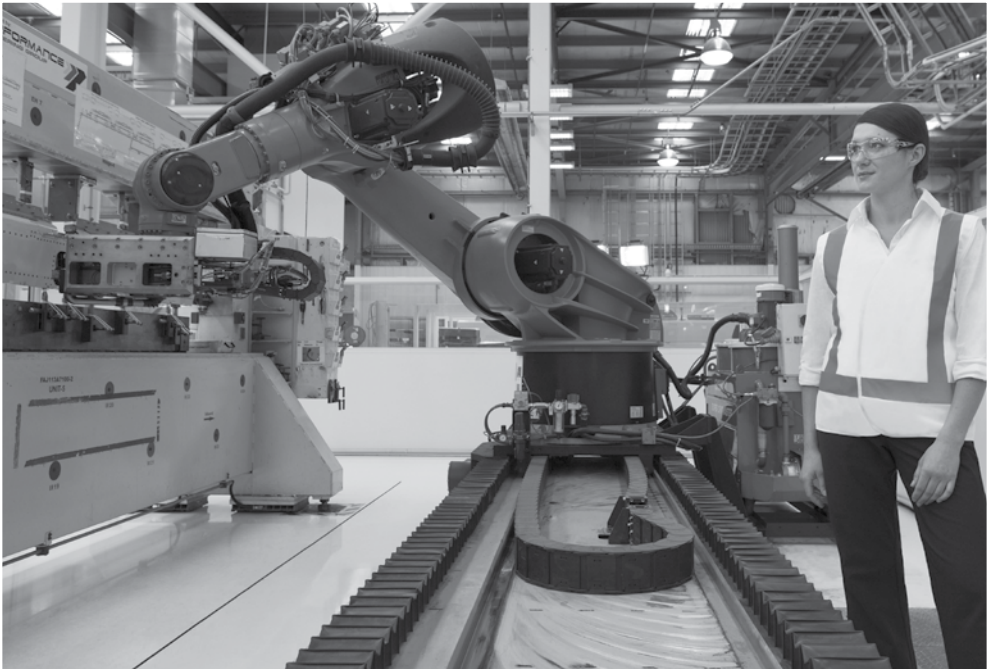


DEPARTMENT OF INDUSTRY AND SCIENCE
2014-15 ANNUAL REPORT



© Commonwealth of Australia 2015

This work is copyright. Apart from any use as permitted under the *Copyright Act 1968*, no part may be reproduced by any process without prior written permission from the Commonwealth. Requests and inquiries concerning reproduction and rights should be addressed to the Department of Industry and Science, GPO Box 9839, Canberra ACT 2601.

ISSN: 2205-2100

Produced by: Department of Industry, Innovation and Science

Designed by: Design and Audio Visual, Corporate Division, Department of Industry and Science

Edited by: WordsWorth Writing, Canberra



Australian Government
**Department of Industry,
Innovation and Science**

Secretary

The Hon Christopher Pyne MP
Minister for Industry, Innovation and Science
Parliament House
CANBERRA ACT 2600

The Hon Josh Frydenberg MP
Minister for Resources, Energy
and Northern Australia
Parliament House
CANBERRA ACT 2600

Dear Ministers

I present to you the 2014-15 annual report of the Department of Industry and Science for tabling before the parliament, as required by section 63 of the *Public Service Act 1999*.

The department's annual report also includes the 2014-15 annual reports of Geoscience Australia and IP Australia, which are non-corporate Commonwealth entities within the Industry, Innovation and Science portfolio.

The annual report has been prepared in accordance with the guidelines issued by the Department of the Prime Minister and Cabinet and approved by the Joint Committee of Public Accounts and Audit. The report also includes information, which meets the specific reporting requirements for legislation the department administers (Appendix A5).

As required by the Commonwealth Fraud Control Framework, I am satisfied the department, Geoscience Australia and IP Australia have prepared fraud risk assessments and fraud control plans; have in place fraud prevention, detection, investigation, reporting and data collection procedures which meet their specific needs; and have taken all reasonable measures to minimise the incidence of fraud.

Yours sincerely

A handwritten signature in black ink that reads 'G. A. Beauchamp'.

Glenys Beauchamp
24 September 2015

CC: The Hon Karen Andrews MP
Assistant Minister for Science

CC: The Hon Wyatt Roy MP
Assistant Minister for Innovation

ABOUT THIS REPORT

The Department of Industry, Innovation and Science has prepared this report pursuant to subsections 63(2) and 70(2) of the *Public Service Act 1999* and according to the *Requirements for Annual Reports for Departments, Executive Agencies and Other Non-corporate Commonwealth Entities* approved by the Joint Committee of Public Accounts and Audit in June 2015.

This report provides information on the activities of the department during the 2014-15 financial year and includes the annual reports of Geoscience Australia and IP Australia, which are non-corporate Commonwealth entities under the *Public Governance, Performance and Accountability Act 2013*.

How to access this report

Annual reports are available from libraries around Australia under the Commonwealth library deposit and free issue schemes. A list of these libraries is available from the Department of Finance website (www.finance.gov.au).

This report is also available on the department's website (www.industry.gov.au).

Contact officers

	Department of Industry, Innovation and Science		
Detail	Innovation and Science	Geoscience Australia	IP Australia
Contact officer	Manager, Planning, Performance and Business Continuity	Director, Products and Promotion	Director, Performance Analysis, Planning and Reporting
Postal address	GPO Box 9839 Canberra ACT 2601	GPO Box 378 Canberra ACT 2601	PO Box 200 Woden ACT 2602
Telephone	+61 2 6213 6000	+61 2 6249 9111	+61 6283 2999
Facsimile	+61 2 6213 7000	+61 2 6249 9999	+61 6283 7999
Email address	annualreport@industry.gov.au	clientservices@ga.gov.au	planningandreporting@ipaustalia.gov.au
Website	www.industry.gov.au	www.ga.gov.au	www.ipaustalia.gov.au

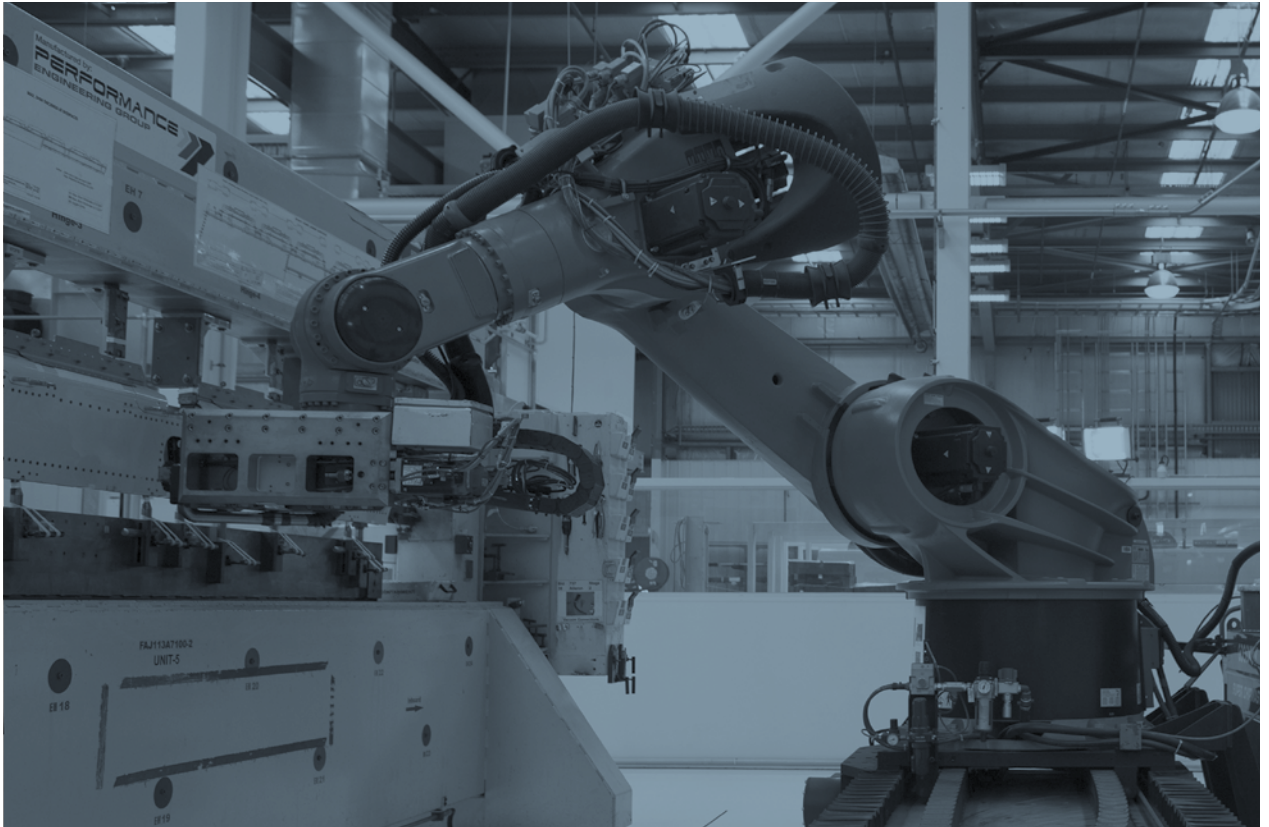
Contents

PART A: Department of Industry and Science	1
Chapter 1: Overview	1
Secretary's review	2
Portfolio and departmental overview	3
CHAPTER 2: Departmental report on performance	7
Outcome 1 overview	8
Programme 2: Supporting Science and Innovation	8
CASE STUDY – Synchrotron	12
CASE STUDY – Science and Research Priorities and STEM	13
Programme 3: Encouraging Investment	14
CASE STUDY – Supporting innovation, entrepreneurship and growth	22
CASE STUDY – Growth Centre – Advanced Manufacturing	23
CASE STUDY – Energy White Paper: Setting a framework for delivering competitively priced and reliable energy supply	24
Programme 4: Programme Support	25
CASE STUDY – Deregulation achieved in 2014-15	29
Financial performance	31
CHAPTER 3: Departmental management and accountability	33
Corporate governance	34
Fraud control	34
External scrutiny	34
Management of human resources	35
Work health and safety	35
National Disability Strategy	35
Purchasing	36
Consultants and contracts	36
Grant programmes	36
Information Publication Scheme	36
Advertising and market research	36
Ecologically sustainable development and environmental performance	37
CHAPTER 4: Department of Industry and Science financial performance	39
Independent auditor's report	40
Statement by the Secretary and Chief Financial Officer	42
Financial statements	43

CHAPTER 5: Departmental appendices	141
Appendix A1: Agency resource statement 2014-15	142
Appendix A2: Expenses and resources for 2014-15	144
Appendix A3: Workforce statistics	146
Appendix A4: Advertising and market research	150
Appendix A5: Reports addressing special legislative requirements	151
PART B: Geoscience Australia	157
CHAPTER 6: Geoscience Australia Chief Executive Officer's Review	157
Geoscience Australia Chief Executive Officer's review	158
CHAPTER 7: Geoscience Australia overview	161
Role and functions	162
Organisational structure	163
Outcome and programme structure	164
CHAPTER 8 Geoscience Australia report on performance	165
Building Australia's resource wealth	166
Securing Australia's water resources	170
Ensuring Australia's community safety	172
Managing Australia's marine jurisdiction	175
Gathering fundamental geographic information	178
Maintaining Australia's geoscience knowledge and capability	181
Financial performance	184
CHAPTER 9 Geoscience Australia management and accountability	185
Corporate governance	186
Fraud control	186
External scrutiny	186
Management of human resources	187
Work health and safety	187
National Disability Strategy	187
Purchasing	188
Consultants and contracts	188
Grant programmes	188
Information Publication Scheme	188
Advertising and market research	188
Ecologically sustainable development and environmental performance	188
Service charter	189

CHAPTER 10: Geoscience Australia financial performance	191
Independent auditor's report	192
Statement by the Chief Executive and Chief Financial Officer	194
Financial statements	195
CHAPTER 11: Geoscience Australia appendices	237
Appendix B1: Agency resource statement 2014-15	238
Appendix B2: Expenses and resources for 2014-15	239
Appendix B3: Workforce statistics	240
Appendix B4: Ecologically sustainable development and environmental performance	243
PART C: IP Australia	245
CHAPTER 12: IP Australia Director General's review	245
IP Australia Director General's review	246
CHAPTER 13: IP Australia overview	249
Role and functions	250
Organisational structure	250
Outcome and programme structure	251
CHAPTER 14: IP Australia report on performance	253
Outcome 1 overview	254
Programme 1.1: IP Rights Administration and Professional Registration	254
Programme 1.2: Education, Awareness and International Engagement	256
Programme 1.3: Advice to Government	258
Financial performance	260
CHAPTER 15: IP Australia management and accountability	261
Corporate governance	262
Fraud control	262
External scrutiny	263
Management of human resources	263
Work health and safety	263
National Disability Strategy	264
Purchasing	264
Consultants and contracts	264
Grant programmes	265
Information Publication Scheme	265
Advertising and market research	265
Ecologically sustainable development and environmental performance	265

CHAPTER 16: IP Australia financial performance	267
Independent auditor's report	268
Statement by the Accountable Authority and Chief Financial Officer	270
Financial statements	271
CHAPTER 17: IP Australia appendices	305
Appendix C1: Appeals of decisions	306
Appendix C2: Agency resource statement 2014-15	307
Appendix C3: Expenses and resources for 2014-15	309
Appendix C4: Workforce statistics	311
Appendix C5: Ecologically sustainable development and environmental performance	315
PART D: References	317
Glossary and abbreviations list	318
Compliance list	319
Index	323



CHAPTER 1

Overview

Secretary's review	2
Portfolio and departmental overview	3



OVERVIEW

Secretary's review

The Department of Industry became the Department of Industry and Science as a result of the Administrative Arrangements Order made on 23 December 2014, which also saw responsibility for vocational education and skills policy and programmes transfer to the Department of Education and Training and small business programmes transfer to the Department of the Treasury.

The department's vision is to enable growth and productivity for globally competitive industries, by supporting science and commercialisation, growing business investment and improving business capability, streamlining regulation, and building a high performance organisation. More information on the four strategic objectives is set out in the department's *Strategic Plan 2015-19*, and can be found on the department's website. The department's strategic objectives support key elements of the government's Industry Innovation and Competitiveness Agenda to assist with the transition of businesses to areas of competitive advantage and to facilitate innovation and growth.

The inclusion of science in the department's title recognises the greater focus on leveraging over \$9 billion in investment in science, research and innovation to look for more opportunities to commercialise our good ideas, build collaboration and create closer links between industry and science. We have supported the focus on science, technology, engineering and mathematics (STEM) as key to our economic future, committing to work together across portfolios to develop a national approach to STEM.

The recent government agreement on Australia's nine science priorities provides guidance on more effective ways to build strong connections between industry and science and boost commercial returns from research.

The focus for 2014-15 was on the delivery of key government initiatives. Policies and programmes to support the government's economic agenda addressed the following areas in 2014-15:

- transitioning industries to a new economy through the \$50 million Manufacturing Transition Programme, the \$155 million Growth Fund and regional innovation funds in Tasmania and Victoria
- building on Australia's competitive and economic strengths through establishing five Industry Growth Centres, delivering the Energy White Paper, and establishing the Exploration Development Incentive to assist small exploration companies to undertake greenfields mineral exploration in Australia
- focusing on innovation and entrepreneurship through delivering the flagship programmes of the R&D Tax Incentive, the Entrepreneurs' Programme, and the Cooperative Research Centres Programme
- strengthening the role of science at the heart of industry policy by assisting small and medium businesses to develop new ideas with commercial potential in collaboration with the research sector and encouraging better use by businesses of Australian research mainly in five identified sectors where Australia already has a comparative or competitive advantage.

Many of these programmes were facilitated by the establishment of a single portal for the Single Business Service initiative, which has made it simpler for business to access information and services. In 2014-15, the initiative delivered services on behalf of a number of other agencies, and the business.gov.au website received over 11 million unique hits.

These achievements were supported by a high performance organisation where the workforce potential was maximised and optimal structures and systems were in continuous focus. The launch of the Corporate Network in 2014-15 brought together people, processes and systems from Corporate, ICT and Finance in a whole-of-department approach to the provision of streamlined services. We continue to undertake workforce planning and to emphasise the provision of high-quality learning and development initiatives for our staff. Initiatives include programmes under our management and leadership frameworks, portfolio and industry secondments and scholarship opportunities. The department is committed to a flexible workplace; for example, using technology to enable staff to work remotely—giving the department access to a broader employment pool, and better managing both individual and business needs. We are committed to investing in our graduates through our new two-year graduate programme, the pilot for which commenced in 2014-15.

We are committed to good fiscal management and the continuous monitoring of the department's financial performance to ensure delivery of outcomes from within available resourcing. This is achieved through monthly financial reporting and forecasting and regular reviews of the department's budget priorities.

In 2015-16, the department will continue to monitor the transition of Australian industry while rolling out the Growth Funds, focusing on science and commercialisation, consolidating the rollout of the Entrepreneurs' Programme and the development of the Energy Productivity Plan.

Portfolio and departmental overview

At 30 June 2015, the Industry and Science portfolio comprised the following agencies:

- Department of Industry and Science
- Geoscience Australia
- IP Australia
- Australian Institute of Marine Science
- Australian Nuclear Science and Technology Organisation
- Australian Renewable Energy Agency
- Commonwealth Scientific and Industrial Research Organisation
- National Offshore Petroleum Safety and Environmental Management Authority.

This annual report covers the Department of Industry and Science, Geoscience Australia and IP Australia.

Organisational structure

Figure 1 shows the organisational structure of the department at 30 June 2015.

Figure 1: Departmental structure, 30 June 2015

Secretary					Chief Scientist
Associate Secretary	Deputy Secretary	Deputy Secretary	Geoscience Australia Chief Executive Officer	IP Australia Director General	
Resources Energy Anti-Dumping Commission Economic and Analytical Services Portfolio Strategic Policy	Sectoral Growth Policy Science and Commercialisation Policy ¹ Questacon National Measurement Institute Australian Astronomical Observatory	AusIndustry – Entrepreneur Development AusIndustry – Business Services Corporate Network			

¹ Provides strategic and management support to the Chief Scientist and the Office of the Chief Scientist.

Department outcome and programme structure

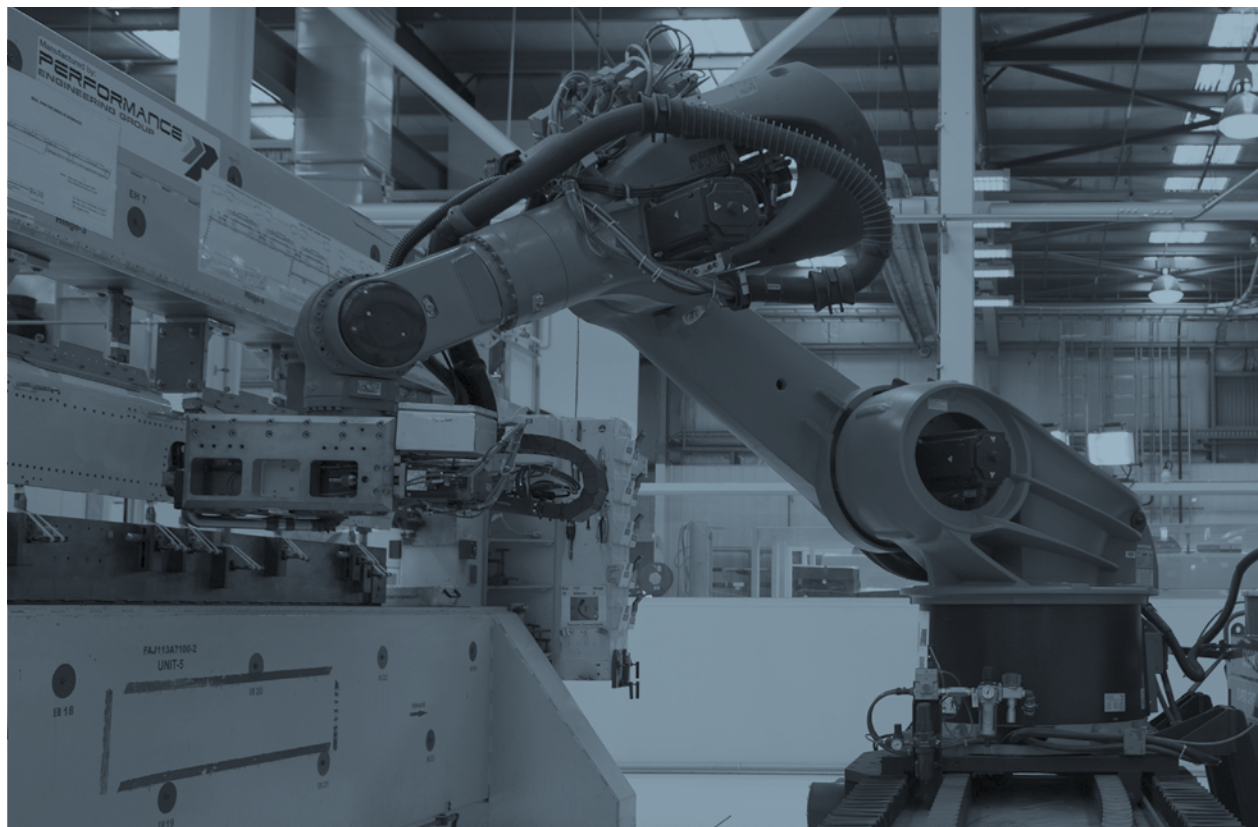
The department's performance reporting framework for 2014–15 comprised one outcome. Table 1 describes the outcome and its programmes and sub-programmes.

The department's 2014–15 outcome and programme structure reflects the changes resulting from the Administrative Arrangements Order of 23 December 2014, when responsibility for vocational education and skills policy and programmes was transferred to the Department of Education and Training and small business programmes were transferred to the Department of the Treasury.

Table 1: Department of Industry and Science outcome and programme structure, 2014-15

Outcome 1:		
Enabling growth and productivity for globally competitive industries through building skills and capability, supporting science and innovation, encouraging investment and improving regulation.		
Programme 2: Supporting Science and Innovation	Programme 3: Encouraging Investment	Programme 4: Programme Support
Sub-programme 2.1: Science awareness, infrastructure and international engagement	Sub-programme 3.1: Competitive marketplace	Sub-programme 4.1: Improving regulation
Sub-programme 2.2: Business research, development and commercialisation	Sub-programme 3.2: Business and market development	Sub-programme 4.2: Building a high performance organisation
	Sub-programme 3.3: Economic transition	
	Sub-programme 3.4: Resources	
	Sub-programme 3.5: Energy	

Note: Programme 1: Building Skills and Capability was transferred to the Department of Education and Training as a result of the 23 December 2014 Administrative Arrangements Order. The department's outcome and programme structure has been revised in the 2015-16 PBS.



CHAPTER 2

Departmental report on performance

Outcome 1 overview	8
Programme 2: Supporting Science and Innovation	8
CASE STUDY – Synchrotron	12
CASE STUDY – Science and Research Priorities and STEM	13
Programme 3: Encouraging Investment	14
CASE STUDY – Supporting innovation, entrepreneurship and growth	22
CASE STUDY – Growth Centre – Advanced Manufacturing	23
CASE STUDY – Energy White Paper – setting a framework for delivering competitively priced and reliable energy supply	24
Programme 4: Programme Support	25
CASE STUDY – Deregulation achieved in 2014-15	29
Financial performance	31



DEPARTMENTAL REPORT ON PERFORMANCE

Outcome 1 overview

The Department of Industry and Science's vision is to enable growth and productivity for globally competitive industries. The department works with key industry organisations, employers, workers and other stakeholders to achieve this vision through supporting science and commercialisation, growing business investment and improving business capability, streamlining regulation and building a high performance organisation¹.

The department's progress towards this goal is assessed through three of the following four programmes presented in the 2014-15 Portfolio Budget Statements (PBS):

- Programme 1: Building Skills and Capability
- Programme 2: Supporting Science and Innovation
- Programme 3: Encouraging Investment
- Programme 4: Programme Support.

Responsibility for Programme 1: Building Skills and Capability was transferred to the Department of Education and Training as a result of the Administrative Arrangements Order of 23 December 2014. Performance information for Programme 1 is included in that department's annual report.

Programme 2: Supporting Science and Innovation

Programme 2 aimed to facilitate science, research and innovation to deliver improved productivity and competitiveness for Australian industry. The department contributed to this objective through measures supporting the creation and utilisation of knowledge and the development of new ideas and technology that could deliver benefits to Australia.

Operating environment

The following provides the context for—and insight into—the economic environment in which the department operates. In particular, the indicators highlighted below report on Australia's progress in key areas that relate to the performance indicators for Programme 2 set out in the Department of Industry 2014-15 PBS and the Department of Industry and Science 2014-15 Portfolio Additional Estimates Statements (PAES). The Australian economy is incredibly complex and interconnected. How the economy performs depends on a wide range of domestic and international factors.

Growth in the proportions of small, medium and large firms engaging in innovative activity

Analysis in the *Australian Innovation System Report 2014* demonstrates the links between innovation and improvements in business, economic and export performance. This suggests that investment in innovation is an important factor in assisting firms to grow. The proportion of Australian businesses that

¹ Following the December 2014 Machinery of Government change, the department's Outcome Statement was updated in the 2015-16 PBS

engage in innovative activity has increased, from 37 per cent in 2006-07 to 48 per cent in 2013-14. However, Australia faces significant challenges around business collaboration on innovation, with many measures below averages for the Organisation for Economic Co-operation and Development (OECD).

Historical data and further information can be found in the department's *Industry Monitor 2015*, Figures 2.6–2.9.

Growth in business investment in intangible capital

Investment in intangible capital by the private sector has generally been increasing as a share of total GDP over the past decade, although this trend has stalled in the last three years. Australia is ranked seventh out of 30 economies in terms of a healthy intellectual property (IP) environment, according to the 2015 Global Intellectual Property Center International IP Index. This is down from a ranking of fifth in 2014, despite Australia's overall score improving slightly over this period.

More data and further information can be found in the department's *Industry Monitor 2015*, Figure 2.3.

Contribution to productivity growth from changes in intangible capital investment

According to the *Australian Innovation System Report 2014*, intangible capital investment by business accounts for between 12 per cent and 20 per cent of Australia's average labour productivity growth.

More data and further information can be found in the department's *Industry Monitor 2015*, Figure 2.3.

Growth in the value-added of knowledge-intensive industries

The knowledge intensity of an industry can be measured in several ways. Per dollar of gross value added, the manufacturing sector files more patents than any other sector. However, manufacturing gross value added has been

stagnant or contracting moderately since mid-2012. The professional, scientific and technical services sector (also a major filer of patents) has grown strongly over the past 10 years. However, more recently, the industry's output has been tapering off.

More data and further information can be found in the department's *Industry Monitor 2015*, Figure 2.1.

Growth in export values of advanced manufacturing and elaborately transformed manufactures

Data produced by the Department of Foreign Affairs and Trade shows that exports of elaborately transformed manufactures rose by 3.6 per cent in 2014, to \$28.6 billion. The majority of this growth was in engineering products, while mineral manufactures and metals and chemicals and other semi-manufactures exports fell over the year. Elaborately transformed manufactures now account for 10.8 per cent of total merchandise exports, up from 10.5 per cent in 2014.

Growth in income from commercialisation of research

The adjusted gross income from licences, options and assignments (LOAs) has declined from the peak recorded in 2012, despite an increase in the number of LOAs yielding income. Although this is a volatile series, the 2013 result remains below five-year and 10-year averages.

More data and further information can be found in the department's *Industry Monitor 2015*, Table 2.2.

Changes in Australia's performance in scientific research

The share of Australia's natural science and engineering publications in the world's top one per cent of highly cited publications has been increasing over time.

More data and further information can be found in the department's *Industry Monitor 2015*, Figure 2.10.

Performance measures and results

Table 2: Results for Sub-programme 2.1: Science awareness, infrastructure and international engagement

Contributing component	Performance measure (quantitative)	2014-15 estimate	2014-15 actual
Asialink Business	Number of courses run on Asia Capability Development	5	17
	Number of events held promoting and building Asia capabilities	50	111
Australian Astronomical Observatory (AAO)	Number of research students supervised or funded by the AAO	39	41
	Number of users accessing AAO research facilities to facilitate and support research activities: (1) AAO Telescope (Australian); (2) international 8 metre access (Overseas)	250	178 ¹
		80	88
	Number of international visitors supported by the AAO Distinguished Visitor Scheme	4	4
	Number of international conferences and workshops supported by AAO	3	4
Australia-China Science and Research Fund; International Education and Training (Australia-India Strategic Research Fund)	Number of collaborative research projects completed that reported strengthened international relationships	54	50 ²
Science for Australia's Future	Number of participants in activities that promote science based careers	4 740 000	4 309 300 ³
Square Kilometre Array Radio Telescope Project	Number of Australian companies/ research institutions participating in the SKA Pre-Construction Work Programme	7	7

SKA = Square Kilometre Array

- 1 The number of users is lower than expected mainly due to the relatively small size of the research teams that were awarded time on the telescope.
- 2 Four projects received extensions and will be finalised in the 2015-16 financial year.
- 3 Some of the individual activities within the Science for Australia's Future budget measure are still in their infancy stages.

Table 3: Results for Sub-programme 2.2: Business research, development and commercialisation

Contributing component	Performance measure (quantitative)	2014-15 estimate	2014-15 actual
Cooperative Research Centres (CRCs) Programme	Number of commercialisation agreements reported by the CRCs	174	- ²
	Number of patents held/maintained by the CRCs	877	- ²
	Number of applications for patents filed by the CRCs	85	- ²
R&D Tax Incentive ¹	R&D expenditure registered in order to claim the tax incentive or tax concession through annual tax returns (\$bn)	- ³	18.4 ⁴
	Number of entities registering R&D expenditure with AusIndustry in order to claim the tax incentive or tax concession through their annual tax returns	- ³	13 660 ⁴

1 Revenue forgone programme.

2 The 2014-15 actuals will not be available until after 31 October 2015, following the submission of each CRC annual report.

3 The department does not have forward estimates for the R&D Tax Incentive programme.

4 The 2014-15 actual data are as reported at 30 June 2015; full-year figures are not available until 31 October 2015.

CASE STUDY

Synchrotron

The Australian Synchrotron, owned by the Australian Synchrotron Holding Company Pty Ltd, is one of the country's most important research infrastructure platforms. It is a third generation particle accelerator that produces highly intense sources of light, ranging from infrared to hard x-rays. This light is used by researchers to examine the atomic structure of materials.

It is unique in the breadth of research it supports, servicing a diverse user community to deliver groundbreaking discoveries spanning mining, health, manufacturing, food security, the environment, energy and bio-security and delivers real-world outcomes.

For example, Synchrotron research directly contributes to the efficiency and effectiveness of Australia's health industry by enabling earlier diagnosis and more effective treatment of a range of health conditions, including coeliac disease, malaria, influenza, inflammatory diseases such as tuberculosis, HIV-AIDS, and leukaemia. This means the Synchrotron contributes to better health outcomes and reduced costs to individuals and the health system.

Access to the Synchrotron has also facilitated collaboration between the research and business sectors, delivering innovation and productivity gains, to enhance the competitiveness of businesses involved.

Since 2013, the Australian Nuclear Science and Technology Organisation (ANSTO), through a wholly owned subsidiary, has operated the Synchrotron, driving efficiencies, increasing industry use and maintaining a world-class facility that supports high-quality research.

In 2015, the Australian Government committed \$20.5 million to support Synchrotron operations in 2016-17. It is anticipated that the Victorian Government will contribute \$8 million and New Zealand will assist with 2016-17 operating costs, subject to the New Zealand Government and New Zealand research users agreeing to funding arrangements.

Funding has been secured to ensure key research activities continue and to allow the government time to consider long-term funding and ownership arrangements once the outcomes of the Research Infrastructure Review, being led by the Department of Education and Training, are known.

The department will continue to work closely with ANSTO, drawing on its significant expertise as operator and user of the facility, to finalise arrangements for the future ownership and funding of the facility.

The Synchrotron facility and work undertaken to date clearly support the government's goals, including those of supporting science and commercialisation, growing business investment and innovation, improving competitiveness and driving productivity gains.

CASE STUDY

Science and Research Priorities and STEM

Science is fundamental to Australia's prosperity and underpins the lives and daily activities of all Australians. Australian science also contributes to expanding global knowledge and improving the lives of people all over the world. The Department of Industry and Science worked closely with Australia's Chief Scientist, Professor Ian Chubb AC, throughout 2014-15 to ensure that Australia's science and research capability and effort are among the best in the world.

Professor Chubb identified key areas for improvement in Australia's science, technology, engineering and mathematics (STEM) effort in the September 2014 report *Science, technology, engineering and mathematics: Australia's future*, with a focus on the areas of Australian competitiveness, education and training, research and international engagement.

