



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nfp	not for publication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 Laundry 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)**

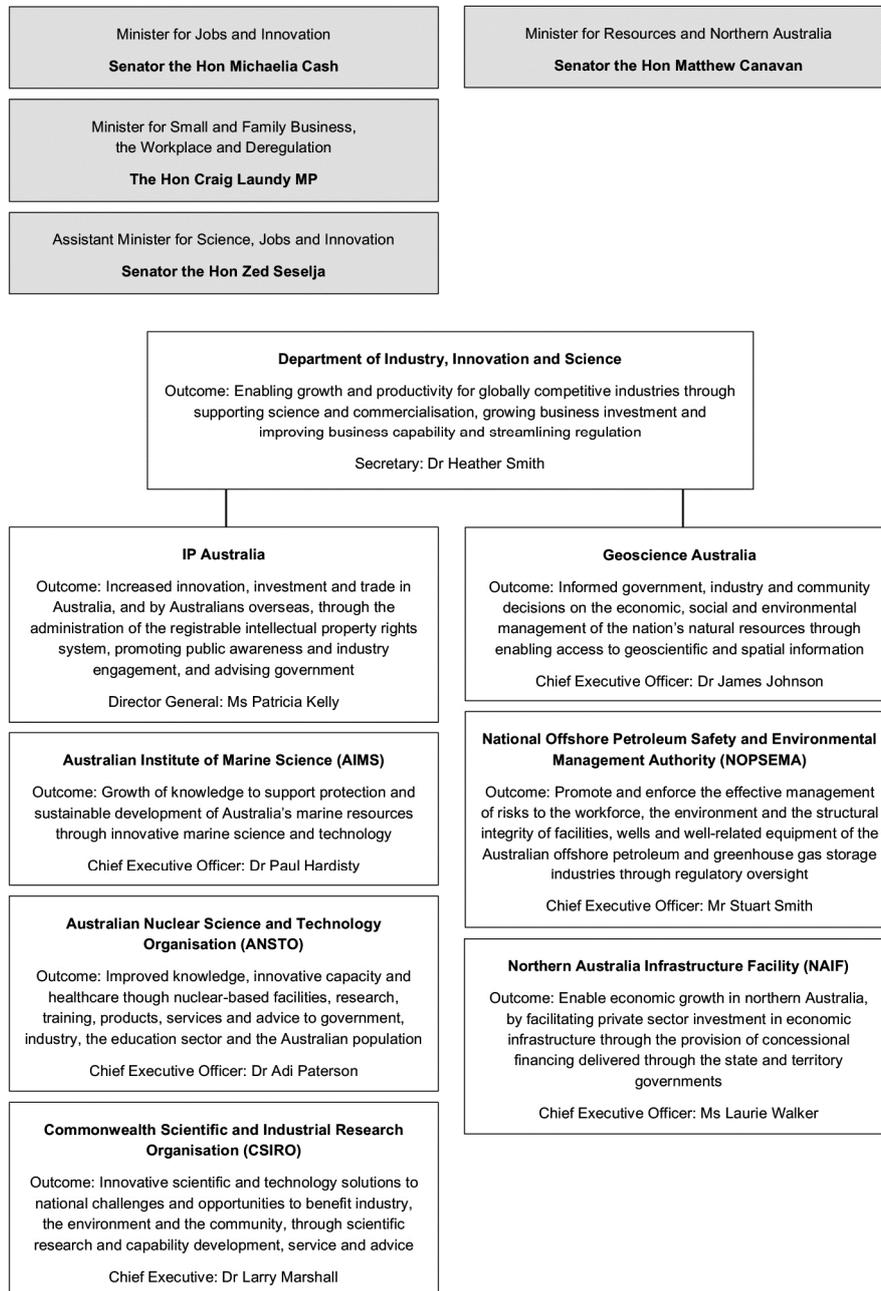
NOPSEMA is responsible for regulating the workplace health and safety, well integrity and environmental management of petroleum and greenhouse gas storage operations in Commonwealth waters.

- **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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**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 <i>Estimated actual</i> \$'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
<i>less departmental appropriations drawn from annual/special appropriations and credited to special accounts</i>	<i>4,000</i>	<i>4,000</i>
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 <i>Estimated actual</i> \$'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
<i>Total special account receipts</i>	177,999	135,943
<i>less administered appropriations drawn from annual appropriations and credited to special accounts</i>	45	9,900
<i>less payments to corporate entities from annual appropriations</i>	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
	2017-18	2018-19
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

