geology and geography of Australia.</p> <p>Our purpose is to apply science and technology to address important national issues and deliver a broad range of products that assist government and the community to make informed decisions about the use of natural resources, management of the environment, and community safety.</p> | |

Material changes to Program 1 resulting from the following measures:

- Australian Technology and Science Growth Plan – better GPS to support Australian business - This measure will establish a national ground station network for positioning, navigation and timing data that will deliver accurate (3-5 cm), near real-time positioning data across Australia's mobile network.
- Australian Technology and Science Growth Plan – better GPS for Regional Australia - This measure will deliver a satellite positioning capability that will improve the accuracy (10 cm), integrity and availability of positioning data across Australia and its marine jurisdiction.
- Australian Technology and Science Growth Plan – world class satellite imagery for Australian businesses - This measure will deliver the capability to track environmental change across Australia and provide businesses and government with access to reliable, standardised satellite based geographical and geological data and digital products.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2018-19 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

There are no material differences between the entity resources table and the financial statements.

3.1.2 Explanatory notes and analysis of budgeted financial statements

Budgeted Departmental Income Statement

Total revenues for 2018-19 are budgeted at \$224.6 million, an increase of \$25.8 million from estimated actual revenue from 2017-18, comprising \$33.3 million appropriation revenue from the Australian Government (which includes the new budget measures and an increase in the 2016-17 Budget measure Exploring for the Future), offset by \$7.5 million reduction in own-source revenue. Total expenses for 2018-19 are budgeted at \$236.2 million, including \$8.3 million depreciation and amortisation expenses.

The total budgeted deficit for 2018-19 is \$11.6 million. This amount represents depreciation and amortisation expenditure of \$8.3 million, which is no longer funded following the implementation of the Commonwealth's net cash appropriation framework, and \$3.3 million for rent straight-lining.

Budgeted Departmental Balance Sheet

Geoscience Australia's budgeted total asset position of \$122.3 million and total liabilities of \$103.0 million in 2018-19 are an increase of \$0.8 million and decrease of \$2.7 million respectively from 2017-18. This change reflects an expected decrease in externally funded projects affecting the underlying cash balance, and unearned revenue liability.

Budgeted Departmental Capital Expenditure Statement

Planned capital expenditure for Geoscience Australia for 2018-19 is \$18.6 million. This comprises capital expenditure funded from equity injection of \$10.4 million (for new budget measures), the departmental capital budget of \$4.6 million and internal funding of \$3.5 million.

Budgeted Administered Income Statement

Geoscience Australia will make one payment on behalf of the Australian Government in 2018-19, being a grant of \$0.02 million to the International Geological Correlation Program.

Budgeted Administered Balance Sheet

Geoscience Australia does not expect to hold any administered assets or liabilities in 2017-18 and 2018-19.

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

| | 2017-18 Estimated actual \$'000 | 2018-19 Budget \$'000 | 2019-20 Forw ard estimate \$'000 | 2020-21 Forw ard estimate \$'000 | 2021-22 Forw ard estimate \$'000 |
|--|--|-----------------------------|---|---|---|
| EXPENSES | | | | | |
| Employee benefits | 78,434 | 77,627 | 78,213 | 77,921 | 77,921 |
| Suppliers | 124,415 | 150,295 | 156,127 | 147,730 | 148,390 |
| Depreciation and amortisation | 6,448 | 8,250 | 9,237 | 9,988 | 10,550 |
| Other expenses | 20 | 20 | 20 | 20 | 20 |
| Total expenses | 209,317 | 236,192 | 243,597 | 235,659 | 236,881 |
| LESS: | | | | | |
| OWN-SOURCE INCOME | | | | | |
| Own-source revenue | | | | | |
| Sale of goods and rendering of services | 47,599 | 40,089 | 40,089 | 40,089 | 40,053 |
| Other | 135 | 138 | 140 | 142 | 144 |
| Total own-source revenue | 47,734 | 40,227 | 40,229 | 40,231 | 40,197 |
| Total own-source income | 47,734 | 40,227 | 40,229 | 40,231 | 40,197 |
| Net (cost of)/contribution by services | (161,583) | (195,965) | (203,368) | (195,428) | (196,684) |
| Revenue from Government | 151,108 | 184,381 | 191,511 | 183,555 | 185,008 |
| Surplus/(deficit) attributable to the Australian Government | (10,475) | (11,584) | (11,857) | (11,873) | (11,676) |
| Total comprehensive income/(loss) | (10,475) | (11,584) | (11,857) | (11,873) | (11,676) |
| Total comprehensive income/(loss) attributable to the Australian Government | (10,475) | (11,584) | (11,857) | (11,873) | (11,676) |

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June (continued)

| | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Total comprehensive income/(loss) excluding depreciation/ amortisation expenses previously funded through revenue appropriations (a) | (4,027) | (3,334) | (2,620) | (1,885) | (1,126) |
| less depreciation/amortisation expenses previously funded through revenue appropriations (b) | 6,448 | 8,250 | 9,237 | 9,988 | 10,550 |
| Total comprehensive income/(loss) - as per the statement of comprehensive income | (10,475) | (11,584) | (11,857) | (11,873) | (11,676) |

(a) This approved loss relates to straight lining of the Geoscience Australia Symonston building lease in accordance with Australian Accounting Standards.

(b) From 2010-11, the Australian Government introduced net cash appropriation arrangements. This involved Bill 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) being replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations. For information regarding DCBs, please refer to Table 3.5 Departmental Capital Budget Statement.

Prepared on Australian Accounting Standards basis.

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

| | 2017-18 Estimated actual \$'000 | 2018-19 Budget \$'000 | 2019-20 Forward estimate \$'000 | 2020-21 Forward estimate \$'000 | 2021-22 Forward estimate \$'000 |
|--|--|-----------------------------|--|--|--|
| ASSETS | | | | | |
| Financial assets | | | | | |
| Cash and cash equivalents | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 |
| Trade and other receivables | 56,613 | 47,088 | 47,007 | 46,631 | 46,255 |
| Other financial assets | 1,381 | 1,381 | 1,381 | 1,381 | 1,381 |
| Total financial assets | 60,494 | 50,969 | 50,888 | 50,512 | 50,136 |
| Non-financial assets | | | | | |
| Land and buildings | 22,601 | 24,001 | 21,693 | 19,390 | 17,340 |
| Property, plant and equipment | 29,649 | 38,646 | 55,982 | 70,761 | 71,594 |
| Heritage and cultural assets | 2,254 | 2,254 | 2,254 | 2,254 | 2,254 |
| Intangibles | 1,054 | 987 | 701 | 521 | 486 |
| Other non-financial assets | 5,465 | 5,465 | 5,465 | 5,465 | 5,465 |
| Total non-financial assets | 61,023 | 71,353 | 86,095 | 98,391 | 97,139 |
| Total assets | 121,517 | 122,322 | 136,983 | 148,903 | 147,275 |
| LIABILITIES | | | | | |
| Payables | | | | | |
| Suppliers | 8,323 | 8,323 | 8,323 | 8,323 | 8,323 |
| Other payables | 71,671 | 68,587 | 70,733 | 71,849 | 72,206 |
| Total payables | 79,994 | 76,910 | 79,056 | 80,172 | 80,529 |
| Provisions | | | | | |
| Employee provisions | 23,793 | 24,088 | 24,383 | 24,678 | 24,973 |
| Other provisions | 1,899 | 1,997 | 2,095 | 2,193 | 2,291 |
| Total provisions | 25,692 | 26,085 | 26,478 | 26,871 | 27,264 |
| Total liabilities | 105,686 | 102,995 | 105,534 | 107,043 | 107,793 |
| Net assets | 15,831 | 19,327 | 31,449 | 41,860 | 39,482 |
| EQUITY* | | | | | |
| Parent entity interest | | | | | |
| Contributed equity | 50,393 | 65,473 | 89,452 | 111,736 | 121,034 |
| Reserves | 13,775 | 13,775 | 13,775 | 13,775 | 13,775 |
| Retained surplus (accumulated deficit) | (48,337) | (59,921) | (71,778) | (83,651) | (95,327) |
| Total parent entity interest | 15,831 | 19,327 | 31,449 | 41,860 | 39,482 |
| Total equity | 15,831 | 19,327 | 31,449 | 41,860 | 39,482 |

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

Prepared on Australian Accounting Standards basis.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2018-19)

| | Retained earnings \$'000 | Asset revaluation reserve \$'000 | Contributed equity/ capital \$'000 | Total equity \$'000 |
|--|--------------------------------|---|---|---------------------------|
| Opening balance as at 1 July 2018 | | | | |
| Balance carried forward from previous period | (48,337) | 13,775 | 50,393 | 15,831 |
| Adjusted opening balance | (48,337) | 13,775 | 50,393 | 15,831 |
| Comprehensive income | | | | |
| Surplus/(deficit) for the period | (11,584) | - | - | (11,584) |
| Total comprehensive income | (11,584) | - | - | (11,584) |
| of which: | | | | |
| Attributable to the Australian Government | (11,584) | - | - | (11,584) |
| Transactions with owners | | | | |
| Contributions by owners | | | | |
| Equity injection - Appropriation | - | - | 10,435 | 10,435 |
| Departmental Capital Budget (DCB) | - | - | 4,645 | 4,645 |
| Sub-total transactions with owners | - | - | 15,080 | 15,080 |
| Estimated closing balance as at 30 June 2019 | (59,921) | 13,775 | 65,473 | 19,327 |
| Closing balance attributable to the Australian Government | (59,921) | 13,775 | 65,473 | 19,327 |

Prepared on Australian Accounting Standards basis.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

| | 2017-18 Estimated actual \$'000 | 2018-19 Budget \$'000 | 2019-20 Forw ard estimate \$'000 | 2020-21 Forw ard estimate \$'000 | 2021-22 Forw ard estimate \$'000 |
|---|--|-----------------------------|---|---|---|
| OPERATING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Appropriations | 212,726 | 233,995 | 231,681 | 224,020 | 225,437 |
| Sale of goods and rendering of services | 43,159 | 34,752 | 40,118 | 40,125 | 40,092 |
| Net GST received | 11,485 | 9,828 | 8,434 | 6,551 | 6,579 |
| Other | 40 | 40 | 40 | 40 | 40 |
| Total cash received | 267,410 | 278,615 | 280,273 | 270,736 | 272,148 |
| Cash used | | | | | |
| Employees | 80,890 | 77,332 | 77,333 | 77,333 | 77,333 |
| Suppliers | 132,798 | 157,671 | 162,822 | 153,278 | 154,723 |
| s74 Retained revenue receipts transferred to OPA | 41,125 | 40,112 | 40,118 | 40,125 | 40,092 |
| Total cash used | 254,813 | 275,115 | 280,273 | 270,736 | 272,148 |
| Net cash from/(used by) operating activities | 12,597 | 3,500 | - | - | - |
| INVESTING ACTIVITIES | | | | | |
| Cash used | | | | | |
| Purchase of property, plant and equipment and intangibles | 17,012 | 18,580 | 23,979 | 22,284 | 9,298 |
| Total cash used | 17,012 | 18,580 | 23,979 | 22,284 | 9,298 |
| Net cash from/(used by) investing activities | (17,012) | (18,580) | (23,979) | (22,284) | (9,298) |
| FINANCING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Contributed equity | 4,662 | 15,080 | 23,979 | 22,284 | 9,298 |
| Total cash received | 4,662 | 15,080 | 23,979 | 22,284 | 9,298 |
| Net cash from/(used by) financing activities | 4,662 | 15,080 | 23,979 | 22,284 | 9,298 |
| Net increase/(decrease) in cash held | 247 | - | - | - | - |
| Cash and cash equivalents at the beginning of the reporting period | 2,253 | 2,500 | 2,500 | 2,500 | 2,500 |
| Cash and cash equivalents at the end of the reporting period | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 |