The department worked with other government departments to develop a set of actions in response to the recommendations in the report and, in June 2015, released the consultation paper *Vision for a science nation—Responding to Science, technology, engineering and mathematics: Australia's future* to seek feedback from business, the community and the science and education sectors on the proposed actions.

One of the recommendations made by Professor Chubb to improve Australia's STEM performance was for the adoption of science and research priorities that would support Australia's needs and draw on our comparative advantages. Professor Chubb, in consultation with researchers, industry leaders and government representatives, developed a set of research priorities:

- food
- soil and water
- transport
- cyber security
- energy
- resources
- advanced manufacturing
- environmental change
- health.

The consultation process also identified specific areas of focus for each priority area. The science and research priorities will help to ensure that appropriate levels of funding are allocated to research that addresses Australia's immediate needs, without excluding basic research.

The science and research priorities were considered by the Commonwealth Science Council in April 2015 and adopted by the Australian Government in May 2015. Further information on the science and research priorities, and the government's broader efforts on science, can be found on the Australian Government Science website (www.science.gov.au).

Programme 3: Encouraging Investment

Programme 3 aimed to encourage investment and build the future of Australia's industry. The department's contribution to this objective was through measures that support the formation and growth of new or existing businesses to ensure Australia has a diversified, flexible and dynamic economic base that successfully competes in existing markets, and allows access to global markets.

Operating environment

The following provides the context for—and insight into—the economic environment in which the department operates. In particular, the indicators highlighted below report on Australia's progress in key areas that relate to the performance indicators for Programme 3 set out in the Department of Industry 2014-15 PBS and the Department of Industry and Science 2014-15 PAES. The Australian economy is incredibly complex and interconnected. How the economy performs depends on a wide range of domestic and international factors.

Growth in new private sector capital expenditure

Total private investment has peaked, but remains high by historical standards.

More data and further information can be found in the department's *Industry Monitor 2015*, Figure 3.1.

Growth in expected investment, particularly in resources and energy

Most forecasters and commentators point to declining investment going forward. This is driven by an overall drop in expected resources and energy investment, as commodity prices continue to fall and the mining sector transitions from the investment phase to the production phase.

More data and further information can be found in *Resources and Energy Major Projects*, April 2015, pages 22–23.

Growth in foreign direct investment as a percentage of GDP

Inwards foreign direct investment (FDI) declined following the global financial crisis, with the FDI share of GDP peaking at 40.9 per cent in the September quarter of 2007. Despite this, the inwards FDI share of GDP improved over the year, increasing from 35.0 per cent in the June quarter of 2014 to 37.6 per cent in the June quarter of 2015.

Change in the Fraser Institute investment attractiveness index (states and territories)

Australia remains an attractive option for mining investors. The Fraser Institute ranked Australian states in the top 43 of 112 regions around the world in 2013. This is an improvement from ranking in the top 58 regions in 2011. Western Australia ranked number 1 among 112 regions on overall attractiveness in 2013. Less resource-intensive states, including New South Wales, Victoria and South Australia, also have relatively favourable rankings (within the top half of regions covered).

More data and further information can be found in the department's *Industry Monitor 2015*, Table 3.1.

Change in the ranking position in the International Trade Centre Trade Performance index

Australia's average ranking in the International Trade Centre's Trade Performance Index was 44 out of around 180 countries in 2013. This was down from an average ranking of 42 in the previous year. The overall composite ranking is calculated as a simple average of the rankings across 14 different sectors, based on five criteria: value of net exports, per capita exports, world

market share, diversification of products and diversification of markets.

Change in exports and imports as a percentage of GDP

Exports of goods and services are at high levels, accounting for around 21 per cent of GDP. Total exports have increased over time, particularly due to increasing goods exports. Services exports have remained relatively steady over the past decade.

Imports of goods and services are also at relatively high levels, at around 20 per cent of GDP. This is down slightly from the peak of around 22 per cent in 2011.

Historical data and further information can be found in the department's *Industry Monitor 2015*, Figures 1.9 -1.10.

Performance measures and results

Table 4: Results for Sub-programme 3.1: Competitive marketplace

Contributing component	Performance measure (quantitative)	2014-15 estimate	2014-15 actual
Certain Inputs to Manufacture ¹ ; Enhanced Project By-law Scheme ¹ ; Space Concession ¹ ; Tradex ¹	Number of new duty and/or tax registrations for CIM, EPBS and Space Concession	14	9
	Number of active Tradex Order users	640	640
	Total value of duty and/or tax concessions to eligible firms (\$'000)	294 000	485 924 ²
Textile Clothing and Footwear—Register of Approved Occupational Clothing ¹	Proportion of registrations within 30 days of complete information being provided (%)	90	100
Contributing component	Performance measure (qualitative)	2014-15 result	
Support for Industry Service Organisations	Memberships of key international standardisation and conformity assessment bodies maintained	Achieved	

CIM = Certain Inputs to Manufacture, EPBS = Enhanced Project By-law Scheme

1 Revenue forgone programme.

2 The higher than expected value of duty is related to the higher than expected value of imports which is primarily as a result of several large EPBS projects nearing completion, e.g. Gorgon Gas Development Project by Chevron Australia (gas production), Ichthys Project by INPEX Operations Australia (gas production), Wheatstone Project by Chevron Australia (gas production) and Sino Iron Project by CITIC Pacific Mining Management (magnetite iron ore).

Table 5: Results for Sub-programme 3.2: Business and market development

Contributing component	Performance measure (quantitative)	2014-15 estimate	2014-15 actual
Entrepreneurs' Infrastructure Programme ¹	Number of services provided to strengthen business management and networks, enhance research collaborations and facilitate the commercialisation of novel products, processes and services ²	3040 ²	3398
Contributing component	Performance measure (qualitative)	2014-15 result	
Expediting Clinical Trial Reform in Australia ³	Establishment of an interactive clinical trials web portal and a framework for education and training of governance for clinical trials	<p>A Clinical Trials Advisory Committee was established to provide stakeholder advice on the clinical trials reform work.</p> <p>The interactive portal project is expected to be finalised by the end of 2015.</p> <p>The department commissioned Swinburne University to develop and deliver the vocational education and training (VET) accredited course, which has now received accreditation and is currently being piloted.</p>	
Leveraging Australia's Global Expat Platform—Advance ³	Project milestones are achieved and appropriate reports are submitted	Achieved	

1 Now known as the Entrepreneurs' Programme.

2 The performance measure and the 2014-15 estimate set out in the 2014-15 PAES for the Entrepreneurs' Programme were updated in April 2015 to better reflect the intent of the performance measure and changes in the design of the programme.

3 The programme was identified as closed/closing in the 2014-15 PBS.

Table 6: Results for Sub-programme 3.3: Economic transition

Contributing component	Performance measure (quantitative)	2014-15 estimate	2014-15 actual
Australian Government Innovation and Investment Fund (Tasmania)	Induced private sector investment in new or expanded business activity (\$'000)	5000	5000
Automotive Diversification Programme	Induced private sector investment in new or expanded activity by the Australian automotive supply chain (\$'000)	5000	3080 ¹
Automotive Transformation Scheme ²	Total value of plant and equipment and innovation investment by Australian automotive industry induced by the Automotive Transformation Scheme (\$'000)	819 837	602 987 ⁴
Manufacturing Transition Programme	Induced private sector investment in new or expanded business activity (\$'000)	10 000	13 899 ⁵
Next Generation Manufacturing Investment Programme	Induced private sector investment in new or expanded business activity (\$'000)	-	0 ⁶
Regional Infrastructure Programme	Induced private sector investment in infrastructure to enhance economic activity in the region (\$'000)	-	- ⁷
Toyota Major Facelift Vehicle Grant ² ; Toyota Supplier Development Programme Grant ²	Total amount of investment by Toyota induced by the grants (\$'000)	50 700	50 700
Victorian Innovation and Investment Fund—Ford assistance ^{2,3}	Number of jobs created from projects	35	175
	Amount of private sector investment induced by the Victorian Innovation and Investment Fund—Ford assistance (\$'000)	70 000	49 707 ⁸

1 Round 1 was finalised later than expected. Some funding offers were declined and some project spending was undertaken by grantees more slowly than anticipated.

2 The programme was identified as closed/closing in the 2014-15 PBS.

3 The Victorian Innovation and Investment Fund incorporates the Geelong Region Innovation and Investment Fund and the Melbourne's North Innovation and Investment Fund. For reporting purposes, the two elements of the Fund are reported as one (the Victorian Innovation and Investment Fund).

4 The 2014-15 actual result is \$216 million (26%) below the original industry forecast and is a result of reduced investment activities by scheme participants consistent with recent developments in the Australian automotive industry.

5 The total amount of private sector investment induced was higher than expected due to some grantees contributing more than the minimum 75%.

6 The programme will not start to induce private sector investment until 2015-16.

7 Delivery arrangements are still being negotiated with the South Australian and Victorian governments.

8 The total amount of private sector investment induced was lower than expected due to the termination of two larger projects and some other grantees' projects proceeding more slowly than anticipated.

Table 7: Results for Sub-programme 3.4: Resources

Contributing component	Performance measure (quantitative)	2014-15 estimate	2014-15 actual
<i>Offshore Minerals Act 1994</i>	Percentage of offshore minerals titles administered within the regulatory requirements (%)	100	100
Low Emissions Technology Demonstration Fund ¹	Number of companies investing in innovation supported through the Low Emissions Technology Demonstration Fund	1	1
National Low Emissions Coal Initiative ¹	Number of projects supported for the development and deployment of low emission coal technologies	8	8
Contributing component	Performance measure (qualitative)	2014-15 result	
Petroleum Royalties Administration	Timely and accurate delivery of audit and monthly administration and verification of royalties	Achieved	
NT Uranium Royalty (Ranger Project Area) Administration (including SPP)	Efficient and effective biannual collection, payment and reconciliation of uranium royalties	Achieved	
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	Achieved	
Maralinga Maintenance	Effective management of the Maralinga section 400: (1) The Maralinga board is satisfied with the maintenance of the Maralinga area; (2) Maintenance activities are completed on time and to plan	Achieved. Specific achievements in 2014-15 included: <ul style="list-style-type: none"> ■ establishing a new Radiation Monitoring and Assessment of Radiation Safety Plan ■ maintaining rehabilitation works ■ providing support for Maralinga Tjarutja's tourism venture. 	

Contributing component	Performance measure (qualitative)	2014-15 result
Radioactive Waste Management	Effective delivery of activities supporting the government's radioactive waste management strategy	Achieved. The department: <ul style="list-style-type: none"> ■ provided advice to support the Minister's decision to open a nationwide voluntary site nomination process ■ established an independent advisory panel and developed a site assessment framework ■ called for and assessed possible nominations.
Rum Jungle Mine Site— Environmental Rehab (SPP)	Effective delivery of scheduled activities for the Rum Jungle Mine Site Rehabilitation Project	Achieved
Syntroleum Depreciation	The Syntroleum Depreciation schedule is administered in accordance with Government agreement and no material errors are made	Achieved. The value of the licence is nearly fully depreciated, with expiry on 29 July 2015.

1 The programme was identified as closed/closing in the 2014-15 PBS.

Table 8: Results for Sub-programme 3.5: Energy

Contributing component	Performance measure (quantitative)	2014-15 estimate	2014-15 actual
Australian Renewable Energy Agency ¹	Number of projects supported to improve uptake of renewable energy	194	191
Ethanol Production Grants ²	Number of eligible companies paid fuel excise reimbursements in accordance with funding agreement terms	3	3
Greenhouse and Energy Minimum Standards National Legislative Framework	Number of regulatory services to improve energy efficiency and labelling standards for appliances and other products:		
	(1) Number of new Product Profiles published;	5	1 ³
	(2) Number of new Consultation Regulatory Impact Statements published;	5	0 ³
Coal Mining Abatement Technology Support Package ²	(3) Number of new products registered under the <i>Greenhouse and Energy Minimum Standards (GEMS) Act 2012</i>	4500	4650
	Number of co-funded projects developing and demonstrating technologies funded under the Coal Mining Abatement Technology Support Package	5	5
Energy Efficiency Programmes	Number of Tenancy Lighting Assessments issued	1000	923
	Number of audits of Tenancy Lighting Assessments issued	50	24 ⁴
	Number of views of the Building Energy Efficiency Register	3000	5861
	Number of Building Energy Efficiency Certificates issued	1000	1086
	Number of Commercial Building Disclosure accredited assessors	200	190
Contributing component	Performance measure (qualitative)	2014-15 result	
Community Energy Efficiency Programme ²	Improved energy management practices within councils, organisations and the broader community through the Community Energy Efficiency Programme	CEEP activities have delivered energy efficiency gains in different technologies including street lighting, co-generation and building retrofits.	
Low Income Energy Efficiency Programme ²	Improved data and information to inform future policies and programmes to make low-income households around Australia become more energy efficient	LIEEP is engaging with 20 grant recipients that are collectively trialling 70 initiatives on improving energy efficiency. The results of these activities will be collated and analysed during 2015-16.	

Contributing component	Performance measure (qualitative)	2014-15 result
Charities Maritime and Aviation Support Programme (Carbon Price Deductible Gift Recipient Fund) ²	Offset of the effect of carbon price increase on charities that use maritime and aviation fuels	The Charities Maritime and Aviation Support Programme was closed on 17 July 2014 in line with the repeal of the carbon tax legislation. A total of \$1.87 million was provided to 37 charities over the life of the programme. The programme ensured that charities providing maritime and aviation services were not unduly impacted by the effective carbon price on fuels, and were able to continue their services to the community.
Energy Efficiency Information Grants ²	Improved access to quality energy efficiency information for small and medium enterprises (SMEs) and community organisations: (1) Prepare milestone and end of project reports as outlined within individual funding agreements (2) Programme-level surveys of participating SMEs and community organisations conducted	The Energy Efficiency Information Grants programme was closed on 30 June 2015. A total of \$33.24 million was paid to 46 grant recipients over the life of the programme. The programme resulted in energy efficiency information being provided to around 650 000 small and medium businesses and community organisations. This information will help businesses and community organisations make better choices about energy use and reduce their energy costs.

- 1 In the 2014-15 Budget, the Australian Government announced it intended to consolidate Australian Renewable Energy Agency with the Department of Industry and Science. As the ARENA Repeal Bill 2014 has not yet been passed, ARENA's initiatives and programs remain open in line with the legislative requirements of the *Australian Renewable Energy Agency Act 2011*. The 2014-15 revised estimate and actual result take into account new projects entered into by ARENA since the May 2014 Budget. ARENA's actual project performance is very close to the revised estimate for projects under management. ARENA prepares and releases its own Annual Report.
- 2 The programme was part of the package of "Low Carbon Communities" that were identified as closed/closing in the 2014-15 PBS.
- 3 Delays have been experienced due to the review of the framework.
- 4 An additional 14 were still in progress as at 30 June 2015 due to auditor delays.

CASE STUDY

Supporting innovation, entrepreneurship and growth

The Single Business Service initiative announced in the 2014–15 Budget is making it easier for business to find and access government services through one website (business.gov.au), one contact centre (13 28 46) and AusIndustry's national outreach services network.

Our services help businesses to grow, innovate and be more competitive in global markets. For example, the R&D Tax Incentive helps 12 000 businesses each year carry out around \$20 billion of research and development work and the new Entrepreneurs' Programme offers expert tailored advice and matched grants so businesses can improve processes and commercialise their inventions.

In 2015, the government announced the first \$33.6 million in funding (private and government) under the Accelerating Commercialisation element of the Entrepreneurs' Programme helping 31 businesses bring their ideas to market. One of these ideas, by AirShr (www.airshr.com.au) in Sydney, is an online platform helping drivers save, share and/or buy anything broadcast on radio - including news, talkback, advertisements and music - without touching their smartphone, but instead pressing a dashboard-mounted Bluetooth button.

On the Gold Coast, Coffee Roasters Australia (www.coffeeroasters.com.au) is another great example of an entrepreneurial small business that has accessed programmes which have helped it transform from a small-sized coffee roasting equipment specialist into a diversified global player. The R&D Tax Incentive helped the company develop and commercialise new

products such as innovative coffee roasting control systems and café equipment. Under the Entrepreneurs' Programme, Coffee Roasters Australia received a 2014 Business Evaluation and a 2015 Business Growth Grant to enhance performance and growth. The company's revenue rose 43 per cent from 2012 to 2014.

Adelaide-based horticultural services provider UrbanVirons (www.urbanvirons.com.au) is using a 2014 Research Connections grant under the Entrepreneurs' Programme to collaborate with Melbourne University on a potentially game-changing weed-management solution.

Many Australian businesses are contacting AusIndustry to help them grow. In 2014–15, there were:

- over 11 million unique page views of business.gov.au (26 per cent increase on 2013–14)
- 76 266 contacts comprising web chats, emails and phone calls to 13 28 46 (40 per cent increase on 2013–14)
- more than 66 000 followers on business.gov.au Facebook and Twitter accounts.

CASE STUDY

Growth Centre – Advanced Manufacturing

The sector-based Industry Growth Centres Initiative, announced as part of the Industry Innovation and Competitiveness Agenda on 14 October 2014, is the centrepiece of the government's new industry policy direction.

Initially, five Growth Centres will be established in areas of competitive advantage within the Industry and Science portfolio: Advanced Manufacturing; Food and Agribusiness; Medical Technologies and Pharmaceuticals; Mining Equipment, Technology and Services; and Oil, Gas and Energy Resources.

In 2014-15, significant progress was made in implementing the Industry Growth Centres Initiative, delivering on the government's industry policy agenda:

- A consultation roadshow was conducted, involving 858 participants, with sessions in all capital cities and some regional centres, and four webinars.
- Programme guidelines were implemented, receiving significant praise from industry stakeholders.
- Chairs for all Growth Centres were appointed and assisted by the department to undertake in-depth consultation with their sectors and develop a Growth Centre plan of action.
- The Growth Centres Advisory Committee was established and was assisted by the department to provide the Minister with valuable strategic advice on the initiative.

The Advanced Manufacturing Growth Centre involves the use and coordination of information, automation, computation, software, sensing and networking to develop new or modify existing manufactured products and related services and inputs. It includes businesses that adopt innovative technologies or business practices to improve or develop high-value manufactured products, processes or services.

The Advanced Manufacturing Growth Centre is chaired by Mr Andrew Stevens and a small board of respected industry leaders. The Growth Centre will develop a strategy and deliver a range of activities to enhance the productivity and competitiveness of the sector, including linking Australian manufacturers with global companies and their digital supply chains; identifying skills and knowledge requirements; and presenting businesses with a pipeline of well-developed innovations which are ready to commercialise.

The Growth Centre will establish hubs around Australia to strengthen and leverage collaborative relationships. It will co-locate with several CSIRO facilities to build scale and maximise impact.

CASE STUDY

Energy White Paper: Setting a framework for delivering competitively priced and reliable energy supply

The Energy White Paper, released on 8 April 2015, sets out a policy framework for delivering a competitively priced and reliable energy supply to households, business and international markets through:

- increasing competition to keep prices down
- increasing energy productivity to promote growth
- investing in Australia's energy future.

Australia depends on the delivery of a competitively priced and reliable supply of energy, whether it is electricity, gas or transport fuels. Australian households and businesses have enjoyed relatively low-cost energy due to our abundant resources, but the energy market has changed considerably in recent years.

Strong growth in global energy demand, rapidly evolving technological developments and greater penetration of renewable energy are influencing how we produce, use and sell energy. Competition, productivity and investment will deliver competitively priced and reliable energy to households and business.

Under the Energy White Paper the government will:

- implement priority energy market reforms agreed by the COAG Energy Council to deliver more competition and consumer choice
- assess competition in wholesale gas markets through the Australian Competition and Consumer Commission to improve market transparency
- monitor Australia's energy security through a national energy security assessment
- develop a national energy productivity plan to improve energy use, with a target of increasing Australia's energy productivity by up to 40 per cent
- develop a national resources development strategy to improve investment and competitiveness.

A market-driven and technology-neutral approach will support research, development and demonstration of energy technologies which are commercially viable. The government is also improving its energy outlook capability to enable Australia to respond quickly to major changes in the energy market. Read about the government's vision for the energy sector at ewp.industry.gov.au.

Programme 4: Programme Support

Programme 4 aimed to streamline regulatory settings to reduce the cost of doing business in Australia, and to provide effective and efficient administrative services and support to the department, government, industries and other stakeholders.

Operating environment

The following provides the context for—and insight into—the economic environment in which the department operates. In particular, the indicators highlighted below report on Australia's progress in key areas that relate to the performance indicators for Programme 4 set out in the Department of Industry 2014-15 PBS and the Department of Industry and Science 2014-15 PAES.

Quality of regulation (via OECD reviews)

The last OECD review of regulatory reform for Australia was published in 2010. This review highlighted the importance of continued regulatory improvements, particularly in the area of streamlining regulations to reduce duplicative and burdensome regulations. The OECD's latest economic survey of Australia, published in 2014, suggested that taxation, competition and deregulation are areas for regulatory reform.

The World Bank Group publishes annual rankings of the "ease of doing business". In 2015, Australia ranked tenth out of 189 economies, unchanged from the previous year.

More data and further information can be found in the department's *Industry Monitor 2015*, Figure 4.1 and Table 4.2.

Business and government satisfaction with delivery of regulation reform

The department has undertaken a range of initiatives to help ensure business and government satisfaction with the delivery of regulation reform. The portfolio achieved a reduction of \$205.67 million in the compliance burden in 2014. The department developed the *Industry Officer's Guide to Regulation Reform* to help policy-makers improve the way in which regulation is developed or reformed. The Best Practice Regulation Coordinator helps policy-makers and regulators in the portfolio to develop best practice regulation. The department's website features a suggestion box for business stakeholders to advise the department of any regulation reform opportunities. Also, the department developed the *Regulation Reform Agendas Guide for Growth Centres* in consultation with Australian Government agencies, the Growth Centres Advisory Committee, industry groups and state and territory governments to assist growth centres.

Performance measures and results

Table 9: Results for Sub-programme 4.1: Improving regulation

Contributing component	Performance measure (qualitative)	2014-15 result ¹
Regulatory policy advice	Provision of high-quality, timely and strategic industry policy advice to support the Government's deregulation agenda	The department provided advice to support a net portfolio contribution of \$205.67 million in reduction of regulatory burden to the government's deregulation agenda in 2014.
Regulatory programme delivery	Effective and efficient delivery of programmes that support the Government's deregulation agenda	The department's Single Business Service, which commenced in 2014, is a key mechanism to help business interact more efficiently and effectively with departmental programmes.
Portfolio Regulatory Reform	Successful implementation of Portfolio Regulatory Reform	The portfolio achieved a net regulatory reduction for business of \$205.67 million in 2014.

¹ The 2014-15 result reported here is for 2014 calendar year only. Additional performance information for this sub-programme can also be found in the *Industry and Science Portfolio Annual Deregulation Report 2014*.

Table 10: Results for Sub-programme 4.2: Building a high performance organisation

Contributing component	Performance measure (qualitative)	2014-15 result
General policy advice on matters impacting on industry	Provision of high-quality, timely and strategic industry policy advice to the Minister	<p>Significant achievements in 2014-15 include:</p> <ul style="list-style-type: none"> ■ implementation of key elements of the Australian Government Industry Innovation and Competitiveness Agenda such as the Manufacturing Transition Programme and the Industry Growth Centres Initiative ■ promotion of solutions that improve Australia's industrial competitiveness through white papers and programme design ■ preparation and release of the Energy White Paper, which sets out an integrated and coherent Australian Government position on energy policy ■ development and release of the Domestic Gas Strategy, which identifies the onshore unconventional gas industry as an important energy resource for domestic use and for export and articulates the Australian Government's role in supporting the responsible development of these resources for the benefit of Australians ■ release of the <i>Australian Industry Report 2014</i>, which provides an overview and analysis of the major economic factors affecting Australia's industries.

Contributing component	Performance measure (qualitative) 2014-15 result	
<p>General programme delivery designed to have a positive impact on industry</p>	<p>Effective and efficient delivery of programmes that support government industry policy</p>	<p>Significant achievements in 2014-15 include:</p> <ul style="list-style-type: none"> ■ launch of the Single Business Service initiative, which enables Australia's 2.1 million businesses and business intenders to access the essential information and services they need to start, run and grow their operation ■ improved programme design and delivery of Australian Government programmes through the AusIndustry centre of excellence ■ delivery of the Entrepreneurs' Programme, including procurement of a business advisory network and engagement of commercialisation advisers ■ design and implementation of the Industry Growth Centres Initiative, which will lift competitiveness and productivity by focusing on areas of competitive strength and help Australian industries transition into smart, high-value, export-focused industries ■ implementation of the Growth Fund to support employees, businesses and regions affected by the closure of car manufacturing operations in 2017 and the Manufacturing Transition Programme to assist businesses to become more competitive and sustainable ■ contribution to the Digital Transformation Agenda, which is transforming government service delivery to better meet the needs of Australians.

Contributing component	Performance measure (qualitative)	2014-15 result
Corporate, human resource, financial and ICT services	Effective and efficient provision of corporate, financial and ICT services	<p>Significant achievements in 2014-15 include:</p> <ul style="list-style-type: none"> ■ implementation and continuous improvement of the new corporate service delivery framework and processes that support the delivery of business outcomes at a lower overall cost to the department and allow end-to-end financial processes to be streamlined and standardised across the department ■ development and implementation of an action plan to build a high performance organisation through common vision, value adding, strong leadership, engaged staff, collaboration and innovation, and enhanced structure, systems and processes ■ maintenance of our investment in developing staff capability, with continued high levels of participation in our learning and development programmes ■ the engagement of 39 graduates to grow our future workforce ■ investment in data infrastructure, including the development of the Lighthouse Data Analysis Portal to provide evidence-based advice and the capability to effectively deliver the government's reform agenda ■ streamlining of the department's financial framework to reflect the new principles-based approach for resource management as per the <i>Public Governance, Performance and Accountability Act 2013</i>.

CASE STUDY

Deregulation achieved in 2014-15

In 2014-15, we worked hard to reduce red tape for businesses so they can spend less time dealing with regulation and more time growing.

We understand that there is a cost to businesses when they have to comply with the administrative processes of government. That is why we are listening to feedback and changing current practices to give businesses more time to grow and be competitive. This is being achieved through:

- easier and quicker access through AusIndustry's streamlined services, which means businesses can get customised information and services that can assist them to grow and be smarter and more competitive in the global market
- more practical methods for businesses to fill in forms online, which saves them time and money
- a better partnership between government and business and improved interactions that can lead to greater business outcomes.

We are making it easier for businesses to access government services through AusIndustry—the Australian Government's specialist business programme delivery service in the Department of Industry and Science.

It is important that Australian businesses can connect easily to business-orientated programmes and services offered by the government. Our universal offering enables this through one website (business.gov.au), one contact centre (13 28 46) and AusIndustry's national outreach services network.

Our streamlined services have made it easier for businesses to gain the information they need. For the 12 months since consolidating our websites and contact centres on 1 July 2014, there were over 11 million unique page views of the business.gov.au website, which was a 26 per cent increase compared to the same period in the previous 12 months. In addition, there were over 77 000 contacts with the contact centre, which is a 40 per cent increase compared to the same period in the previous 12 months.

SmartForms are another practical way we are helping to reduce the regulatory burden on business. We know that paper forms can create a lot of red tape for business and a lot of unnecessary administration for government agencies. That is why we have embraced electronic SmartForms, as they are interactive, dynamic and accessible through a range of electronic devices that businesses are increasingly using today, such as desktops, tablets and smartphones. The application of SmartForms is not only helping businesses but also increasing efficiency within our department and other federal, state and local government agencies.

In the case of the Australian Government's R&D Tax Incentive, for example, moving programme forms online has benefited both businesses and the department. The cost savings to businesses from this streamlined process are estimated to be \$57 per form submission. Based on an average of 13 500 registration applications per year, this translates to annual savings to businesses of approximately \$769 500. The department also benefits from the reduced effort in receipting, validating and processing submitted forms.

We also want to ensure that businesses are complying with the obligations of government grants so that no unnecessary burdens are placed on them when they are receiving our services. In 2014-15, we began looking closely at how people make their choices and testing small changes in the way the choices are presented.

Earlier this year, the department conducted investigations with businesses receiving grants. These investigations highlighted that we need to simplify our communications with business and provide clear and timely information and

guidance on how they can meet their reporting obligations. The investigations helped the department to understand how it can assist business to better adhere to the requirements of government grant agreements. Simple cost-effective changes such as these can benefit both grant recipients and government, by making programmes more accessible and helping the parties understand their obligations better.

Financial performance

Financial Performance – Departmental

Operating result

Excluding depreciation and amortisation, the department recorded an operating surplus of \$2.4 million in 2014–15.

After taking into account depreciation and amortisation of \$43.7 million, the department recorded an operating loss of \$41.3 million for 2014–15. This reflects the introduction of the cash appropriation arrangements where appropriation for depreciation and amortisation expenses ceased. Entities now receive a separate capital budget provided through equity appropriations.

Financial Sustainability

As at 30 June 2015, the department reported net equity of \$228.2 million.

The department has sufficient financial assets to pay its supplier and other payables as and when they fall due. Non-financial assets consist mainly of property (buildings and fit-out), plant and equipment owned by the department.

Financial Performance – Administered

Income

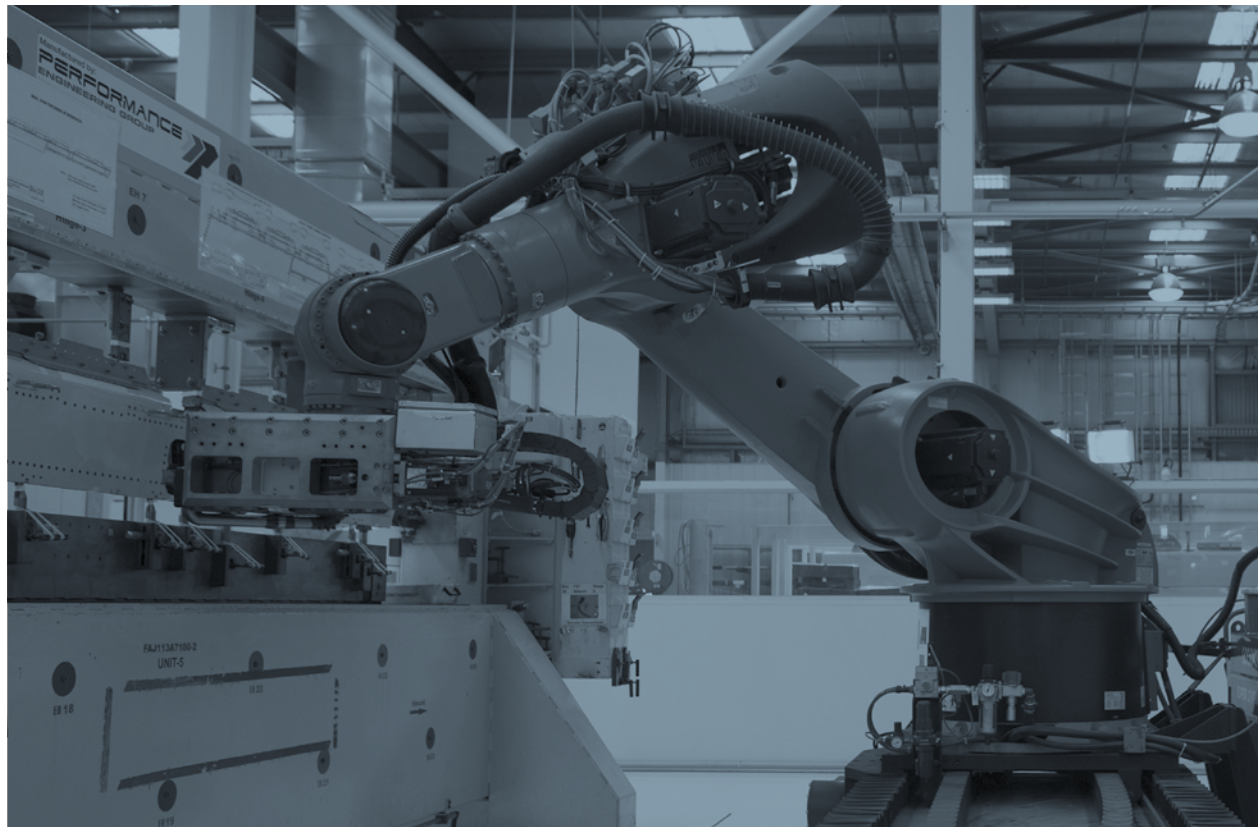
Administered revenue largely relates to royalty revenue (\$1,384.1 million), dividends issued by Snowy Hydro Limited (\$20.2 million), levy receipts generated by the National Offshore and Petroleum Safety and Environmental Management Authority (\$36.2 million) and registration fees generated by the National Offshore Petroleum Titles Administrator (\$10.4 million).