	<i>2017-18</i> <i>Estimated</i> <i>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					
		-	-	-	-	-
		-	-	77	233	444
		-	-	77	233	444
Total						
Sport — building a more active Australia (a)						
	3					
		-	-	-	-	-
		-	1,136	-	-	-
		-	1,136	-	-	-
Total						
Timor-Leste Conciliation (b)						
	2					
		-	nfp	nfp	nfp	nfp
		-	-	-	-	-
		-	-	-	-	-
Total						
Total revenue measures						
		-	-	-	-	-
		-	1,136	77	233	444
		-	1,136	77	233	444
Total						
Expense measures						
Australian Antarctic Science						
	1,3					
		-	(330)	(148)	(127)	(63)
		-	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		-	ntp	-	-	-
Departmental expenses		-	ntp	-	-	-
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>Programs</p> <p><i>Australian Institute of Marine Science</i></p> <ul style="list-style-type: none"> • Program 1 - Marine Research <p><i>Australian Nuclear Science and Technology Organisation</i></p> <ul style="list-style-type: none"> • Program 1 - Science and Technology Solutions <p><i>Commonwealth Scientific and Industrial Research Organisation</i></p> <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 <p><i>Geoscience Australia</i></p> <ul style="list-style-type: none"> • Program 1 - Geoscientific and Spatial Information Services <p><i>IP Australia</i></p> <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 <p><i>National Offshore Petroleum Safety and Environmental Management Authority</i></p> <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 <p><i>Northern Australia Infrastructure Facility</i></p> <ul style="list-style-type: none"> • Program 1 - Northern Australia Infrastructure Facility
<p>Contribution to Outcome 1 made by linked programs</p> <p>The portfolio agencies' programs contribute to enabling growth and productivity for</p>

<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.</p>
<p>Department of Agriculture and Water Resources</p>
<p>Programs</p> <ul style="list-style-type: none"> • Program 1.2 - Sustainable Management – Natural Resources
<p>Contribution to Outcome 1 made by linked programs</p> <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>
<p>Department of Defence</p>
<p>Programs</p> <ul style="list-style-type: none"> • Program 2.1 - Strategic Policy and Intelligence
<p>Contribution to Outcome 1 made by linked programs</p> <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>

<p>Department of Education and Training</p>
<p>Programs</p> <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
<p>Contribution to Outcome 1 made by linked programs</p> <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>
<p>Department of Foreign Affairs and Trade</p>
<p>Programs</p> <ul style="list-style-type: none"> • Program 1.1 - Foreign Affairs and Trade Operations
<p>Contribution to Outcome 1 made by linked programs</p> <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>
<p>Austrade</p>
<p>Programs</p> <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
<p>Contribution to Outcome 1 made by linked programs</p> <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
<p>Programs</p> <ul style="list-style-type: none"> • Program 1.1 - Health Policy Research and Analysis
<p>Contribution to Outcome 1 made by linked programs</p> <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
<p>Programs</p> <ul style="list-style-type: none"> • Program 2.2 - Migration • Program 3.1 - Border Revenue • Program 3.2 - Trade Facilitation and Industry Engagement
<p>Contribution to Outcome 1 made by linked programs</p> <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
<p>Programs</p> <ul style="list-style-type: none"> • Program 1.1 - Infrastructure Investment • Program 3.1 - Regional Development
<p>Contribution to Outcome 1 made by linked programs</p> <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>

<p>Department of Jobs and Small Business</p>
<p>Programs</p> <ul style="list-style-type: none"> • Program 1.1 - Employment Services • Program 2.3 - Small Business Support
<p>Contribution to Outcome 1 made by linked programs</p> <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>
<p>Department of the Environment and Energy</p>
<p>Programs</p> <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
<p>Contribution to Outcome 1 made by linked programs</p> <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>

<p>The Treasury</p>
<p>Programs</p> <ul style="list-style-type: none"> • Program 1.4 - General Revenue Assistance • Program 1.9 - National Partnership Payments to the States
<p>Contribution to Outcome 1 made by linked programs</p> <p>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.</p>
<p>Australian Competition and Consumer Commission</p>
<p>Programs</p> <ul style="list-style-type: none"> • Program 1.1 - Australian Competition and Consumer Commission
<p>Contribution to Outcome 1 made by linked programs</p> <p>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.</p>
<p>Australian Taxation Office</p>
<p>Programs</p> <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
<p>Contribution to Outcome 1 made by linked programs</p> <p>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.</p>

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 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward 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
Section 74 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 Growth 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	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 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 Innovation Investment Fund	1,500	1,500	1,500	1,500	1,500
Research and Development Tax Incentive	116	122	127	134	140
	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 Growth 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	Forw ard	Forw ard	Forw ard
	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:					
<i>Automotive Transformation Scheme Act 2009</i>	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	Forw ard	Forw ard	Forw ard
	actual		estimate	estimate	estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Sub-program 2.4: Resources</i>					
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	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
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	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
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.