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)

| | 2017-18 Estimated actual \$'000 | 2018-19 Budget \$'000 | 2019-20 Forw ard estimate \$'000 | 2020-21 Forw ard estimate \$'000 | 2021-22 Forw ard estimate \$'000 |
|--|--|-----------------------------|---|---|---|
| NEW CAPITAL APPROPRIATIONS | | | | | |
| Capital budget - Bill 1 (DCB) | 4,662 | 4,645 | 4,653 | 4,695 | 4,732 |
| Equity injections - Bill 2 | - | 10,435 | 19,326 | 17,589 | 4,566 |
| Total new capital appropriations | 4,662 | 15,080 | 23,979 | 22,284 | 9,298 |
| Provided for: | | | | | |
| Purchase of non-financial assets | 4,662 | 15,080 | 23,979 | 22,284 | 9,298 |
| Total items | 4,662 | 15,080 | 23,979 | 22,284 | 9,298 |
| PURCHASE OF NON-FINANCIAL ASSETS | | | | | |
| Funded by capital appropriations (a) | - | 10,435 | 19,326 | 17,589 | 4,566 |
| Funded by capital appropriation - DCB (b) | 4,662 | 4,645 | 4,653 | 4,695 | 4,732 |
| Funded internally from departmental resources (c) | 12,350 | 3,500 | - | - | - |
| TOTAL | 17,012 | 18,580 | 23,979 | 22,284 | 9,298 |
| RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE | | | | | |
| Total purchases | 17,012 | 18,580 | 23,979 | 22,284 | 9,298 |
| Total cash used to acquire assets | 17,012 | 18,580 | 23,979 | 22,284 | 9,298 |

(a) Includes both current Bill 2 and prior Act 2/4/6 appropriations and special capital appropriations.

(b) Does not include annual finance lease costs. Include purchases from current and previous years' Departmental Capital Budgets (DCBs).

(c) Includes the following sources of funding:

- current Bill 1 and prior year Act 1/3/5 appropriations (excluding amounts from the DCB)
- donations and contributions
- gifts
- internally developed assets
- s 74 Retained revenue receipts
- proceeds from the sale of assets.

Prepared on Australian Accounting Standards basis.

Table 3.6: Statement of asset movements (Budget year 2018-19)

| | Land | Buildings | Other property, plant and equipment | Heritage and cultural | Computer software and intangibles | Total |
|---|--------------|----------------|--|-----------------------------|--|----------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| As at 1 July 2018 | | | | | | |
| Gross book value | 1,255 | 22,555 | 32,853 | 2,254 | 8,840 | 67,757 |
| Accumulated depreciation/ amortisation and impairment | | (1,209) | (3,204) | | (7,786) | (12,199) |
| Opening net book balance | 1,255 | 21,346 | 29,649 | 2,254 | 1,054 | 55,558 |
| Capital asset additions | | | | | | |
| Estimated expenditure on new or replacement assets | | | | | | |
| By purchase - appropriation equity (a) | - | 3,670 | 14,560 | - | 350 | 18,580 |
| Total additions | - | 3,670 | 14,560 | - | 350 | 18,580 |
| Other movements | | | | | | |
| Depreciation/amortisation expense | - | (2,270) | (5,563) | - | (417) | (8,250) |
| Total other movements | - | (2,270) | (5,563) | - | (417) | (8,250) |
| As at 30 June 2019 | | | | | | |
| Gross book value | 1,255 | 26,225 | 47,413 | 2,254 | 9,190 | 86,337 |
| Accumulated depreciation/ amortisation and impairment | - | (3,479) | (8,767) | - | (8,203) | (20,449) |
| Closing net book balance | 1,255 | 22,746 | 38,646 | 2,254 | 987 | 65,888 |
| Estimated operating expenditure in income statement for heritage and cultural assets | | | | | | |
| Operations and Maintenance | | | | | 208 | |
| Total operating expenditure on heritage and cultural assets | | | | | 208 | |

(a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2017-18, including the *Collection Development Acquisition Budget* (CDABs).

Prepared on Australian Accounting Standards basis.

Table 3.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

| | 2017-18 Estimated actual \$'000 | 2018-19 Budget \$'000 | 2019-20 Forward estimate \$'000 | 2020-21 Forward estimate \$'000 | 2021-22 Forward estimate \$'000 |
|--|--|-----------------------------|--|--|--|
| EXPENSES | | | | | |
| Grants | 20 | 19 | 19 | 19 | 19 |
| Total expenses administered on behalf of Government | 20 | 19 | 19 | 19 | 19 |
| Net (cost of)/contribution by services | 20 | 19 | 19 | 19 | 19 |
| Surplus/(deficit) before income tax | (20) | (19) | (19) | (19) | (19) |
| Surplus/(deficit) after income tax | (20) | (19) | (19) | (19) | (19) |
| Total comprehensive income/(loss) | (20) | (19) | (19) | (19) | (19) |

Prepared on Australian Accounting Standards basis.

Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

Geoscience Australia has no assets and liabilities administered on behalf of Government; therefore Table 3.8 is not presented.

Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

| | 2017-18 Estimated actual \$'000 | 2018-19 Budget \$'000 | 2019-20 Forw ard estimate \$'000 | 2020-21 Forw ard estimate \$'000 | 2021-22 Forw ard estimate \$'000 |
|---|--|-----------------------------|---|---|---|
| OPERATING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Other | 20 | 19 | 19 | 19 | 19 |
| Total cash received | 20 | 19 | 19 | 19 | 19 |
| Cash used | | | | | |
| Grant | 20 | 19 | 19 | 19 | 19 |
| Total cash used | 20 | 19 | 19 | 19 | 19 |
| Net increase/(decrease) in cash held | - | - | - | - | - |
| Cash and cash equivalents at beginning of reporting period | - | - | - | - | - |
| Cash and cash equivalents at end of reporting period | - | - | - | - | - |

Prepared on Australian Accounting Standards basis.

Table 3.10: Administered capital budget statement (for the period ended 30 June)

Geoscience Australia has no budgeted administered capital; therefore Table 3.10 is not presented.

Table 3.11: Statement of administered asset movements (Budget year 2018-19)

Geoscience Australia has no budgeted administered asset movements; therefore Table 3.11 is not presented.

IP AUSTRALIA

**ENTITY RESOURCES AND PLANNED
PERFORMANCE**

IP AUSTRALIA

| | |
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IP AUSTRALIA

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

IP Australia is the entity responsible for administering Australia's intellectual property (IP) rights system, specifically trade marks, patents, designs and plant breeder's rights. It operates as a non-corporate Commonwealth entity within the portfolio and recovers almost all of its costs by charging fees for its IP rights services.

To achieve its outcome, IP Australia grants exclusive IP rights for a period of time. This fosters innovation, investment and international competitiveness by:

- providing an effective legal framework for protection of innovative products and brands, which creates a secure environment for investment
- providing incentives for undertaking research and development
- promoting the disclosure of discoveries and follow-on generation of ideas
- enabling firms to build brand value and business reputation which in turn contributes to improved consumer confidence.

IP Australia also promotes awareness of IP, provides advice to government on the development of IP policy and contributes to bilateral and multilateral negotiations and development cooperation programs to support the global IP system. From time to time, this system will require adjustment to meet new demands or to keep up with economic, legal and business developments. IP Australia's role is to seek to ensure that these changes are in Australia's best interests.

The IP Australia Corporate Plan guides the organisation's future direction in pursuit of its goal to deliver a world-leading IP system building prosperity for Australia. With a purpose to ensure Australians benefit from great ideas, the plan provides an overview of IP Australia's priorities for the next four years and the key strategies used to deliver them. The priority areas can be summarised as follows:

- high performing core business and internal operations
- high performing customer services that support our core business
- our expertise is leveraged to deliver value to the Australian IP system and broader economy
- build the capability of our people and our organisation.

In light of these priorities, IP Australia's key initiatives and challenges for 2018-19 are to:

- contribute to the implementation of the Australian Government's response to the Productivity Commission's inquiry into Australia's intellectual property arrangements while improving and streamlining the IP system
- continue to provide policy, briefing and liaison support to Australian businesses operating in China through the IP Counsellor to China
- undertake research and analysis to support development of potential Free Trade Agreements with the EU and the UK, and continue providing support on IP related matters in the Regional Comprehensive Economic Partnership and other on-going free trade agreement negotiations
- further promote global harmonisation, cooperation and work sharing initiatives with international counterparts, in particular through the work of the World Intellectual Property Organization (WIPO) and Group B+
- assist with capacity building and further develop relationships with IP Offices, particularly in the Indo-Pacific region, through investment in training and office-to-office engagement
- deliver a contemporary working environment that provides improved facilities and better meets the needs of IP Australia's staff
- mainstream flexible working arrangements, and deliver reliable, flexible ICT systems that support those conditions
- target education, information and awareness products to facilitate better understanding and value of IP to key customers and stakeholders
- finalise and implement an innovative performance setting and incentivisation framework, which motivates staff in the production areas to improve their productivity, quality of work, timeliness and corporate contributions
- explore export promotion opportunities, including through partnering with stakeholders, to assist Australian businesses
- deliver new and improved services using technology solutions to enhance the customer and stakeholder experience
- further develop the replacement of IP Australia's IP rights administrative systems with a single system.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to IP Australia for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the entity's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (i.e. appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome 1' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: IP Australia resource statement — Budget estimates for 2018-19 as at Budget May 2018

| | 2017-18 Estimated actual \$'000 | 2018-19 Estimate \$'000 |
|---|--|-------------------------------|
| Departmental | | |
| Annual appropriations - ordinary annual services | | |
| Departmental appropriation (a) | 375 | 368 |
| Total departmental annual appropriations | 375 | 368 |
| Special accounts (b) | | |
| Opening balance | 101,784 | 92,332 |
| Appropriation receipts | 375 | 368 |
| Non-appropriation receipts | 205,779 | 205,000 |
| <i>Total special accounts</i> | <i>307,938</i> | <i>297,700</i> |
| <i>less departmental appropriations drawn from annual/special appropriations and credited to special accounts</i> | <i>(375)</i> | <i>(368)</i> |
| Total departmental resourcing | 307,563 | 297,332 |
| Total resourcing for IP Australia | 307,563 | 297,332 |
| Average staffing level (number) | 1,038 | 1,054 |

Prepared on a resourcing (i.e. appropriations available) basis.