Expenses

During the year the department administered programmes on behalf of the government, including:

- \$225.5 million in grants to facilitate science, research and innovation to deliver improved productivity for Australian Industry
- \$234.5 million in grants to support the development and growth of Australian industry
- \$83.6 million in grants to support the safe and sustainable operations of the resources sector, attract private sector investment and encourage innovative technologies
- \$59.8 million in grants to support the safe and sustainable operations of energy markets and improve Australia's energy performance and productivity
- \$79.8 million in personal benefits to provide vocational education and training apprentice income for the Australian Apprenticeships Incentive Program²
- \$69.3 million in grants to enable growth and productivity of globally competitive industries through vocational education and training²
- \$1,222.2 million in payments to the portfolio's corporate Commonwealth entities, the Commonwealth Scientific and Industrial Research Organisation, the Australian Renewable Energy Agency, the Australian Nuclear Science and Technology Organisation, the Australian Institute of Marine Science and the National Offshore Petroleum Safety and Environmental Management Authority.

² The department administered these programmes up until 23 December 2014, when they transferred to the Department of Education and Training.



CHAPTER 3

Departmental management and accountability

Corporate governance	34
Fraud control	34
External scrutiny	34
Management of human resources	35
Work health and safety	35
National Disability Strategy	35
Purchasing	36
Consultants and contracts	36
Grant programmes	36
Information Publication Scheme	36
Advertising and market research	36
Ecologically sustainable development and environmental performance	37



DEPARTMENTAL MANAGEMENT AND ACCOUNTABILITY

Corporate governance

The department's corporate governance practices define how the department delivers its outcome and programme responsibilities and controls its business, both internally and externally.

During 2014-15, the department's governance committee structure comprised:

- an Executive Board supported by the Assurance and Audit Committee
- three supporting committees—the Operational Frameworks Committee, the ICT Strategy Committee, and the Programme Evaluation and Governance Committee.

The department's governance practices comply with all statutory requirements and are regularly reviewed to ensure they remain relevant and effective.

The department's planning and risk management processes are closely integrated. Business plans for divisions are prepared annually and detail how the strategic priorities set out in the department's *Strategic Plan 2015-19* will be achieved and how any major risks will be managed.

The department used a quarterly traffic light reporting system to keep the Executive (and the Minister, where appropriate) informed of the status of key deliverables and organisational health metrics.

Fraud control

The department's fraud control framework is consistent with best practice standards and provides assurance that fraud control strategies are robust. Its approach includes ongoing fraud awareness training for all staff. As required by the Commonwealth Fraud Control Framework, the department has a fraud control plan which details fraud prevention, detection, investigation and reporting procedures. Officers responsible for fraud control and investigation hold the qualifications detailed in the Australian Government Investigations Standards and the Commonwealth Fraud Control Framework.

External scrutiny

During 2014-15, the department appeared at several parliamentary committee hearings, including budget supplementary estimates hearings on 21 and 22 October 2014, additional estimates hearings on 25 and 26 February 2015, and budget estimates hearings on 3 and 4 June 2015.

During 2014-15, the department was directly involved in Australian National Audit Office (ANAO) audits that resulted in the following reports:

- *The Award of Grants Under the Clean Technology Program*
- *The Ethanol Production Grants Program*
- *Procurement Initiatives to Support Outcomes for Indigenous Australians.*

The Commonwealth Ombudsman released a report in March 2015 regarding two complaints in relation to applications made under the Australian Apprenticeships Incentives Programme (Aaip) when that programme was administered by the former Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education. Administration of Aaip transferred to the Department of Education and Training on 23 December 2014. Consequently the report's recommendations were directed to that department.

Management of human resources

The department's Workforce Plan 2015-2017 incorporates strategies to manage resources and build capability. To help the Senior Executive Service (SES) to better lead and manage staff resources, an "HR metric dashboard" has been developed and released.

In February 2015, 480 staff were transferred to the Department of Education and Training as a result of the Administrative Arrangements Order of 23 December 2014.

The One Innovation Enterprise Agreement 2011 nominally expired on 30 June 2014. Negotiations on a new Industry and Science enterprise agreement commenced in May 2014 and are continuing. Until a new agreement is established, the terms and conditions prescribed in the One Innovation Enterprise Agreement 2011 will continue to apply.

The department delivered a range of capability development programmes, including a focus on written communication with the inclusion of *Essential Writing Skills* and *Writing for Government and the Minister*. Also included in the suite of offerings were more technical courses such as Economics for Non-Economists.

As well as general capability development, the department continued to deliver a range of management and leadership programmes, including the Management Action Program and

the new Management to Leadership Program. The department also offered a range of opportunities for high-potential staff, including the Career Development Program and the Scholarship Award Program.

The department introduced a two-year Graduate Development Programme that incorporates a Graduate Certificate in either Economics or Management in the second year. The development programme is designed to give graduates skills and capabilities required to meet the challenges of working in the Australian Public Service.

The department's workforce statistics tables can be found at Appendix A3.

Work health and safety

The department introduced a revised work health and safety (WHS) management system in 2014-15. The system comprises a series of policies and procedures, guidelines and checklists to ensure the department continues to manage WHS risks and WHS operations in a systematic, planned and documented manner.

Eight incidents during the year were deemed notifiable under section 38 of the *Work Health and Safety Act 2011* and reported to Comcare.

No investigations or notices (improvement and / or prohibition) were undertaken or issued under Part 10 of the *Work Health and Safety Act 2011*.

National Disability Strategy

The National Disability Strategy 2010-2020 sets out a ten-year national policy framework to improve the lives of people with disability, promote participation and create a more inclusive society. A high level two-yearly report will track progress against each of the six outcome areas of the strategy and present a picture of how people with disability are faring. The first of these reports will be available in late 2015, and can be found on the Department of Social Services website (www.dss.gov.au).

Purchasing

During 2014-15, the department undertook its procurement in accordance with the Commonwealth Procurement Rules (CPRs) and the requirements of its Accountable Authority Instructions (AAIs). In accordance with the CPRs, the department published its Annual Procurement Plan on AusTender to give prospective suppliers the opportunity to prepare for potential work with the department.

The department supports small business participation in the Australian Government procurement market. Participation statistics are available on the Department of Finance website (www.finance.gov.au/procurement/statistics-on-commonwealth-purchasing/contracts/).

Consultants and contracts

During 2014-15, 150 new consultancy contracts were entered into involving total actual expenses of \$6 692 241 (GST inclusive). In addition, 36 ongoing consultancies were active during the year, involving total actual expenses of \$1 748 203 (GST inclusive). Consultancy expenses for 2014-15 have been derived on an accrual basis and include contracts valued at less than \$10 000.

The department engages individuals and companies to provide professional services under contracts for service, taking account of the skills and resources required for the task, the skills available internally and the cost effectiveness of these options. Consultants are typically engaged to investigate or diagnose a defined issue or problem; carry out defined reviews or evaluations; or provide independent advice, information or creative solutions to assist in the department's decision-making. Some examples include the provision of complex legal advice, the engagement of technical experts to assist with awarding technical research grants and independent evaluations to determine the

effectiveness of department programmes.

The decision to engage a consultant is made in accordance with the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and related regulations, including the CPRs and the department's AAIs.

Information on the value of contracts and consultancies is available on the AusTender website (www.tenders.gov.au).

During 2014-15, the department entered into six contracts, to the value of \$1 016 130.50 (GST inclusive), which were exempted from being published on AusTender on the basis that to publish them would disclose exempt matters under the *Freedom of Information Act 1982*.

Grant programmes

Information on grants made by the department during the period 1 July 2014 to 30 June 2015 is available on the department's website (www.industry.gov.au/AboutUs/LegalandLegislativeReporting/Grants).

Information Publication Scheme

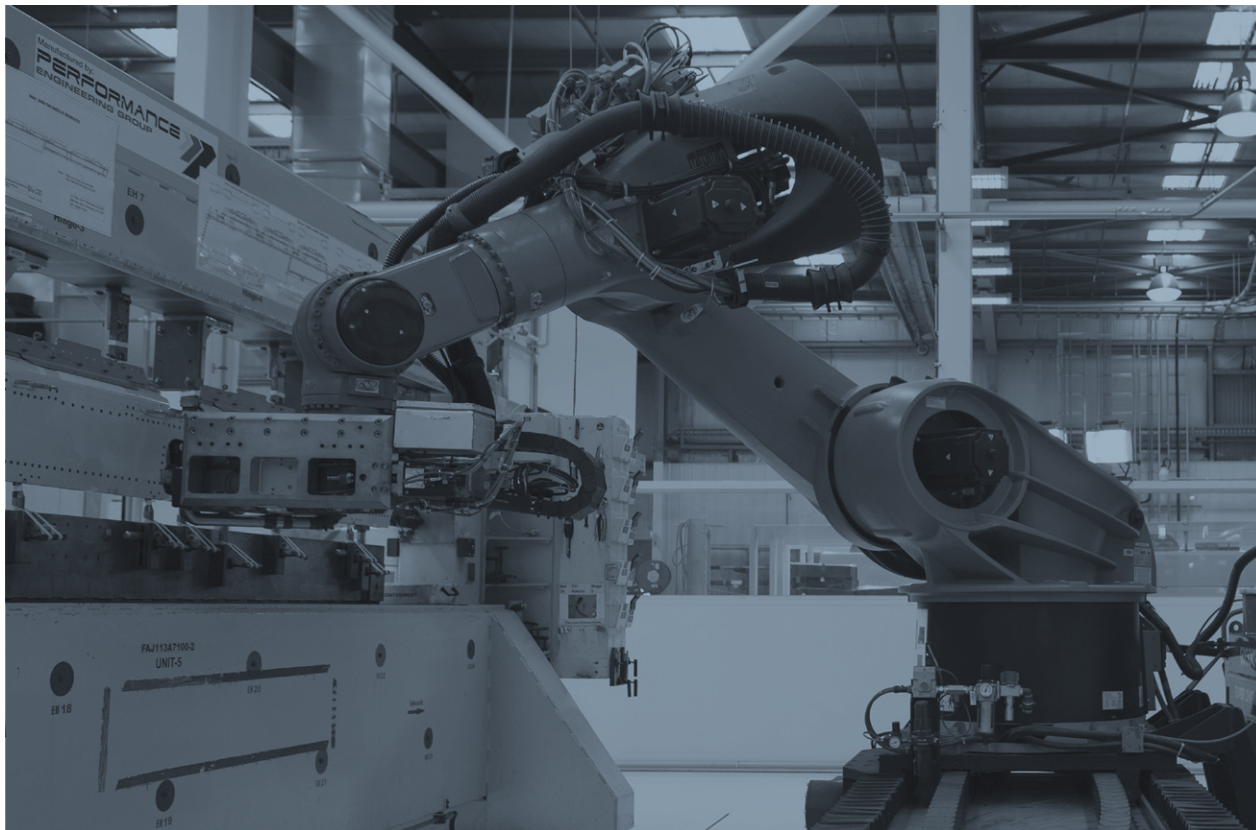
The department's Information Publication Scheme information can be found on the department's website (www.industry.gov.au/AboutUs/InformationPublicationScheme).

Advertising and market research

The department's advertising and marketing payments are shown at Appendix A4. These figures exclude payments of \$12 565 (GST inclusive) or less.

Ecologically sustainable development and environmental performance

In accordance with Section 516A of the *Environment Protection and Biodiversity Conservation Act 1999*, the report on how the department's activities accord with and contribute to the principles of ecologically sustainable development and environmental performance can be found on the department's website (www.industry.gov.au).



CHAPTER 4

Department of Industry and Science financial performance

Independent auditor's report	40
Statement by the Secretary and Chief Financial Officer	42
Financial statements	43



INDEPENDENT AUDITOR'S REPORT

To the Minister for Industry and Science

I have audited the accompanying annual financial statements of the Department of Industry and Science for the year ended 30 June 2015, which comprise:

- Statement by the Secretary and Chief Financial Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement;
- Schedule of Commitments;
- Administered Schedule of Comprehensive Income;
- Administered Schedule of Assets and Liabilities;
- Administered Reconciliation Schedule;
- Administered Cash Flow Statement;
- Schedule of Administered Commitments; and
- Notes comprising a Summary of Significant Accounting Policies and other explanatory information.

Secretary's Responsibility for the Financial Statements

The Secretary of the Department of Industry and Science is responsible under the *Public Governance, Performance and Accountability Act 2013* for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards and the rules made under that Act. The Secretary is also responsible for such internal control as is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I have conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. These auditing standards require that I comply with relevant ethical requirements relating to audit engagements and plan

GPO Box 707 CANBERRA ACT 2601
19 National Circuit BARTON ACT
Phone (02) 6203 7300 Fax (02) 6203 7777

and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Secretary of the entity, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

In conducting my audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

Opinion

In my opinion, the financial statements of the Department of Industry and Science:

- (a) comply with Australian Accounting Standards and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Department of Industry and Science as at 30 June 2015 and its financial performance and cash flows for the year then ended.

Australian National Audit Office



Ian Goodwin
Group Executive Director

Delegate of the Auditor-General

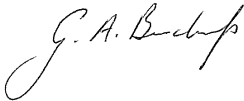
Canberra

4 September 2015

Department of Industry and Science**STATEMENT BY THE SECRETARY AND CHIEF FINANCIAL OFFICER**

In our opinion, the attached financial statements for the year ended 30 June 2015 comply with subsection 42(2) of the Public Governance, Performance and Accountability Act 2013 (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Department of Industry and Science will be able to pay its debts as and when they fall due.



Glenys Beauchamp
Secretary

4 September 2015



Brad Medland
Chief Financial Officer

4 September 2015

Department of Industry and Science
Statement of Comprehensive Income for not-for-profit Reporting Entities
for the year ended 30 June 2015

	Notes	2015 \$'000	2014 \$'000
NET COST OF SERVICES			
Expenses			
Employee benefits	4A	323,473	440,596
Suppliers	4B	192,476	213,653
Grants	4C	19,487	6,866
Depreciation and amortisation	8E	43,661	48,174
Finance costs		259	51
Write-down and impairment of assets	4D	9,043	4,186
Losses from asset sales		38	-
Other expenses	4E	652	901
Total expenses		589,089	714,427
Own-Source Income			
Own-source revenue			
Sale of goods and rendering of services	5A	48,656	56,386
Interest		39	19
Rental income		796	889
Other revenue	5B	26,315	20,395
Total own-source revenue		75,806	77,689
Gains			
Gains from sale of assets		-	264
Foreign exchange gains		1	3
Reversals of previous asset write-downs and impairments		2	18
Other gains	5C	2,223	2,535
Total gains		2,226	2,820
Total own-source income		78,032	80,509
Net cost of services		(511,057)	(633,918)
Revenue from Government	5D	471,091	592,493
Deficit attributable to the Australian Government		(39,966)	(41,425)
OTHER COMPREHENSIVE INCOME			
Items not subject to subsequent reclassification to net cost of services			
Changes in asset revaluation reserve		(1,301)	-
Total other comprehensive loss		(1,301)	-
Total comprehensive loss attributable to the Australian Government		(41,267)	(41,425)

The above statement should be read in conjunction with the accompanying notes.

Department of Industry and Science
Statement of Financial Position for not-for-profit Reporting Entities
as at 30 June 2015

	Notes	2015 \$'000	2014 \$'000
ASSETS			
Financial assets			
Cash and cash equivalents	7A	8,198	5,847
Trade and other receivables	7B	155,226	249,456
Accrued revenue		2,855	600
Total financial assets		166,279	255,903
Non-financial assets			
Land and buildings	8A	124,778	138,811
Property, plant and equipment	8B	57,871	65,107
Laboratory equipment	8C	28,495	32,155
Intangibles	8D	31,981	41,851
Inventories	8F	2,198	2,147
Prepayments	8G	8,311	7,739
Total non-financial assets		253,634	287,810
Total assets		419,913	543,713
LIABILITIES			
Payables			
Suppliers	9A	24,531	30,433
Grants		1,983	894
Other payables	9B	62,619	72,751
Total payables		89,133	104,078
Provisions			
Employee provisions	10A	86,000	105,445
Other provisions	10B	16,557	3,116
Total provisions		102,557	108,561
Total liabilities		191,690	212,639
Net assets		228,223	331,074
EQUITY			
Contributed equity		388,205	449,789
Asset revaluation reserve		8,499	9,800
Accumulated deficit		(168,481)	(128,515)
Total equity		228,223	331,074

The above statement should be read in conjunction with the accompanying notes.

**Department of Industry and Science
Statement of Changes in Equity for not-for-profit Reporting Entities
as at 30 June 2015**

	Retained earnings		Asset revaluation reserve		Contributed equity/capital		Total equity	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Opening balance								
Balance carried forward from previous period	(128,515)	(87,090)	9,800	9,800	449,789	364,921	331,074	287,631
Adjusted opening balance	(128,515)	(87,090)	9,800	9,800	449,789	364,921	331,074	287,631
Comprehensive income								
Deficit for the year	(39,966)	(41,425)	-	-	-	-	(39,966)	(41,425)
Other comprehensive loss	-	-	(1,301)	-	-	-	(1,301)	-
Total comprehensive loss	(39,966)	(41,425)	(1,301)	-	-	-	(41,267)	(41,425)
Total comprehensive loss attributable to Australian Government	(39,966)	(41,425)	(1,301)	-	-	-	(41,267)	(41,425)
Transactions with owners								
Distribution to owners								
Restructuring	-	-	-	-	(24,558)	(4,985)	(24,558)	(4,985)
Appropriation (equity return) ¹	-	-	-	-	(77,600)	-	(77,600)	-
Contributions by owners								
Equity injection - Appropriations	-	-	-	-	12,736	55,725	12,736	55,725
Departmental capital budget (DCB)	-	-	-	-	27,838	34,128	27,838	34,128
Total transactions with owners	-	-	-	-	(61,584)	84,868	(61,584)	84,868
Closing balance attributable to Australian Government	(168,481)	(128,515)	8,499	9,800	388,205	449,789	228,223	331,074

1. All unspent amounts in *Appropriation Act 1 2010-11*, *Appropriation Act 4 2010-11*, *Appropriation Act 1 2011-12*, *Appropriation Act 2 2011-12*, *Appropriation Act 4 2011-12*, *Appropriation Act 5 2011-12* and *Appropriation Act 6 2011-12* have been repealed in 2014-15 in accordance with the *Omnibus Repeal Day (Autumn 2014) Act 2014* as per EM 2014/12, and PGPA Act section 51 determinations.

The above statement should be read in conjunction with the accompanying notes.

Department of Industry and Science
Cash Flow Statement for not-for-profit Reporting Entities
for the year ended 30 June 2015

	Notes	2015 \$'000	2014 \$'000
OPERATING ACTIVITIES			
Cash received			
Appropriations		523,818	689,750
Sale of goods and rendering of services		48,160	69,775
Net GST received		15,868	14,736
Rental income		730	921
Other		<u>33,636</u>	<u>27,114</u>
Total cash received		<u>622,212</u>	<u>802,296</u>
Cash used			
Employees		340,424	467,590
Suppliers		193,469	250,136
Grants		18,209	11,514
Section 74 receipts transferred to OPA		60,996	74,775
Other		<u>4,775</u>	<u>2,914</u>
Total cash used		<u>617,873</u>	<u>806,929</u>
Net cash from/(used by) operating activities	12	<u>4,339</u>	<u>(4,633)</u>
INVESTING ACTIVITIES			
Cash received			
Proceeds on sales of property, plant and equipment		<u>121</u>	<u>96</u>
Total cash received		<u>121</u>	<u>96</u>
Cash used			
Purchase of property, plant and equipment		20,385	31,698
Purchase of intangibles		<u>16,661</u>	<u>11,349</u>
Total cash used		<u>37,046</u>	<u>43,047</u>
Net cash used by investing activities		<u>(36,925)</u>	<u>(42,951)</u>
FINANCING ACTIVITIES			
Cash received			
Appropriations - Contributed equity		4,107	8,683
Appropriations - Departmental Capital Budget		<u>30,830</u>	<u>33,413</u>
Total cash received		<u>34,937</u>	<u>42,096</u>
Net cash from financing activities		<u>34,937</u>	<u>42,096</u>
Net increase/(decrease) in cash held		<u>2,351</u>	<u>(5,488)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>5,847</u>	<u>11,335</u>
Cash and cash equivalents at the end of the reporting period	7A	<u>8,198</u>	<u>5,847</u>

**Department of Industry and Science
Schedule of Commitments
as at 30 June 2015**

BY TYPE	2015 \$'000	2014 \$'000
Commitments receivable		
National Science and Technology Centre sponsorship	(5,000)	(200)
Sublease rental income	(2,233)	(3,414)
Net GST recoverable on commitments	(42,442)	(51,611)
Other commitments receivable	(5,887)	(619)
Total commitments receivable	<u>(55,562)</u>	<u>(55,844)</u>
Commitments payable		
Capital commitments		
Land and buildings	567	-
Property, plant and equipment	4,859	5,879
Intangibles	3,078	1,014
Total capital commitments	<u>8,504</u>	<u>6,893</u>
Operating lease and other commitments		
Operating leases	425,260	497,982
Industry assistance	-	1,343
Science and research grants	128	234
Skills and vocational education and training	-	173
Resources and energy	201	343
Other	48,412	85,783
Total operating lease and other commitments	<u>474,001</u>	<u>585,858</u>
Total commitments payable	<u>482,505</u>	<u>592,751</u>
Net commitments by type	<u>426,943</u>	<u>536,907</u>

NOTE:

Commitments are GST inclusive where relevant.

Operating leases included are effectively non-cancellable and comprise of leases for office accommodation.

Lease payments are subject to fixed annual percentage increases, together with reviews based on market values. Initial periods of some office accommodation are still current and some properties have the option to renew for a given period.

The above schedule should be read in conjunction with the accompanying notes.

**Department of Industry and Science
Schedule of Commitments
as at 30 June 2015**

BY MATURITY

2015	Commitments receivable			Commitments payable			Net
	Sponsorship	Sublease rental income	GST and other commitments	Capital	Operating lease	Other commitments	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	Total
Within 1 year	(1,630)	(508)	(14,646)	8,504	61,335	40,580	110,419
Between 1 to 5 years	(3,370)	(1,365)	(14,172)	-	148,932	7,547	156,479
More than 5 years	-	(360)	(19,511)	-	214,993	614	215,607
Total	(5,000)	(2,233)	(48,329)	8,504	425,260	48,741	426,943

2014	Commitments receivable			Commitments payable			Net
	Sponsorship	Sublease rental income	GST and other commitments	Capital	Operating lease	Other commitments	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	Total
Within 1 year	(200)	(813)	(12,519)	6,893	65,679	75,906	134,946
Between 1 to 5 years	-	(1,893)	(15,972)	-	170,464	11,360	181,824
More than 5 years	-	(708)	(23,739)	-	261,839	610	262,449
Total	(200)	(3,414)	(52,230)	6,893	497,982	87,876	536,907

The above schedule should be read in conjunction with the accompanying notes.

**Department of Industry and Science
Administered Schedule of Comprehensive Income for not-for-profit Reporting
Entities
as at 30 June 2015**

	Notes	2015 \$'000	2014 \$'000
NET COST OF SERVICES			
Expenses			
Employee benefits	16A	4,946	5,306
Suppliers	16B	403,659	568,556
Fees		40	40
Subsidies	16C	696,573	1,037,281
Personal benefits	16D	79,011	1,114,112
Grants	16E	672,602	3,359,153
Depreciation and amortisation	20D	3,897	1,084
Write-down and impairment of assets	16F	20	74,088
Payments to corporate Commonwealth entities	16G	1,222,164	1,293,546
Total expenses		3,082,912	7,453,166
Income			
Revenue			
Taxation revenue			
Snowy Hydro land tax		174	171
Tradex receipts		1,204	1,439
Total taxation revenue		1,378	1,610
Non-taxation revenue			
Fees from regulatory services	17A	46,617	11,674
Fees		4,455	2,684
Interest		6,708	6,555
Dividends	17B	20,151	36,295
Nation-building Fund		-	7,350
Royalties		1,384,095	1,803,973
Other non-taxation revenue		14,420	19,094
Total non-taxation revenue		1,476,446	1,887,625
Total revenue		1,477,824	1,889,235
Gains			
Reversals of previous financial instruments impairments		6,084	-
Other gains	17C	302	13,472
Total gains		6,386	13,472
Total income		1,484,210	1,902,707
Net cost of services		(1,598,702)	(5,550,459)
Deficit on continuing operations		(1,598,702)	(5,550,459)
OTHER COMPREHENSIVE INCOME			
Items subject to subsequent reclassification to net cost of services			
Changes in asset revaluation reserve		(70,027)	(33,597)
Total other comprehensive loss		(70,027)	(33,597)
Total comprehensive loss		(1,668,729)	(5,584,056)

The above schedule should be read in conjunction with the accompanying notes.

**Department of Industry and Science
Administered Schedule of Assets and Liabilities for not-for-profit Reporting Entities
as at 30 June 2015**

	Notes	2015 \$'000	2014 \$'000
ASSETS			
Financial assets			
Cash and cash equivalents	19A	125,849	130,405
Trade and other receivables	19B	107,530	141,665
Other investments	19C	4,086,762	4,010,034
Dividend receivable (CSIRO)		-	27,895
Accrued revenue		93,661	160,126
Total financial assets		4,413,802	4,470,125
Non-financial assets			
Leasehold improvements	20A	258	-
Property, plant and equipment	20B	488	830
Intangibles	20C	4,281	5,713
Total non-financial assets		5,027	6,543
Total assets administered on behalf of Government		4,418,829	4,476,668
LIABILITIES			
Payables			
Suppliers	21A	7,507	38,967
Subsidies	21B	67,787	96,474
Personal benefits	21C	-	6,897
Grants	21D	83,175	68,428
Total payables		158,469	210,766
Provisions			
Employee provisions	22A	1,113	976
Provisions for IIF loan commitments	22B	-	302
Total provisions		1,113	1,278
Total liabilities administered on behalf of Government		159,582	212,044
Net assets		4,259,247	4,264,624

The above schedule should be read in conjunction with the accompanying notes.

Department of Industry and Science
Administered Reconciliation Schedule for not-for-profit Reporting Entities
for the year ended 30 June 2015

	2015 \$'000	2014 \$'000
Opening assets less liabilities as at 1 July	4,264,624	21,478,873
Opening balance - Department of Resources, Energy and Tourism	-	822,769
Cash from restructuring - Special Accounts	-	181,313
Adjusted opening assets less liabilities	4,264,624	22,482,955
Net (cost of)/contribution by services		
Income	1,484,210	1,902,707
Expenses		
Payments to entities other than corporate Commonwealth entities	(1,860,748)	(6,159,620)
Payments to corporate Commonwealth entities	(1,222,164)	(1,293,546)
Other comprehensive income		
Revaluations transferred to/(from) reserves	(70,027)	(33,597)
Transfers (to)/from the Australian Government		
Appropriation transfers from Official Public Account		
Administered assets and liabilities appropriations		
Payments to entities other than corporate Commonwealth entities	9,036	20,916
Payments to corporate Commonwealth entities	96,439	45,163
Annual appropriations		
Payments to entities other than corporate Commonwealth entities	1,601,520	2,793,069
Payments to corporate Commonwealth entities	941,478	1,028,396
Special appropriations (limited)		
Payments to entities other than corporate Commonwealth entities	276,008	318,353
Payments to corporate Commonwealth entities	244,493	265,150
Special appropriations (unlimited)		
Payments to entities other than corporate Commonwealth entities	22,049	3,925,451
Payments to corporate Commonwealth entities	36,193	-
Appropriation transfers to OPA		
Transfers to OPA	(1,587,422)	(2,592,091)
Appropriation from prior years	15,123	11,767
Restructuring	8,435	(18,450,449)
Closing assets less liabilities as at 30 June	4,259,247	4,264,624

The above schedule should be read in conjunction with the accompanying notes.

**Department of Industry and Science
Administered Cash Flow Statement for not-for-profit Reporting Entities
for the year ended 30 June 2015**

	Notes	2015 \$'000	2014 \$'000
OPERATING ACTIVITIES			
Cash received			
Interest		1,550	1,741
Dividends		48,046	32,500
Fees		13,065	12,344
Royalties		1,450,560	1,842,844
Nation-building Fund receipts		-	7,350
Net GST received		80,900	90,485
Other		40,764	69,818
Levy receipts		36,234	-
Total cash received		1,671,119	2,057,082
Cash used			
Suppliers		455,635	613,175
Grants		690,537	3,143,248
Employees		4,309	5,492
Subsidies		716,970	1,061,359
Personal benefits		82,319	1,201,583
Payment to corporate Commonwealth Entities		1,222,164	1,293,546
Total cash used		3,171,934	7,318,403
Net cash used by operating activities	23	(1,500,815)	(5,261,321)
INVESTING ACTIVITIES			
Cash received			
Financial Supplement Scheme (SFSS) loans repaid		-	635,451
Repayments of advances and loans		15,220	8,190
Total cash received		15,220	643,641
Cash used			
Investments		21,444	22,388
HELP loans paid		-	1,201,576
Trade Support Loans paid		22,049	-
Purchase of intangibles		2,706	1,778
Purchase of property, plant and equipment		502	63
Corporate Commonwealth Entity investments		96,439	45,163
Total cash used		143,140	1,270,968
Net cash used by investing activities		(127,920)	(627,327)
Net decrease in cash held		(1,628,735)	(5,888,648)

The above statement should be read in conjunction with the accompanying notes.

**Department of Industry and Science
Administered Cash Flow Statement for not-for-profit Reporting Entities
for the year ended 30 June 2015**

	Notes	2015 \$'000	2014 \$'000
Cash and cash equivalents at the beginning of the reporting period		130,405	438
Cash from Official Public Account			
Appropriations		3,063,082	8,330,419
Appropriation - Administered assets and liabilities		9,036	20,916
Cash from restructuring - Special Accounts		-	181,313
Equity appropriation - corporate Commonwealth Entities		96,439	45,163
Special Accounts		58,659	130,050
GST appropriations		91,372	140,288
Total cash from official public account		<u>3,318,588</u>	<u>8,848,149</u>
Cash to Official Public Account			
Appropriations		(1,561,114)	(2,630,122)
Cash from restructuring - Special Accounts		(870)	-
GST appropriations		(106,117)	(139,334)
Special Accounts		(26,308)	(60,078)
Total cash to official public account		<u>(1,694,409)</u>	<u>(2,829,534)</u>
Cash and cash equivalents at the end of the reporting period	19A	<u>125,849</u>	<u>130,405</u>

The above statement should be read in conjunction with the accompanying notes.

**Department of Industry and Science
Schedule of Administered Commitments
as at 30 June 2015**

	2015 \$'000	2014 \$'000
BY TYPE		
Commitments receivable		
Net GST recoverable on commitments	<u>(86,866)</u>	<u>(216,640)</u>
Total commitments receivable	<u>(86,866)</u>	<u>(216,640)</u>
Commitments payable		
Capital commitments		
Property, plant and equipment	46	77
Intangibles	1,539	35
Investment	75,718	99,326
Other	<u>3,060</u>	<u>3,238</u>
Total capital commitments	<u>80,363</u>	<u>102,676</u>
Operating lease and other commitments		
Operating leases	7,506	8,584
Industry assistance	189,048	359,394
Science and research	21,984	29,994
Research and development	489,164	757,746
Skills and vocational education and training	-	462,045
Resource and energy	157,593	279,631
Other	<u>86,778</u>	<u>742,981</u>
Total operating lease and other commitments	<u>952,073</u>	<u>2,640,375</u>
Total commitments payable	<u>1,032,436</u>	<u>2,743,051</u>
Net commitments by type	<u>945,570</u>	<u>2,526,411</u>

Note: Commitments are GST inclusive where relevant.

The above schedule should be read in conjunction with the accompanying notes.

**Department of Industry and Science
Schedule of Administered Commitments
as at 30 June 2015**

BY MATURITY									
2015	Commitments receivable		Commitments payable					Net	
	Total	\$'000	Capital	Operating lease	Other	Total	Total	\$'000	
Within 1 year	(41,733)		65,528	1,192	458,182	524,902		483,169	
Between 1 to 5 years	(44,361)		14,835	4,455	479,750	499,040		454,679	
More than 5 years	(772)		-	1,859	6,635	8,494		7,722	
Total	(86,866)		80,363	7,506	944,567	1,032,436		945,570	
2014									
2014	Commitments receivable		Commitments payable					Net	
	Total	\$'000	Capital	Operating lease	Other	Total	Total	\$'000	
Within 1 year	(91,218)		72,846	1,198	1,145,395	1,219,439		1,128,221	
Between 1 to 5 years	(120,560)		29,830	4,574	1,435,731	1,470,135		1,349,575	
More than 5 years	(4,862)		-	2,812	50,665	53,477		48,615	
Total	(216,640)		102,676	8,584	2,631,791	2,743,051		2,526,411	

The above schedule should be read in conjunction with the accompanying notes.