<p>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.</p>	
<p>Program 1 - Supporting Science and Commercialisation</p> <p>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.</p> <p>The components of Program 1 are grouped under the following sub-programs:</p> <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. 	
<p>Delivery</p>	<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.
<p>Performance information</p>	
<p>Intended results</p>	<p>Performance criteria</p>
<p>Growth in the proportions of small, medium and large firms engaging in innovative activity</p>	<ul style="list-style-type: none"> • Proportion of Australia's businesses that are innovation active
<p>Increased investment by businesses in intangible assets - i.e. the knowledge assets of an organisation</p>	<ul style="list-style-type: none"> • Private gross fixed capital formation - intellectual property products • Business research and development expenditure as a percentage of GDP
<p>Growth in the value add of knowledge-intensive industries</p>	<ul style="list-style-type: none"> • Gross value added and employment by knowledge-intensive industries
<p>Improved returns from the commercialisation of research</p>	<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 awareness Improved research infrastructure Enhanced 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.					

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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.

<p>Program 2 - Growing Business Investment and Improving Business Capability</p> <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. 	
<p>Delivery</p>	<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.
<p>Performance information</p>	
<p>Intended results</p>	<p>Performance criteria</p>
<p>Growth in new private sector investment</p>	<ul style="list-style-type: none"> • Annual private business investment growth
<p>Increased foreign direct investment in Australia</p>	<ul style="list-style-type: none"> • Foreign direct investment as a share of annual GDP
<p>Improved management and organisational capabilities in Australian businesses</p>	<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
<p>Improvement in Australia's ranking in international performance indices</p>	<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	-	-
<i>Offshore Minerals Act 1994</i>	Percentage of <i>Offshore Minerals Act 1994</i> 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 – <i>Offshore Petroleum and Greenhouse Gas Storage Act 2006</i> (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					

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 Industry Australian 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. 	
<p>Delivery</p>	<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 regulation Regulation administered fairly, effectively and efficiently Improved access for business to Australian Government services and information Streamlined 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 support Effective 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.

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 Forw ard estimate \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard 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
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	<i>37,141</i>	<i>31,214</i>	<i>28,038</i>	<i>27,309</i>	<i>27,412</i>
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 software 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 Forw ard estimate \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard 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:					
<i>Other Items</i>	<i>8,000</i>	<i>5,000</i>	<i>5,000</i>	<i>5,000</i>	<i>-</i>
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.

AIMS Budget Statements

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 adaptation 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 Estimated actual \$'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 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).
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 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
Contribution to Outcome 1 made by linked programs 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.

(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

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

ANSTO Budget Statements

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

	<i>2017-18</i> <i>Estimated</i> <i>actual</i> <i>\$'000</i>	<i>2018-19</i> <i>Estimate</i> <i>\$'000</i>
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	<u>219,156</u>	<u>242,533</u>
Total funds from Government	<u>219,156</u>	<u>242,533</u>
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	<u>110,745</u>	<u>119,261</u>
Total net resourcing for ANSTO	<u>339,953</u>	<u>376,846</u>
	<i>2017-18</i>	<i>2018-19</i>
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 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 Education and Training
Programs <ul style="list-style-type: none"> • Program 2.6 – Research Capacity
Contribution to Outcome 1 made by linked programs 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.

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 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward 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
	2017-18	2018-19			
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 Priorities managing landmark and national research infrastructure for the benefit of industry, the Australian and international research communities, and Australia providing products and services, including radiopharmaceuticals, to the health sector and industry that benefit the broader community providing 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 days Australian 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	<p>ANSTO's purpose is set by the following core functions, as provided by the <i>Australian Nuclear Science and Technology Organisation Act 1987</i>:</p> <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 Forw ard estimate \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard 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	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	(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:					
<i>Purchase of non-financial assets</i>	13,646	6,421	-	-	-
<i>Other Items</i>	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

CSIRO Budget Statements

- 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 <i>Estimated actual</i> \$'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	2018-19			
	5,063	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.

<p>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.</p>		
<p>Program 1 - Research – Science, Services and Innovation Fund</p> <p>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.</p>		
<p>Delivery</p>	<p>CSIRO delivers Program 1 by:</p> <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. 	
<p>Performance information</p>		
<p>Year</p>	<p>Performance criteria</p>	<p>Targets</p>
<p>2017-18 (a)</p>	<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 • 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		
<p>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.</p>		
Delivery	<p>CSIRO delivers Program 2 by:</p> <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 Centre managing 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 access the identification of facility needs, and the design and creation of new facilities ensuring 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 observations Maximum 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 MNF Maximum 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		
<p>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 <i>Science and Industry Endowment Act 1926</i>, 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.</p>		
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.