Please note: All figures shown above are GST exclusive - these may not match figures in the cash flow statement.

(a) Appropriation Bill (No. 1) 2018-19.

(b) Excludes trust money and 'other CRF money' held in accounts like Other Trust Monies accounts (OTM), Services for Other Government and Non-agency Bodies accounts (SOG) or Services for Other Entities and Trust Monies accounts (SOETM). For further information on special appropriations and special accounts, please refer to Budget Paper No. 4 - Agency Resourcing.

Please also see Table 2.1 for further information on outcome and program expenses broken down by various funding sources e.g. annual appropriations, special appropriations and special accounts.

1.3 BUDGET MEASURES

Budget measures in Part 1 relating to IP Australia are detailed in Budget Paper No. 2 and are summarised below.

Table 1.2: Entity 2018-19 Budget measures

Part 1: Measures announced since the 2017-18 Mid-Year Economic and Fiscal Outlook (MYEFO)

| | Program | 2017-18 \$'000 | 2018-19 \$'000 | 2019-20 \$'000 | 2020-21 \$'000 | 2021-22 \$'000 |
|---|---------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Expense measures | | | | | | |
| Australian Technology and Science Growth Plan — helping Australian businesses protect their big ideas (a) | 1 | | | | | |
| Administered expenses | | - | - | - | - | - |
| Departmental expenses | | - | - | - | - | - |
| Total | | - | - | - | - | - |
| Total expense measures | | | | | | |
| Administered | | - | - | - | - | - |
| Departmental | | - | - | - | - | - |
| Total | | - | - | - | - | - |

Prepared on a Government Finance Statistics (fiscal) basis. Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

(a) The cost of this measure will be met from existing resources.

Part 2: Other measures not previously reported in a portfolio statement

IP Australia does not have any other measures not previously reported in a portfolio statement; therefore no table is presented.

Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide an entity's complete performance story.

The most recent corporate plan for IP Australia can be found at:
www.ipaustralia.gov.au/about-us/agency-overview.

The most recent annual performance statement can be found at:
<https://www.industry.gov.au/AboutUs/CorporatePublications/AnnualReports/Pages/Annual-Report-2016-2017.aspx>.

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Increased innovation, investment and trade in Australia, and by Australians overseas, through the administration of the registrable intellectual property rights system, promoting public awareness and industry engagement, and advising government.

Linked programs

| |
|---|
| Department of Industry, Innovation and Science |
| Programs <ul style="list-style-type: none">• Program 1 - Supporting Science and Commercialisation• Program 2 - Growing Business investment and Improving Business Capability• Program 3 - Program Support |
| Contribution to Outcome 1 made by linked programs <p>The Department of Industry, Innovation and Science contributes to Outcome 1 through its policies and programs supporting science and commercialisation and through the operation of the Office of the Chief Scientist and the Office of Innovation and Science Australia.</p> |

Budgeted expenses for Outcome 1

This table shows how much IP Australia intends to spend (on an accrual basis) on achieving the outcome, broken down by program.

Table 2.1.1: Budgeted expenses for Outcome 1

Outcome 1: Increased innovation, investment and trade in Australia, and by Australians overseas, through the administration of the registrable intellectual property rights system, promoting public awareness and industry engagement, and advising government.

| | 2017-18 Estimated actual \$'000 | 2018-19 Budget \$'000 | 2019-20 Forw ard estimate \$'000 | 2020-21 Forw ard estimate \$'000 | 2021-22 Forw ard estimate \$'000 |
|--|--|-----------------------------|---|---|---|
| Program 1: IP Rights Administration and Professional Registration | | | | | |
| Departmental expenses | | | | | |
| Special accounts | 193,891 | 196,038 | 201,032 | 203,203 | 207,534 |
| Expenses not requiring appropriation in the Budget year (a) | 150 | 155 | 160 | 165 | 170 |
| Departmental total | 194,041 | 196,193 | 201,192 | 203,368 | 207,704 |
| Total expenses for program 1 | 194,041 | 196,193 | 201,192 | 203,368 | 207,704 |
| Program 2: Education and Awareness | | | | | |
| Departmental expenses | | | | | |
| Special accounts | 2,590 | 2,271 | 2,329 | 2,355 | 2,405 |
| Departmental total | 2,590 | 2,271 | 2,329 | 2,355 | 2,405 |
| Total expenses for program 2 | 2,590 | 2,271 | 2,329 | 2,355 | 2,405 |
| Program 3: Advice to Government and International Engagement | | | | | |
| Departmental expenses | | | | | |
| Departmental appropriation | 375 | 368 | 362 | 359 | 359 |
| Special accounts | 12,727 | 12,514 | 12,849 | 12,994 | 13,279 |
| Departmental total | 13,102 | 12,882 | 13,211 | 13,353 | 13,638 |
| Total expenses for program 3 | 13,102 | 12,882 | 13,211 | 13,353 | 13,638 |
| Outcome 1 Totals by appropriation type | | | | | |
| Departmental expenses | | | | | |
| Departmental appropriation | 375 | 368 | 362 | 359 | 359 |
| Special accounts | 209,208 | 210,823 | 216,210 | 218,552 | 223,218 |
| Expenses not requiring appropriation in the Budget year (a) | 150 | 155 | 160 | 165 | 170 |
| Departmental total | 209,733 | 211,346 | 216,732 | 219,076 | 223,747 |
| Total expenses for Outcome 1 | 209,733 | 211,346 | 216,732 | 219,076 | 223,747 |
| Average staffing level (number) | | | | | |
| | 1,038 | 1,054 | | | |

(a) Expenses not requiring appropriation in the budget year are made up of audit fees.

Table 2.1.2: Program components of Outcome 1

IP Australia's programs are not broken down by components; therefore Table 2.1.2 is not presented.

Table 2.1.3: Performance criteria for Outcome 1

Table 2.1.3 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2018-19 Budget measures have created new programs or materially changed existing programs.

| | | |
|---|---|---|
| Outcome 1 – Increased innovation, investment and trade in Australia, and by Australians overseas, through the administration of the registrable intellectual property rights system, promoting public awareness and industry engagement, and advising government. | | |
| Program 1 – IP Rights Administration and Professional Registration This program contributes to the outcome by delivering robust intellectual property (IP) rights that satisfy IP Australia's customers in terms of timeliness and value for money, and by maintaining the Professional Registration of persons wishing to qualify for registration as Patents and/or Trade Marks Attorneys. IP Australia will be recognised as one of the leading IP offices in the world for the quality (including accuracy and consistency) of the IP rights it grants. | | |
| Delivery | IP Australia delivers Program 1 by: <ul style="list-style-type: none">• administering patent, trade mark, design and plant breeder's IP rights legislation• administering the Trans-Tasman IP Attorneys Board for Patent and Trade Marks Attorneys and the Patent Attorneys Disciplinary Tribunal• charging customers for the deliverables listed below and also under legislation for the retention of rights once granted (renewal fees). | |
| Performance information | | |
| Year | Performance criteria | Targets |
| 2017-18 | Timely processing of IP Rights applications (a). | All IP Rights applications are processed in line with the undertakings set out in the Customer Service Charter which is reviewed and set in consultation with stakeholders. |
| | Processing of IP Rights applications is conducted in accordance with IP Australia's quality standards (b). | All IP Rights applications are processed in accordance with the Acceptable Quality Levels and Standards which are reviewed and set in consultation with stakeholders. |
| 2018-19 | As per 2017-18 | As per 2017-18 |
| 2019-20 and beyond | As per 2017-18 | As per 2017-18 |
| Purposes (c) | Ensure Australians benefit from great ideas | |

(a) Target is being mostly achieved due to higher than anticipated filings.

(b) IP Australia is currently on track to achieve this performance target.

(c) Refers to updated purposes that will be reflected in the 2018-19 Corporate Plan.

| | | |
|---|---|---|
| Program 2 – Education and Awareness | | |
| This program contributes to the outcome by raising awareness and improving understanding of the value of and access to the domestic and international intellectual property system among its stakeholders in line with Australia's interests. | | |
| Delivery | IP Australia delivers Program 2 by: <ul style="list-style-type: none">delivering public education and awareness programs, which promote the importance of IP and provide Australians with the tools they require to make informed decisions regarding IP. | |
| Performance information | | |
| Year | Performance criteria | Targets |
| 2017-18 (a) | Customer satisfaction with IP Australia's education and awareness services. | 90% of customers were satisfied with IP Australia's education and awareness services. |
| 2018-19 | As per 2017-18 | As per 2017-18 |
| 2019-20 and beyond | As per 2017-18 | As per 2017-18 |
| Purposes (b) | Ensure Australians benefit from great ideas | |

(a) IP Australia is currently on track to achieve its 2017-18 performance target.

(b) Refers to updated purposes that will be reflected in the 2018-19 Corporate Plan.

| Program 3 – Advice to Government and International Engagement | | |
|--|---|--|
| This program contributes to the outcome by supporting policy and legislative change to foster Australian innovation by shaping the development of the IP system both domestically and abroad. IP Australia engages internationally to influence the development of effective intellectual property systems in line with Australia's interests. | | |
| Delivery | IP Australia delivers Program 3 by: <ul style="list-style-type: none">providing advice to government on intellectual property matters and supporting research into the current and future use of IP rights, and engaging with key international stakeholders and IP bodiesproviding policy advice across government and internationally to support policy and legislative objectivesproactively managing international engagement activities to support our customers and further Australia's interests and contribute to capacity building activities focused on our region to support the international engagement objective of this program. | |
| Performance information | | |
| Year | Performance criteria | Targets |
| 2017-18 (a) | Advice to the Australian Government on policy, legislation, ministerial correspondence, briefs and speeches. | Provision of high-quality, timely and strategic policy advice to the Minister. |
| | Work with regional IP partners to strengthen patent examination competence of participating IP Offices. | 90% of participating patent examiners achieve within the program timeline a standard of competence necessary to produce a quality search and examination using Patent Cooperation Treaty (PCT) examination guidelines. |
| 2018-19 | As per 2017-18 | As per 2017-18 |
| 2019-20 and beyond | As per 2017-18 | As per 2017-18 |
| Purposes (b) | Ensure Australians benefit from great ideas | |

(a) IP Australia is currently on track to achieve its 2017-18 performance target.