**Department of Industry and Science
Table of Contents - Notes**

- Note 1:** Summary of Significant Accounting Policies
- Note 2:** Events After the Reporting Period
- Note 3:** Net Cash Appropriation Arrangements
- Note 4:** Expenses
- Note 5:** Own-Source Income
- Note 6:** Fair Value Measurements
- Note 7:** Financial Assets
- Note 8:** Non-Financial Assets
- Note 9:** Payables
- Note 10:** Provisions
- Note 11:** Restructuring
- Note 12:** Cash Flow Reconciliation
- Note 13:** Senior Management Personnel Remuneration
- Note 14:** Financial Instruments
- Note 15:** Financial Assets Reconciliation
- Note 16:** Administered - Expenses
- Note 17:** Administered - Income
- Note 18:** Administered - Fair Value Measurements
- Note 19:** Administered - Financial Assets
- Note 20:** Administered - Non-Financial Assets
- Note 21:** Administered - Payables
- Note 22:** Administered - Provisions
- Note 23:** Administered - Cash Flow Reconciliation
- Note 24:** Administered - Financial Instruments
- Note 25:** Administered - Financial Assets Reconciliation
- Note 26:** Appropriations
- Note 27:** Compliance with Statutory Conditions for Payments from the Consolidated Revenue Fund
- Note 28:** Special Accounts
- Note 29:** Reporting of Outcomes
- Note 30:** Cost Recovery
- Note 31:** Budgetary Reports and Explanations of Major Variances

Note 1: Summary of Significant Accounting Policies

1.1 Objective of the Department of Industry and Science

The Department of Industry and Science (the Department) is an Australian Government controlled and a not-for-profit entity. The objective of the Department is to enable growth and productivity for globally competitive industries which is delivered through:

- developing the skills of the Australian workforce and enhancing workplace productivity;
- supporting science and innovation, and promoting the growth of industries of the future;
- encouraging private sector investment and creating new jobs; and
- improving regulation and reducing the burden and costs on businesses, including energy costs.

The Department's structure for 2014-15 changed as a result of the Administrative Arrangements Order (AAO) issued on 23 December 2014. The Department was renamed from the Department of Industry to the Department of Industry and Science.

The functions that transferred from the Department as a result of the AAO were:

- Skills and Vocational Education, and Training functions to the Department of Education and Training;
- Small Business Programmes to The Treasury; and
- Office of Spatial Policy function to the Department of Communications.

During the year the Department was structured to meet the outcome of enabling growth and productivity for globally competitive industries through the delivery of a wide range of measures and activities under the following programmes:

1. Building Skills and Capability;
2. Supporting Science and Innovation;
3. Encouraging Investment; and
4. Programme Support.

The continued existence of the Department in its present form and with its present programmes is dependent on Government policy and on continuing funding by Parliament for the Department's administration and programmes.

The activities that contribute towards the outcome are classified as either departmental or administered. Departmental activities involve the use of assets, liabilities, income and expenses controlled or incurred by the Department in its own right. Administered activities involve the management or oversight by the Department, on behalf of the Government, of items controlled or incurred by the Government. Administered activities are referred to in the shaded areas of these financial statements.

1.2 Basis of Preparation of the Financial Statements

The financial statements are general purpose financial statements and are required by section 42 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

The financial statements and notes have been prepared in accordance with:

- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period; and
- Financial Reporting Rule (FRR) for reporting periods ending on or after 1 July 2014.

The financial statements and notes have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial statements and notes are presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

Unless an alternative treatment is specifically required by an accounting standard or the FRR, assets and liabilities are recognised in the statement of financial position when and only when it is probable that future economic benefits will flow to the Department or a future sacrifice of economic benefits will be required and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under executor contracts are not recognised unless required by an accounting standard. Liabilities and assets that are unrealised are reported in the schedule of commitments or the contingencies note at 1.14.

Department of Industry and Science Notes to and forming part of the Financial Statements

Unless alternative treatment is specifically required by an accounting standard, income and expenses are recognised in the statement of comprehensive income when and only when the flow, consumption or loss of economic benefits has occurred and can be reliably measured.

1.3 Significant Accounting Judgements and Estimates

In the process of applying the accounting policies listed in this note, the Department has made the following judgements that have the most significant impact on the amounts recorded in the financial statements:

- Snowy Hydro Ltd (SHL) has been valued using the Capitalisation of Future Maintainable Earnings method, with the valuation provided by an independent valuer. Capitalisation multiples for the valuation are selected from share market trading data of comparable listed companies and relevant market acquisition transactions. The capitalisation multiples chosen reflect a discount for lack of control (DLOC). A discount for lack of marketability (DLOM) is also applied as part of the valuation methodology for SHL. The value was determined to be in the range of \$450 million to \$500 million, with the midpoint of \$475 million selected as the value as reported in Notes 18A and 19C. The variables which may affect SHL's value include environmental markets, electricity demand and supply, electricity industry structure and rainfall; and
- Royalty revenue accruals are calculated using a methodology based on an annualised forecast model to estimate a monthly accrual. The model is based on historical, actual and forecast production level information, by field, for each of the royalty programmes. These programmes include North West Shelf; Timor Sea Joint Petroleum Development Area (JPDA); Onshore Petroleum; and Barrow Island Resource Rent Royalty. The model is updated at each opportunity throughout the budget cycle, to ensure detailed information regarding past and forecast information is captured, in addition to updating factors such as exchange rates, commodity prices and production levels. As royalty revenue is received in arrears and can fluctuate greatly between periods, this methodology has been determined to be a reasonable indicator of future activity.

No other accounting assumptions or estimates have been identified that will have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next reporting period.

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

AASB 2015-7 *Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities* exempts not-for-profit public sector entities from certain requirements of AASB 13 *Fair Value Measurement*.

This Standard applies to annual reporting periods beginning on or after 1 July 2016. The Department has adopted it earlier for the current reporting period as permitted. These reduced disclosures which relate to recurring fair value measurements using significant unobservable inputs are reflected in Notes 6 and 18.

The Department adopted AASB1055, *Budgetary Reporting* as per the accounting standards which have a disclosure impact only on the Department's financial statements.

All other new and amending standards or interpretations applicable to the current financial year did not have a material effect on the Department's financial statements.

Future Australian Accounting Standard Requirements

All new and amending standards or interpretations (including AASB 124 *Related Party Disclosures*) that have been issued by the Australian Accounting Standards Board and are effective for future reporting periods will be adopted when effective if they are expected to have a material effect on the Department's financial statements for future reporting periods.

1.5 Revenue

Revenue from the sale of goods is recognised when:

- the risks and rewards of ownership have been transferred to the buyer;
- the seller retains no managerial involvement or effective control over the goods;
- the revenue and transaction costs incurred can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to the Department.

Revenue from rendering of services is recognised by reference to the stage of completion of contracts at the reporting date. The revenue is recognised when:

Department of Industry and Science Notes to and forming part of the Financial Statements

- the amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- the probable economic benefits associated with the transaction will flow to the Department.

The stage of completion of contracts at the reporting date is determined by reference to the proportion that costs incurred to date bear to the estimated total costs of the transaction.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at balance date. Allowances are made when collectability of the debt is no longer probable.

Interest revenue is recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement*.

Revenue from Government

Amounts appropriated for departmental appropriations for the year (adjusted for any formal additions and reductions) are recognised as Revenue from Government when the Department gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned. Appropriations receivable are recognised at their nominal amounts.

1.6 Gains

Resources Received Free of Charge

Resources received free of charge are recognised as gains when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

Resources received free of charge are recorded as either revenue or gains depending on their nature.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition, unless received from another Government agency or authority as a consequence of a restructuring of administrative arrangements (Refer to Note 1.7).

Sale of Assets

Gains from disposal of assets are recognised when control of the asset has passed to the buyer.

Reversal of Previous Impairment Write-Downs

Reversals of impairment write-downs that were recognised in a prior period are recognised as gains when an event occurring after the impairment write-down can be objectively related to the decrease in the impairment loss.

1.7 Transactions with the Australian Government as Owner

Equity Injections

Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) and Departmental Capital Budgets (DCBs) are recognised directly in contributed equity in that year.

Restructuring of Administrative Arrangements

Net assets received from or relinquished to another Australian Government entity under a restructuring of administrative arrangements are adjusted at their book value directly against contributed equity.

Other Distributions to Owners

The FRR requires that distributions to owners be debited to contributed equity unless it is in the nature of a dividend.

1.8 Employee Benefits

Liabilities for 'short-term employee benefits' (as defined in AASB 119 *Employee Benefits*) and termination benefits expected to be wholly settled within twelve months of the end of reporting period are measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Department of Industry and Science Notes to and forming part of the Financial Statements

Other long-term employee benefits are measured as net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at the end of the reporting period of plan assets (if any) out of which the obligations are to be settled directly.

Leave

The liability for employee benefits includes provisions for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the Department is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including the Department's employee superannuation contribution rates to the extent that leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave has been determined by reference to the work of an actuary as at 30 June 2014 and management assessments relating to salary growth rates. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Separation and Redundancy

The Department recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

Superannuation

The Department's superannuation funds that staff are members of, are the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), the PSS accumulation plan (PSSap), the Australian Government Employees Superannuation Trust (AGEST) or non-government superannuation funds.

The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap, AGEST and other non-government superannuation funds are defined contribution schemes.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported by the Department of Finance in the administered schedules and notes.

The Department makes employer contributions to the employees' superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the Government. The Department accounts for the contributions as if they were contributions to defined contribution plans.

The liability for superannuation recognised as at 30 June 2015 represents outstanding contributions for the final fortnight of the year.

1.9 Leases

All leases in the Department are operating leases, as the risks and benefits are shared with the lessor.

Operating lease payments are expensed on a straight line basis which is representative of the pattern of benefits derived from the leased assets. Lease incentives are recognised as other payables and amortised over the life of the lease on a straight line basis.

1.10 Cash

Cash is recognised at its nominal amount. Cash and cash equivalents include:

- cash on hand;
- demand deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value;
- cash held by outsiders; and
- cash in special accounts.

1.11 Fair Value Measurement

Transfers between the fair value hierarchy are determined by the Department at the end of each reporting period. Where there are changes in the observable markets, assets may transfer between categories of the fair value hierarchy.

During 2014-15, the department transferred certain assets between levels of the fair value hierarchy as a result of advice from the independent valuer, as detailed in Notes 6 and 18.

Department of Industry and Science Notes to and forming part of the Financial Statements

1.12 Financial Assets

The Department's financial assets are classified as 'loans and receivables', as they have fixed or determinable payments that are not quoted in an active market. Financial assets are recognised and derecognised upon transaction date.

The value is determined at the time of initial recognition. Income is recognised on an effective interest rate basis. The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period. Financial assets are assessed for impairment at the end of each reporting period.

All receivables and accrued revenue are expected to be recovered within 12 months except where indicated.

1.13 Financial Liabilities

The Department's financial liabilities are classified as 'other financial liabilities'. Financial liabilities are recognised and derecognised upon transaction date.

Financial liabilities are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised in finance costs.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate a shorter period.

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced). All payables are expected to be settled within 12 months unless otherwise specified.

Present obligations arising from onerous contracts are required to be recognised and measured as a provision. An onerous contract is considered to exist where the unavoidable cost of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract. The Department has recognised a provision in relation to two contracts that were identified as onerous during the reporting period. The provision relates to surplus floor space for two of the Department's leased premises following the restructuring as a result of the AAO in December 2014.

1.14 Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are disclosed in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

The Department has contingent liabilities in respect of insurance and legal claims. The amounts are not material.

The Department was involved in a number of legal actions on behalf of the Australian Government for a range of matters which may result in the payment of damages and costs. It is not possible to estimate the amount of any eventual payment which may be required in relation to these matters.

Unquantifiable Administered Contingencies

The Australian and Western Australian governments have agreed to provide an indemnity to the Gorgon Joint Venture Partners (GJV) to indemnify the GJV against independent third party claims (relating to stored carbon dioxide) under common law following closure of the carbon dioxide sequestration project, and subject to conditions equivalent to those set out in the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*. The Western Australian Government will indemnify the GJV, and the Australian Government will indemnify the Western Australian Government for 80 per cent of any amount determined to be payable under that indemnity.

The Australian Government is responsible for 14 unlimited indemnities relating to the Maralinga Rehabilitation Project (1995-2000). In November 2009, the Australian Government agreed to the handback of former British Nuclear test site – Maralinga section 400 to the site's Traditional Owners, Maralinga Tjarutja. Under the terms of the *Maralinga Nuclear Test Site Handback Deed*, the Australian Government has indemnified the Maralinga Tjarutja people and the South Australian Government in respect of claims arising from test site contamination.

The Australian Government has responsibility for the *Liquid Fuel Emergency Act 1984* (the Act). In addition, the Commonwealth and State and Territory governments have entered into an inter-governmental agreement (IGA) in relation to a national liquid fuel emergency. Under the IGA, the Commonwealth agrees to consult IGA parties on a likely

Department of Industry and Science Notes to and forming part of the Financial Statements

shortage and, if necessary after those consultations, to advise the Governor-General to declare a national emergency under the Act.

The IGA also contains areas where the Australian Government may incur expenses in the unlikely event of a national liquid fuel emergency. These relate to the direct costs of managing a liquid fuel emergency and include the possibility of the Australian Government reimbursing the State and Territory governments for costs arising from their responses, and potential compensation for industry arising from Australian Government directions under the Act.

The Australian, New South Wales and Victorian governments have indemnified Snowy Hydro Limited for liabilities arising from water releases in the Snowy River below Jindabyne Dam, where these releases are in accordance with the water licence and related regulatory arrangements agreed between the three governments. The indemnity applies to liabilities for which a claim is notified within 20 years from 28 June 2002.

An unlimited indemnity was given for the Australian Nuclear Science and Technology Organisation (ANSTO). ANSTO owns and operates nuclear plants, including the nuclear research reactor at Lucas Heights. The Australian Government has indemnified ANSTO and its officers from any liability arising from injury to persons or damage to property caused by ionising radiation.

Significant Remote Administered Contingencies

Under the United Nations Convention on International Liability for Damage Caused by Space Objects, the Australian Government is liable to pay compensation for damage caused to third party States, including persons and property of that State, by space objects launched from, or by, Australia or Australian nationals. This includes where Australia or an Australian National only owns a component of the payload on a space object.

The *Space Activities Act 1998* (the Act) requires the responsible party for a space activity to insure against, or take financial responsibility for, damage to third parties for an amount not less than the maximum probable loss or a minimum amount of insurance determined by an insurance analyst, up to a maximum of \$750 million indexed for inflation. However, the Minister may decide it is not necessary to require insurance or direct financial responsibility in relation to granting an overseas launch certificate. Under the Act, the Government also accepts liability for damage suffered by Australian nationals, above the insured level to a maximum value of \$3 billion.

1.15 Acquisition of Assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor's accounts immediately prior to the restructuring.

1.16 Property, Plant and Equipment

Asset Recognition Threshold

Purchases of property, plant and equipment are recognised initially at cost in the statement of financial position, except for:

- items of property with a project cost less than \$10,000 (which are expensed in the year of acquisition); and
- items of plant and equipment costing less than \$5,000 which are expensed in the year of acquisition (other than where they form part of a group of similar items which individually cost less than \$5,000 but collectively cost \$50,000 or more, which are recognised in the statement of financial position).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to 'make good' provisions in property leases taken up by the Department where there exists an obligation to restore the property to its original condition. These costs are included in the value of the Department's leasehold improvements with a corresponding provision for the 'make good' recognised.

Revaluations

Following initial recognition at cost, property, plant and equipment are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets. All asset

Department of Industry and Science Notes to and forming part of the Financial Statements

classes with the exception of software were revalued effective 30 June 2015 by an independent valuer, using a fair value basis.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit except to the extent that they reverse a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the Department, using in all cases, the straight line method of depreciation.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are made in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2015	2014
Buildings	8-40 years	8-40 years
Leasehold improvements	Lease term	Lease term
Laboratory equipment	3-10 years	3-10 years
Other property, plant and equipment	3-10 years	3-10 years

Impairment

All assets were assessed for impairment at 30 June 2015. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount. The impairment adjustment is reflected in the gross carrying value of the asset.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Department were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. No assets have been identified for sale or disposal within the next 12 months unless otherwise specified in the respective notes.

1.17 Intangibles

The Department's intangibles comprise both internally developed and purchased software for internal use. These assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the Department's software are 3 to 15 years (2013-14: 3 to 15 years).

All software assets were assessed for indications of impairment as at 30 June 2015.

Purchases of software with a value of less than \$50,000 and internally developed software with a value of less than \$200,000 are expensed in the year of acquisition.

Bulk purchases of software that individually cost less than \$50,000, but as a group cost \$50,000 or more are recognised in the statement of financial position.

No intangibles are expected to be sold or disposed of within the next 12 months unless otherwise specified in the respective notes.

Department of Industry and Science Notes to and forming part of the Financial Statements

1.18 Inventories

Inventories held for sale are valued at the lower of cost and net realisable value.

Costs incurred in bringing each item of inventory to its present location and condition are assigned as follows:

- raw materials and stores – purchase cost on a first-in-first-out basis; and
- finished goods and work-in-progress – cost of direct materials and labour plus attributable costs that can be allocated on a reasonable basis.

Inventories acquired at no cost or nominal considerations are initially measured at current replacement cost at the date of acquisition.

1.19 Taxation

The Department is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and Goods and Services Tax (GST).

Revenues, expenses, assets and liabilities are recognised net of GST, except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and creditors.

1.20 Reporting of Administered Activities

Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the administered schedules and related notes.

Except where otherwise stated below, administered items are accounted for on the same basis and using the same policies as for departmental items, including the application of Australian Accounting Standards.

Administered Cash Transfers to and from the Official Public Account

Revenue collected by the Department for use by the Government rather than the Department is administered revenue. Collections are transferred to the Official Public Account (OPA) maintained by the Department of Finance. Conversely, cash is drawn from the OPA to make payments under Parliamentary appropriation on behalf of Government. These transfers to and from the OPA are adjustments to the administered cash held by the Department on behalf of the Government and reported as such in the schedule of administered cash flows and in the administered reconciliation schedule.

Revenue

All administered revenues are revenues relating to the course of ordinary activities performed by the Department on behalf of the Australian Government. As such, administered appropriations are not revenues of the Department. Administered revenues include revenues from Offshore Petroleum Royalties and Uranium Royalties, Offshore Petroleum Fees, Snowy Hydro Ltd Dividends and the National Offshore Petroleum Safety and Environmental Management Authority Levies. Administered fee revenue is recognised only when it has been earned.

Other revenue predominantly comprises special account revenue. These include Victorian Innovation Investment Fund, the Illawarra Region Innovation Investment Fund and the New Automotive Markets Initiative.

Loans and Receivables

Where loans and receivables are not subject to concessional treatment, they are carried at amortised cost using the effective interest method. Loans and receivables are assessed for indicators of impairment (including collectability) at each balance date. An allowance is made for loans which are assessed as being impaired. Interest is credited to income as it accrues. Gains and losses due to impairment, de-recognition and amortisation are recognised through profit or loss.

The Department's administered loans and receivables relating to a number of programmes that are delivered by the Department on behalf of the Australian Government are classified as follows:

1. Loans and receivables – Amortised cost:

- R&D Start Programme loans. Loans with varying rates of interest, including interest free, which are repaid over

Department of Industry and Science Notes to and forming part of the Financial Statements

a number of years. These loans have been assessed as fully impaired.

- Australian Leather Holdings. A loan of \$25.0 million has been made to Australian Leather Holdings. This loan attracts interest at a rate of 4.25% above the 10 year Australian Government bond rate. The total loan is due to be repaid in full by February 2022.
- Strategic Investment Coordination (SIC) – Rio Tinto Aluminium (Comalco). This is an interest free loan of \$137 million repayable in 2024. The loan is being amortised at an annual rate of 6.6%. The loan is for the development of a multi-user energy facility with a capacity to supply other users and to form a research and technical development partnership with Rio Tinto establishing a 'Foundation for a Sustainable Minerals Industry'.

2. Loans and receivables – Available for sale

- IIF loans – IIF Investments Pty Ltd (IIF Programme Rounds 1 & 2 and the Pre-Seed programme). The Australian Government provides interest free, limited recourse loans to IIF Investments Pty Ltd (100% Commonwealth owned). The loans are to finance the investment funds that are operating under the IIF programme, and the investment funds that are operating under the Pre-Seed programme. IIF Investments Pty Ltd is obligated to repay loan(s) to the extent that it receives a distribution on its investment(s) in the funds. However, these loans have been fully impaired.

Administered Investments

Administered investments in subsidiaries, joint ventures and associates are not consolidated because their consolidation is relevant only at the Whole-of-Government level. Administered investments are classified as "available for sale" and are measured at their fair value as at 30 June 2015. Fair value has been taken to be the Australian Government's proportional interest in the entity valued at either times/earnings or net assets position as at reporting date.

The principal activities of the Department's administered investments are as follows:

Australian Institute of Marine Science

The principal activities are to provide marine research services, particularly tropical science, with the view to support the sustainable use and protection of the marine environment. The Australian Government owns 100% of this investment.

Australian Nuclear Science and Technology Organisation

The principal activities are the timely delivery of valued nuclear related scientific and technical advice services and products. The Australian Government owns 100% of this investment.

Commonwealth Scientific and Industrial Research Organisation

The principal activities are to enhance innovation, productivity and competitiveness in Australian industry, with improved understanding and management of the environment and natural resources through research. The Australian Government owns 100% of this investment.

Innovation Investment Fund (IIF) Round 1

The Australian Government invested in a number of venture capital funds under Round 1 of the IIF programme. The IIF is designed to promote the commercialisation of Australian research and development by technology-based companies at the seed, start-up or early growth stages, through licensed private sector venture capital fund managers.

Pre-Seed Fund

The Australian Government invested in a number of venture capital funds under the Pre-Seed Fund programme. The Pre-Seed Fund programme encourages the private sector to take a more active role in funding and managing the commercialisation of research from universities and Australian Government research agencies, through private sector venture capital fund managers.

Innovation and Investment Fund (IIF) Round 3

The Australian Government invests in a number of venture capital funds under Round 3 of the IIF programme. The IIF is designed to promote the commercialisation of Australian research and development by technology-based companies at the seed, start-up or early growth stages, through licensed private sector venture capital fund managers.

Innovation Investment Follow-on Fund (IIF)

The Innovation Investment Follow-on Fund programme was a temporary programme in response to the impact of the global financial crisis on the availability of venture capital. The programme was funded through returns on investments made under the IIF programme. IIF supported investments made under IIF Rounds 1 and 2, the Pre-Seed Fund, the former Renewable Energy Equity Fund and the former ICT Incubators programme.

Department of Industry and Science Notes to and forming part of the Financial Statements

Australian Renewable Energy Agency

The activities undertaken aim to improve the competitiveness of renewable energy technologies and increase the supply of renewable energy in Australia. The Australian Government owns 100% of this investment.

National Offshore Petroleum Safety and Environmental Management Authority

The activities undertaken aim to promote the occupational health and safety (OHS) of persons engaged in offshore petroleum operations, and to develop and implement effective monitoring and enforcement strategies to secure compliance by persons with their OHS, structural integrity and environmental management obligations under the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*. The Australian Government owns 100% of this investment.

Snowy Hydro Ltd

The Australian Government owns 13% of Snowy Hydro Ltd which was corporatised in 2002. The principal activities of Snowy Hydro Ltd are the collection, diversion and storage of water and the generation and transmission of electricity.

Ceramic Fuel Cells Ltd

The Australian Government owns 1.42 million shares in Ceramic Fuel Cells Ltd. The principal activities of Ceramic Fuel Cells Ltd are developing solid oxide fuel cell technology to provide reliable, energy efficient, high quality and low emission electricity from widely available natural gas and renewable fuels. The investment is valued with reference to market price as quoted on the Australian Stock Exchange.

Royalties

Petroleum royalties are received from companies on a monthly basis. Accruals are made for royalties' receipts on a monthly basis, based on historical trends.

Petroleum Fees

Fees are received from States and Territories on a monthly basis. Accruals are made for fee receipts on a monthly basis, based on historical trends.

Administered Property, Plant and Equipment

The Department manages on behalf of the Australian Government assets held by the National Offshore Petroleum Titles Administrator (NOPTA), a statutory position established under section 695A of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*.

Administered intangibles

The Department manages intangible assets relating to programmes that are delivered by the Department on behalf of the Australian Government as follows:

- Syntroleum Technology – a licence utilising Gas-to-Liquids technology. The recognised cost for the asset is its cost to the Department and is amortised on a straight-line basis over the term of the licence (15 years)
- The National Electronic Approvals Tracking System (NEATS) software – public portal which provides access to publicly available information concerning offshore petroleum titles and applications. The recognised cost of the asset is its cost to the Department and is amortised on a straight-line basis over three (3) years.

Grants and Subsidies

The Department administers a number of grant and subsidy schemes on behalf of the Government. Grant and subsidy liabilities are recognised to the extent that:

- (i) the services required to be performed by the grantee have been performed, or
- (ii) the grant eligibility criteria have been satisfied, but payments due have not been made.

A commitment is recorded when the Government enters into an agreement to make these grants but services have not been performed or criteria satisfied.

Payments to Corporate Commonwealth Entities

Payments to corporate Commonwealth entities from amounts appropriated for that purpose are classified as either administered expenses, equity injections or loans of the Department. The appropriation to the Department is disclosed in Table A of the appropriations note.

Department of Industry and Science Notes to and forming part of the Financial Statements

1.21 Constitutional Assessment of Government Spending

The Australian Government continues to have regard to developments in case law, including the High Court's most recent decision on Commonwealth expenditure in *Williams v Commonwealth* [2014] HCA 23, as they contribute to the larger body of law relevant to the development of Commonwealth programmes. In accordance with its general practice, the Government will continue to monitor and assess risk and decide on any appropriate actions to respond to risks of expenditure not being consistent with constitutional or other legal requirements.

Note 2: Events After the Reporting Period

Departmental

There were no other events occurring after 30 June 2015 that would have a material impact on these financial statements.

Administered

There were no other events occurring after 30 June 2015 that would have a material impact on these financial statements.

Department of Industry and Science Notes to and forming part of the Financial Statements

Note 3: Net Cash Appropriation Arrangements

	2015 \$'000	2014 \$'000
Total comprehensive income/(loss) less depreciation/amortisation expenses previously funded through revenue appropriations¹	(516)	1,460
Plus: depreciation/amortisation expenses previously funded through revenue appropriation ²	<u>(40,751)</u>	<u>(42,885)</u>
Total comprehensive income/(loss) - as per the Statement of Comprehensive Income	<u>(41,267)</u>	<u>(41,425)</u>

Notes:

1. From 2010-11, the Government introduced net cash appropriation arrangements, where revenue appropriations for depreciation/amortisation expenses ceased. Entities now receive a separate capital budget provided through equity appropriations. Capital budgets are to be appropriated in the period when cash payment for capital expenditure is required.

2. Depreciation expenses previously funded through revenue appropriation reflects the total depreciation less adjustments for the Australian Astronomical Observatory. These adjustments consist of external funding and assets that were transferred in as a result of the prior ownership arrangement ceasing.

Department of Industry and Science Notes to and forming part of the Financial Statements

Note 4: Expenses

	2015	2014
	\$'000	\$'000
Note 4A: Employee Benefits		
Wages and salaries	235,866	313,954
Superannuation:		
Defined contribution plans	21,187	27,293
Defined benefit plans	23,187	34,410
Leave and other entitlements	34,561	44,764
Separation and redundancies	5,388	18,313
Other employee expenses	3,284	1,862
Total employee benefits	323,473	440,596
Note 4B: Suppliers		
Goods and services supplied or rendered		
Communication, marketing and freight	4,788	4,634
Contractors and consultants	32,085	47,505
Inventory related costs	7,025	5,941
Property operating expense	13,712	15,270
Processing costs for HELP receipts provided free of charge	-	1,236
Rendering of services and maintenance	39,309	50,006
Travel	12,617	15,444
Other goods and services	13,862	15,884
Total goods and services supplied or rendered	123,398	155,920
Goods supplied in connection with		
External parties	13,492	12,969
Total goods supplied	13,492	12,969
Services rendered in connection with		
Related parties	22,825	15,620
External parties	87,081	127,331
Total services rendered	109,906	142,951
Total goods and services supplied or rendered	123,398	155,920
Other suppliers		
Operating lease rentals in connection with		
External parties		
Minimum lease payments	62,223	47,263
Contingent rentals	569	710
Workers compensation expenses	6,286	9,760
Total other suppliers	69,078	57,733
Total suppliers	192,476	213,653

Department of Industry and Science
Notes to and forming part of the Financial Statements

	2015	2014
	\$'000	\$'000
Note 4C: Grants		
Public sector		
Australian Government entities (related parties)	11,080	133
State and Territory Governments	392	500
Private sector		
Non-profit organisations	3,695	1,435
Other	4,320	4,798
Total grants	19,487	6,866
Note 4D: Write-Down and Impairment of Assets		
Impairment of financial instruments	27	38
Impairment of leasehold improvements	8,095	971
Impairment of property, plant and equipment	82	1,632
Impairment of laboratory equipment	10	-
Impairment of intangible assets	740	1,474
Write-down of inventories	89	71
Total write-down and impairment of assets	9,043	4,186
Note 4E: Other Expenses		
Audit fees	645	769
Other	7	132
Total other expenses	652	901

Department of Industry and Science
Notes to and forming part of the Financial Statements

Note 5: Own-Source Income

	2015	2014
Own-Source Revenue	\$'000	\$'000

Note 5A: Sale of Goods and Rendering of Services

Sale of goods in connection with

External parties	3,454	3,325
Total sale of goods	3,454	3,325

Rendering of services in connection with

Related parties	2,797	3,485
External parties	42,405	49,576
Total rendering of services	45,202	53,061
Total sale of goods and rendering of services	48,656	56,386

Note 5B: Other Revenue

State receipts	11,677	5,710
Equipment Energy Efficiency receipts	1,710	4,600
Sponsorships	4,241	919
Other	8,435	8,670
Department of Foreign Affairs and Trade receipts	252	496
Total other revenue	26,315	20,395

Gains

Note 5C: Other Gains

Resources received free of charge

Remuneration of auditors	630	728
Others	-	1,218
Reversal of makegood provision	1,214	325
Reversal of provisions	379	264
Total other gains	2,223	2,535

Note 5D: Revenue from Government

Appropriations

Departmental appropriations	471,091	588,291
Supplementation	-	4,202
Total revenue from Government	471,091	592,493

Department of Industry and Science Notes to and forming part of the Financial Statements

Note 6: Fair Value Measurements

The following tables provide an analysis of assets and liabilities that are measured at fair value. The different levels of the fair value hierarchy are defined below.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

Fair Value Measurements, Valuation Techniques and Inputs Used

Fair value measurements at the end of the reporting period by hierarchy for assets and liabilities in 2015

	Fair value measurements at the end of the reporting period			For Levels 2 and 3 fair value measurements
	2015	2014	Category (Level 1, 2 or 3)	Valuation technique(s) ¹
	\$'000	\$'000		
Non-financial assets:				
Buildings	53,903	57,324	Level 3	Depreciated replacement cost
Leasehold improvements	64,288	77,096	Level 3	Depreciated replacement cost
Property, plant and equipment	34,883	58,359	Level 3	Depreciated replacement cost
Property, plant and equipment	16,305	-	Level 2	Market cost
Laboratory equipment	25,647	29,052	Level 3	Depreciated replacement cost
Total fair value measurements of assets in the statement of financial position	195,026	221,831		

1. A number of items were assessed by the valuer to be moved from Level 3 to Level 2 as these items could be accurately valued using the market cost approach.
2. For level 2 measurements, the inputs used are the prices derived from observed transactions of similar equipment.
3. Work-in-progress have been excluded from fair value disclosure as per the FRR.

Recurring and non-recurring Level 3 fair value measurements – valuation processes

The Department's assets are held for operational purposes and not held for the purposes of deriving a profit. The current use of the assets is considered the highest and best use.

The Department procured valuation services from Pickles Auction Valuation Services Pty Ltd (PVS), and relied on the valuation methodologies provided by PVS for non-financial assets are compliant with *AASB 13 Fair Value Measurement* for the period ending 30 June 2015. The Department tests the procedures of the valuation model as an internal management review at least once every 12 months (with a formal valuation undertaken once every three years). If a particular asset class experiences significant and volatile changes in fair value (i.e. where indicators suggest that the value of the class has changed materially since the previous reporting period), that class is subject to specific valuation in the reporting period, where practicable, regardless of timing of the last valuation.