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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	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:					
<i>Purchase of non-financial assets</i>	-	-	45,000	65,000	-
<i>Other Items</i>	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 asset:	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)		
	2017-18 600	2018-19 600

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 Growth Plan — better GPS to support Australian business						
	1					
		-	-	-	-	-
		-	9,191	10,196	10,286	10,372
		-	9,191	10,196	10,286	10,372
Total						
Australian Technology and Science Growth Plan — better GPS for Regional Australia						
	1					
		-	-	-	-	-
		-	18,264	28,639	43,043	42,956
		-	18,264	28,639	43,043	42,956
Total						
Australian Technology and Science Growth Plan — world class satellite imagery for Australian businesses						
	1					
		-	-	-	-	-
		-	-	11,848	12,236	12,768
		-	-	11,848	12,236	12,768
Total						
Total expense measures						
		-	-	-	-	-
		-	27,455	50,683	65,565	66,096
		-	27,455	50,683	65,565	66,096
Total						
Capital measures						
Australian Technology and Science Growth Plan — better GPS to support Australian business						
	1					
		-	-	-	-	-
		-	2,329	7,345	9,674	4,566
		-	2,329	7,345	9,674	4,566
Total						
Australian Technology and Science Growth Plan — better GPS for Regional Australia						
	1					
		-	-	-	-	-
		-	8,106	11,981	7,915	-
		-	8,106	11,981	7,915	-
Total						
Total capital measures						
		-	-	-	-	-
		-	10,435	19,326	17,589	4,566
		-	10,435	19,326	17,589	4,566
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.

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
<p>Programs</p> <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
<p>Contribution to Outcome 1 made by linked programs</p> <p>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.</p>
Bureau of Meteorology
<p>Programs</p> <ul style="list-style-type: none"> • Program 1 – Bureau of Meteorology
<p>Contribution to Outcome 1 made by linked programs</p> <p>The Bureau of Meteorology collaborates with Geoscience Australia to provide the Joint Australian Tsunami Warning System.</p>

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 Forw ard estimate \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard 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)					
	2017-18 600	2018-19 600			

(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 imagery establishing a national ground station network to deliver accurate positioning, navigation and timing data across Australia’s mobile network delivering satellite positioning capability to provide accurate positioning, navigation and timing data across Australia and its maritime jurisdiction attracting exploration investment to Australia by building a prospectus of minerals and energy resource potential supporting Australia’s capability to manage the impact of natural hazards informing the understanding of the location, quantity, quality and sustainable use of Australia’s groundwater and surface water systems contributing to the sustainable development of marine resources and conservation of key ecosystems providing reliable national fundamental information about the geographies of the nation ensuring 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	<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. 	<p>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.</p> <p>Results from the last round of science evaluations confirm that</p>

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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 Forw ard estimate \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard 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
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	<i>4,662</i>	<i>15,080</i>	<i>23,979</i>	<i>22,284</i>	<i>9,298</i>
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 Forw ard estimate \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard 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>	307,938	297,700
<i>less departmental appropriations drawn from annual/special appropriations and credited to special accounts</i>	(375)	(368)
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 Moneys 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

- 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 and commercialisation and through the operation of the Office of the Chief Scientist and the Office of Innovation and Science Australia.

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
	2017-18	2018-19			
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.

IP Australia Budget Statements

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 bodies • providing policy advice across government and internationally to support policy and legislative objectives • proactively 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 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)	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* (OPGGGS 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

- 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 program relating to the management and administration of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* and associated regulations.

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

	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: 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.					
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
	2017-18	2018-19			
Average staffing level (number)	105	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 Forw ard estimate \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard 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

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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 <i>Estimated</i> <i>actual</i> \$'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
	2017-18	2018-19
Average staffing level (number)	1(b)	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
<p>Programs</p> <ul style="list-style-type: none"> • Program 2 - Growing Business Investment and Improving Business Capability
<p>Contribution to Outcome 1 made by linked programs</p> <p>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.</p>
Austrade
<p>Programs</p> <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
<p>Contribution to Outcome 1 made by linked programs</p> <p>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.</p>
Infrastructure Australia
<p>Programs</p> <ul style="list-style-type: none"> • Program 1.1 - Infrastructure Australia
<p>Contribution to Outcome 1 made by linked programs</p> <p>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.</p>

<p>Department of the Prime Minister and Cabinet</p> <hr/> <p>Programs</p> <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
<p>Contribution to Outcome 1 made by linked programs</p> <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>
<p>Department of Agriculture and Water Resources</p> <hr/> <p>Programs</p> <ul style="list-style-type: none"> • Program 3.1 - Water Reform
<p>Contribution to Outcome 1 made by linked programs</p> <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

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		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	<p>NAIF's primary purpose is to contribute to the transformation of northern Australia by financing infrastructure development that generates:</p> <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.