(b) Refers to updated purposes that will be reflected in the 2018-19 Corporate Plan.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2018-19 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

There are no material differences between the entity resources table and the financial statements.

3.1.2 Explanatory notes and analysis of budgeted financial statements

IP Australia is budgeting for an operating loss of \$5.0 million for 2018-19, which is \$1.0 million higher than the loss reported in the 2017-18 Portfolio Budget Statements. A further operating loss is projected in 2019-20 with a return to surplus forecast in 2020-21.

Budgeted Departmental Income Statement

Changes impacting the income statement since the 2017-18 Portfolio Budget Statements are summarised as follows:

- the estimate for revenue from goods and services for 2018-19 has increased by \$2.6 million, predominantly from an increase in sales volumes, with an average annual growth rate of less than three per cent forecast across forward estimate years
- revenue from government reflects funding arrangements for non-regulatory charging activities undertaken by IP Australia
- the estimated employee expense for 2018-19 has decreased by \$0.2 million
- the supplier expense forecast for 2018-19 has increased by \$4.2 million in line with the planned fit-out and upgrade of IP Australia's head office and the delivery of a number of major ICT projects
- estimated depreciation and amortisation expense for 2018-19 has decreased by \$0.4 million, with increases forecast over the forward year estimates period. This increase is the result of increased levels of capital investments in ICT systems, property, plant and equipment, and IP Australia's head office upgrade.

Budgeted Departmental Balance Sheet

Budget changes impacting on the balance sheet since the 2017-18 Portfolio Budget Statements are summarised as follows:

- the financial asset estimate for 2018-19 has decreased by \$12.4 million, reflecting the increase in capital expenditure forecast in 2017-18 and 2018-19
- the non-financial asset estimate for 2018-19 has increased to reflect the activity reported in Table 3.6 – Statement of asset movements, with future investment activity outlined in Table 3.5 – Departmental capital budget statement. The variation to the information presented in the 2017-18 Portfolio Budget Statements reflects the updated investment plan for IP Australia
- the other payables estimate represents the unearned income attributable to unexamined IP rights. This estimate has increased as a result of a growth in the patent stockpile.

Budgeted Departmental Statement of Cash Flows

The movements in the cash flows are consistent with movements in the income statement and the balance sheet.

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

| | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
|--|---------------------|----------------|----------------------|----------------------|----------------------|
| | Estimated actual | Budget | Forw ard estimate | Forw ard estimate | Forw ard estimate |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| EXPENSES | | | | | |
| Employee benefits | 126,880 | 132,830 | 135,461 | 139,560 | 143,736 |
| Suppliers | 64,916 | 61,146 | 63,523 | 60,372 | 58,260 |
| Depreciation and amortisation | 17,937 | 17,370 | 17,748 | 19,144 | 21,751 |
| Total expenses | 209,733 | 211,346 | 216,732 | 219,076 | 223,747 |
| LESS: | | | | | |
| OWN-SOURCE INCOME | | | | | |
| Own-source revenue | | | | | |
| Sale of goods and rendering of services | 204,308 | 205,823 | 211,210 | 219,552 | 224,218 |
| Total own-source revenue | 204,308 | 205,823 | 211,210 | 219,552 | 224,218 |
| Gains | | | | | |
| Other | 150 | 155 | 160 | 165 | 170 |
| Total gains | 150 | 155 | 160 | 165 | 170 |
| Total own-source income | 204,458 | 205,978 | 211,370 | 219,717 | 224,388 |
| Net (cost of)/contribution by services | (5,275) | (5,368) | (5,362) | 641 | 641 |
| Revenue from Government | 375 | 368 | 362 | 359 | 359 |
| Surplus/(deficit) attributable to the Australian Government | (4,900) | (5,000) | (5,000) | 1,000 | 1,000 |
| Total comprehensive income/(loss) | (4,900) | (5,000) | (5,000) | 1,000 | 1,000 |
| Total comprehensive income/(loss) attributable to the Australian Government | (4,900) | (5,000) | (5,000) | 1,000 | 1,000 |

Prepared on Australian Accounting Standards basis.

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

| | 2017-18 Estimated actual \$'000 | 2018-19 Budget \$'000 | 2019-20 Forw ard estimate \$'000 | 2020-21 Forw ard estimate \$'000 | 2021-22 Forw ard estimate \$'000 |
|--|--|-----------------------------|---|---|---|
| ASSETS | | | | | |
| Financial assets | | | | | |
| Cash and cash equivalents | 92,332 | 70,128 | 57,527 | 54,151 | 58,117 |
| Trade and other receivables | 2,337 | 2,243 | 2,322 | 2,265 | 2,224 |
| Total financial assets | 94,669 | 72,371 | 59,849 | 56,416 | 60,341 |
| Non-financial assets | | | | | |
| Land and buildings | 13,817 | 32,489 | 43,191 | 40,186 | 37,181 |
| Property, plant and equipment | 9,249 | 10,111 | 8,704 | 8,155 | 9,943 |
| Intangibles | 81,348 | 81,444 | 84,401 | 93,811 | 93,277 |
| Other non-financial assets | 5,290 | 4,983 | 5,177 | 4,920 | 4,748 |
| Total non-financial assets | 109,704 | 129,027 | 141,473 | 147,072 | 145,149 |
| Total assets | 204,373 | 201,398 | 201,322 | 203,488 | 205,490 |
| LIABILITIES | | | | | |
| Payables | | | | | |
| Suppliers | 17,465 | 18,967 | 21,532 | 22,493 | 23,332 |
| Other payables | 33,431 | 32,581 | 33,247 | 31,686 | 30,006 |
| Total payables | 50,896 | 51,548 | 54,779 | 54,179 | 53,338 |
| Provisions | | | | | |
| Employee provisions | 37,273 | 38,895 | 40,588 | 42,354 | 44,197 |
| Other provisions | 249 | - | - | - | - |
| Total provisions | 37,522 | 38,895 | 40,588 | 42,354 | 44,197 |
| Total liabilities | 88,418 | 90,443 | 95,367 | 96,533 | 97,535 |
| Net assets | 115,955 | 110,955 | 105,955 | 106,955 | 107,955 |
| EQUITY* | | | | | |
| Parent entity interest | | | | | |
| Contributed equity | 5,908 | 5,908 | 5,908 | 5,908 | 5,908 |
| Reserves | 8,757 | 8,757 | 8,757 | 8,757 | 8,757 |
| Retained surplus (accumulated deficit) | 101,290 | 96,290 | 91,290 | 92,290 | 93,290 |
| Total parent entity interest | 115,955 | 110,955 | 105,955 | 106,955 | 107,955 |
| Total equity | 115,955 | 110,955 | 105,955 | 106,955 | 107,955 |

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

Prepared on Australian Accounting Standards basis.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2018-19)

| | Retained earnings | Asset revaluation reserve | Contributed equity/ capital | Total equity |
|--|----------------------|---------------------------------|-----------------------------------|-----------------|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Opening balance as at 1 July 2018 | | | | |
| Balance carried forward from previous period | 101,290 | 8,757 | 5,908 | 115,955 |
| Adjusted opening balance | 101,290 | 8,757 | 5,908 | 115,955 |
| Comprehensive income | | | | |
| Surplus/(deficit) for the period | (5,000) | - | - | (5,000) |
| Total comprehensive income | (5,000) | - | - | (5,000) |
| of which: | | | | |
| Attributable to the Australian Government | (5,000) | - | - | (5,000) |
| Estimated closing balance as at 30 June 2019 | 96,290 | 8,757 | 5,908 | 110,955 |
| Closing balance attributable to the Australian Government | 96,290 | 8,757 | 5,908 | 110,955 |

Prepared on Australian Accounting Standards basis.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

| | 2017-18 Estimated actual \$'000 | 2018-19 Budget \$'000 | 2019-20 Forw ard estimate \$'000 | 2020-21 Forw ard estimate \$'000 | 2021-22 Forw ard estimate \$'000 |
|---|--|-----------------------------|---|---|---|
| OPERATING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Appropriations | 375 | 368 | 362 | 359 | 359 |
| Sale of goods and rendering of services | 205,382 | 204,859 | 211,241 | 217,792 | 222,309 |
| Net GST received | 55 | 99 | (62) | 83 | 55 |
| Total cash received | 205,812 | 205,326 | 211,541 | 218,234 | 222,723 |
| Cash used | | | | | |
| Employees | 125,799 | 130,474 | 132,525 | 136,996 | 141,053 |
| Suppliers | 62,807 | 60,098 | 61,659 | 59,656 | 57,746 |
| Total cash used | 188,606 | 190,572 | 194,184 | 196,652 | 198,799 |
| Net cash from/(used by) operating activities | 17,206 | 14,754 | 17,357 | 21,582 | 23,924 |
| INVESTING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Proceeds from sales of property, plant and equipment | 42 | 42 | 42 | 42 | 42 |
| Total cash received | 42 | 42 | 42 | 42 | 42 |
| Cash used | | | | | |
| Purchase of property, plant and equipment and intangibles | 27,000 | 37,000 | 30,000 | 25,000 | 20,000 |
| Total cash used | 27,000 | 37,000 | 30,000 | 25,000 | 20,000 |
| Net cash from/(used by) investing activities | (26,958) | (36,958) | (29,958) | (24,958) | (19,958) |
| FINANCING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Contributed equity | 300 | - | - | - | - |
| Total cash received | 300 | - | - | - | - |
| Net cash from/(used by) financing activities | 300 | - | - | - | - |
| Net increase/(decrease) in cash held | (9,452) | (22,204) | (12,601) | (3,376) | 3,966 |
| Cash and cash equivalents at the beginning of the reporting period | 101,784 | 92,332 | 70,128 | 57,527 | 54,151 |
| Cash and cash equivalents at the end of the reporting period | 92,332 | 70,128 | 57,527 | 54,151 | 58,117 |

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)

| | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
|--|---------------|---------------|---------------|---------------|---------------|
| | Estimated | Budget | Forw ard | Forw ard | Forw ard |
| | actual | | estimate | estimate | estimate |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| PURCHASE OF NON-FINANCIAL ASSETS | | | | | |
| Funded internally from departmental resources (a) | 27,000 | 37,000 | 30,000 | 25,000 | 20,000 |
| TOTAL | 27,000 | 37,000 | 30,000 | 25,000 | 20,000 |
| RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE | | | | | |
| Total purchases | 27,000 | 37,000 | 30,000 | 25,000 | 20,000 |
| Total cash used to acquire assets | 27,000 | 37,000 | 30,000 | 25,000 | 20,000 |

(a) Includes the following sources of funding:

- current Bill 1 and prior year Act 1/3/5 appropriations (excluding amounts from the DCB)
- own-source revenue
- proceeds from the sale of assets.