Department of Industry and Science Notes to and forming part of the Financial Statements

Note 7: Financial Assets

	2015	2014
	\$'000	\$'000
Note 7A: Cash and Cash Equivalents		
Cash in special accounts	5,693	852
Cash on hand	21	21
Cash at bank	<u>2,484</u>	<u>4,974</u>
Total cash and cash equivalents	<u>8,198</u>	<u>5,847</u>
Note 7B: Trade and Other Receivables		
Good and services receivables in connection with		
Related parties	2,809	7,796
External parties	<u>3,599</u>	<u>4,190</u>
Total goods and services receivables	<u>6,408</u>	<u>11,986</u>
Appropriations receivables		
Departmental appropriations	73,634	137,508
Departmental Capital Budget	2,666	6,602
Special accounts	26,878	29,900
Equity appropriations	<u>41,340</u>	<u>54,099</u>
Total appropriations receivables	<u>144,518</u>	<u>228,109</u>
Other receivables		
GST receivable from the Australian Taxation Office	3,434	2,692
Other	<u>1,145</u>	<u>6,767</u>
Total other receivables	<u>4,579</u>	<u>9,459</u>
Total trade and other receivables (gross)	<u>155,505</u>	<u>249,554</u>
Less impairment allowance		
Goods and services	<u>(279)</u>	<u>(98)</u>
Total impairment allowance	<u>(279)</u>	<u>(98)</u>
Total trade and other receivables (net)	<u>155,226</u>	<u>249,456</u>
Trade and other receivables (gross) aged as follows		
Not overdue	153,125	237,568
Overdue by		
0 to 30 days	1,218	8,385
31 to 60 days	319	1,255
More than 60 days	<u>843</u>	<u>2,346</u>
Total trade and other receivables (gross)	<u>155,505</u>	<u>249,554</u>
Reconciliation of the Impairment Allowance		
As at 1 July	98	277
Amounts written off	170	(6)
Amounts recovered and reversed	(16)	(211)
Increase/(Decrease) recognised in net cost of services	<u>27</u>	<u>38</u>
Total as at 30 June	<u>279</u>	<u>98</u>

Trade and other receivables (net) are expected to be recovered within 12 months. The impairment allowance relates to receivables overdue by more than 60 days.

Department of Industry and Science Notes to and forming part of the Financial Statements

Note 8: Non-Financial Assets

	2015	2014
	\$'000	\$'000
Note 8A: Land and Buildings		
Buildings on freehold land		
Fair value	53,903	62,250
Accumulated depreciation	-	(4,926)
Work in progress	2,212	-
Total buildings on freehold land	56,115	57,324
Leasehold improvements		
Fair value	64,288	96,449
Accumulated depreciation	-	(19,353)
Work in progress	4,375	4,391
Total leasehold improvements	68,663	81,487
Total land and buildings	124,778	138,811

5 items of leasehold improvements with a written down value of \$6.168 million were written off.

The Nishi Building and 4 Mort St Building were assessed as being impaired at 30 June 2015. A net impairment loss of \$4.827 million was recognised, \$2.901 million was accounted for as an adjustment to the revaluation reserve and \$1.926 million was recognised as an expense.

Note 8B: Property, Plant and Equipment

Property, plant and equipment:

Fair value	51,188	90,960
Accumulated depreciation	-	(32,601)
Work in progress	6,683	6,748
Total property, plant and equipment	57,871	65,107

A number of property, plant and equipment assets with a written down value of \$0.082 million (2013-14: \$1.632 million) were assessed as obsolete and written off.

Note 8C: Laboratory Equipment

Fair value	25,647	42,056
Accumulated depreciation	-	(13,004)
Work in progress	2,848	3,103
Total laboratory equipment	28,495	32,155

A number of laboratory equipment with a written down value of \$0.010 million were assessed as obsolete and written off.

Revaluations of non-financial assets

All revaluations were conducted in accordance with the revaluation policy stated at Note 1. A revaluation was conducted as at 30 June 2015 by an independent valuer, Pickles Valuation Services.

There was a decrease in the valuation for the following assets: \$0.978 million in buildings and leasehold improvements, \$0.269 million in property, plant and equipment and \$1.031 million in laboratory equipment (2013-14: Nil).

Department of Industry and Science
Notes to and forming part of the Financial Statements

	2015	2014
	\$'000	\$'000
Note 8D: Intangibles		
Computer software		
Internally developed – in progress	13,509	15,364
Internally developed – in use	51,565	88,719
Purchased	14,909	13,384
Accumulated amortisation	<u>(48,002)</u>	<u>(75,616)</u>
Total computer software	<u>31,981</u>	<u>41,851</u>
Other intangibles		
Internally developed	-	271
Accumulated amortisation	<u>-</u>	<u>(271)</u>
Total other intangibles	<u>-</u>	<u>-</u>
Total intangibles	<u>31,981</u>	<u>41,851</u>

Software projects were assessed as impaired for a total of \$0.740 million at 30 June 2015 (2013-14: \$1.474 million).

Department of Industry and Science Notes to and forming part of the Financial Statements

Note 8E: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment and Intangibles

Reconciliation of the opening and closing balances of property, plant and equipment and intangibles for 2015		Buildings	Leasehold improvements	Property, plant and equipment	Laboratory equipment	Computer software internally developed	Computer software purchased	Other intangibles internally developed	Total
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2014									
Gross book value		62,250	100,840	97,708	45,159	104,083	13,384	271	423,695
Accumulated depreciation and impairment		(4,926)	(19,353)	(32,601)	(13,004)	(64,456)	(11,160)	(271)	(145,771)
Total as at 1 July 2014		57,324	81,487	65,107	32,155	39,627	2,224	-	277,924
Additions:									
Purchase or internally developed		2,504	3,495	11,507	3,093	12,470	1,777	-	34,846
Revaluations recognised through other comprehensive income		(1,121)	143	(269)	(1,031)	-	-	-	(2,278)
Reversals of impairment recognised through other comprehensive income		-	977	-	-	-	-	-	977
Impairments recognised in net cost of services		-	(8,095)	(82)	(10)	(740)	-	-	(8,927)
Depreciation/ Amortisation		(2,592)	(9,344)	(17,347)	(5,712)	(7,000)	(1,666)	-	(43,661)
Disposals:									
From disposal of entities or operations (including restructuring) ¹		-	-	(1)	-	(14,711)	-	-	(14,712)
Other		-	-	(159)	-	-	-	-	(159)
Other Movements ²		-	-	(885)	-	-	-	-	(885)
Total as at 30 June 2015		56,115	68,663	57,871	28,495	29,646	2,335	-	243,125
Total as at 30 June 2015 represented by									
Gross book value		56,115	68,663	57,871	28,495	65,074	14,909	-	291,127
Accumulated depreciation and impairment		-	-	-	-	(35,428)	(12,574)	-	(48,002)
Total as at 30 June 2015		56,115	68,663	57,871	28,495	29,646	2,335	-	243,125

- The assets were relinquished to the Department of Education and Training as a result of transferring the Skills and Vocational Education, and Training functions.
- These assets did not meet the capitalisation threshold and were expensed in 2014-15

Department of Industry and Science Notes to and forming part of the Financial Statements

Reconciliation of the opening and closing balances of property, plant and equipment and intangibles for 2014

	Buildings \$'000	Leasehold improvements \$'000	Property, plant and equipment \$'000	Laboratory equipment \$'000	Computer software internally developed \$'000	Computer software purchased \$'000	Other intangibles internally developed \$'000	Total \$'000
As at 1 July 2013								
Gross book value	58,897	90,347	92,555	40,172	152,046	15,061	271	449,349
Accumulated depreciation and impairment	(2,464)	(10,450)	(19,049)	(7,316)	(93,816)	(10,278)	(271)	(143,644)
Total as at 1 July 2013	56,433	79,897	73,506	32,856	58,230	4,783	-	305,705
Additions:								
Purchase or internally developed	3,353	3,441	17,623	4,989	8,978	1,427	-	39,811
Acquisition of entities or operations (including restructuring) ¹	-	9,748	3,455	-	3,339	105	-	16,647
Impairments recognised in net cost of services	-	(971)	(1,632)	-	(1,366)	(108)	-	(4,077)
Depreciation/Amortisation	(2,462)	(10,140)	(16,940)	(5,690)	(11,399)	(1,543)	-	(48,174)
Disposals:								
From disposal of entities or operations (including restructuring)	-	(488)	(10,847)	-	(18,155)	(2,440)	-	(31,930)
Other	-	-	(58)	-	-	-	-	(58)
Total as at 30 June 2014	57,324	81,487	65,107	32,155	39,627	2,224	-	277,924
Total as at 30 June 2014 represented by								
Gross book value	62,250	100,840	97,708	45,159	104,083	13,384	271	423,695
Accumulated depreciation and impairment	(4,926)	(19,353)	(32,601)	(13,004)	(64,456)	(11,160)	(271)	(145,771)
Total as at 30 June 2014	57,324	81,487	65,107	32,155	39,627	2,224	-	277,924

1. The assets were acquired from the Department of Resources, Energy and Tourism as a result of assuming the Resources and Energy functions.

Department of Industry and Science
Notes to and forming part of the Financial Statements

	2015	2014
	\$'000	\$'000
<u>Note 8F: Inventories</u>		
Inventories held for sale		
Consumables	345	290
Finished goods	2,811	2,732
Less: Provision for obsolete stock	<u>(958)</u>	<u>(875)</u>
Total inventories held for sale	<u>2,198</u>	<u>2,147</u>

All inventory is expected to be sold or distributed in the next 12 months.

Note 8G: Prepayments

Prepayments expected to be recovered		
No more than 12 months	6,751	7,188
More than 12 months	<u>1,560</u>	<u>551</u>
Total other non-financial assets	<u>8,311</u>	<u>7,739</u>

No indicators of impairment were found for prepayments.

Department of Industry and Science Notes to and forming part of the Financial Statements

Note 9: Payables

	2015	2014
	\$'000	\$'000
Note 9A: Suppliers		
Trade creditors and accruals	22,899	30,292
Other creditors	<u>1,632</u>	<u>141</u>
Total suppliers	<u><u>24,531</u></u>	<u><u>30,433</u></u>

All suppliers are expected to be settled within 12 months

Suppliers in connection with

Related parties	6,053	10,734
External parties	<u>18,478</u>	<u>19,699</u>
Total suppliers	<u><u>24,531</u></u>	<u><u>30,433</u></u>

Settlement is usually made within 30 days.

Note 9B: Other Payables

Lease straight lining and incentives	41,040	41,084
Unearned revenue	9,362	16,386
Wages and salaries	9,956	10,925
Superannuation	1,345	1,480
Other	<u>916</u>	<u>2,876</u>
Total other payables	<u><u>62,619</u></u>	<u><u>72,751</u></u>

Other payables expected to be settled

No more than 12 months	22,629	31,813
More than 12 months	<u>39,990</u>	<u>40,938</u>
Total other payables	<u><u>62,619</u></u>	<u><u>72,751</u></u>

The Department received \$0.958 million (2013-14: \$0.826 million) under the Paid Parental Leave Scheme. These amounts were offset against the amounts paid to employees in the Statement of Comprehensive Income for not-for-profit reporting entities.

Department of Industry and Science Notes to and forming part of the Financial Statements

Note 10: Provisions

	2015 \$'000	2014 \$'000
Note 10A: Employee Provisions		
Leave	84,738	99,584
Separations and redundancies	<u>1,262</u>	<u>5,861</u>
Total employee provisions	<u>86,000</u>	<u>105,445</u>
Employee provisions expected to be settled		
No more than 12 months	28,567	38,587
More than 12 months	<u>57,433</u>	<u>66,858</u>
Total employee provisions	<u>86,000</u>	<u>105,445</u>
Note 10B: Other Provisions		
Provisions for onerous lease	14,770	-
Provisions for restoration	<u>1,787</u>	<u>3,116</u>
Total provisions for restoration	<u>16,557</u>	<u>3,116</u>
Other provisions expected to be settled		
No more than 12 months	177	-
More than 12 months	<u>16,380</u>	<u>3,116</u>
Total other provisions	<u>16,557</u>	<u>3,116</u>

	Provision for Onerous Lease \$'000	Provision for restoration \$'000	Total \$'000
As at 1 July 2014	-	3,116	3,116
Additional provisions made	14,770	62	14,832
Amounts reversed	-	(1,214)	(1,214)
Amounts used	-	(92)	(92)
Unwinding of discount or change in discount rate	-	259	259
Change in revaluation rates and finance imputation amounts	-	(344)	(344)
Total as at 30 June 2015	<u>14,770</u>	<u>1,787</u>	<u>16,557</u>

The Department currently has 13 agreements (2013-14: 26 agreements) for the leasing of premises which have provisions requiring the Department to restore the premises to their original condition at the conclusion of the lease.

The Department has made a provision to reflect the present value of this obligation.

**Department of Industry and Science
Notes to and forming part of the Financial Statements**

**Note 11: Restructuring
Note 11A: Departmental Restructuring**

	2015	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014
	Skills and Vocational Education Training ¹	Department of Education and Training	Department of Education and Training	Department of Education and Training	Department of Education and Training	Department of Education and Training	Department of Education and Training	Department of Education and Training	Department of Education and Training	Department of Education and Training	Department of Education and Training
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
FUNCTIONS RELINQUISHED											
Assets relinquished											
Trade receivables	-	143	-	-	-	-	10	-	-	-	-
Appropriation receivables	24,100	-	232	-	-	1,215	-	-	-	-	-
Prepayments	-	554	-	-	-	194	-	-	-	-	-
Land and buildings	-	488	-	-	-	-	-	-	-	-	-
Property, plant and equipment	1	219	10,495	2	73	51	7	-	-	-	-
Intangibles	14,711	14,510	6,085	-	-	-	-	-	-	-	-
Cash/receivables (relating to employee provisions)	-	1,923	-	-	-	-	-	-	-	-	329
Total assets relinquished	38,812	17,837	16,812	2	1,492	108	7	-	-	-	329
Liabilities relinquished											
Unearned revenue	-	660	645	-	718	-	-	-	-	-	-
Employee provisions	14,254	14,022	8,546	454	2,846	1,256	1,627	364	-	-	390
Other provisions	-	-	62	-	-	-	-	-	-	-	-
Total liabilities relinquished	14,254	14,682	9,253	454	3,564	1,256	1,627	1,627	364	364	390
Net assets/(liabilities) relinquished	24,558	3,155	7,559	(452)	(2,072)	(1,148)	(1,620)	(1,620)	(364)	(364)	(61)

**Department of Industry and Science
Notes to and forming part of the Financial Statements**

	2014 Resources and Energy ^a Department of Resources, Energy and Tourism \$'000	2014 Adult Migrant English Program ^b Department of Immigration and Border Protection \$'000	2014 Anti-Dumping Commission ^c Australian Customs and Border Protection \$'000
FUNCTIONS ASSUMED			
Assets recognised			
Cash and cash equivalents	222	-	-
Trade receivables	2,011	-	-
Appropriation receivables	18,709	-	-
Other receivables	1,491	-	-
Prepayments	1,668	-	-
Land and buildings	9,748	-	-
Property, plant and equipment	3,443	12	-
Intangibles	3,444	-	-
Cash/receivables (relating to employee provisions)	-	353	1,665
Total assets recognised	40,736	365	1,665
Liabilities recognised			
Suppliers	18,292	-	-
Other payables	15,757	-	-
Employee provisions	22,382	353	1,665
Other provisions	1,471	-	-
Total liabilities recognised	57,902	353	1,665
Net assets/(liabilities) assumed	(17,166)	12	-
Income assumed			
Recognised by the receiving entity	13,348	1	-
Recognised by the losing entity	2,955	-	-
Total income assumed	16,303	1	-
Expenses assumed			
Recognised by the receiving entity	108,220	5,146	2,250
Recognised by the losing entity	25,211	534	6,443
Total expenses assumed	133,431	5,680	8,693

Department of Industry and Science Notes to and forming part of the Financial Statements

Notes:

The following functions were relinquished during 2014-15 as a result of the AAO of the 23 December 2014.

1. The Skills and Vocational Education and Training functions to the Department of Education and Training.
2. The Small Business function to The Treasury. However, no assets and liabilities were transferred.

The following functions were relinquished during 2013-14 as a result of the AAO of the 18 September 2013.

1. The Higher Education function to the Department of Education.
2. The Climate Change function to the Department of Environment.
3. The Student Support function to the Department of Social Services.
4. The Tourism function to the Australian Trade Commission.
5. The International Climate Change function to the Department of Foreign Affairs and Trade.
6. The Small Business function to The Treasury.
7. The Indigenous Education function to the Department of the Prime Minister and Cabinet.
8. The Office of Spatial Policy function to the Department of Communications.
9. The Resources and Energy functions from the Department of Resources, Energy and Tourism. However, the balances transferred were as at 1 July 2013.
10. The Adult Migrant English Programme from the Department of Immigration and Border Protection.
11. The Anti-Dumping Commission function from Australian Customs and Border Protection Service. However, the legislative amendment to effect the transfer of the Commission to the Department occurred on the 27 March 2014.

In respect of functions assumed, the net book values of assets and liabilities were transferred to the entity for no consideration

**Department of Industry and Science
Notes to and forming part of the Financial Statements**

	2015		2015	
	Skills and Vocational Education and Training functions ¹ Department of Education and Training	Small Business ² The Treasury	Office of Spatial Policy ³ Department of Communications	\$'000
FUNCTIONS RELINQUISHED				
Assets relinquished				
Cash and cash equivalents	737	-		133
Trade receivables	-	1		-
Advances and loans	23,850	-		-
Other receivables	1,449	-		-
Total assets relinquished	26,036	1		133
Liabilities relinquished				
Payables	34,605	-		-
Total liabilities relinquished	34,605	-		-
Net assets/(liabilities) relinquished	(8,569)	1		133

Note 11B: Administered Restructuring

**Department of Industry and Science
Notes to and forming part of the Financial Statements**

	2014 Higher Education ¹	2014 Climate Change ²	2014 Student Support ³	2014 International Climate Change & Tourism ⁴	2014 Small Business ⁵	2014 Indigenous Education ⁶
	Department of Education	Department of Environment	Department of Social Services	Department of Foreign Affairs and Trade	The Treasury	Department of Prime Minister and Cabinet
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
FUNCTIONS RELINQUISHED						
Assets recognised						
Trade and other receivables	2,360	-	-	-	-	145
Advances and loans	22,432,432	-	622,699	-	-	-
Other receivables	429,164	9	170,681	-	-	-
Investments	1,960,654	-	-	22,447	-	38,428
Total assets relinquished	24,824,610	9	793,380	22,447	-	38,573
Liabilities relinquished						
Payables	551,779	88	-	-	-	-
Provision for grants	6,676,618	-	-	-	54	31
Total liabilities relinquished	7,228,397	88	-	-	54	31
Net assets/(liabilities) relinquished	17,596,213	(79)	793,380	22,447	(54)	38,542

**Department of Industry and Science
Notes to and forming part of the Financial Statements**

	2014 Resources and Energy ⁷	2014 Adult Migrant English Program ⁸
	Department of Resources, Energy and Tourism	Department of Immigration and Border Protection
	\$'000	\$'000
FUNCTIONS ASSUMED		
Assets recognised		
Trade and other receivables	6,235	-
Advances and loans	67,825	-
Other receivables	2,304	-
Other financial assets	198,997	-
Investments	596,799	-
Intangibles	4,207	-
Total assets recognised	876,367	-
Liabilities recognised		
Payables	18,412	-
Grants payable	33,652	-
Other payables	518	-
Employee provisions	1,016	-
Total liabilities recognised	53,598	-
Net assets/(liabilities) assumed	822,769	-
Income assumed		
Recognised by the receiving entity	1,573,979	858
Recognised by the losing entity	263,481	-
Total income assumed	1,837,460	858
Expenses assumed		
Recognised by the receiving entity	484,632	188,419
Recognised by the losing entity	63,012	58,135
Total expenses assumed	547,644	246,554

Department of Industry and Science Notes to and forming part of the Financial Statements

Notes:

The following functions were relinquished during 2014-15 as a result of the AAO of the 23 December 2014.

1. The Skills and Vocational Education and Training functions to the Department of Education and Training.
2. The Small Business function to The Treasury.
3. The Office of Spatial Policy function to the Department of Communications.

The following functions were relinquished during 2013-14 as a result of the AAO of the 18 September 2013:

1. The Higher Education function to the Department of Education.
2. The Climate Change function to the Department of Environment.
3. The Student Support function to the Department of Social Services.
4. The International Climate Change and Tourism function to the Department of Foreign Affairs and Trade.
5. The Small Business function to The Treasury.
6. The Indigenous Education function to the Department of the Prime Minister and Cabinet.

The following functions were assumed during 2013-14 as a result of the AAO of the 18 September 2013:

7. The Resources and Energy functions from the Department of Resources, Energy and Tourism. However, the balances transferred were as at 1 July 2013.
8. The Adult Migrant English Programme from the Department of Immigration and Border Protection.

In respect of functions assumed, the net book values of assets and liabilities were transferred to the entity for no consideration.

Department of Industry and Science Notes to and forming part of the Financial Statements

Note 12: Cash Flow Reconciliation

	2015	2014
	\$'000	\$'000
Reconciliation of cash and cash equivalents as per statement of financial position to cash flow statement		
Cash and cash equivalents as per		
Cash flow statement	8,198	5,847
Statement of financial position	<u>8,198</u>	<u>5,847</u>
Discrepancy	<u>-</u>	<u>-</u>
Reconciliation of net cost of services to net cash from/(used by) operating activities		
Net cost of services	(511,057)	(633,918)
Revenue from Government	471,091	592,493
Adjustments for non-cash items		
Reversal of previous write down of non-financial assets	(2)	(18)
Reversal of provision	(1,593)	(589)
Depreciation / amortisation	43,661	48,174
Finance costs	259	51
Net write down of assets	9,043	4,186
Net losses/(gains) from sale of assets	38	(264)
Restructuring	(2,186)	(3,995)
Movement in assets and liabilities		
Assets		
(Increase) / decrease in net receivables	17,790	(38,791)
(Increase) / decrease in accrued revenue	(2,255)	171
(Increase) / decrease in prepayments	(572)	(4,524)
(Increase) / decrease in inventories	(51)	(160)
(Increase) / decrease in capital receivable	(16,695)	47,758
(Increase) / decrease in GST receivable	(742)	(1,601)
Liabilities		
Increase / (decrease) in employee provisions	(5,190)	(13,543)
Increase / (decrease) in suppliers payable	(5,902)	(17,177)
Increase / (decrease) in unearned revenue	(7,024)	10,683
Increase / (decrease) in capital payable	4,304	292
Increase / (decrease) in grants payable	1,089	579
Increase / (decrease) in other provisions and other payables	<u>10,333</u>	<u>5,560</u>
Net cash from/(used by) operating activities	<u>4,339</u>	<u>(4,633)</u>

Department of Industry and Science Notes to and forming part of the Financial Statements

Note 13: Senior Management Personnel Remuneration

	2015	2014
	\$	\$
Short-term employee benefits		
Salary	17,057,616	25,330,204
Performance bonuses	48,191	428,390
Other	<u>880,269</u>	<u>1,093,591</u>
Total short-term employee benefits	<u>17,986,076</u>	<u>26,852,185</u>
Post-employment benefits:		
Superannuation	<u>2,847,887</u>	<u>4,717,578</u>
Total post-employment benefits	<u>2,847,887</u>	<u>4,717,578</u>
Other long-term employee benefits¹		
Annual leave accrued	1,359,481	2,046,673
Long-service leave accrued	<u>611,766</u>	<u>921,003</u>
Total other long-term employee benefits	<u>1,971,247</u>	<u>2,967,676</u>
Termination benefits	<u>734,737</u>	<u>3,157,055</u>
Total senior executive remuneration expenses	<u><u>23,539,947</u></u>	<u><u>37,694,494</u></u>

The total number of senior management personnel that are included in the above table is 100 (2014: 171).

1. Other short term employee benefits include motor vehicle running costs and car parking costs.

This note:

- excludes acting arrangements;
- includes part year service, which includes senior management personnel impacted by transfers as a result of AAO; and
- includes the impact of leave taken.

Notes to and forming part of the Financial Statements

Note 14: Financial Instruments

	2015	2014
	\$'000	\$'000
<u>Note 14A: Categories of Financial Instruments</u>		
Financial Assets		
Cash and cash equivalents	8,198	5,847
Trade and other receivables	7,274	18,655
Accrued revenue	2,855	600
Total loans and receivables	18,327	25,102
Total financial assets	18,327	25,102
Financial Liabilities		
Suppliers	24,531	30,433
Grants payable	1,983	894
Other payables	10,278	19,262
Total financial liabilities measured at amortised cost	36,792	50,589
Total financial liabilities	36,792	50,589
<u>Note 14B: Net Gains or Losses on Financial Assets</u>		
Loans and receivables		
Interest revenue	39	19
Impairment (including reversal of impairment)	(27)	(38)
Exchange gains	1	3
Net gains/(losses) on loans and receivables	13	(16)

Note 14C: Net Gains or Losses on Financial Liabilities

The net interest income/expense from financial liabilities is Nil (2013-14: Nil)

Note 14D: Fair Value of Financial Instruments

The Department considers that the carrying amounts reported in the Statement of Financial Position are a reasonable approximation of the fair value of these financial assets and liabilities.

Note 14E: Credit Risk

The Department's maximum exposure to credit risk at reporting date in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the Statement of Financial Position. The Department has no significant exposures to any concentration of credit risk.

The Department is exposed to minimal credit risk as most items are cash and trade receivables. The maximum exposure to credit risk arises from the potential default of a debtor. This amount is equal to the total amount of receivables: \$7.553 million (2013-14: \$18.753 million). The Department has assessed the risk of default on payment and has allocated \$0.279 million (2013-14: \$0.098 million) to an allowance for impairment account.

The Department manages its credit risk by undertaking background and credit checks prior to entering into a debtor relationship. In addition, the Department has policies and procedures for debt recovery actions. The Department analyses its credit risk based on 30+ days. As such, the ageing of financial instruments has been presented in the same format. The Department holds no collateral to mitigate against credit risk.

Notes to and forming part of the Financial Statements

Maximum exposure to credit risk (excluding any collateral or credit enhancements)		
	2015	2014
	\$'000	\$'000
Financial assets carried at amount not best representing maximum exposure to credit risk		
Cash and cash equivalents	8,198	5,847
Trade and other receivables	7,274	18,655
Other financial assets	2,855	600
Total financial assets carried at amount not best representing maximum exposure to credit risk	18,327	25,102

Credit quality of financial assets not past due or individually determined as impaired				
	Not past due nor impaired	Not past due nor impaired	Past due or impaired	Past due or impaired
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	8,198	5,847	-	-
Trade and other receivables	1,145	6,767	6,408	11,986
Other financial assets	2,855	600	-	-
Total	12,198	13,214	6,408	11,986

Ageing of trade and other receivables that were past due but not impaired				
	0 to 30 days	31 to 60 days	60+ days	Total
	\$'000	\$'000	\$'000	\$'000
2015	1,218	319	564	2,101
2014	8,385	1,255	2,248	11,888

Note 14F: Liquidity Risk

The Department's financial liabilities are payables to suppliers. The exposure to liquidity risk is based on the notion that the Department will encounter difficulty in meeting its obligations associated with financial liabilities. This is highly unlikely due to appropriation funding and other funding mechanisms available to the Department (e.g. Advance to the Finance Minister) and internal policies and procedures put in place to ensure there are appropriate resources to meet its financial obligations.

All non-derivative financial liabilities will mature within one year. The Department did not hold any derivative financial liabilities in the current or prior reporting period.

Note 14G: Market Risk

The Department holds financial instruments that do not materially expose it to significant market risks. The Department has minor exposure to "Currency risk" through some international purchases of equipment (National Measurement Institute laboratory equipment) and provision of services or grants. No material exposures exist at year end.

Notes to and forming part of the Financial Statements

Note 15: Financial Assets Reconciliation

		2015 \$'000	2014 \$'000
<u>Financial assets</u>	Notes		
Total financial assets as per statement of financial position		166,279	255,903
Less: Non-financial instrument components			
Appropriations receivable	7B	144,518	228,109
GST receivable from Australian Taxation Office	7B	3,434	2,692
Total non-financial instrument components		<u>147,952</u>	<u>230,801</u>
Total financial assets as per financial instruments note	14A	<u><u>18,327</u></u>	<u><u>25,102</u></u>

Notes to and forming part of the Financial Statements

Note 16: Administered - Expenses

	2015	2014
	\$'000	\$'000
Note 16A: Employee benefits		
Wages and salaries	3,481	4,009
Superannuation		
Defined contribution plans	355	393
Defined benefit plans	297	397
Leave and other entitlements	813	507
Total employee benefits	4,946	5,306
Note 16B: Suppliers		
Services rendered		
Communication, marketing and freight	810	1,598
Consultants and contractors	313,364	439,435
Travel	903	1,363
Vocational and industry training	80,347	114,163
Other	8,235	11,997
Total services rendered	403,659	568,556
Services rendered in connection with		
Related parties	13,988	16,179
External parties	389,671	552,377
Total services rendered	403,659	568,556
Total suppliers	403,659	568,556
Note 16C: Subsidies		
Subsidies in connection with		
External parties		
Assistance to industry	269,448	332,838
Vocational and industry training	331,718	601,888
Resources related initiatives	95,407	102,555
Total subsidies	696,573	1,037,281
Note 16D: Personal Benefits		
Direct		
Student assistance	-	813,771
Vocational and industry training	79,776	293,282
Indirect		
Student assistance	-	213
Liquid petroleum gas vehicle scheme	(765)	6,846
Total personal benefits	79,011	1,114,112

Notes to and forming part of the Financial Statements

	2015	2014
	\$'000	\$'000
Note 16E: Grants		
Public sector		
Australian Government entities (related parties)	25,808	32,913
State and Territory Governments	50,957	52,137
Local Governments	7,600	9,982
Private sector		
Non-profit organisations	76,213	166,046
External entities	454,825	826,734
Other	22,870	101,765
Grants through State and Territory Governments	33,939	17,479
Payments to Higher Education Providers	-	2,144,747
Multi-jurisdictional sector	390	-
Nation-building Fund	-	7,350
Total grants	672,602	3,359,153
Note 16F: Write-Down and Impairment of Assets		
Impairment on financial instruments	-	8,538
Impairment of personal benefits receivable	-	4
Write-down of Investment	20	65,546
Total write-down and impairment of assets	20	74,088
Note 16G: Payments to Corporate Commonwealth Entities		
Commonwealth Scientific and Industrial Research Organisation	745,268	778,177
Australian Nuclear Science and Technology Organisation	157,414	163,011
Australian Institute of Marine Science	38,796	33,280
Australian Institute of Aboriginal and Torres Strait Islander Studies	-	5,698
Tourism Australia	-	48,230
Australian Renewable Energy Agency	244,493	265,150
National Offshore Petroleum Safety and Environmental Management Authority	36,193	-
Total payments to corporate Commonwealth entities	1,222,164	1,293,546

Notes to and forming part of the Financial Statements

Note 17: Administered - Income

	2015 \$'000	2014 \$'000
Revenue		
<u>Note 17A: Fees from Regulatory Services</u>		
Petroleum fees	10,383	11,674
Levy receipts	<u>36,234</u>	-
Total fees from regulatory services	<u><u>46,617</u></u>	<u><u>11,674</u></u>
<u>Note 17B: Dividends</u>		
Commonwealth Scientific and Industrial Research Organisation	1	3,795
Snowy Hydro Ltd	<u>20,150</u>	<u>32,500</u>
Total dividends	<u><u>20,151</u></u>	<u><u>36,295</u></u>
Gains		
<u>Note 17C: Other Gains</u>		
Gains from remeasuring loan commitment provision	302	(6)
Gain on Home Insulation Program (HIP) provision	<u>-</u>	<u>13,478</u>
Total other gains	<u><u>302</u></u>	<u><u>13,472</u></u>

Notes to and forming part of the Financial Statements

Note 18: Administered - Fair Value Measurements

The following tables provide an analysis of assets and liabilities that are measured at fair value. The different levels of the fair value hierarchy are defined below.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at measurement date.
 Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
 Level 3: Unobservable inputs for the asset or liability.

Note 18A: Administered Fair Value Measurements, Valuation Technique and Inputs Used

	Fair value measurements at the end of the reporting period		Category (Level 1, 2 or 3)	For Levels 2 and 3 fair value measurements	
	2015 \$'000	2014 \$'000		Valuation technique(s) ¹	Inputs used
Financial assets:					
Other investments - Ceramic Fuel Cells Ltd	-	20	Level 1		
Other investments - Snowy Hydro Ltd	475,000	572,000	Level 2	Income	Operating results to estimate future earnings
Other investments - Other	3,611,762	3,438,014	Level 3	Cost	
Total financial assets	4,086,762	4,010,034			
Non-financial assets:					
Property, plant and equipment ¹	423	645	Level 2	Market Approach	Observed transactions for similar equipment
Leasehold improvements	258	-	Level 3	Depreciated replacement cost	
Total non-financial assets	681	645			
Total fair value measurements of assets in the administered schedule of assets and liabilities	4,087,443	4,010,679			

1. Change in valuation technique for property, plant and equipment as it moved from Level 3 to Level 2, based on advice from valuer.