Prepared on Australian Accounting Standards basis.

Table 3.6: Statement of asset movements (Budget year 2018-19)

| | Buildings | Other property, plant and equipment | Computer software and intangibles | L&B, IP&E held for sale | Total |
|---|----------------|--|---|-------------------------------|-----------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| As at 1 July 2018 | | | | | |
| Gross book value | 16,087 | 13,696 | 170,170 | 917 | 200,870 |
| Accumulated depreciation/ amortisation and impairment | (2,270) | (4,447) | (88,822) | (917) | (96,456) |
| Opening net book balance | 13,817 | 9,249 | 81,348 | - | 104,414 |
| Capital asset additions | | | | | |
| Estimated expenditure on new or replacement assets | | | | | |
| By purchase - other | 20,300 | 4,712 | 11,988 | - | 37,000 |
| Total additions | 20,300 | 4,712 | 11,988 | - | 37,000 |
| Other movements | | | | | |
| Depreciation/amortisation expense | (1,628) | (3,850) | (11,892) | - | (17,370) |
| Total other movements | (1,628) | (3,850) | (11,892) | - | (17,370) |
| As at 30 June 2019 | | | | | |
| Gross book value | 36,387 | 18,408 | 182,158 | 917 | 237,870 |
| Accumulated depreciation/ amortisation and impairment | (3,898) | (8,297) | (100,714) | (917) | (113,826) |
| Closing net book balance | 32,489 | 10,111 | 81,444 | - | 124,044 |

Prepared on Australian Accounting Standards basis.

Table 3.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

IP Australia has no budgeted income and expenses administered on behalf of government; therefore Table 3.7 is not presented.

Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

IP Australia has no budgeted assets and liabilities administered on behalf of government; therefore Table 3.8 is not presented.

Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

IP Australia has no budgeted administered cash flows on behalf of government; therefore Table 3.9 is not presented.

Table 3.10: Administered capital budget statement (for the period ended 30 June)

IP Australia has no budgeted administered capital; therefore Table 3.10 is not presented.

Table 3.11: Statement of administered asset movements (Budget year 2018-19)

IP Australia has no administered asset movements; therefore Table 3.11 is not presented.

NATIONAL OFFSHORE PETROLEUM SAFETY AND ENVIRONMENTAL MANAGEMENT AUTHORITY

ENTITY RESOURCES AND PLANNED PERFORMANCE

NATIONAL OFFSHORE PETROLEUM SAFETY AND ENVIRONMENTAL MANAGEMENT AUTHORITY

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NATIONAL OFFSHORE PETROLEUM SAFETY AND ENVIRONMENTAL MANAGEMENT AUTHORITY

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) was established as an independent statutory authority under the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (OPGGs Act) and as a corporate Commonwealth entity under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). It operates on a cost recovery basis through levies and fees. NOPSEMA is an expertise-based regulator of occupational health and safety (OHS), well integrity and environmental management for all offshore petroleum operations in Commonwealth waters. Commonwealth waters comprise those areas beyond three nautical miles from the territorial sea baseline¹. NOPSEMA regulates petroleum operations in coastal waters only where a state or territory has conferred regulatory powers and functions on NOPSEMA². NOPSEMA fulfils its regulatory role through delivery of its core functions: assessment, inspection, investigation, and enforcement.

The past two years have been characterised by cost cuts and downsizing in the industry, as firms actively work to adapt to new market conditions. Internationally, this has resulted in high-risk profiles and declining health, safety and environmental performance. In the next couple of years, various global-scale, including many world-first, projects in Australia are approaching commissioning. Other projects are entering the later stages of the asset lifecycle and some assets are being transferred to operators completely new to the jurisdiction. Each of these changes introduces new risks and new challenges. NOPSEMA is ensuring it is well placed to meet these new risks and challenges by taking a proactive approach to working with key stakeholders and ensuring it has access to leading regulatory practice by working with other regulators through the International Regulators' Forum and International Offshore Petroleum Environment Regulators group.

NOPSEMA will also continue to focus on its core functions to promote improvement in industry performance and to secure duty holder compliance. In particular, NOPSEMA's key priorities will include:

¹ Note: The territorial sea baseline varies depending upon the shape of the coastline in any given locality. See <http://www.ga.gov.au/scientific-topics/marine/jurisdiction/maritime-boundary-definitions> for a comprehensive description and maps.

² Currently, only Victoria has conferred powers and functions for the regulation of health and safety and well integrity to NOPSEMA

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- providing expert, consistent, and independent regulatory decisions in accordance with the legislation
- communicating information and regulatory perspectives to stakeholders to drive forward improvements in industry performance while maintaining safety and environmental safeguards in the face of lower oil and gas prices
- further developing effective working relationships with stakeholders to aid understanding of relevant regulatory requirements
- progressing transparency and stakeholder engagement initiatives with a view to enhancing the community's level of trust in NOPSEMA as a robust, fair, and transparent regulator
- providing a basis for conferral of powers and functions for coastal waters from states/territories and further regulatory streamlining opportunities within Commonwealth waters
- working with industry and other stakeholders to reduce the regulatory burden and unnecessary compliance costs
- collaborating with international regulatory counterparts on joint program initiatives and information sharing.

NOPSEMA will continue to pursue improvements in its operations following its most recent independent statutory review in 2015. The review found that NOPSEMA was an effective regulator that had made positive contributions to improving safety and well integrity, and managing Australia's offshore environment. Some areas for improvement were also identified.

NOPSEMA's Corporate Plan 2016-21 provides further details on the direction for the organisation. The corporate plan is prepared under the OPGGS Act and in compliance with the PGPA Act. It can be accessed at www.nopsema.gov.au, together with information about the history of NOPSEMA.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to NOPSEMA for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the entity's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome 1' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: NOPSEMA resource statement — Budget estimates for 2018-19 as at Budget May 2018

| | 2017-18 Estimated actual \$'000 | 2018-19 Estimate \$'000 |
|--|--|-------------------------------|
| Opening balance/cash reserves at 1 July | 12,338 | 11,749 |
| Funds from Government | | |
| Amounts received from related entities | | |
| Amounts from portfolio department (a) | 31,644 | 34,693 |
| Total amounts received from related entities | 31,644 | 34,693 |
| Total funds from Government | 31,644 | 34,693 |
| Funds from other sources | | |
| Interest | 100 | 150 |
| Total funds from other sources | 100 | 150 |
| Total net resourcing for NOPSEMA | 44,082 | 46,592 |
| | | |
| | 2017-18 | 2018-19 |
| Average staffing level (number) | 105 | 135 |

Prepared on a resourcing (i.e. appropriations available) basis.

Please note: All figures shown above are GST exclusive - these may not match figures in the cash flow statement.

(a) NOPSEMA became a corporate Commonwealth entity on 1 July 2014 and receives its funding through a special appropriation which is administered through the Department of Industry, Innovation and Science. This funding is equal in value to the levies NOPSEMA collects from the oil and gas industries.

1.3 BUDGET MEASURES

There are no Budget measures relating to NOPSEMA detailed in Budget Paper No. 2; therefore Table 1.2 is not presented.

Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide an entity's complete performance story.

The most recent corporate plan and annual performance statement for NOPSEMA can be found at: www.nopsema.gov.au/about/people-planning-and-performance.

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Promote and enforce the effective management of risks to the workforce, the environment and the structural integrity of facilities, wells and well-related equipment of the Australian offshore petroleum and greenhouse gas storage industries through regulatory oversight.

Linked programs

| |
|---|
| Department of Industry, Innovation and Science |
| Programs <ul style="list-style-type: none">• Program 2 - Growing Business Investment and Improving Business Capability• Program 3 - Program Support |
| Contribution to Outcome 1 made by linked programs <p>The Department of Industry, Innovation and Science contributes to Outcome 1 through its policies and program relating to the management and administration of the <i>Offshore Petroleum and Greenhouse Gas Storage Act 2006</i> and associated regulations.</p> |

Budgeted expenses for Outcome 1

This table shows how much NOPSEMA intends to spend (on an accrual basis) on achieving the outcome, broken down by program.

Table 2.1.1: Budgeted expenses for Outcome 1

| Outcome 1: Promote and enforce the effective management of risks of the workforce, the environment and the structural integrity of facilities, wells and well-related equipment of the Australian offshore petroleum and greenhouse gas storage industries through regulatory oversight. | | | | | |
|---|--|-----------------------------|--|--|--|
| | 2017-18 Estimated actual \$'000 | 2018-19 Budget \$'000 | 2019-20 Forward estimate \$'000 | 2020-21 Forward estimate \$'000 | 2021-22 Forward estimate \$'000 |
| Program 1: Regulatory oversight of Safety Cases, Well Operations Management Plans and Environment Plans coupled with effective monitoring, investigation and enforcement | | | | | |
| Revenue from Government | | | | | |
| Payment from related entities | 31,644 | 34,693 | 37,675 | 37,675 | 37,675 |
| Expenses not requiring appropriation in the budget year (a) | 629 | - | - | - | - |
| Revenues from other independent sources | 100 | 150 | 150 | 150 | 150 |
| Total expenses for Program 1.1 | 32,373 | 34,843 | 37,825 | 37,825 | 37,825 |
| Outcome 1 totals by resource type | | | | | |
| Revenue from Government | | | | | |
| Payment from related entities | 31,644 | 34,693 | 37,675 | 37,675 | 37,675 |
| Expenses not requiring appropriation in the budget year (a) | 629 | - | - | - | - |
| Revenues from other independent sources | 100 | 150 | 150 | 150 | 150 |
| Total expenses for Outcome 1 | 32,373 | 34,843 | 37,825 | 37,825 | 37,825 |
| Average staffing level (number) | | | | | |
| | 2017-18 105 | 2018-19 135 | | | |

(a) Expenses not requiring appropriation in the budget year consist of approved operating loss.

Table 2.1.2: Program components of Outcome 1

NOPSEMA's program is not broken down by components; therefore Table 2.1.2 is not presented.

Table 2.1.3: Performance criteria for Outcome 1

Table 2.1.3 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2018-19 Budget measures have created new programs or materially changed existing programs.

| | | |
|--|---|----------------|
| Outcome 1 – Promote and enforce the effective management of risks to the workforce, the environment and the structural integrity of facilities, wells and well-related equipment of the Australian offshore petroleum and greenhouse gas storage industries through regulatory oversight. | | |
| Program 1 – Regulatory oversight of Safety Cases, Well Operations Management Plans and Environment Plans coupled with effective monitoring, investigation and enforcement. | | |
| This program contributes to the outcome by fulfilling NOPSEMA’s legislated functions, including assessment, inspection, enforcement, promotion and advisory activities, with its target group being duty holders in the offshore petroleum industry. | | |
| Delivery | NOPSEMA delivers Program 1 by: <ul style="list-style-type: none">• implementing risk-based assessment procedures for all legislated submissions• implementing risk-based inspection programs for all offshore petroleum activities• taking proportionate enforcement actions that facilitate duty holder return to compliance• undertaking investigations in response to potential and reported non-compliances. | |
| Performance information | | |
| Year | Performance criteria | Targets |
| 2017-18 (a) | Assessments are undertaken in line with risk-based elements as per NOPSEMA policies. | 92% |
| | Risk-based inspections are conducted to meet policy targets. | 90% |
| | Enforcement actions are undertaken in accordance with the Enforcement Management Model (EMM). | 100% |
| | Incidents are investigated in accordance with NOPSEMA policies. | 100% |
| 2018-19 | As per 2017-18 | As per 2017-18 |
| 2019-20 and beyond | As per 2017-18 | As per 2017-18 |
| Purposes | To independently and professionally regulate offshore safety, integrity and environmental management. | |

(a) NOPSEMA is currently on track to achieve its 2017-18 performance targets.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2018-19 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

There are no material differences between the entity resources table and the financial statements.

3.1.2 Explanatory notes and analysis of budgeted financial statements

NOPSEMA's revenues are regulated under the OPGGS Act and associated legislation and regulations. The mechanism for determining levies is the Australian Government Charging Framework. This builds upon the existing Australian Government Cost Recovery Guidelines, which require the preparation and review of a Cost Recovery Implementation Statement (CRIS).

Levies are collected from duty holders planning for and undertaking offshore petroleum and greenhouse gas storage operations. These levies allow NOPSEMA to recover its expenditure related to discharging its regulatory responsibilities effectively and achieving the outcome stated in Section 2.1. The CRIS is maintained to reflect changes to the cost recovery model and is updated regularly with financial and non-financial performance information.

The budgeted revenue of \$34.8 million for 2018-19 has decreased by \$3.0 million since the 2017-18 Portfolio Budget Statements were prepared. The international commodity price for oil and gas has remained low during this period and continues to influence industry activity, resulting in lower activity than in previous years.

Budgeted expenditure of \$34.8 million for 2018-19 has decreased by \$3.0 million since the 2017-18 Portfolio Budget Statements were prepared. This has resulted from NOPSEMA continuing its cost efficiency measures in the light of the low commodity price and reduced industry activity.

NOPSEMA presents a yearly report to stakeholders on the cost effectiveness of its operations, in accordance with the legislation contained within the *Offshore Petroleum and Greenhouse Gas Storage (Regulatory Levies) Regulations 2004*.

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

| | 2017-18 Estimated actual \$'000 | 2018-19 Budget \$'000 | 2019-20 Forw ard estimate \$'000 | 2020-21 Forw ard estimate \$'000 | 2021-22 Forw ard estimate \$'000 |
|--|--|-----------------------------|---|---|---|
| EXPENSES | | | | | |
| Employee benefits | 25,342 | 27,291 | 29,297 | 29,297 | 29,297 |
| Suppliers | 6,257 | 6,532 | 7,508 | 7,508 | 7,528 |
| Depreciation and amortisation | 774 | 1,020 | 1,020 | 1,020 | 1,000 |
| Total expenses | 32,373 | 34,843 | 37,825 | 37,825 | 37,825 |
| LESS: | | | | | |
| OWN-SOURCE INCOME | | | | | |
| Own-source revenue | | | | | |
| Interest | 100 | 150 | 150 | 150 | 150 |
| Total own-source revenue | 100 | 150 | 150 | 150 | 150 |
| Total own-source income | 100 | 150 | 150 | 150 | 150 |
| Net (cost of)/contribution by services | (32,273) | (34,693) | (37,675) | (37,675) | (37,675) |
| Revenue from Government (a) | 31,644 | 34,693 | 37,675 | 37,675 | 37,675 |
| Surplus/(deficit) attributable to the Australian Government | (629) | - | - | - | - |
| Total comprehensive income/(loss) | (629) | - | - | - | - |
| Total comprehensive income/(loss) attributable to the Australian Government | (629) | - | - | - | - |

(a) NOPSEMA became a corporate Commonwealth entity on 1 July 2014 and receives its funding through a special appropriation which is administered through the Department of Industry, Innovation and Science. This funding is equal in value to the levies NOPSEMA collects from the oil and gas industries. Prepared on Australian Accounting Standards basis.

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

| | 2017-18 Estimated actual \$'000 | 2018-19 Budget \$'000 | 2019-20 Forward estimate \$'000 | 2020-21 Forward estimate \$'000 | 2021-22 Forward estimate \$'000 |
|---|--|-----------------------------|--|--|--|
| ASSETS | | | | | |
| Financial assets | | | | | |
| Cash and cash equivalents | 11,749 | 11,768 | 11,787 | 11,766 | 11,766 |
| Trade and other receivables | 5,639 | 5,639 | 5,639 | 5,639 | 5,639 |
| Other financial assets | 3,119 | 3,119 | 3,119 | 3,119 | 3,119 |
| Total financial assets | 20,507 | 20,526 | 20,545 | 20,524 | 20,524 |
| Non-financial assets | | | | | |
| Property, plant and equipment | 2,353 | 2,253 | 2,253 | 2,253 | 2,253 |
| Intangibles | 108 | 188 | 168 | 168 | 168 |
| Other non-financial assets | 385 | 385 | 385 | 385 | 385 |
| Total non-financial assets | 2,846 | 2,826 | 2,806 | 2,806 | 2,806 |
| Total assets | 23,353 | 23,352 | 23,351 | 23,330 | 23,330 |
| LIABILITIES | | | | | |
| Payables | | | | | |
| Suppliers | 176 | 176 | 176 | 176 | 176 |
| Other payables | 677 | 676 | 675 | 675 | 675 |
| Total payables | 853 | 852 | 851 | 851 | 851 |
| Interest bearing liabilities | | | | | |
| Leases | 2,054 | 2,054 | 2,054 | 2,054 | 2,054 |
| Total interest bearing liabilities | 2,054 | 2,054 | 2,054 | 2,054 | 2,054 |
| Provisions | | | | | |
| Employee provisions | 4,893 | 4,893 | 4,893 | 4,893 | 4,893 |
| Other provisions | 487 | 487 | 487 | 487 | 487 |
| Total provisions | 5,380 | 5,380 | 5,380 | 5,380 | 5,380 |
| Total liabilities | 8,287 | 8,286 | 8,285 | 8,285 | 8,285 |
| Net assets | 15,066 | 15,066 | 15,066 | 15,045 | 15,045 |
| EQUITY* | | | | | |
| Parent entity interest | | | | | |
| Contributed equity | 896 | 896 | 896 | 896 | 896 |
| Retained surplus (accumulated deficit) | 14,170 | 14,170 | 14,170 | 14,149 | 14,149 |
| Total parent entity interest | 15,066 | 15,066 | 15,066 | 15,045 | 15,045 |
| Total equity | 15,066 | 15,066 | 15,066 | 15,045 | 15,045 |

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

Prepared on Australian Accounting Standards basis.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2018-19)

| | Retained earnings | Contributed equity/ capital | Total equity |
|--|----------------------|-----------------------------------|-----------------|
| | \$'000 | \$'000 | \$'000 |
| Opening balance as at 1 July 2018 | | | |
| Balance carried forward from previous period | 14,170 | 896 | 15,066 |
| Adjusted opening balance | 14,170 | 896 | 15,066 |
| Estimated closing balance as at 30 June 2019 | 14,170 | 896 | 15,066 |
| Closing balance attributable to the Australian Government | 14,170 | 896 | 15,066 |

Prepared on Australian Accounting Standards basis.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

| | 2017-18 Estimated actual \$'000 | 2018-19 Budget \$'000 | 2019-20 Forw ard estimate \$'000 | 2020-21 Forw ard estimate \$'000 | 2021-22 Forw ard estimate \$'000 |
|---|--|-----------------------------|---|---|---|
| OPERATING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Receipts from Government | 31,644 | 34,693 | 37,675 | 37,675 | 37,675 |
| Interest | 100 | 150 | 150 | 150 | 150 |
| Total cash received | 31,744 | 34,843 | 37,825 | 37,825 | 37,825 |
| Cash used | | | | | |
| Employees | 25,343 | 27,292 | 29,298 | 29,297 | 29,297 |
| Suppliers | 5,990 | 6,532 | 7,508 | 7,549 | 7,528 |
| Total cash used | 31,333 | 33,824 | 36,806 | 36,846 | 36,825 |
| Net cash from/(used by) operating activities | 411 | 1,019 | 1,019 | 979 | 1,000 |
| INVESTING ACTIVITIES | | | | | |
| Cash used | | | | | |
| Purchase of property, plant and equipment and intangibles | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| Total cash used | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| Net cash from/(used by) investing activities | (1,000) | (1,000) | (1,000) | (1,000) | (1,000) |
| FINANCING ACTIVITIES | | | | | |
| Net increase/(decrease) in cash held | (589) | 19 | 19 | (21) | - |
| Cash and cash equivalents at the beginning of the reporting period | 12,338 | 11,749 | 11,768 | 11,787 | 11,766 |
| Cash and cash equivalents at the end of the reporting period | 11,749 | 11,768 | 11,787 | 11,766 | 11,766 |

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)

| | 2017-18 Estimated actual \$'000 | 2018-19 Budget \$'000 | 2019-20 Forw ard estimate \$'000 | 2020-21 Forw ard estimate \$'000 | 2021-22 Forw ard estimate \$'000 |
|--|--|-----------------------------|---|---|---|
| PURCHASE OF NON-FINANCIAL ASSETS | | | | | |
| Funded internally from departmental resources (a) | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| TOTAL | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE | | | | | |
| Total purchases | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| Total cash used to acquire assets | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |

(a) Includes the following sources of funding:

- current Bill 1 and prior year Act 1/3/5 appropriations (excluding amounts from the DCB)
- donations and contributions
- gifts
- internally developed assets
- s 74 Retained revenue receipts
- proceeds from the sale of assets.

Prepared on Australian Accounting Standards basis.