2. Work-in-progress have been excluded from fair value disclosure as per the FRR.

Notes to and forming part of the Financial Statements

Recurring and non-recurring Level 3 fair value measurements - valuation processes

The Department's assets are held for operational purposes and not held for the purposes of deriving a profit. The current use of the assets is considered the highest and best use.

The Department procured valuation services from Pickles Auction Valuation Services Pty Ltd (PVS), and relied on the valuation methodologies provided by PVS for non-financial assets are compliant with AASB 13 *Fair Value Measurement* for the period ending 30 June 2015. The Department tests the procedures of the valuation model as an internal management review at least once every 12 months (with a formal valuation undertaken once every three years). If a particular asset class experiences significant and volatile changes in fair value (i.e. where indicators suggest that the value of the class has changed materially since the previous reporting period), that class is subject to specific valuation in the reporting period, where practicable, regardless of timing of the last valuation.

Note 18B: Administered Reconciliation for Recurring Level 3 Fair Value Measurements

Recurring Level 3 fair value measurements - reconciliation for assets 2015

	Financial assets			Total 2015 \$'000
	Advances and loans 2015 \$'000	Investments 2015 \$'000	Other 2015 \$'000	
Opening balance	-	3,438,014	-	3,438,014
Total gains/(losses) recognised in other comprehensive income ¹	-	27,160	-	27,160
Additions (including Restructuring)	-	41,538	-	41,538
Issues	-	117,705	-	117,705
Settlements	-	(12,655)	-	(12,655)
Closing balance	-	3,611,762	-	3,611,762
Changes in unrealised gains/(losses) recognised in net cost of services for assets held at the end of the reporting period	-	-	-	-

1. These gains/losses are presented in the Administered Schedule of Comprehensive Income under changes in asset revaluation surplus.

Notes to and forming part of the Financial Statements

Recurring Level 3 fair value measurements - reconciliation for assets 2014

	Financial assets				
	Advances and loans		Other Investments		Total
	2014	2014	2014	2014	2014
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance	22,292,135	5,470,593		27,762,728	
Total gains/(losses) recognised in other comprehensive income ¹	-	35,331		35,331	
Additions (including Restructuring)	-	24,744		24,744	
Disposals (including Restructuring)	(23,055,131)	(2,110,526)		(25,165,657)	
Issues	1,398,446	22,589		1,421,035	
Settlements	(635,450)	(4,717)		(640,167)	
Closing balance	-	3,438,014		3,438,014	
Changes in unrealised gains/(losses) recognised in net cost of services for assets held at the end of the reporting period	-	-		-	

1. These gains/losses are presented in the Administered Schedule of Comprehensive Income under changes in asset revaluation surplus.

Notes to and forming part of the Financial Statements

Note 19: Administered - Financial Assets

	2015	2014
	\$'000	\$'000
Note 19A: Cash and Cash Equivalents		
Cash in special accounts	125,849	129,997
Cash at bank	-	408
Total cash and cash equivalents	125,849	130,405
Note 19B: Trade and Other Receivables		
Advances and loans		
Loans - available for sale - IIF loans (Rounds 1 & 2)	40,447	128,013
Loans - amortised cost	94,501	92,119
Total advances and loans	134,948	220,132
Other receivables		
Grant recoveries and other receivables	13,061	20,424
Net GST receivable	12,743	10,358
Total other receivables	25,804	30,782
Total trade and other receivables (gross)	160,752	250,914
Less impairment allowance		
Loans - amortised cost	(1,001)	(1,048)
Loans - available for sale - IIF loans (Rounds 1 & 2)	(40,447)	(93,275)
Grant recoveries and other receivables	(11,774)	(14,926)
Total impairment allowance	(53,222)	(109,249)
Total trade and other receivables (net)	107,530	141,665
Trade and other receivables (net) expected to be recovered		
No more than 12 months	16,260	36,259
More than 12 months	91,270	105,406
Total trade and other receivables (net)	107,530	141,665
Trade and other receivables (gross) aged as follows		
Not overdue	147,012	237,998
Overdue by:		
0 to 30 days	895	541
31 to 60 days	16	1,164
More than 60 days	12,829	11,211
Total trade and other receivables (gross)	160,752	250,914

Other loans and receivables are with entities external to the Australian Government. Credit terms were net 30 days (2013-14: 30 days).

Notes to and forming part of the Financial Statements

	2015	2014	
	\$'000	\$'000	
Impairment allowance aged as follows			
Not overdue	(40,447)	(99,920)	
Overdue by:			
0 to 30 days	(575)	(409)	
31 to 60 days	(1)	(1,048)	
More than 60 days	(12,199)	(7,872)	
Total impairment allowance	(53,222)	(109,249)	
Reconciliation of the Impairment Allowance			
Movements in relation to 2015			
	Advances and loans \$'000	Other receivables \$'000	Total \$'000
As at 1 July 2014	94,323	14,926	109,249
Amounts written off	(135)	(2,884)	(3,019)
Amounts recovered and reversed	-	(62)	(62)
Increase/(Decrease) recognised in net cost of services	(6,561)	449	(6,112)
Restructuring	-	(655)	(655)
Transfer to Investments	(46,179)	-	(46,179)
Total as at 30 June 2015	41,448	11,774	53,222
Movements in relation to 2014			
	Advances and loans \$'000	Other receivables \$'000	Total \$'000
As at 1 July 2013	94,992	1,171,010	1,266,002
Amounts written off	(4,512)	(5,836)	(10,348)
Increase/(Decrease) recognised in net cost of services	3,843	(558)	3,285
Restructuring (including RET's opening balance)	-	(1,149,690)	(1,149,690)
Total as at 30 June 2014	94,323	14,926	109,249
Note 19C: Other Investments			
Australian Institute of Marine Science	182,453	181,110	
Australian Nuclear Science and Technology Organisation	967,279	916,792	
Commonwealth Scientific and Industrial Research Organisation	2,237,934	2,233,532	
National Offshore Petroleum Safety and Environmental Management Authority	13,584	-	
Innovation Investment Fund 1	16,162	-	
Pre-Seed Fund	25,375	-	
Innovation Investment Fund Round 3	109,878	72,102	
Innovation Investment Follow-On Fund	24,259	22,508	
Australian Renewable Energy Agency	34,838	11,970	
Snowy Hydro Ltd	475,000	572,000	
Ceramic Fuel Cells Ltd	-	20	
Total other investments	4,086,762	4,010,034	

This note should be read in conjunction with Note 1. All investments are not expected to be recovered within 12 months.

Notes to and forming part of the Financial Statements

Note 20: Administered - Non-Financial Assets

	2015	2014
	\$'000	\$'000
<u>Note 20A: Leasehold Improvements</u>		
Leasehold improvements:		
Fair value	258	-
Total leasehold improvements	258	-
Total land and buildings	258	-
<u>Note 20B: Property, Plant and Equipment</u>		
Other property, plant and equipment:		
Work in progress - at cost	65	185
Fair value	423	912
Accumulated depreciation	-	(267)
Total other property, plant and equipment	488	830

Revaluations of non-financial assets

All revaluations were conducted in accordance with the revaluation policy stated at Note 1. A revaluation was conducted as at 30 June 2015 by an independent valuer, Pickles Valuation Services.

There was a decrease in the valuation for the following assets: \$0.126 million in leasehold improvements and \$0.062 million in property, plant and equipment. (2013-14: Nil).

Note 20C: Intangibles

Computer software		
Internally developed - in progress	683	2,102
Internally developed - in use	6,001	2,345
Accumulated amortisation	(2,482)	(763)
Total computer software	4,202	3,684
Other intangibles		
Purchased - licence	2,083	2,083
Accumulated amortisation	(2,004)	(54)
Total other intangibles	79	2,029
Total intangibles	4,281	5,713

Notes to and forming part of the Financial Statements

<u>Note 20D: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment and Intangibles</u>						
	Leasehold improvements	Other property, plant & equipment	Computer software internally developed	Computer licence purchased		Total
	\$'000	\$'000	\$'000	\$'000		\$'000
As at 1 July 2014						
Gross book value	-	1,097	4,447	2,083		7,627
Accumulated depreciation and impairment	-	(267)	(763)	(54)		(1,084)
Total as at 1 July 2014	-	830	3,684	2,029		6,543
Additions	331	1	2,237	-		2,569
Revaluations and impairments recognised in other comprehensive income	(126)	(62)	-	-		(188)
Depreciation/ Amortisation	(8)	(220)	(1,719)	(1,950)		(3,897)
Other movements	61	(61)	-	-		-
Total as at 30 June 2015	258	488	4,202	79		5,027
Total as at 30 June 2014 represented by:						
Gross book value	258	488	6,684	2,083		9,513
Accumulated depreciation and impairment	-	-	(2,482)	(2,004)		(4,486)
Total as at 30 June 2015	258	488	4,202	79		5,027

Notes to and forming part of the Financial Statements

Note 20D: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment and Intangibles

	Leasehold improvements \$'000	Other property, plant & equipment \$'000	Computer software internally developed \$'000	Computer licence purchased \$'000	Total \$'000
As at 1 July 2013	-	-	-	-	-
Additions	-	1,097	-	-	1,097
Purchased or internally developed	-	-	2,323	-	2,323
Acquisition of entities or operations (including restructuring) ¹	-	-	2,124	2,083	4,207
Depreciation/Amortisation	-	(267)	(763)	(54)	(1,084)
Total as at 30 June 2014	-	830	3,684	2,029	6,543
Total as at 30 June 2014 represented by:					
Gross book value	-	1,097	4,447	2,083	7,627
Accumulated depreciation and impairment	-	(267)	(763)	(54)	(1,084)
Total as at 30 June 2014	-	830	3,684	2,029	6,543

1. The intangible assets were acquired from the Department of Resources, Energy and Tourism as a result of assuming the Resources and Energy functions.

Notes to and forming part of the Financial Statements

Note 21: Administered - Payables

	2015	2014
	\$'000	\$'000
Note 21A: Suppliers		
Trade creditors and accruals	7,507	38,967
Total suppliers	7,507	38,967
Suppliers expected to be settled		
No more than 12 months	7,507	31,081
More than 12 months	-	7,886
Total suppliers	7,507	38,967
Suppliers in connection with		
Related parties	907	675
External parties	6,600	38,292
Total suppliers	7,507	38,967
Settlement is usually made within 30 days.		
Note 21B: Subsidies		
Subsidies in connection with		
Assistance to industry	63,418	81,225
Vocational and industry training	-	10,797
Resources related initiatives	4,369	4,452
Total subsidies	67,787	96,474
All subsidies are payable to external parties.		
Note 21C: Personal Benefits		
Direct		
Vocational and industry training	-	4,867
Liquid petroleum gas vehicle scheme	-	2,030
Total personal benefits	-	6,897
Settlement is usually made according to the terms and conditions of each grant. This is usually within 30 days of performance or eligibility.		
Note 21D: Grants		
Public sector		
Australian Government entities (related parties)	293	170
Private sector		
Non-profit organisations	58,392	6,823
Other	24,490	61,435
Total grants	83,175	68,428
All suppliers, subsidies, personal benefits, grants and other payables are expected to be settled within 12 months.		

Notes to and forming part of the Financial Statements

Note 22: Administered - Provisions

	2015	2014
	\$'000	\$'000
Note 22A: Employee Provisions		
Leave	1,113	976
Total employee provisions	1,113	976
Employee provisions expected to be settled		
No more than 12 months	290	314
More than 12 months	823	662
Total employee provisions	1,113	976
Note 22B: Provision for IIF Loan Commitments		
Provision for IIF loan commitments expected to be settled		
No more than 12 months	-	302
Total other provisions	-	302
Reconciliation of movements in provision for IIF Loan Commitments		
		\$'000
As at 1 July 2014		302
Unwinding of discount or change in discount rate		(302)
Total as at 30 June 2015		-

Notes to and forming part of the Financial Statements

Note 23: Administered - Cash Flow Reconciliation**Reconciliation of cash and cash equivalents as per administered schedule of assets and liabilities to administered cash flow statement**

	2015	2014
	\$'000	\$'000
Cash and cash equivalents as per		
Administered cash flow statement	125,849	130,405
Administered schedule of assets and liabilities	125,849	130,405
Discrepancy	<u>-</u>	<u>-</u>

Reconciliation of net cost of services to net cash from/(used by) operating activities

Net (cost of)/contribution by services	(1,598,702)	(5,550,459)
Adjustments for non-cash items		
Net write down of non-financial assets	20	74,953
Indexation	(5,068)	(4,395)
Depreciation/amortisation	3,897	1,084
Other gains	(6,386)	(13,472)
Restructuring	33,154	310,674
Movements in assets and liabilities		
Assets		
(Increase)/Decrease in net receivables	30,070	211,670
(Increase)/Decrease in dividend receivables	27,895	(3,795)
(Increase)/Decrease in accrued revenue	66,465	(160,126)
Liabilities		
Increase/(Decrease) in grants payable	14,747	(18,270)
Increase/(Decrease) in subsidies payable	(28,687)	(20,797)
Increase/(Decrease) in suppliers payable	(31,460)	7,943
Increase/(Decrease) in other payables	-	(25,435)
Increase/(Decrease) in personal benefits payable	(6,897)	(71,872)
Increase/(Decrease) in other employee provisions	137	976
Net cash from/(used by) operating activities	<u>(1,500,815)</u>	<u>(5,261,321)</u>

Notes to and forming part of the Financial Statements

Note 24: Administered - Financial Instruments

	2015	2014
	\$'000	\$'000
Note 24A: Categories of Financial Instruments		
Financial Assets		
Loans and receivables		
Cash and cash equivalents	125,849	130,405
Dividend receivable	-	27,895
Grant recoveries and other receivables	1,287	5,498
Loans - amortised cost	93,500	91,071
Total loans and receivables	220,636	254,869
Available for sale		
Loan - Innovation Investment Fund (Rounds 1 & 2)	-	34,738
Administered investments	4,086,762	4,010,014
Total available for sale	4,086,762	4,044,752
Financial assets at fair value through profit or loss		
Other	-	20
Total financial assets at fair value through profit or loss	-	20
Total financial assets	4,307,398	4,299,641
Financial Liabilities		
Financial Liabilities measured at amortised cost		
Grants and subsidies payable	150,962	164,902
Suppliers payable	7,507	38,967
Total financial liabilities measured at amortised cost	158,469	203,869
Financial liabilities at fair value through profit or loss		
Provisions for loan commitments	-	302
Total financial liabilities at fair value through profit or loss	-	302
Total financial liabilities	158,469	204,171

Notes to and forming part of the Financial Statements

	2015	2014
	\$'000	\$'000
<u>Note 24B: Net Gains or Losses on Financial Assets</u>		
Loans and receivables		
Interest revenue	6,708	6,555
Dividends	20,151	36,295
Net gains on loans and receivables	26,859	42,850
Available-for sale financial assets		
Impairment - IIF Loans	6,649	(3,958)
Impairment - IIF Investments	-	(277)
Net losses on available-for-sale financial assets	6,649	(4,235)
Financial assets at fair value through profit or loss		
Write-down and impairment - Investments	(20)	(65,546)
Net losses on financial assets at fair value through profit or loss	(20)	(65,546)
Net gains/(losses) on financial assets	33,488	(26,931)
<u>Note 24C: Net Gains or Losses on Financial Liabilities</u>		
Financial liabilities measured at amortised cost		
Gains from remeasuring	302	(6)
Net gains on financial liabilities measured at amortised cost	302	(6)
Net gains on financial liabilities	302	(6)

Notes to and forming part of the Financial Statements

Note 24D: Fair Value of Financial Instruments				
	Carrying amount	Fair value	Carrying amount	Fair value
	2015	2015	2014	2014
	\$'000	\$'000	\$'000	\$'000
Financial Assets				
Cash	125,849	125,849	130,405	130,405
Loans - Amortised cost	93,500	93,500	91,071	91,071
Loans - IIF loans (Rounds 1 & 2)	-	-	34,738	34,738
Administered investments	4,086,762	4,086,762	4,010,014	4,010,014
Grant recoveries and other receivables	1,287	1,287	5,498	5,498
Dividend receivable	-	-	27,895	27,895
Other investments	-	-	20	20
Total financial assets	4,307,398	4,307,398	4,299,641	4,299,641
Financial Liabilities				
Provision for IIF loans commitments	-	-	302	302
Grants and subsidies payable	150,962	150,962	164,902	164,902
Suppliers payable	7,507	7,507	38,967	38,967
Total financial liabilities	158,469	158,469	204,171	204,171
Loans or receivables designated at fair value through profit and loss				
The Department holds no loans and receivables designated at fair value through profit or loss that arose due to credit risk as at 30 June. Prior year comparatives relate to programmes that have transferred out in various AAOs.				

Notes to and forming part of the Financial Statements

Note 24E: Credit Risk

The carrying amount of financial assets, net of impairment losses, reported in the Statement of Financial Position represents the Department's maximum exposure to credit risk.

The Department is exposed to credit risk through its financial assets of loans and other receivables. The maximum exposure to credit risk arises from potential default of a debtor. This amount is equal to the total amount of receivables: \$160.752 million (2013-14: \$250.914 million) less any impairment losses: \$53.222 million (2013-14: \$109.249 million).

The following table illustrates the Department's gross exposure to credit risk, excluding any collateral or credit enhancements.

	2015	2014
	\$'000	\$'000
Financial assets carried at amount not best representing maximum exposure to credit risk		
Grant recoveries and other receivables	1,287	5,498
Loans - amortised cost	93,500	91,071
Loans - available for sale - IIF loans	-	34,738
Dividend receivable	-	27,895
Total financial assets carried at amount not best representing maximum exposure to credit risk	94,787	159,202

Credit quality of financial assets not past due or individually determined as impaired

	Not past due nor impaired	Not past due nor impaired	Past due or impaired	Past due or impaired
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Grant recoveries and other receivables	329	1,928	12,732	18,496
Loans - amortised cost	93,493	91,055	1,008	1,064
Loans - available for sale - IIF	-	34,738	40,447	93,275
Dividend receivable	-	27,895	-	-
Total	93,822	155,616	54,187	112,835

The following financial assets have been individually assessed as impaired and fully provided as at 30 June 2015:

Grant recoveries and other receivables with a gross value of \$11.774 million (2013-14: \$14.926 million).
Loans - amortised costs with a gross value of \$1.001 million (2013-14: \$1.048 million); and
Loans available for sale - IIF loans with a gross value of \$40.447 million (2013-14: \$93.275 million).

Ageing of financial assets that were past due but not impaired in 2015

	0 to 30 days	31 to 60 days	60+ days	Total
	\$'000	\$'000	\$'000	\$'000
Grant recoveries and other receivables	320	16	622	958
Loans - amortised cost	-	-	7	7
Total	320	16	629	965

Ageing of financial assets that were past due but not impaired in 2014

	days	days	days	Total
	\$'000	\$'000	\$'000	\$'000
Grant recoveries and other receivables	131	101	3,338	3,570
Loans - amortised cost	1	15	-	16
Total	132	116	3,338	3,586

Notes to and forming part of the Financial Statements

Note 24F: Liquidity Risk

The majority of the Department's administered financial liabilities are grants and subsidies payable. The exposure to liquidity risk is based on the notion that the Department will encounter difficulty in meeting its obligations associated with administered financial liabilities. This is highly unlikely due to appropriation funding mechanisms available to the Department and internal policies and procedures to ensure appropriate resources exist to meet any financial obligations.

All financial liabilities are expected to be settled within 12 months.

Note 24G: Market Risk

The Department's exposure to interest rate risk is primarily from its loans (at amortised cost). Interest rate risk refers to the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. However, the effect on profit and loss is assessed as immaterial given the low value of these financial instruments as at 30 June 2015.

Note 25: Administered – Financial Assets Reconciliation

		2015 \$'000	2014 \$'000
	Notes		
Total financial assets as per administered schedule of assets and liabilities		4,413,802	4,470,125
Less: Non-financial instrument components			
GST receivable from the ATO	19B	12,743	10,358
Accrued revenue		<u>93,661</u>	<u>160,126</u>
Total non-financial instrument components		<u>106,404</u>	<u>170,484</u>
Total financial assets as per administered financial instruments note	24A	<u>4,307,398</u>	<u>4,299,641</u>

Notes to and forming part of the Financial Statements

Note 26: Appropriations

Note 26A: Annual Appropriations ('Recoverable GST exclusive')

	Appropriation Act		PGPA Act			Appropriation applied in 2015 (current and prior years) \$'000	Variance ³ \$'000	Section 51 determinations ⁵ \$'000
	Annual Appropriation ¹ \$'000	AFM \$'000	Section 74 \$'000	Section 75 \$'000	Total appropriation \$'000			
Departmental								
Ordinary annual services	536,968	-	60,996	(34,359)	563,605	555,559	8,046	(422)
Other services	12,736	-	-	-	12,736	4,107	8,629	(222)
Total departmental	549,704	-	60,996	(34,359)	576,341	559,666	16,675	(644)
Administered								
Ordinary annual services								
Administered items	2,557,861	-	-	(562,983)	1,994,878	1,601,520	393,358	(409,388)
Payments to corporate Commonwealth entities	943,177	-	-	-	943,177	941,478	1,699	(1,699)
Other services								
Administered assets and liabilities	-	-	-	-	-	9,036	(9,036)	-
Payments to corporate Commonwealth entities	96,439	-	-	-	96,439	96,439	-	-
Total administered	3,597,477	-	-	(562,983)	3,034,494	2,648,473	386,021	(411,087)

Notes:

- 2014-15 Departmental annual appropriation includes supplementation funding which was recognised in 2013-14 financial year but appropriated in 2014-15.
- There was no adjustment that met the recognition criteria of a formal addition or reduction in revenue.
- Administered variances are as a result of the payment of 2013-14 creditors in 2014-15 less any creditor payments due for 2014-15 which will be paid in 2015-16.
- No other entities spend money from the CRF on behalf of the department.
- The s51 determinations for the Departmental and Administered appropriations related to government decisions, reclassification of funding and approved movement of funds, and are not included in Note 26C.

Notes to and forming part of the Financial Statements

	Appropriation Act		FMA Act				Total appropriation \$'000	Appropriation applied in 2014 (current and prior years) \$'000	Variance \$'000
	Annual Appropriation \$'000	Appropriation Reduced ¹ \$'000	AFM ² \$'000	Section 30 \$'000	Section 31	Section 32 \$'000			
Departmental									
Ordinary annual services	813,463	-	-	-	74,775	(78,440)	809,798	730,075	79,723
Other services	57,234	-	-	-	-	(1,475)	55,759	8,683	47,076
Equity	870,697	-	-	-	74,775	(79,915)	865,557	738,758	126,799
Total departmental									
Administered									
Ordinary annual services	3,278,270	(360,505)	-	23,649	-	(59,964)	2,881,450	2,816,717	64,733
Administered items	1,118,119	-	-	-	-	-	1,118,119	1,028,396	89,723
Payments to CAC Act bodies									
Other services	84,168	-	-	-	-	-	84,168	20,916	63,252
Administered assets and liabilities	45,200	-	-	-	-	-	45,200	45,163	37
Payments to CAC Act bodies									
Total administered	4,525,757	(360,505)	-	23,649	-	(59,964)	4,128,937	3,911,192	217,745

Notes:

1. Appropriations reduced under Appropriation Acts (Nos. 1,3&5) 2013-14; sections 10, 11, 12, 15 and under Appropriation Acts (Nos. 2,4&6) 2013-14; sections 12, 13, 14 and 17. Departmental appropriations do not lapse at the end of the financial year. However, the responsible Minister may decide that part or all of a departmental appropriation is not required and request the Finance Minister to reduce that appropriation. The reduction in the appropriation is effected by the Finance Minister's determination and is disallowable by Parliament.
2. Advance to the Finance Minister (AFM) – Appropriation Acts (Nos. 1,3&5) 2013-14; section 13 and Appropriation Acts (Nos. 2,4&6) 2013-14; section 15.
3. Includes Departmental Capital Budget appropriation which is recognised as an equity transaction. For more information, please see Note 30B Departmental and Administered Capital Budgets.
4. The prior year appropriation balances of \$42,056,000 from the former Department of Resources, Energy and Tourism were transferred to the Department through Appropriation Act 4, Equity.
5. Administered variances are as a result of the payment of 2012-13 creditors in 2013-14 less any creditor payments due for 2013-14 which will be paid in 2014-15.

Notes to and forming part of the Financial Statements

Note 26B: Departmental and Administered Capital Budgets ('Recoverable GST exclusive')

	2015 Capital Budget Appropriations		Capital Budget Appropriations applied in 2015 (current and prior years)					
	Appropriation Act	PGPA Act	Total Capital Budget Appropriations \$'000	Section 75 \$'000	Payments for non-financial assets ² \$'000	Payments for other purposes \$'000	Total payments \$'000	Variance ³ \$'000
DEPARTMENTAL								
Ordinary annual services - Departmental Capital Budget ¹	27,838	(944)	26,894		30,830	-	30,830	(3,936)

	2014 Capital Budget Appropriations		Capital Budget Appropriations applied in 2014 (current and prior years)					
	Appropriation Act	FMA Act	Total Capital Budget Appropriations \$'000	Section 32 \$'000	Payments for non-financial assets ² \$'000	Payments for other purposes \$'000	Total payments \$'000	Variance ³ \$'000
DEPARTMENTAL								
Ordinary annual services - Departmental Capital Budget ¹	41,034	(6,906)	34,128		33,413	-	33,413	715

Notes:

1. Departmental Capital Budget is appropriated through Appropriation Acts (Nos. 1, 3 & 5). They form part of ordinary annual services and are not separately identified in the Appropriation Acts. For more information on ordinary annual services appropriations, please refer to Note 26A. The Department does not have an Administered Capital Budget.
2. Payments made on non-financial assets include purchase of assets, expenditure on assets which has been capitalised, costs incurred to make good an asset to its original condition.
3. The 2014-15 variance comprised of 2013-14 accrued expenses, paid in 2014-15.

Department of Industry and Science Notes to and forming part of the Financial Statements

Note 26C: Unspent Annual Appropriations ('Recoverable GST exclusive')

	2015	2014
	\$'000	\$'000
Departmental		
Appropriation Act 4 2010-11*	-	196
Appropriation Act 1 2011-12*	-	74,491
Appropriation Act 5 2011-12*	-	2,691
Appropriation Act 1 2012-13	-	39,339
Appropriation Act 2 2012-13	224	224
Appropriation Act 3 2012-13	-	3,791
Appropriation Act 4 2012-13	-	4,266
Appropriation Act 1 2013-14	1,414	13,399
Appropriation Act 1 DCB 2013-14	-	5,812
Appropriation Act 2 2013-14	2,676	7,389
Appropriation Act 3 2013-14	-	3,797
Appropriation Act 3 DCB 2013-14	-	790
Appropriation Act 4 2013-14	27,769	42,024
Appropriation Act 1 2013-14 Cash	-	4,995
Appropriation Act 1 2014-15	70,256	-
Appropriation Act 1 DCB 2014-15	2,666	-
Appropriation Act 2 2014-15	10,893	-
Appropriation Act 3 2014-15	2,386	-
Appropriation Act 1 2014-15 Cash	2,505	-
Total departmental	120,789	203,204
Administered		
Appropriation Act 1 2010-11*	-	997
Appropriation Act 1 2011-12*	-	8,104
Appropriation Act 4 2010-11*	-	2,042
Appropriation Act 2 2011-12*	-	15,431
Appropriation Act 4 2011-12*	-	24,675
Appropriation Act 6 2011-12*	-	2,500
Appropriation Act 1 2012-13	61,487	67,884
Appropriation Act 2 2012-13	13,191	22,677
Appropriation Act 3 2012-13	4	99
Appropriation Act 4 2012-13	3,450	3,450
Appropriation Act 1 2013-14	29,370	461,315
Appropriation Act 2 2013-14	29,131	28,434
Appropriation Act 3 2013-14	-	40,603
Appropriation Act 4 2013-14	53,279	53,526
Appropriation Act 1 2014-15	518,233	-
Total administered	708,145	731,737

*All unspent amounts in these Acts have been repealed in 2014-15 in accordance with the *Omnibus Repeal Day (Autumn 2014) Act 2014* as per EM 2014/12.

Department of Industry and Science
Notes to and forming part of the Financial Statements
Note 26D: Special Appropriations Applied ('Recoverable GST exclusive')

Authority	Type	Purpose	Appropriation applied	
			2015 \$'000	2014 \$'000
<i>Textile, Clothing and Footwear Strategic Investment Program Act 1999 (Administered)</i>	Limited Amount	Assistance to the Textile, Clothing and Footwear Industries	24,251	24,927
<i>Automotive Transformation Scheme Act 2009 (Administered)</i>	Limited Amount	To encourage competitive investment and innovation in the Australian automotive industry and to place industry on an economically sustainable footing	251,757	286,574
<i>Offshore Minerals Act 1994 (Act No. 28 of 1994) (Administered)</i>	Unlimited Amount	Governs exploration and development of offshore mineral resources within the Australian Government's marine jurisdiction (Offshore Minerals Act). All transactions under this Act are recognised as administered items.	-	3
<i>Australian Renewable Energy Agency Act 2011 (Administered)</i>	Limited Amount	To improve the competitiveness of renewable energy technologies and increase the supply of renewable energy in Australia	244,493	265,150
<i>Trade Support Loans Act 2014 (Administered)</i>	Unlimited Amount	To assist eligible Australian apprentices with everyday costs while they complete their apprenticeship	22,049	-
<i>Offshore Petroleum and Greenhouse Gas Storage Act 2006 (Administered)</i>	Unlimited Amount	To promote the occupational health and safety (OHS) of persons engaged in offshore petroleum operations, and to develop and implement effective monitoring and enforcement strategies to secure compliance by persons with their OHS, structural integrity and environmental management obligations	36,193	-
<i>Higher Education Support Act 2003 (Administered)</i>	Unlimited Amount	Legislation to grant financial assistance to support the higher education system for individuals and universities	-	3,043,579
<i>Social Security Administration Act 1999 (Administered)</i>	Unlimited Amount	An Act to provide income support assistance for individuals	-	881,869
<i>Indigenous Education (Targeted Assistance) Act 2000 Administration (Administered)</i>	Limited Amount	An Act to provide targeted financial assistance to advance the education of Indigenous persons, and for other related purposes	-	6,852
<i>Public Governance, Performance and Accountability Act 2013 s. 77, (Administered)</i>	Refund	To provide an appropriation where an Act or other law requires or permits the repayment of an amount received by the Commonwealth and the Finance Minister is satisfied that, apart from this section, there is no specific appropriation for the repayment.	3,448	-
<i>Financial management and Accountability Act 1997 (Administered)</i>	Refund	Section 28 appropriates the Consolidated Revenue Fund for repayments that are permitted by an Act or law but for which there is no other appropriation.	-	5,007
Total special appropriation applied			582,191	4,513,961

Department of Industry and Science
Notes to and forming part of the Financial Statements

Note 26E: Disclosure by Agent in Relation to Annual and Special Appropriations ('Recoverable GST exclusive')

	Department of Prime Minister & Cabinet	Department of Education and Training	Department of Social Services
2015	\$'000	\$'000	\$'000
Total receipts	-	45	-
Total payments	-	16,517	-

	Department of Prime Minister & Cabinet	Department of Education	Department of Social Services
2014	\$'000	\$'000	\$'000
Total receipts	947	2,373	-
Total payments	19,147	2,947,311	384,343

All the above transactions relate to payments made on behalf of the agencies listed during the transition of functions as a result of the AAO changes.

Department of Industry and Science

Notes to and forming part of the Financial Statements

Note 27: Compliance with Statutory Conditions for Payments from the Consolidated Revenue Fund

Section 83 of the Constitution provides that no amount may be paid out of the Consolidated Revenue Fund except under an appropriation made by law. The Department of Finance (Finance) provided information to all agencies in 2011 regarding the need for specific risk assessments in relation to section 83. This has resulted from awareness of increased risk for all agencies of non-compliance with section 83 where payments are made from special appropriations and special accounts that do not accord with conditions in the relevant legislation.

It is important to note that it is impossible to fully remove the potential for section 83 breaches for certain payments, in particular where the Department relies on information provided by its customers to calculate and pay the appropriate entitlements. The estimates provided by customers are not always accurate, resulting in potential breaches of section 83.

During 2011-12, the Department reviewed exposure to risks of not complying with statutory conditions on payments from appropriations. The review involved determining the risk of non-compliance by assessing the difficulty of administering the statutory conditions and the extent to which existing payment systems and processes satisfy those conditions; and determining procedures to confirm risk assessments in consultation with the business and legal areas.

As at 30 June 2012, in accordance with the guidance provided by Finance, risk assessments were completed for all appropriations with statutory conditions for cash payments with the exception of those under the social security legislation. The conclusion from the completed risk assessments was that the risk of s83 breaches for these appropriations was low.