Table 3.6: Statement of departmental asset movements (Budget year 2018-19)

| | Other property, plant and equipment \$'000 | Computer software and intangibles \$'000 | Total \$'000 |
|--|--|---|-----------------|
| As at 1 July 2018 | | | |
| Gross book value | 7,202 | 6,634 | 13,836 |
| Accumulated depreciation/ amortisation and impairment | (4,849) | (6,526) | (11,375) |
| Opening net book balance | 2,353 | 108 | 2,461 |
| Capital asset additions | | | |
| By purchase - other | 500 | 500 | 1,000 |
| Total additions | 500 | 500 | 1,000 |
| Other movements | | | |
| Depreciation/amortisation expense | (600) | (420) | (1,020) |
| Total other movements | (600) | (420) | (1,020) |
| As at 30 June 2019 | | | |
| Gross book value | 7,702 | 7,134 | 14,836 |
| Accumulated depreciation/ amortisation and impairment | (5,449) | (6,946) | (12,395) |
| Closing net book balance | 2,253 | 188 | 2,441 |

Prepared on Australian Accounting Standards basis.

Table 3.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

NOPSEMA has no budgeted income and expense administered on behalf of government; therefore Table 3.7 is not presented.

Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

NOPSEMA has no budgeted assets and liabilities administered on behalf of government; therefore Table 3.8 is not presented.

Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

NOPSEMA has no budgeted administered cash flows on behalf of government; therefore Table 3.9 is not presented.

Table 3.10: Administered capital budget statement (for the period ended 30 June)

NOPSEMA has no budgeted administered capital; therefore Table 3.10 is not presented.

Table 3.11: Statement of administered asset movements (Budget year 2018-19)

NOPSEMA has no administered asset movements; therefore Table 3.11 is not presented.

NORTHERN AUSTRALIA INFRASTRUCTURE FACILITY

ENTITY RESOURCES AND PLANNED PERFORMANCE

NORTHERN AUSTRALIA INFRASTRUCTURE FACILITY

| | |
|--|------------|
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NORTHERN AUSTRALIA INFRASTRUCTURE FACILITY

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Northern Australia Infrastructure Facility (NAIF) was established on 1 July 2016 as a corporate Commonwealth entity under the *Northern Australia Infrastructure Facility Act 2016* (NAIF Act). A commercially focused independent board oversees NAIF and is responsible for making investment decisions to provide financial assistance by way of loans or alternative financing mechanisms to the Queensland, Western Australia and the Northern Territory Governments to on-lend. The assistance is for the purpose of financing the development or material enhancement of infrastructure in these jurisdictions that contributes to the generation of growth in the economies and population of northern Australia. Through the *Northern Australia Infrastructure Facility Investment Mandate Direction 2018* announced on 18 April 2018, the Minister for Resources and Northern Australia, Senator the Hon Matthew Canavan issued an updated direction to NAIF, which enhanced its functions.

The infrastructure that NAIF is able to provide financial assistance for is defined broadly and includes assets that facilitate the establishment or enhancement of business activity or increase economic activity in a region. This includes ports, airports, marinas, rail, roads, communications networks, power generation or distribution, pipelines and water irrigation systems. NAIF can also provide assistance for social infrastructure (such as hospitals, schools, training facilities and associated accommodation) and moveable assets (including food or mineral processing plants or transshipment vessels). NAIF is not able to invest in equity or feasibility studies. NAIF projects must be of public benefit (producing benefits to the broader economy and community beyond the benefit to the project proponent) and any concessions offered will have regard to the extent of this public benefit.

NAIF is able to provide all debt funding for a project provided there is appropriate risk sharing. However, when determining which projects to fund, NAIF considers the potential of the investment to encourage private sector participation in financing the project. In contrast to private sector lending, NAIF's financing can be concessional, including longer loan periods, or deferral of when interest and principal are payable or security subordination. NAIF is only able to offer the minimum concessions necessary for the project to proceed. NAIF moneys are not grant funds and in all cases the loan must be able to be repaid or refinanced. NAIF will be prepared to accept a higher level of risk than commercial lenders, particularly where the risk relates to factors that are unique to investing in northern Australia, including distance, remoteness and climate. It may use that risk appetite to support project sponsors, proponents, producers and

NAIF Budget Statements

others in taking risks (for example, moving onto new supply chains and then into new offshore markets).

NAIF requires each proponent to provide an Indigenous participation, procurement and employment strategy that reflects the needs of the Indigenous population in the region of the proposed project.

NAIF is an initiative of the Australian Government's *Our North, Our Future: White Paper on Developing Northern Australia*. Policy responsibility for NAIF rests with the Department of Industry, Innovation and Science.

More information about NAIF, including its Investment Mandate, is available at www.naif.gov.au.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to NAIF for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the entity's operations) classification.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome 1' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: NAIF resource statement — Budget estimates for 2018-19 as at Budget May 2018

| | 2017-18 Estimated actual \$'000 | 2018-19 Estimate \$'000 |
|--|--|-------------------------------|
| Opening balance/cash reserves at 1 July (a) | 3,946 | 2,120 |
| Funds from Government | | |
| Annual appropriations - ordinary annual services (b) | | |
| Outcome 1 | 8,504 | 9,505 |
| Total annual appropriations | 8,504 | 9,505 |
| Total funds from Government | 8,504 | 9,505 |
| Funds from other sources | | |
| Interest | 37 | 30 |
| Total funds from other sources | 37 | 30 |
| Total net resourcing for Entity NAIF | 12,487 | 11,655 |
| Average staffing level (number) | 2017-18 1(b) | 2018-19 1(b) |

Prepared on a resourcing (i.e. appropriations available) basis.

Please note: All figures shown above are GST exclusive - these may not match figures in the cash flow statement.

(a) Appropriation Bill (No. 1) 2018-19. The \$5 billion in special appropriation identified in section 41 of the NAIF Act, for the purposes of NAIF loans is reported in the Department of Industry, Innovation and Science accounts. The Department of Industry, Innovation and Science is administering loan payments on behalf of NAIF.

(b) The ASL estimate represents the Chief Executive Officer of the NAIF. Total staffing for the NAIF is 19.7 full time equivalents as at Budget 2018. The additional staff supporting the NAIF include specialist staff engaged under contract as well as staff from the Export Finance and Insurance Corporation, in their capacity as NAIF's service provider. Refer to Section 3.1.2 for further information.

NAIF is not directly appropriated as it is a corporate Commonwealth entity. Appropriations are made to the Department of Industry, Innovation and Science, which are then paid to NAIF and are considered departmental for all purposes.

1.3 BUDGET MEASURES

There are no Budget measures relating to NAIF detailed in Budget Paper No 2; therefore Table 1.2 is not presented.

Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide an entity's complete performance story.

The most recent Corporate Plan for NAIF can be found at: www.naif.gov.au.

The most recent annual performance statement can be found at www.naif.gov.au.

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Enable economic growth in northern Australia, by facilitating private sector investment in economic infrastructure through the provision of concessional financing delivered through the state and territory governments.

Linked programs

| |
|---|
| Department of Industry, Innovation and Science |
| Programs <ul style="list-style-type: none"> • Program 2 – Growing Business Investment and Improving Business Capability |
| Contribution to Outcome 1 made by linked programs The Department of Industry, Innovation and Science contributes through its policies to increase economic growth and investment in northern Australia. The Department of Industry, Innovation and Science has policy responsibility for NAIF. |
| Austrade |
| Programs <ul style="list-style-type: none"> • Program 1.1 - Promotion of Australia's export and other international economic interests • Program 1.2 - Programs to promote Australia's export and other international economic interests |
| Contribution to Outcome 1 made by linked programs Austrade contributes to Outcome 1 through its programs to promote Australian export, inwards investment attraction and other international economic interests aligned with infrastructure investment in northern Australia. |
| Infrastructure Australia |
| Programs <ul style="list-style-type: none"> • Program 1.1 – Infrastructure Australia |
| Contribution to Outcome 1 made by linked programs Infrastructure Australia contributes to Outcome 1 through advice on matters relating to infrastructure and cost benefit analysis. NAIF must consult Infrastructure Australia where NAIF's Investment Decision is for an amount more than \$100 million. |

| |
|---|
| Department of the Prime Minister and Cabinet |
| Programs <ul style="list-style-type: none"> • Program 2.1 - Jobs, Land and Economy • Program 2.3 - Safety and Wellbeing • Program 2.4 - Culture and Capability • Program 2.5 - Remote Australia Strategies |
| Contribution to Outcome 1 made by linked programs <p>The Department of the Prime Minister and Cabinet contributes to Outcome 1 through engagement with Indigenous-led proponents or those partnering with Indigenous communities on projects related to areas like social infrastructure, eco-tourism, agriculture and horticulture, resources and innovative energy solutions for remote communities.</p> <p>Furthermore, all NAIF finance recipients must develop strategies for Indigenous participation, procurement and employment that reflect the needs of the Indigenous population in the region of the project.</p> |
| Department of Agriculture and Water Resources |
| Programs <ul style="list-style-type: none"> • Program 3.1 - Water Reform |
| Contribution to Outcome 1 made by linked programs <p>The Department of Agriculture and Water Resources contributes to Outcome 1 through its policies and programs to enhance northern Australia's water security and agricultural productivity, including through synergies with the National Water Infrastructure Development Fund with NAIF.</p> |

Budgeted expenses for Outcome 1

This table shows how much NAIF intends to spend (on an accrual basis) on achieving the outcome, broken down by program.

Table 2.1.1: Budgeted expenses for Outcome 1

| Outcome 1: Enable economic growth in northern Australia, by facilitating private sector investment in economic infrastructure through the provision of concessional financing delivered through the state and territory governments. | | | | | |
|---|--|-----------------------------|--|--|--|
| | 2017-18 Estimated actual \$'000 | 2018-19 Budget \$'000 | 2019-20 Forward estimate \$'000 | 2020-21 Forward estimate \$'000 | 2021-22 Forward estimate \$'000 |
| Program 1: Northern Australia Infrastructure Facility | | | | | |
| Revenue from Government | | | | | |
| Ordinary annual services (Appropriation Bill No. 1) | 8,504 | 9,505 | 10,350 | 10,897 | 4,433 |
| Expenses not requiring appropriation in the budget year | 2,398 | - | - | - | - |
| Revenues from other independent sources | 37 | 30 | 20 | 10 | - |
| Total expenses for Program 1.1 | 10,939 | 9,535 | 10,370 | 10,907 | 4,433 |
| Outcome 1 totals by resource type | | | | | |
| Revenue from Government | | | | | |
| Ordinary annual services (Appropriation Bill No. 1) | 8,504 | 9,505 | 10,350 | 10,897 | 4,433 |
| Expenses not requiring appropriation in the budget year | 2,398 | - | - | - | - |
| Revenues from other independent sources | 37 | 30 | 20 | 10 | - |
| Total expenses for Outcome 1 | 10,939 | 9,535 | 10,370 | 10,907 | 4,433 |

| | 2017-18 | 2018-19 |
|--|-------------|-------------|
| Average staffing level (number) | 1(a) | 1(a) |

(a) The ASL estimate represents the Chief Executive Officer of the NAIF. Total staffing for the NAIF is 19.7 full time equivalents as at Budget May 2018. The additional staff supporting the NAIF include specialist staff engaged under contract as well as staff from the Export Finance and Insurance Corporation, in their capacity as NAIF's service provider. Refer to Section 3.1.2 for further information.

Table 2.1.2: Program components for Outcome 1

NAIF's program is not broken down by components; therefore Table 2.1.2 is not presented.

Table 2.1.3: Performance criteria for Outcome 1

Table 2.1.3 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2018-19 Budget measures have created new programs or materially changed existing programs.

| Outcome 1 - Enable economic growth in northern Australia, by facilitating private sector investment in economic infrastructure through the provision of concessional financing delivered through the state and territory governments. | | |
|---|---|--|
| Program 1 – Northern Australia Infrastructure Facility | | |
| This program contributes to the outcome by encouraging private sector investment in infrastructure that benefits northern Australia. | | |
| Delivery | NAIF delivers Program 1 by: <ul style="list-style-type: none">providing concessional financial assistance to state and territory governments in Queensland, Western Australia and the Northern Territory to on-lend in their jurisdictions for the benefit of their jurisdictions, for the construction of infrastructure to enable long term economic and population growth to benefit northern Australia. | |
| Performance information | | |
| Year | Performance criteria | Targets |
| 2017-18 (a) | Generate public benefit | Public benefit demonstrated on all investments |
| | Indigenous engagement | Indigenous engagement strategy for all investments |
| | Investments in infrastructure projects in northern Australia (b) | 3 to 5 transactions, with new investments by NAIF of between \$300 million and \$1 billion and total capital value of projects supported between \$750 million and \$2.5 billion |
| | Effective risk management | Independent annual audit confirms compliance with Risk Appetite Statement |
| | Encourage private sector contribution to financing projects | Greater than 50 percent of projects supported have private sector financing |
| | Raise awareness of NAIF value through dissemination of information to industry stakeholders | Significant communication and stakeholder engagement activity, including direct engagement and targeted participation in northern Australia and industry events NAIF website is easy to navigate for stakeholders |
| | Building diverse pipeline of potential infrastructure projects | Demonstrate industry and geographic spread of potential projects in the pipeline |
| | Achieving sound financial performance | Operating expenses per annum are within annual budget NAIF transaction revenue is greater than operating |

NAIF Budget Statements

| | | |
|--------------------|---|---|
| | | expenditure and Commonwealth cost of borrowing over a four-year horizon, as reflected in the Department of Industry, Innovation and Science accounts. |
| 2018-19 | To be updated in the NAIF 2018-19 Corporate Plan in response to the updated NAIF Investment Mandate announced in April 2018. | To be updated in the NAIF 2018-19 Corporate Plan in response to the updated NAIF Investment Mandate announced in April 2018. |
| 2019-20 and beyond | As per 2018-19 Under s8(1) of the NAIF Act, the NAIF Board must not make a decision after 30 June 2021 to provide financial assistance. Metrics for the 2022-23 financial year and beyond will be outlined in the 2018-19 Corporate Plan. | As per 2018-19 Under s8(1) NAIF Act, the NAIF Board must not make a decision after 30 June 2021 to provide financial assistance. Metrics for the 2022-23 financial year and beyond will be outlined in the 2018-19 Corporate Plan. |
| Purposes | NAIF's primary purpose is to contribute to the transformation of northern Australia by financing infrastructure development that generates: <ul style="list-style-type: none"> • public benefit outside of what is captured and retained by the project proponent • longer-term growth in the population and economy of northern Australia • greater private sector participation in the financing of northern Australia's infrastructure needs • sustainable Indigenous participation, procurement and employment. | |

(a) NAIF is currently broadly on track to achieve its 2017-18 performance targets.

(b) The NAIF Board is responsible for making Investment Decisions, being decisions by the Board to offer, or not to offer, a Financing Mechanism. As at Budget 2018 there is strong potential by 30 June 2018 for the NAIF Board to make Investment Decisions on 3 to 5 transactions, and for at least 3 transactions to reach signing (i.e. contractual close). At this stage it is difficult to determine what the dollar value of NAIF new investments and total capital value of projects will be as there are a range of possible outcomes. NAIF will have progressed its approvals to the most advanced stage that NAIF can, in line with proponents' commercial timeframes.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2017-18 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

There are no material differences between the entity resources table and the financial statements.

3.1.2 Explanatory notes and analysis of budgeted financial statements

The income statement shows the estimated net cost of services for NAIF.

Total budgeted expenses for NAIF in 2018-19 is \$9.5 million, represented by \$5.4 million in employee benefits and \$4.1 million in suppliers. Suppliers include specialist staff engaged under contract; board, travel and overhead costs as well as expenses relating to the Export Finance and Insurance Corporation (Efic), which provides services to NAIF through a service level agreement across two broad categories being: transaction due diligence, environment and technical review, credit assessment, and loan management; and corporate and administrative services (including secretariat and board secretary, legal, compliance, financial management and reporting, human resources, information technology and communications, property management). NAIF is projecting to run an operating loss in 2017-18 of \$2.4 million due to timing issues. NAIF's pipeline of potential infrastructure opportunities is showing significant growth.

Section 8(1) of the NAIF Act provides that NAIF must not make a decision after 30 June 2021 to provide financial assistance. A review of the operation of the NAIF Act is scheduled to be undertaken three years after its commencement as outlined in section 43 of the NAIF Act. This review will consider, among other things, the governance arrangements for NAIF from 30 June 2021.

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

| | 2017-18 Estimated actual \$'000 | 2018-19 Budget \$'000 | 2019-20 Forw ard estimate \$'000 | 2020-21 Forw ard estimate \$'000 | 2021-22 Forw ard estimate \$'000 |
|--|--|-----------------------------|---|---|---|
| EXPENSES | | | | | |
| Employee benefits | 4,720 | 5,458 | 5,621 | 5,792 | - |
| Suppliers | 6,219 | 4,077 | 4,749 | 5,115 | 4,433 |
| Total expenses | 10,939 | 9,535 | 10,370 | 10,907 | 4,433 |
| LESS: | | | | | |
| OWN-SOURCE INCOME | | | | | |
| Own-source revenue | | | | | |
| Interest | 37 | 30 | 20 | 10 | - |
| Total own-source revenue | 37 | 30 | 20 | 10 | - |
| Total own-source income | 37 | 30 | 20 | 10 | - |
| Net (cost of)/contribution by services | (10,902) | (9,505) | (10,350) | (10,897) | (4,433) |
| Revenue from Government | 8,504 | 9,505 | 10,350 | 10,897 | 4,433 |
| Surplus/(deficit) attributable to the Australian Government | (2,398) | - | - | - | - |
| OTHER COMPREHENSIVE INCOME | | | | | |
| Total comprehensive income/(loss) | (2,398) | - | - | - | - |
| Total comprehensive income/(loss) attributable to the Australian Government | (2,398) | - | - | - | - |

Prepared on Australian Accounting Standards basis.

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

| | 2017-18 Estimated actual \$'000 | 2018-19 Budget \$'000 | 2019-20 Forw ard estimate \$'000 | 2020-21 Forw ard estimate \$'000 | 2021-22 Forw ard estimate \$'000 |
|--|--|-----------------------------|---|---|---|
| ASSETS | | | | | |
| Financial assets | | | | | |
| Cash and cash equivalents | 2,120 | 2,092 | 2,164 | 1,000 | 1,000 |
| Total financial assets | 2,120 | 2,092 | 2,164 | 1,000 | 1,000 |
| Total assets | 2,120 | 2,092 | 2,164 | 1,000 | 1,000 |
| LIABILITIES | | | | | |
| Payables | | | | | |
| Suppliers | 1,200 | 1,100 | 1,100 | 1,000 | 1,000 |
| Total payables | 1,200 | 1,100 | 1,100 | 1,000 | 1,000 |
| Provisions | | | | | |
| Employee provisions | 920 | 992 | 1,064 | - | - |
| Total provisions | 920 | 992 | 1,064 | - | - |
| Total liabilities | 2,120 | 2,092 | 2,164 | 1,000 | 1,000 |
| Net assets | - | - | - | - | - |
| EQUITY* | | | | | |
| Parent entity interest | | | | | |
| Retained surplus (accumulated deficit) | - | - | - | - | - |
| Total parent entity interest | - | - | - | - | - |
| Total equity | - | - | - | - | - |

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

Prepared on Australian Accounting Standards basis.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2018-19)

NAIF has no equity; therefore Table 3.3 is not presented.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

| | 2017-18 Estimated actual \$'000 | 2018-19 Budget \$'000 | 2019-20 Forw ard estimate \$'000 | 2020-21 Forw ard estimate \$'000 | 2021-22 Forw ard estimate \$'000 |
|---|--|-----------------------------|---|---|---|
| OPERATING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Appropriations | 8,504 | 9,505 | 10,350 | 10,897 | 4,433 |
| Interest | 37 | 30 | 20 | 10 | - |
| Total cash received | 8,541 | 9,535 | 10,370 | 10,907 | 4,433 |
| Cash used | | | | | |
| Employees | 4,148 | 5,386 | 5,549 | 6,856 | - |
| Suppliers | 6,219 | 4,177 | 4,749 | 5,215 | 4,433 |
| Total cash used | 10,367 | 9,563 | 10,298 | 12,071 | 4,433 |
| Net cash from/(used by) operating activities | (1,826) | (28) | 72 | (1,164) | - |
| Net increase/(decrease) in cash held | (1,826) | (28) | 72 | (1,164) | - |
| Cash and cash equivalents at the beginning of the reporting period | 3,946 | 2,120 | 2,092 | 2,164 | 1,000 |
| Cash and cash equivalents at the end of the reporting period | 2,120 | 2,092 | 2,164 | 1,000 | 1,000 |

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)

NAIF has no departmental capital budget, therefore Table 3.5 is not presented.

Table 3.6: Statement of asset movements (Budget year 2018-19)

NAIF has no departmental assets; therefore Table 3.6 is not presented.

Table 3.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

NAIF has no budgeted income and expenses administered on behalf of government; therefore Table 3.7 is not presented.

Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

NAIF has no budgeted assets and liabilities administered on behalf of government; therefore Table 3.8 is not presented.

Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

NAIF has no budgeted administered cash flow; therefore Table 3.9 is not presented.

Table 3.10: Administered capital budget statement (for the period ended 30 June)

NAIF has no administered capital budget; therefore Table 3.10 is not presented.

Table 3.11: Statement of administered asset movements (Budget year 2018-19)

NAIF has no administered assets; therefore Table 3.11 is not presented.