In July 2013, additional legal advice was received that indicated there could be breaches of Section 83 under certain circumstances with payments for long service leave, goods and services tax and payments under determinations of the Remuneration Tribunal. The Department has undertaken the risk assessments and reviewed the processes and controls in place for these payments. The risk of Section 83 breaches for these payments was assessed as low.

In the current financial year, the Department updated its risk assessments and confirmed the low risk rating for section 83 breaches. The appropriations reviewed were as follows:

Special Accounts

- Australian Building Codes Board
- Science Technology Donations-Sponsorship
- Climate Change
- Clean Energy Initiative
- Energy
- National Offshore Petroleum Titles Administrator (NOPTA)
- Ranger Rehabilitation
- Unique Student Identifier
- Services for Other Entities and Trust Moneys

Special Appropriations

- *Automotive Transformation Scheme Act 2009*
- *Textile, Clothing and Footwear Strategic Investment Program Act 1999*
- *Offshore Minerals Act 1994*
- *Australian Renewable Energy Agency Act 2011*
- *Trade Support Loans Act 2014*

The Department assumed the administration of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* in 2014-15, and undertook a risk assessment of the special appropriation.

Department of Industry and Science Notes to and forming part of the Financial Statements

Note 27 - Summary

Appropriations identified as subject to conditions	Expenditure in 2014-15 \$000	Review complete? (Yes/No)	Section 83 Breaches identified in 2014-15				Potential breaches to date yet to be resolved		Remedial action taken or proposed ¹
			Number	Total \$000	Amount in Breach \$000	Recovered/offset as at 30 June 2014 \$000	Yes/No	Indicative extent	
Special Appropriations									
Textile, Clothing and Footwear Strategic Investment Program Act 1999	24,251	Yes	Nil	N/A	N/A	N/A	No	N/A	N/A
Automotive Transformation Scheme Act 2009	251,757	Yes	Nil	N/A	N/A	N/A	No	N/A	N/A
Offshore Minerals Act 1999	-	Yes	Nil	N/A	N/A	N/A	No	N/A	N/A
Australian Renewable Energy Agency Act 2011	244,493	Yes	Nil	N/A	N/A	N/A	No	N/A	N/A
Trade Support Loans Act 2014	22,049	Yes	Nil	N/A	N/A	N/A	No	N/A	N/A
Offshore Petroleum and Greenhouse Gas Storage Act 2006	36,193	Yes	Nil	N/A	N/A	N/A	No	N/A	N/A
Special Accounts									
Australian Building Codes Board	9,868	Yes	Nil	N/A	N/A	N/A	No	N/A	N/A
Science Technology Donations-Sponsorship	348	Yes	Nil	N/A	N/A	N/A	No	N/A	N/A
Climate Change	2,990	Yes	Nil	N/A	N/A	N/A	No	N/A	N/A
Clean Energy Initiative	45,545	Yes	Nil	N/A	N/A	N/A	No	N/A	N/A
Energy	1,346	Yes	Nil	N/A	N/A	N/A	No	N/A	N/A
National Offshore Petroleum Titles Administrator	12,967	Yes	Nil	N/A	N/A	N/A	No	N/A	N/A
Ranger Rehabilitation	-	Yes	Nil	N/A	N/A	N/A	No	N/A	N/A
Unique Student Identifier	1,856	Yes	Nil	N/A	N/A	N/A	No	N/A	N/A
Services for Other Entities and Trust Moneys	4,627	Yes	Nil	N/A	N/A	N/A	No	N/A	N/A

¹ L= legislative change; S= systems change; P=planned; M=made (e.g. SM), or LP)

Department of Industry and Science
Notes to and forming part of the Financial Statements
Note 28: Special Accounts

Note 28: Special Accounts (Recoverable GST exclusive)

	Climate Change Special Account ¹		Energy Special Account ²		Clean Energy Initiative Special Account ³		Services for Other Entities and Trust Moneys Account ⁴	
	2015	2014	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance brought forward from previous period	6,521	5,851	11,841	11,170	107,776	169,414	11,962	12,946
Increases								
Appropriation for reporting period	-	-	-	-	-	-	-	109
Appropriation credited to special account	-	-	482	428	32,351	33,000	-	-
Other receipts	1,729	4,606	719	1,523	-	5,031	14,995	11,501
Total increases	1,729	4,606	1,201	1,951	32,351	38,031	14,995	11,610
Available for payments	8,250	10,457	13,042	13,121	140,127	207,445	26,957	24,556
Decreases								
Departmental								
Payments made to suppliers	2,990	3,936	1,346	1,280	-	-	-	581
Amount transferred due to restructure	-	-	-	-	-	-	-	1,215
Total departmental decreases	2,990	3,936	1,346	1,280	-	-	-	1,796
Administered								
Payments made to other	-	-	-	-	45,545	99,669	-	-
Payments made to suppliers	-	-	-	-	-	-	4,627	9,482
Amount transferred due to restructure	-	-	-	-	-	-	424	1,316
Total administered decreases	-	-	-	-	45,545	99,669	5,051	10,798
Total balance carried to the next period and represented by:								
Cash - transferred to the Official Public Account	5,260	6,521	11,696	11,841	94,582	107,776	21,906	11,962
Total balance carried to the next period	5,260	6,521	11,696	11,841	94,582	107,776	21,906	11,962

Department of Industry and Science Notes to and forming part of the Financial Statements

Note 28: Special Accounts ('Recoverable GST exclusive')

	National Offshore Petroleum Titles Administrator Special Account ⁵		Ranger Rehabilitation Special Account ⁶		Science and Technology Donations/ Sponsorship Account ⁷		Australian Building Codes Board Special Account ⁸	
	2015	2014	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance brought forward from previous period	10,126	11,760	66,163	63,925	698	1,140	11,693	8,873
Increases								
Appropriation for reporting period	-	-	-	-	-	-	4,000	2,625
Interest	-	-	2,130	2,238	33	20	-	-
Realised investments	-	-	270,212	195,243	-	-	-	-
Other receipts	12,201	10,433	-	-	4,916	486	4,494	8,238
Total increases	12,201	10,433	272,342	197,481	4,949	506	8,494	10,863
Available for payments	22,327	22,193	338,505	261,406	5,647	1,646	20,187	19,736
Decreases								
Departmental								
Payments made to suppliers	-	-	-	-	348	948	4,321	1,892
Payments made to employees	-	-	-	-	-	-	5,547	6,151
Total departmental decreases	-	-	-	-	348	948	9,868	8,043
Administered								
Payments made to suppliers	12,967	12,067	-	-	-	-	-	-
Total administered decreases	12,967	12,067	-	-	-	-	-	-
Administered								
Investments made from the special account (PGPA Act section 58)	-	-	270,212	195,243	-	-	-	-
Total special public money decreases	-	-	270,212	195,243	-	-	-	-
Total balance carried to the next period and represented by:								
Cash - transferred to the Official Public Account	9,360	10,126	-	-	-	-	9,925	11,539
Cash- held by the Department	-	-	68,293	66,163	5,299	698	394	154
Total balance carried to the next period	9,360	10,126	68,293	66,163	5,299	698	10,319	11,693

**Department of Industry and Science
Notes to and forming part of the Financial Statements**

Note 28: Special Accounts ('Recoverable GST exclusive')

	Australia New Zealand Land Information Special Account (Administered) ⁹		Overseas Student Tuition Fund ¹⁰		EIF Education Portfolio Special Account ¹¹		Unique Student Identifier Special Account ¹²	
	2015	2014	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance brought forward from previous period	133	-	-	14,561	-	-	-	-
Increases								
Amount transferred due to restructuring	-	139	-	-	-	-	-	-
Nation-building Funds receipts	-	-	-	-	-	7,350	-	-
Other receipts	-	-	-	112	-	-	4,042	-
Total increases	-	139	-	112	-	7,350	4,042	-
Available for payments	133	139	-	14,673	-	7,350	4,042	-
Decreases								
Departmental								
Payments made to suppliers	-	-	-	-	-	-	1,856	-
Amount transferred due to restructure	-	-	-	-	-	-	2,186	-
Total departmental decreases	-	-	-	-	-	-	4,042	-
Administered								
Payments made to suppliers	-	6	-	8,826	-	7,350	-	-
Amount transferred due to restructure	133	-	-	5,847	-	-	-	-
Total administered decreases	133	6	-	14,673	-	7,350	-	-
Total balance carried to the next period and represented by:								
Cash - transferred to the Official Public Account	-	133	-	-	-	-	-	-
Total balance carried to the next period	-	133	-	-	-	-	-	-

**Department of Industry and Science
Notes to and forming part of the Financial Statements**

	Section of PGPA Act appropriated under	Establishing Instrument and Purpose of Special Account	Sunset Date of Special Account Determination
1	78	<i>Determination 2012/16- Establishment of the Climate Change Special Account, for activities under the National Partnership Agreement on Energy Efficiency.</i>	1 October 2022
2	78	<i>Determination 2005/08- Energy Special Account Establishment 2005 as amended by Financial Management and Accountability (Variation of the Energy Special Account) Determination 2012/01, for activities that contribute to policy development in the national energy sector.</i>	1 October 2015
3	78	<i>Determination 2009/21 – Clean Energy Initiative Special Account Establishment 2009, to meet the costs and expenses related to initiatives to support the growth of clean energy generation and new technologies to reduce carbon emissions.</i>	1 October 2019
4	78	<i>Determination 2011/09 - Services for Other Entities and Trust Moneys, to enable the Department to continue to hold and expend amounts on behalf of persons or entities other than the Commonwealth.</i>	1 October 2021
5	80	<i>Offshore Petroleum and Greenhouse Gas Storage Act 2006, to meet costs, expenses and other obligations related to the performance of the Titles Administrator's functions or the exercise of the Titles Administrator's powers.</i>	NA
6	78	<i>Determination 2006/70- Ranger Rehabilitation Special Account Establishment 2006, for expenditure relating to the rehabilitation of the ranger project area in accordance with the Ranger Uranium Project Government Agreement (as amended) between the Commonwealth and Energy Resources of Australia Limited, Australian Atomic Energy Commission, Peko-Wallsend Operations Limited and Electrolytic Zinc Company of Australasia Limited.</i>	1 April 2017
7	78	<i>Determination 2006/40 – Science and Technology Donations/Sponsorship Special Account Establishment 2006, for the expenditure of donations/sponsorship received to support specific activities which promote greater understanding and awareness of science and technology within the community.</i>	1 October 2016
8	78	<i>Determination 2006/68 – Australian Building Codes Board Special Account Establishment 2006, for the expenditure for research, investigation and development and the dissemination of information directed towards the achievement and maintenance of uniform building regulation; development of a national system of accreditation; and development of comparable legislative control procedures in the building approval process among the State and Territories.</i>	1 April 2017

**Department of Industry and Science
Notes to and forming part of the Financial Statements**

Section of PGPA Act appropriated under	Establishing Instrument and Purpose of Special Account	Sunset Date of Special Account Determination
9	<i>Determination 2001/11 - Australia New Zealand Land Information Special Account Establishment</i> , for activities related to the growth and management of spatial information in Australia and New Zealand. This special account was relinquished to the Department of Communications as at 1 July 2015 as a result of the AAO of the 18 September 2013.	1 April 2017
10	<i>Education Services for Overseas Students Act 2000 Act No. 164 of 2000</i> , taking into account amendments to <i>Education Services for Overseas Students Legislation Amendment (Tuition Protection Service and Other Measures) Act 2012</i> , section 52A, for expenditure in connection with assisting international students whose education providers are unable to deliver their course study in full. This special account was relinquished to the Department of Education during 2013-14 as a result of the AAO of the 18 September 2013.	NA
11	<i>Nation-building Funds Act 2008 Act No. 154 of 2008</i> , for the purpose of expenditure on the creation and development of higher education institutions. This special account was relinquished to the Department of Education during 2013-14 as a result of the AAO of the 18 September 2013.	NA
12	<i>Student Identifiers Act 2014 Act No. 36 of 2014</i> , for the purpose of provision of student identifiers and access to transcripts relating to vocational education and training, and for related purposes. This special account was relinquished to the Department of Education during 2014-15 as a result of the AAO of the 23 December 2013.	NA

The Department has the following special accounts established under section 80 of the *Public Governance, Performance and Accountability Act 2013* which had nil balances and there no transactions *debited or credited to it* during the current or prior reporting period:

- BAF Energy Portfolio Special Account to make payments in relation to the creation and development of energy; and
- National Repository Capital Contribution Fund Special Account for the establishment and operation of a radioactive waste management facility. Note that the Fund is to be established after a facility licence that authorises a person to operate the facility is issued under the *Australian Radiation Protection and Nuclear Safety Act 1998*. This is anticipated to occur around 2020.

**Department of Industry and Science
Notes to and forming part of the Financial Statements**

Note 29: Reporting of Outcomes

The Department uses an Activity Based Costing System to determine the attribution of its shared items. This system was based on a time and motion study for the 2014-15 Budget.

Note 29A: Net Cost of Outcome Delivery

	Total 2015 \$'000	Total 2014 \$'000	Outcome 1 2014 \$'000	Outcome 2 2014 \$'000	Outcome 3 2014 \$'000	Outcome 4 2014 \$'000	Outcome 5 2014 \$'000	Payments to	
								corporate Commonwealth entities 2014 \$'000	Not attributed 2014 \$'000
Departmental									
Expenses	589,089	714,427	368,074	80,307	113,769	19,891	132,286	-	-
Own-source income	78,032	80,509	42,492	9,270	13,133	299	15,315	-	-
Administered									
Expenses	3,082,912	7,453,166	888,005	504,743	4,151,686	2,672	547,004	1,293,546	65,510
Own-source income	1,484,210	1,902,707	20,257	-	9,705	-	1,836,450	-	36,295
Net cost/(contribution) of outcome delivery	2,109,759	6,184,377	1,193,330	575,760	4,242,617	22,364	(1,172,475)	1,293,546	29,215

Notes:

The department moved from a five outcome structure in 2013-14 to a single outcome structure from 1 July 2014; and Outcome 5 in 2013-14 includes the full year figures of the Department of Resources, Energy and Tourism, which was abolished and transferred to the Department of Industry on the 18 September 2013.

Department of Industry and Science Notes to and forming part of the Financial Statements

Note 29B: Major Classes of Departmental Expenses, Income, Assets and Liabilities by Outcome

	Total		Outcome 1		Outcome 2		Outcome 3		Outcome 4		Outcome 5	
	2015	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses												
Employees	323,473	440,596	226,383	49,392	69,972	12,346	82,503					
Suppliers	192,476	213,653	108,907	23,761	33,662	7,559	39,764					
Grants	19,487	6,866	3,734	815	1,155	73	1,089					
Depreciation and amortisation	43,661	48,174	26,254	5,728	8,115	-	8,077					
Finance costs	259	51	28	6	9	-	8					
Write-down and impairment of assets	9,043	4,186	2,280	498	705	-	703					
Losses from asset sales	38	-	-	-	-	-	-					
Other expenses	652	901	488	107	151	13	142					
Total expenses	589,089	714,427	368,074	80,307	113,769	19,991	132,286					
Income												
Costs recovered from provision of goods and services to non-Government	49,491	57,294	29,722	6,485	9,187	299	11,601					
Other non-taxation revenue	26,315	20,395	11,218	2,447	3,467	-	3,263					
Reversal of previous asset write-downs	2	18	10	2	3	-	3					
Other gains	2,224	2,802	1,542	336	476	-	448					
Income from Government	471,091	592,493	303,230	66,159	93,725	17,290	112,089					
Total income	549,123	673,002	345,722	75,429	106,858	17,589	127,404					
Assets												
Cash	8,198	5,847	3,215	702	994	-	936					
Trade and other receivables	155,226	249,456	137,200	29,935	42,408	-	39,913					
Accrued revenue	2,855	600	330	72	102	-	96					
Buildings	124,778	138,811	76,346	16,657	23,598	-	22,210					
Infrastructure, plant and equipment	86,366	97,262	53,494	11,671	16,535	-	15,562					
Intangibles	31,981	41,851	23,018	5,022	7,115	-	6,696					
Inventories	2,198	2,147	1,180	258	365	-	344					
Prepayments	8,311	7,739	4,256	929	1,316	-	1,238					
Total assets	419,913	543,713	299,039	65,246	92,433	-	86,995					

Department of Industry and Science
Notes to and forming part of the Financial Statements

	Total 2015 \$'000	Total 2014 \$'000		Outcome 1 2014 \$'000		Outcome 2 2014 \$'000		Outcome 3 2014 \$'000		Outcome 4 2014 \$'000		Outcome 5 2014 \$'000	
Liabilities													
Suppliers	24,531	30,433	16,738	3,652	5,174	4,869							
Other payables	62,619	72,751	40,013	8,730	12,368	11,640							
Grants	1,983	894	492	107	152	143							
Employee provisions	86,000	105,445	57,995	12,653	17,926	16,871							
Provision for restorations	16,557	3,116	1,713	374	550	499							
Total liabilities	191,690	212,639	116,951	25,516	36,150	34,022							

Department of Industry and Science Notes to and forming part of the Financial Statements

	Note 29C: Major Classes of Administered Expenses, Income, Assets and Liabilities by Outcomes					Payments to corporate entities		Not attributed 2014				
	Total 2015		Total 2014		Outcome 1 2014	Outcome 2 2014	Outcome 3 2014		Outcome 4 2014	Outcome 5 2014	Commonwealth 2014	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		\$'000	\$'000	\$'000	
Expenses												
Employee benefits	4,946	5,306	-	-	-	-	-	-	5,306	-	-	-
Subsidies	696,573	1,037,281	332,838	-	601,888	-	-	-	102,555	-	-	-
Suppliers	403,659	568,556	15,348	2,154	524,742	148	-	-	26,164	-	-	-
Fees	40	40	-	-	-	-	-	-	40	-	-	-
Personal benefits	79,011	1,114,112	6,846	-	1,107,266	-	-	-	-	-	-	-
Grants	672,602	3,359,153	523,204	502,589	1,917,738	2,524	-	-	413,098	-	-	-
Depreciation and amortisation	3,897	1,084	-	-	-	-	-	-	1,084	-	-	-
Write-down and impairment of assets	20	74,088	9,769	-	52	-	-	-	(1,243)	-	-	65,510
Payment to corporate Commonwealth entities	1,222,164	1,293,546	-	-	-	-	-	-	-	1,293,546	-	-
Total expenses	3,082,912	7,453,166	888,005	504,743	4,151,686	2,672	-	-	547,004	1,293,546	-	65,510
Own-source income												
Snowy Hydro Land tax	174	171	-	-	-	-	-	-	171	-	-	-
Tradex receipts	1,204	1,439	1,439	-	-	-	-	-	-	-	-	-
Fees from regulatory services	46,617	11,674	10	-	-	-	-	-	11,664	-	-	-
Fees	4,455	2,684	-	-	-	-	-	-	2,684	-	-	-
Interest	6,708	6,555	2,079	-	-	-	-	-	4,476	-	-	-
Nation-building Funds - EIF receipts	-	7,350	-	-	7,350	-	-	-	-	-	-	-
Royalties	1,384,095	1,803,973	-	-	-	-	-	-	1,803,973	-	-	-
Other non-taxation revenue	14,420	19,094	16,735	-	2,355	-	-	-	4	-	-	-
Reversals of previous asset write downs	6,084	-	-	-	-	-	-	-	-	-	-	-
Dividends	20,151	36,295	-	-	-	-	-	-	-	-	-	36,295
Other gains	302	13,472	(6)	-	-	-	-	-	13,478	-	-	-
Total own-source income	1,484,210	1,902,707	20,257	-	9,705	-	-	-	1,836,450	-	-	36,295

**Department of Industry and Science
Notes to and forming part of the Financial Statements**

	Total 2015 \$'000	Total 2014 \$'000	Outcome 1 2014 \$'000	Outcome 2 2014 \$'000	Outcome 3 2014 \$'000	Outcome 4 2014 \$'000	Outcome 5 2014 \$'000	Payments to corporate Commonwealth entities 2014 \$'000	Not attributed 2014 \$'000
Assets									
Cash and cash equivalents	125,849	130,405	-	-	408	-	118,035	-	11,962
Trade and other receivables	107,530	154,819	55,270	13	2,962	-	73,062	-	23,512
Investments	4,086,762	4,010,034	94,610	-	-	-	583,990	-	3,331,434
Dividend receivable	-	27,895	-	-	-	-	-	-	27,895
Accrued revenue	93,661	160,126	-	-	-	-	160,126	-	-
Infrastructure, plant and equipment	746	830	-	-	-	-	830	-	-
Intangibles	4,281	5,713	-	-	-	-	5,713	-	-
Total assets	4,418,829	4,489,822	149,880	13	3,370	-	941,756	-	3,394,803
Liabilities									
Suppliers	7,507	38,967	1,862	417	35,132	-	1,556	-	-
Subsidies	67,787	96,474	81,225	-	10,797	-	4,452	-	-
Personal benefits	-	6,897	2,030	-	4,867	-	-	-	-
Grants	83,175	68,428	33,467	-	17,965	-	16,996	-	-
Other payables	-	13,154	-	-	-	-	-	-	13,154
Employee provisions	1,113	976	-	-	-	-	976	-	-
Provisions for IIF loan commitments	-	302	302	-	-	-	-	-	-
Total liabilities	159,582	225,198	118,886	417	68,761	-	23,980	-	13,154

Department of Industry and Science Notes to and forming part of the Financial Statements

Note 30: Cost Recovery

	2015 \$'000	2014 \$'000
Note 30: Cost Recovery Summary		
Amounts applied		
Departmental		
Annual appropriations	4,690	5,881
Administered		
Annual appropriations	3,261	6,923
Total amounts applied	7,951	12,804
Expenses		
Departmental	10,386	11,559
Administered	15,342	18,008
Total expenses	25,728	29,567
Revenue		
Departmental	6,495	7,813
Administered	13,250	15,926
Total revenue	19,745	23,739
Receivables		
Not overdue	250	491
Overdue by		
0 to 30 days	114	137
31 to 60 days	39	45
More than 60 days	11	81
Not overdue	8	421
Overdue by		
0 to 30 days	317	-
31 to 60 days	16	45
More than 60 days	68	47
Total receivables	823	1,267

No amounts were written off in the current or prior period.

Cost recovered activities:

Chemical Proficiency Testing, Reference Gas Mixtures, Trade Measurement – Laboratory Services, Trade Measurement – Licensing, Pattern Approval Laboratory, License Appointment, Training & Technology Transfer, Physical Metrology – Calibration & Testing Fees, Physical Metrology – Consulting, High Voltage, Londonderry Flow Facility, Trades Recognition Australia, Job Ready Programme, Greenhouse and Energy Minimum Standards National Legislative Framework, and National Offshore Petroleum Titles Administrator

Documentation (Cost Recovery Impact Statement/s) for the above activities is available at www.industry.gov.au or www.measurement.gov.au or www.nopta.gov.au.

Department of Industry and Science Notes to and forming part of the Financial Statements

Note 31: Budgetary Reports and Explanations of Major Variances

The following tables provide a comparison of the original budget as presented in the 2014-15 Portfolio Budget Statements (PBS) and the revised budget presented in the 2015-16 Portfolio Budget Statements to the 2014-15 final outcome as presented in accordance with Australian Accounting Standards for the Department. Note that some budget figures have been reclassified and presented to align with the Financial Statements in accordance with AASB 1055. The budget is not audited.

The following footnotes apply to all tables in this note:

1. The Department's original budgeted financial statements that were first presented to parliament in respect of the reporting period from the Department's 2014-15 PBS.
2. The variance is the difference between the actual and original budgeted amounts for 2014-15. Explanations of major variances are provided in Notes 31A.
3. The Department's estimated actual financial statements presented to parliament in respect of the reporting period from the Department's 2015-16 PBS. This has been included to highlight subsequent changes to the original budget.

Variances are considered to be 'major' based on the following criteria:

- the variance between budget and actual is greater than 10% and \$10 million; or
- an item below this threshold but is considered important for the reader's understanding or is relevant to an assessment of the discharge of accountability and to an analysis of performance of an entity.

Where an item was not originally budgeted for in the PBS, for example asset revaluations, rental income and sale of asset adjustments, explanation will only be provided if the variance is considered to be 'major'.

Note 31A: Departmental Budgetary Reports Major Variances for 2015

Departmental

The majority of the variances between actual results and the budget for departmental items as at 30 June 2015 relates primarily to the impact of the transfer of programmes associated with the Skills and Vocational Education and Training functions to the Department of Education and Training (DET), as a result of the Administrative Arrangements Order (AAO) of 23 December 2014.

The lower **employee expenses** were due to a net reduction in employee numbers as a result of the loss of the Skills and Vocational Education and Training functions. The decrease is partially offset by an increase in **suppliers expense** as a result of the recognition of onerous lease associated with surplus office space. **Grants expense** were higher as a result of additional research grants provided. The transfer of intangibles to DET has also resulted in lower than budgeted **amortisation expense**. The **write-down and impairment of assets** mainly relates to the leasehold improvements that were written off and the impairment loss associated with the recognition of onerous lease provision that was not included in the original budget.

A reduction in **revenue from Government** is mainly due to the functions relinquished. The increase in **other revenue** is a result of a review of the Department's revenue recognition policy which resulted in \$6.5million of unearned revenue being recognised as revenue in this financial year.

The key variances in the **cash flow statement** for Employees and Grants in comparison to the original budget are also explained by the reduction in employee numbers and increase in research grants as outlined above.

Section 74 receipts transferred to OPA are not separately budgeted for in the cash flow statement and grossed up in the Appropriation line. The overall variance between the two lines items is \$57.5 million which is due to the functions relinquished.

The transfer of functions also explains the lower than budgeted **assets and liabilities**, with appropriation receivables, intangible assets and employee provisions transferring to DET. For further details of the assets and liabilities that transferred as a result of this restructure, refer to Note 11.

Department of Industry and Science Notes to and forming part of the Financial Statements

The original budget for **payables** had been based on the assumptions from prior year's activity which has subsequently changed as a result of the AAO. The higher than expected **other provisions** is due to the provision for onerous lease for surplus office space as a result of the decrease in staffing level due to the loss of functions from recent AAOs. An impairment loss was also recognised on the leasehold improvements associated with the surplus office space. Refer to Note 8A for further details.

The **contributed equity** balance is significantly lower from budget as a result of the following factors:

- \$25 million in restructuring due to functions transferred as a result of the AAO (refer to Note 11 for further details); and
- the return of \$78 million in appropriation funding which lapsed as a result of the applicability of the *Statute Stocktake (Appropriation) Act 2013*.

Administered

The majority of the variances between actual results and the original budget for administered items as at 30 June 2015, relates primarily to the impact of the transfer of programmes associated with the Skills and Vocational Education and Training functions to the Department of Education and Training (DET), as a result of the Administrative Arrangements Order (AAO) of 23 December 2014.

Lower than budgeted **expenses** are predominantly the result of programmes that transferred to DET following the AAO. The main impact relates to the following programmes' budget reductions:

Suppliers: The variance is primarily due to the transfer of Australian Apprenticeship Centres (\$111 million), Skills for Education and Employment programme (\$75 million) and the Adult Migrant English Programme (\$65 million). The remaining variance is due to the delay in the Entrepreneur's Programme. The reduced budget was reflected in the 2014-15 estimated actuals in the 2015-16 PBS.

Subsidies: The variance is primarily due to the transfer of Australian Apprenticeship Centres (\$116 million).

Personal benefits: The variance of \$72 million is due to the transfer of Australian Apprenticeship Incentives Programme (\$49 million) and the Trade Support Loans programme (\$22 million).

Grants: The variance is primarily due to the transfer of National Training Systems COPE (\$29 million), Industry Workforce Training (\$29 million), National Workforce Development Fund (\$24 million) and Industry Skills Fund (\$23 million). Further, the Entrepreneur's Programme (\$14 million) and Bindaree Beef (\$15 million) were delayed. These budget reductions are reflected in the revised budget.

Finance costs and **Fair value losses** in the original budget relate to the Trade Support Loan programme which transferred to DET following the AAO. The revised budget has been updated to reflect this transfer.

Payments to corporate Commonwealth entities are \$45 million lower than the original budget due to the activities such as project variation and project termination administered by the Australian Renewable Energy Agency (ARENA) that has varied (\$80 million) offset by payments to the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA). With the commencement of the Public Governance, Performance and Accountability Act (PGPA Act), NOPSEMA are no longer able to retain levy receipts. As such, the Department records the receipts and makes an equivalency payment to NOPSEMA via a Special Appropriation (\$36million). The revised budget has been updated to reflect these events.

Royalties: \$237 million variance was due to changes in market conditions, including lower production levels, drop in crude oil prices and the weaker Australian dollar. The main driver of reduced North West Shelf (NWS) royalty revenue for 2014-15 has been lower production output for all commodities other than Liquid Natural Gas (LNG), coupled with the large reductions to prices received for all commodities (other than Domgas). The major fluctuations of note include LNG prices for 14-15 decreased by 13%, partially offset by a 4% increase in production. Condensate is the second largest contributor to royalty revenue and, with LNG account for 85% of royalty revenue. Prices received for condensate decreased 22%, and this was further exacerbated by a 5% decrease in production.

Other non-taxation revenue: the original budget included estimated proceeds of \$58 million from the auction of offshore petroleum exploration permits which were not realised – this adjustment was reflected in the 2014-15

Department of Industry and Science Notes to and forming part of the Financial Statements

estimated actuals in the 2015-16 PBS.

These decreases were partially offset by the increase of \$37 million in **Fees from regulatory services** as a result of changes in the NOPSEMA levy receipting arrangements when it became a corporate Commonwealth entity under the PGPA Act from 1 July 2014. NOPSEMA's levy receipts are recognised through the Department under the new arrangement.

The **asset revaluation reserve** downward movement of \$70 million is primarily due to the decrease in the valuation of Snowy Hydro Ltd offset by other upwards fair value movements in other investments.

Total **assets** for 2014-15 was \$4,397 million, \$73 million (2 per cent) lower than the original budget of \$4,470 million, comprising:

Trade and other receivables: the Trade Support Loan programme (\$107 million) was transferred to DET following the AAO. Further, Actual GST payable, previously classified as Other Payables, has been reclassified and included in Net GST receivable. Budget figures have been realigned accordingly.

Accrued revenue: forecasts for royalty revenue are similarly subject to the drivers affecting royalties revenue explained above.

These decreases were partially offset by the following increases:

Cash and cash equivalents: Special account balances associated with the National Offshore Petroleum Titles Administrator (\$9 million) and the Clean Energy Initiative (\$75 million) transferred from the abolished Department of Resources, Energy and Tourism were not included in the original budget.

Other investments: a decrease in the valuation of Snowy Hydro Limited at 30 June 2015 (\$97 million) partially offset by increase in investments from the transfer of the IIF loans, in anticipation of the wind up of the IIF companies (\$42 million), and fair value movements in other investments.

Total **liabilities** for 2014-15 was \$160 million, \$57 million (23 per cent) lower than the original budget of \$216 million. Significant movements can be attributed to the transfer of programmes associated with the Skills and Vocational Education and Training functions to DET as per AAO of 23 December 2014. These comprise:

Suppliers: Australian Apprenticeship Centres (\$9 million), Skills for Education and Employment (\$3 million). A further \$8 million relates to the Industry Information Statement Campaign, which terminated in 2014-15. These reductions have been amended and reflected in the revised budget.

Grants: transfer of the National Workforce Development Fund (\$12 million) and Workplace English Language and Literacy (\$3 million) programmes.

Subsidies: Australian Apprenticeship Incentive Program (\$27 million lower than original budget) was transferred to DET following the AAO. This variance was partially offset by the higher than expected payables for both the Automotive Transformation Scheme (\$7 million) and the Ethanol Production Grants (\$4 million), due to the complex nature of these estimates. The estimates have been amended and reflected in the revised budget.

Department of Industry and Science Notes to and forming part of the Financial Statements

Note 31B: Departmental Budgetary Reports

Statement of Comprehensive Income for not-for-profit Reporting Entities for the period ended 30 June 2015

	Actual	Budget estimate		Revised ³
		Original ¹	Variance ²	
	2015	2015	2015	2015
	\$'000	\$'000	\$'000	\$'000
NET COST OF SERVICES				
Expenses				
Employee benefits	323,473	387,595	(64,122)	333,749
Suppliers	192,476	176,510	15,966	194,530
Grants	19,487	1,335	18,152	2,812
Depreciation and amortisation	43,661	46,792	(3,131)	45,693
Finance costs	259	-	259	-
Write-down and impairment of assets	9,043	-	9,043	6,662
Losses from asset sales	38	-	38	-
Other expenses	652	887	(235)	728
Total expenses	589,089	613,119	(24,030)	584,174
Own-Source Income				
Own-source revenue				
Sale of goods and rendering of services	48,656	47,427	1,229	50,351
Interest	39	-	39	-
Rental income	796	-	796	-
Other revenue	26,315	15,362	10,953	19,647
Total own-source revenue	75,806	62,789	13,017	69,998
Gains				
Foreign exchange gains	1	-	1	-
Reversals of previous asset write-downs and impairments	2	-	2	-
Other gains	2,223	710	1,513	728
Total gains	2,226	710	1,516	728
Total own-source income	78,032	63,499	14,533	70,726
Net cost of services	(511,057)	(549,620)	38,563	(513,448)
Revenue from Government	471,091	501,128	(30,037)	469,455
Deficit attributable to the Australian Government	(39,966)	(48,492)	8,526	(43,993)
OTHER COMPREHENSIVE INCOME				
Items not subject to subsequent reclassification to net cost of services				
Changes in asset revaluation reserve	(1,301)	-	(1,301)	-
Total comprehensive loss	(1,301)	-	(1,301)	-
Total comprehensive loss attributable to the Australian Government	(41,267)	(48,492)	7,225	(43,993)

Department of Industry and Science Notes to and forming part of the Financial Statements

Statement of Financial Position for not-for-profit Reporting Entities

as at 30 June 2015

	Actual	Budget estimate		Revised ³
		Original ¹	Variance ²	
	2015	2015	2015	2015
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Financial assets				
Cash and cash equivalents	8,198	9,962	(1,764)	8,389
Trade and other receivables	155,226	197,249	(42,023)	208,451
Accrued revenue	2,855	1,257	1,598	583
Total financial assets	166,279	208,468	(42,189)	217,423
Non-financial assets				
Land and buildings	124,778	133,307	(8,529)	126,041
Property, plant and equipment	57,871	59,814	(1,943)	56,702
Laboratory equipment	28,495	29,995	(1,500)	28,434
Intangibles	31,981	59,277	(27,296)	33,159
Inventories	2,198	1,987	211	2,146
Prepayments	8,311	4,267	4,044	7,723
Total non-financial assets	253,634	288,647	(35,013)	254,205
Total assets	419,913	497,115	(77,202)	471,628
LIABILITIES				
Payables				
Suppliers	24,531	68,064	(43,533)	45,446
Grants	1,983	-	1,983	-
Other payables	62,619	90,267	(27,648)	60,080
Total payables	89,133	158,331	(69,198)	105,526
Provisions				
Employee provisions	86,000	96,285	(10,285)	83,594
Other provisions	16,557	3,626	12,931	3,116
Total provisions	102,557	99,911	2,646	86,710
Total liabilities	191,690	258,242	(66,552)	192,236
Net assets	228,223	238,873	(10,650)	279,392
EQUITY				
Contributed equity	388,205	415,615	(27,410)	442,102
Asset revaluation reserve	8,499	9,800	(1,301)	9,800
Accumulated deficit	(168,481)	(186,542)	18,061	(172,510)
Total equity	228,223	238,873	(10,650)	279,392

**Department of Industry and Science
Notes to and forming part of the Financial Statements**

**Statement of Changes in Equity for not-for-profit Reporting Entities
for the period ended 30 June 2015**

	Actual		Retained earnings		Budget Estimate		Variance ²		Revised ³		Asset revaluation reserve	
	2015		2015		2015		2015		2015		2015	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance												
Balance carried forward from previous period	(128,515)	(128,050)	(138,050)	9,535	(128,517)	9,800	9,800	-	9,800	9,800	-	9,800
Adjusted opening balance	(128,515)	(138,050)	(128,517)	9,535	(128,517)	9,800	9,800	-	9,800	9,800	-	9,800
Comprehensive income												
Changes in asset revaluation reserve	-	-	-	-	-	(1,301)	-	(1,301)	-	-	(1,301)	-
Deficit for the year	(39,966)	(48,492)	(48,492)	8,526	(43,993)	-	-	-	-	-	-	-
Total comprehensive loss	(39,966)	(48,492)	(48,492)	8,526	(43,993)	(1,301)	-	(1,301)	-	-	(1,301)	-
Total comprehensive income attributable to Australian Government	(39,966)	(48,492)	(48,492)	8,526	(43,993)	(1,301)	-	(1,301)	-	-	(1,301)	-
Closing balance attributable to Australian Government	(168,481)	(186,542)	(172,510)	18,061	(172,510)	8,499	9,800	(1,301)	9,800	9,800	(1,301)	9,800

Department of Industry and Science Notes to and forming part of the Financial Statements

	Contributed equity/capital				Total equity			
	Actual		Budget Estimate		Actual		Budget Estimate	
	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000
Opening balance	449,789	375,041	74,748	449,789	331,074	246,791	84,283	331,072
Balance carried forward from previous period	449,789	375,041	74,748	449,789	331,074	246,791	84,283	331,072
Adjusted opening balance	449,789	375,041	74,748	449,789	331,074	246,791	84,283	331,072
Comprehensive income								
Changes in asset revaluation reserve	-	-	-	-	(1,301)	-	(1,301)	-
Deficit for the year	-	-	-	-	(39,966)	(48,492)	8,526	(43,993)
Total comprehensive income	-	-	-	-	(41,267)	(48,492)	8,526	(43,993)
Total comprehensive income attributable to Australian Government	-	-	-	-	(41,267)	(48,492)	7,225	(43,993)
Transactions with owners								
Distribution to owners								
Restructuring	(24,568)	-	(24,568)	(21,153)	(24,568)	-	(24,568)	(21,153)
Appropriation (equity return)	(77,600)	-	(77,600)	(25,942)	(77,600)	-	(77,600)	(25,942)
Contributions by owners								
Equity injection - Appropriations	12,736	12,736	-	12,514	12,736	12,736	-	12,514
Departmental capital budget (DCB)	27,838	27,838	-	26,894	27,838	27,838	-	26,894
Total transactions with owners	(61,584)	40,574	(102,158)	(7,687)	(61,584)	40,574	(102,158)	(7,687)
Closing balance attributable to Australian Government	388,205	415,615	(27,410)	442,102	228,223	238,873	(9,349)	279,392

Department of Industry and Science Notes to and forming part of the Financial Statements

Cash Flow Statement for not-for-profit Reporting Entities

for the period ended 30 June 2015

	Actual	Budget estimate		
		Original ¹	Variance ²	Revised ³
	2015	2015	2015	2015
	\$'000	\$'000	\$'000	\$'000
OPERATING ACTIVITIES				
Cash received				
Appropriations	523,818	520,297	3,521	484,740
Sale of goods and rendering of services	48,160	47,427	733	50,351
Net GST received	15,868	-	15,868	-
Rental income	730	-	730	-
Other	33,636	15,379	18,257	19,664
Total cash received	622,212	583,103	39,109	554,755
Cash used				
Employees	340,424	407,633	(67,209)	355,519
Suppliers	193,469	169,218	24,251	193,883
Grants	18,209	1,335	16,874	2,812
Section 74 receipts transferred to OPA	60,996	-	60,996	-
Other	4,775	887	3,888	728
Total cash used	617,873	579,073	38,800	552,942
Net cash from/(used by) operating activities	4,339	4,030	309	1,813
INVESTING ACTIVITIES				
Cash received				
Proceeds on sales of property, plant and equipment	121	-	121	-
Total cash received	121	-	121	-
Cash used				
Purchase of property, plant and equipment	20,385	20,774	(389)	18,937
Purchase of intangibles	16,661	23,830	(7,169)	19,742
Total cash used	37,046	44,604	(7,558)	38,679
Net cash used by investing activities	(36,925)	(44,604)	7,679	(38,679)
FINANCING ACTIVITIES				
Cash received				
Appropriations - Contributed equity	4,107	40,574	(36,467)	12,514
Appropriations - Departmental Capital Budget	30,830	-	30,830	26,894
Total cash received	34,937	40,574	(5,637)	39,408
Net cash from financing activities	34,937	40,574	(5,637)	39,408
Net increase/(decrease) in cash held	2,351	-	2,351	2,542
Cash and cash equivalents at the beginning of the reporting period	5,847	9,962	(4,115)	5,847
Cash and cash equivalents at the end of the reporting period	8,198	9,962	(1,764)	8,389

Department of Industry and Science
Notes to and forming part of the Financial Statements

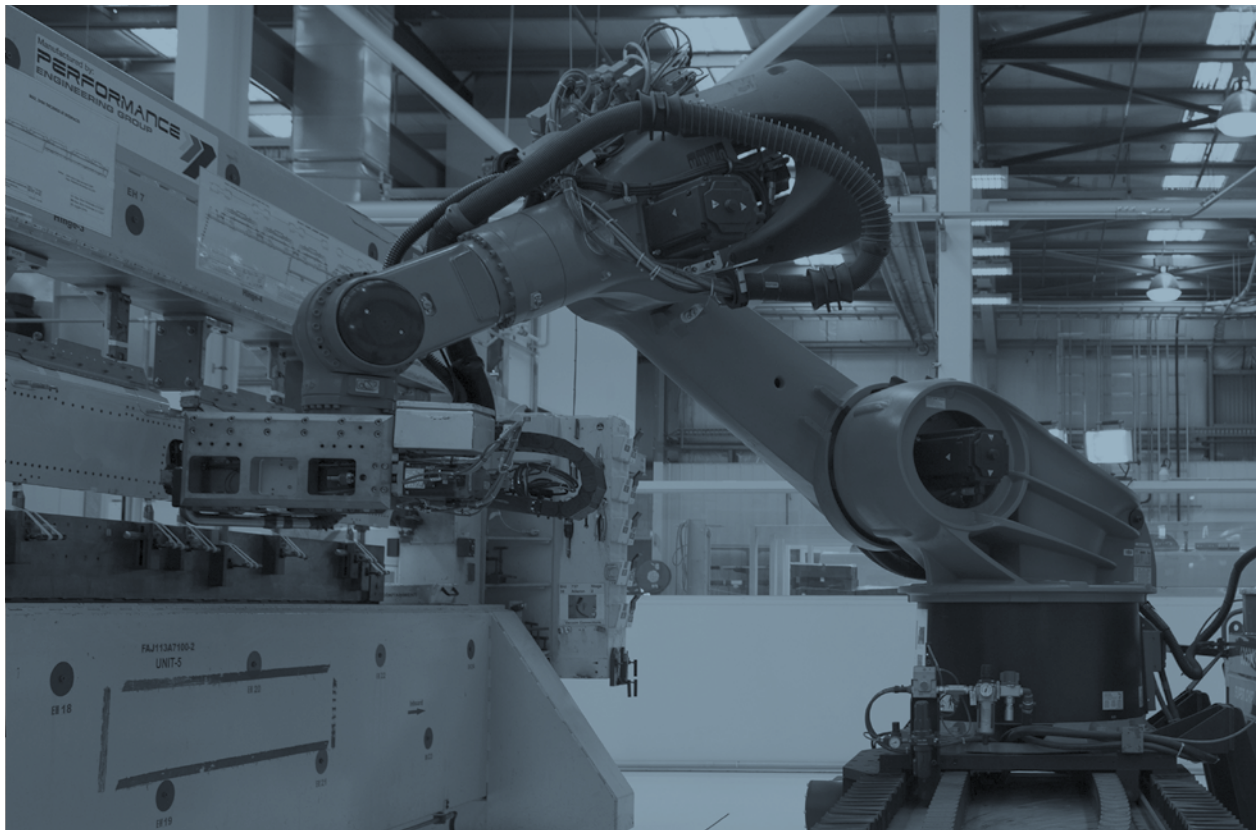
Note 31C: Administered Budgetary Reports Comprehensive Income

Administered Schedule of Comprehensive Income for not-for-profit Reporting Entities
for the period ended 30 June 2015

	Actual	Budget estimate		
		Original ¹	Variance ²	Revised ³
	2015	2015	2015	2015
	\$'000	\$'000	\$'000	\$'000
NET COST OF SERVICES				
Expenses				
Employee benefits	4,946	6,100	(1,154)	6,100
Suppliers	403,659	704,242	(300,583)	417,442
Fees	40	40	-	40
Subsidies	696,573	838,805	(142,232)	685,376
Personal benefits	79,011	150,766	(71,755)	120,720
Finance costs	-	16,605	(16,605)	-
Fair value losses	-	19,925	(19,925)	-
Grants	672,602	874,575	(201,973)	716,532
Depreciation and amortisation	3,897	1,000	2,897	1,000
Write-down and impairment of assets	20	-	20	-
Payments to corporate Commonwealth entities	1,222,164	1,267,510	(45,346)	1,235,792
Total expenses	3,082,912	3,879,568	(796,656)	3,183,002
Income				
Taxation revenue				
Snowy Hydro land tax	174	171	3	171
Tradex receipts	1,204	750	454	750
Total taxation revenue	1,378	921	457	921
Non-taxation revenue				
Fees from regulatory services	46,617	9,985	36,632	47,864
Fees	4,455	4,707	(252)	4,407
Interest	6,708	9,340	(2,632)	9,254
Dividends	20,151	28,600	(8,449)	19,500
Royalties	1,384,095	1,621,120	(237,025)	1,476,025
Other non-taxation revenue	14,420	80,413	(65,993)	18,219
Total non-taxation revenue	1,476,446	1,754,165	(277,719)	1,575,269
Total revenue	1,477,824	1,755,086	(277,262)	1,576,190
Gains				
Reversals of previous financial instruments impairments	6,084	-	6,084	-
Other gains	302	-	302	-
Total gains	6,386	-	6,386	-
Total income	1,484,210	1,755,086	(270,876)	1,576,190
Net cost of services	(1,598,702)	(2,124,482)	525,780	(1,606,812)
Deficit on continuing operations	(1,598,702)	(2,124,482)	525,780	(1,606,812)
OTHER COMPREHENSIVE INCOME				
Items subject to subsequent reclassification to net cost of services				
Changes in asset revaluation reserve	(70,027)	-	(70,027)	-
Total other comprehensive loss	(70,027)	-	(70,027)	-
Total comprehensive income loss	(1,668,729)	(2,124,482)	455,753	(1,606,812)

Department of Industry and Science
Notes to and forming part of the Financial Statements

Administered Schedule of Assets and Liabilities for not-for-profit Reporting Entities				
<i>as at 30 June 2015</i>				
	Actual	Budget estimate		
		Original ¹	Variance ²	Revised ³
	2015	2015	2015	2015
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Financial assets				
Cash and cash equivalents	125,849	13,429	112,420	129,442
Trade and other receivables	107,530	211,225	(103,695)	142,159
Other investments	4,086,762	3,992,539	94,223	4,028,670
Dividend receivable	-	24,100	(24,100)	-
Accrued Revenue	93,661	198,997	(105,336)	132,595
Total financial assets	4,413,802	4,440,290	(26,488)	4,432,866
Non-financial assets				
Leasehold improvements	258	-	-	-
Property, plant and equipment	488	-	488	1,180
Intangibles	4,281	2,575	1,706	6,713
Total non-financial assets	5,027	2,575	2,194	7,893
Total assets administered on behalf of Government	4,418,829	4,442,865	(24,294)	4,440,759
LIABILITIES				
Payables				
Suppliers	7,507	29,125	(21,618)	2,804
Subsidies	67,787	83,926	(16,139)	70,250
Personal benefits	-	3,144	(3,144)	-
Grants	83,175	98,817	(15,642)	44,836
Total payables	158,469	215,012	(56,543)	117,890
Provisions				
Employee provisions	1,113	1,176	(63)	976
Provision for IIF loan commitments	-	296	(296)	302
Total provisions	1,113	1,472	(359)	1,278
Total liabilities administered on behalf of Government	159,582	216,484	(56,902)	119,168
Net assets	4,259,247	4,226,381	32,866	4,321,591



CHAPTER 5

Departmental appendices

Appendix A1: Agency resource statement 2014-15	142
Appendix A2: Expenses and resources for 2014-15	144
Appendix A3: Workforce statistics	146
Appendix A4: Advertising and market research	150
Appendix A5: Reports addressing special legislative requirements	151



DEPARTMENTAL APPENDICES

Appendix A1: Agency resource statement 2014-15

	Actual available appropriations for 2014-15 ‘\$000	Payments made 2014-15 ‘\$000	Balance remaining 2014-15 ‘\$000
1/ Ordinary Annual Services			
Departmental appropriation			
Prior year departmental appropriation	66,928	65,514	1,414
Departmental appropriation	536,546	427,301	109,245
s. 75 adjustments	(34,359)		(34,359)
s. 74 receipts	60,996	60,996	-
Total	630,111	553,811	76,300
Administered expenses			
Outcome 1	2,557,861	1,601,520	
Payments to corporate Commonwealth entities	943,177	941,478	
Total	3,501,038	2,542,998	
Total ordinary annual services	4,131,149	3,096,810	
2/ Other services			
Departmental non-operating			
Equity Injections	12,736	4,107	8,629
Total	12,736	4,107	8,629
Administered non-operating			
Administered Assets and Liabilities	-	9,036	
Payments to corporate Commonwealth entities - non-operating	96,439	96,439	
Total	96,439	105,475	
Total other services	109,175	109,582	

	Actual available appropriations for 2014-15 ‘\$000	Payments made 2014-15 ‘\$000	Balance remaining 2014-15 ‘\$000
3/ Special Appropriations			
Special appropriations limited by criteria/ entitlement			
<i>Trade Support Loans Act 2014</i>		22,049	
Special appropriation limited by amount			
<i>Textile, Clothing and Footwear Investment and Innovation Program Act 1999</i>		24,251	
<i>Automotive Transformation Scheme Act 2009</i>		251,757	
<i>Offshore Minerals Act 1994</i>		-	
<i>Australian Renewable Energy Agency Act 2011</i>		244,493	
<i>Offshore Petroleum and Greenhouse Gas Storage Act 2006</i>		36,193	
Total special appropriation		578,743	
Special Accounts			
Opening balance	160,750		
Appropriation receipts	36,833		
Non appropriated receipts to special accounts	43,129		
Payments made		82,290	
Closing balance			158,422
Total Resourcing and Payments	4,481,036	3,867,424	

Appendix A2: Expenses and resources for 2014-15

Outcome 1: Enabling growth and productivity for globally competitive industries through building skills and capability, supporting science and innovation, encouraging investment and improving regulation

	Budget 2014-15 \$'000	Actual 2014-15 \$'000	Variation 2014-15 \$'000
Programme 1: Building Skills and Capability			
Administered expenses			
Ordinary Annual Services (Appropriation Act Nos. 1 and 3)	853,435	853,408	27
Other Services (Appropriation Act Nos. 2 and 4)	0	0	0
Special Appropriations	0	0	0
Special Accounts	0	0	0
Expenses not requiring appropriation in the Budget year	0	0	0
Total for Programme 1	853,435	853,408	27

Programme 2: Supporting Science and Innovation

Administered expenses

Ordinary Annual Services (Appropriation Act Nos. 1 and 3)	231,995	230,821	1,174
Other Services (Appropriation Act Nos. 2 and 4)	0	0	0
Special Appropriations	0	0	0
Special Accounts	0	0	0
Expenses not requiring appropriation in the Budget year	0	0	0
Total for Programme 2	231,995	230,821	1,174

Programme 3: Encouraging Investment

Administered expenses

Ordinary Annual Services (Appropriation Act Nos. 1 and 3)	447,619	405,480	42,139
Other Services (Appropriation Act Nos. 2 and 4)	0	0	0
Special Appropriations	544,585	508,636	35,949
<i>Automotive Transformation Scheme Act 2009</i>	251,000	239,733	11,267
<i>Textile, Clothing and Footwear Investment and Innovation Programs Act 1999</i>	26,304	24,409	1,895
<i>Offshore Minerals Act 1994</i>	10	0	10
<i>Australian Renewable Energy Agency Act 2011</i>	267,271	244,493	22,778
Special Accounts	122,751	102,999	19,752
Services for Other entities and trust Moneys - s78 Special Account	20,039	2,681	17,358

Clean Energy Initiative Special Accounts - s78 Special Account	92,727	87,795	4,932
National Offshore Petroleum Titles Administrator - s80 Special Account	9,985	12,523	(2,538)
Expenses not requiring appropriation in the Budget year	1,000	3,897	(2,897)
Total for Programme 3	1,115,955	1,021,012	94,943

Programme 4: Programme Support**Departmental expenses**

Departmental appropriation	526,428	530,231	(3,803)
Special Appropriations	0	0	0
Special Accounts	15,682	14,552	1,130
Expenses not requiring appropriation in the Budget year	42,286	44,306	(2,020)
Total for Programme 4	584,396	589,089	(4,693)

Outcome 1 Totals by Appropriation Type**Administered Expenses**

Ordinary Annual Services (Appropriation Act Nos. 1 and 3)	1,533,049	1,489,709	43,340
Other Services (Appropriation Act Nos. 2 and 4)	0	0	0
Special Appropriations	544,585	508,636	35,949
Special Accounts	122,751	102,999	19,752
Expenses not requiring appropriation in the Budget year	1,000	3,897	(2,897)
	2,201,385	2,105,241	96,144

Departmental Expenses

Departmental appropriation	526,428	530,231	(3,803)
Special Appropriations	0	0	0
Special Accounts	15,682	14,552	1,130
Expenses not requiring appropriation in the Budget year	42,286	44,306	(2,020)
	584,396	589,089	(4,693)
Total expenses for Outcome 1	2,785,781	2,694,330	91,451

Appendix A3: Workforce statistics

Table 11: Employee coverage by classification at 30 June 2015, ongoing and non-ongoing employees, Department of Industry and Science and IP Australia SES

Classification	Employment arrangement				Salary range	
	Enterprise agreement coverage	s. 24 determinations	CLA coverage	AWA coverage	Min (\$)	Max (\$)
APS 1	23	0	0	0	25 070	46 425
APS 2	23	0	0	0	47 336	55 676
APS 3	119 (4)	0	0	0	53 913	66 092
APS 4	250 (20)	0	0	0	60 428	79 200
APS 5	373 (29)	0	0	0	67 312	83 659
APS 6	700 (56)	0	0	0	74 196	111 039
EL 1	728 (136)	0	0	0	93 975	130 249
EL 2	351 (228)	0	0	0	111 677	217 577 ¹
CRS 1	0	0	11	0	138 034	149 077
CRS 2	0	0	3	0	167 680	175 666
SES Band 1	0	0	63	0	170 225	226 085
SES Band 2	0	0	14	0	217 544	265 255
SES Band 3	0	0	4	0	290 032	328 266
Total	2567 (473)	0	95	0		

1 Recognition of specialist skills and knowledge

APS = Australian Public Service; AWA = Australian workplace agreement; CLA = common law agreement; CRS = Chief Research Scientist; EL = Executive Level; SES = Senior Executive Service

Note: This table does not include casuals employed by the department at 30 June 2015; Numbers in brackets indicate employees whose salary is supplemented by an Individual Employment Arrangement provided under the enterprise agreement; IP Australia SES figures are included with the department's figures to ensure non-identification of individual recipients; Geoscience Australia SES figures are included in Table 35.

Table 12: Performance payments from 1 July 2014 to 30 June 2015, Department of Industry and Science and IP Australia SES

Classification	No. of recipients	Aggregate (\$)	Average (\$)	Bonus payment	
				Minimum (\$)	Maximum (\$)
APS 1-6	2	8383	4191	4000	4383
EL 1	20	99 831	4991	3000	8567
EL 2	41	453 711	11 066	6000	18 568
CRS 1-2	0	0	0	0	0
SES Band 1	2	88 365	44 182	8511	38 191
SES Band 2-3	2	74 000	37 000	32 000	42 000
Total	67	724 290			

APS = Australian Public Service; CRS = Chief Research Scientist; EL = Executive Level; SES = Senior Executive Service

Note: APS 1-6 figures are combined to ensure non-identification of individual recipients. IP Australia's SES figures are included with the department's figures to ensure non-identification of individual recipients.

Table 13: Ongoing employees by classification and gender, 30 June 2014 and 30 June 2015, Department of Industry and Science

Classification	Female		Male		Total	
	2014	2015	2014	2015	2014	2015
APS 1	4	7	3	5	7	12
APS 2	33	5	33	16	66	21
APS 3	53	59	48	51	101	110
APS 4	192	139	98	70	290	209
APS 5	237	197	162	150	399	347
APS 6	456	351	326	293	782	644
EL 1	465	350	423	349	888	699
EL 2	171	135	226	191	397	326
CRS 1	2	2	11	9	13	11
CRS 2	0	0	3	3	3	3
SES Band 1	31	20	39	35	70	55
SES Band 2	7	5	15	8	22	13
SES Band 3	1	1	3	2	4	3
Secretary	1	1	0	0	1	1
Total	1653	1272	1390	1182	3043	2454

APS = Australian Public Service; CRS = Chief Research Scientist; EL = Executive Level; SES = Senior Executive Service

Note: This table does not include 133 casuals employed by the department at 30 June 2015.

Table 14: Non-ongoing employees by classification and gender, 30 June 2014 and 30 June 2015, Department of Industry and Science

Classification	Female		Male		Total	
	2014	2015	2014	2015	2014	2015
APS 1	4	3	3	8	7	11
APS 2	3	1	3	1	6	2
APS 3	2	4	3	5	5	9
APS 4	15	30	7	11	22	41
APS 5	7	11	10	15	17	26
APS 6	13	33	16	23	29	56
EL 1	20	15	17	14	37	29
EL 2	12	5	55	20	67	25
CRS 1	0	0	0	0	0	0
CRS 2	0	0	0	0	0	0
SES Band 1	0	0	1	0	1	0
SES Band 2	0	0	0	0	0	0
SES Band 3	0	0	0	0	0	0
Secretary	0	0	0	0	0	0
Total	76	102	115	97	191	199

APS = Australian Public Service; CRS = Chief Research Scientist; EL = Executive Level; SES = Senior Executive Service

Note: This table does not include 133 casuals employed by the department at 30 June 2015.

Table 15: Number of full-time and part-time ongoing and non-ongoing employees by classification, 30 June 2014 and 30 June 2015, Department of Industry and Science

Classification	Full-time		Part-time		Total	
	2014	2015	2014	2015	2014	2015
APS 1	11	20	3	3	14	23
APS 2	66	20	6	3	72	23
APS 3	97	109	9	10	106	119
APS 4	283	221	29	29	312	250
APS 5	365	336	51	37	416	373
APS 6	692	593	119	107	811	700
EL 1	783	623	142	105	925	728
EL 2	435	327	29	24	464	351
CRS 1	13	10	0	1	13	11
CRS 2	3	3	0	0	3	3
SES Band 1	70	54	1	1	71	55
SES Band 2	22	13	0	0	22	13
SES Band 3	4	3	0	0	4	3
Secretary	1	1	0	0	1	1
Total	2845	2333	389	320	3234	2653

APS = Australian Public Service; CRS = Chief Research Scientist; EL = Executive Level; SES = Senior Executive Service

Note: This table does not include 133 casuals employed by the department at 30 June 2015.

Table 16: Number of full-time and part-time ongoing and non-ongoing employees by gender, 30 June 2014 and 30 June 2015, Department of Industry and Science

Gender	Full-time		Part-time		Total	
	2014	2015	2014	2015	2014	2015
Male	1443	1229	62	50	1505	1279
Female	1402	1104	327	270	1729	1374
Total	2845	2333	389	320	3234	2653

Note: This table does not include 133 casuals employed by the department at 30 June 2015.

Table 17: Ongoing and non-ongoing employees by classification and location, 30 June 2015, Department of Industry and Science

Classification	ACT	NSW	Vic.	Qld	SA	WA	Tas.	NT	Overseas	Total
APS 1	13	5	2	1	1	1	0	0	0	23
APS 2	12	4	5	0	0	2	0	0	0	23
APS 3	71	25	17	2	2	1	1	0	0	119
APS 4	157	46	20	7	6	11	2	1	0	250
APS 5	270	64	16	7	6	8	2	0	0	373
APS 6	428	103	94	29	14	23	7	2	0	700
EL 1	556	81	50	11	6	18	6	0	0	728
EL 2	221	68	34	9	4	11	4	0	0	351
CRS 1	0	9	1	0	0	1	0	0	0	11
CRS 2	0	3	0	0	0	0	0	0	0	3
SES Band 1	45	6	2	0	0	1	0	0	1	55
SES Band 2	11	2	0	0	0	0	0	0	0	13
SES Band 3	3	0	0	0	0	0	0	0	0	3
Secretary	1	0	0	0	0	0	0	0	0	1
Total	1788	416	241	66	39	77	22	3	1	2653

APS = Australian Public Service; CRS = Chief Research Scientist; EL = Executive Level; SES = Senior Executive Service

Note: This table does not include 133 casuals employed by the department at 30 June 2015.

Table 18: Indigenous employees, 30 June 2014 and 30 June 2015, Department of Industry and Science

Employment status	30 June 2014	30 June 2015
Ongoing	19	17
Non-ongoing	0	0
Total	19	17

Note 1: This table does not include two casuals employed by the department at 30 June 2015.

Note 2: Seven trainees commenced on the pilot Indigenous Traineeship Programme in March 2015.

Appendix A4: Advertising and market research

Appendix A4 sets out GST inclusive payments the department made to external organisations for advertising or market research services in 2014-15. Payments of \$12 565 or less (GST inclusive) are not reported.

**Table 19: Payments for advertising and market research, 2014-15,
Department of Industry and Science**

Name of recipient	Services	Total (\$)
Advertising agencies		
Media Heads	Coordination of National Science Week Ambassador radio interviews and production of radio public information messages	24 792
Direct mail		
Nil		Nil
Market research		
AMR Interactive	Developmental research to inform communication strategy for the Single Business Service	105 325
	Interviews to understand the barriers to apply for the R&D Tax Incentive	56 760
KREAB	Provision of advisory service to inform the process of selecting a site for a national radioactive waste management facility	27 482
Newspoll	Omnibus national telephone poll for the National Science Week	15 422
Roy Morgan Research	Market research and audience segmentation project for Questacon	78 635
Media advertising		
Dentsu Aegis Network Limited trading as Isobar	Development of advertising materials for the Growth Fund	29 365
Mitchell Adcorp Alliance	Newspaper and online advertising for the Minister's call for voluntary site nominations for the national radioactive waste management facility	127 032
	Digital advertising for the Single Business Service launch	77 000
	Advertising for the R&D Tax Incentive in <i>Words into Action: G20 Brisbane 2014</i> publication	18 955
	Media placement for the Growth Fund	335 382
	Advertising for business.gov.au	79 999
Dentsu Mitchell Media Australia Pty Ltd	Public notice press advertising for the Home Insulation Program Industry Payment Scheme	447 191
Mitchell & Partners Australia Pty Ltd	Advertising for Australian Business Licence and Information Service	49 411
	Print and online recruitment advertising for position of Chief Scientist for Australia	13 370
Universal McCann	Advertising online for Australian Business Licence and Information Service	17 083
Polling organisations		
Nil		Nil

Appendix A5: Reports addressing special legislative requirements

Appendix A5 sets out information that the department is required to report on each year as part of its administration of the following legislation:

- *Australian Jobs Act 2013*
- *Automotive Transformation Scheme Act 2009*
- *Greenhouse and Energy Minimum Standards Act 2012*
- *Offshore Petroleum and Greenhouse Gas Storage Act 2006*.

Australian Jobs Act

The *Australian Jobs Act 2013* commenced on 27 December 2013. The Act requires the development and implementation of an Australian Industry Participation (AIP) plan for all Australian major projects with capital expenditure of \$500 million or more, and establishes a statutory position, the Australian Industry Participation Authority (the Authority).

On 24 December 2014, the Minister for Industry and Science, the Hon Ian Macfarlane MP, appointed Ms Yvonne Noordhuis as the Acting Authority on the conclusion of Mr Grant Wilson's term in the position. On 20 May 2015, the Minister appointed Dr Gary Richards for a 12-month term as the Acting Authority.

The Authority evaluates, approves and publishes summaries of AIP plans, and monitors and reports on the implementation of plans. AIP plans outline how a project developer will provide full, fair and reasonable opportunity to Australian industry to supply goods and services to a project. The Act also requires compliance reporting on each AIP plan, during the project's construction phase and two years into the operations phase.

Operation of the Australian Industry Participation Authority

The Authority has sought to work closely with major project developers to help them better understand and meet their obligations under the Act. Major project developers, industry associations and consultants have been engaged through:

- one-on-one discussions and provision of feedback on draft AIP plans
- publication of user guides to assist in completing the AIP plan templates
- development of explanatory material such as 'frequently asked questions' regarding the provisions of the Act
- encouraging early engagement prior to formal lodging of a draft AIP plan
- communicating with major project developers with potential obligations under the Act
- presenting on the Act's requirements at industry events
- an inquiry hotline.

The Authority had discussions with a range of major project developers to raise awareness of the Act and in 2014-15 wrote to 18 project developers who were identified as possibly having obligations under the Act.

A database of current and future projects is maintained through analysis of major project information, discussions with industry and media articles. Monitoring of major project information continues as part of the awareness raising, monitoring and compliance role of the Authority. A monitoring and compliance framework has been developed.

The Authority continued to work collaboratively with major project developers to minimise the regulatory burden while achieving the intended outcomes of the Act. This included liaising with other government programme delivery areas, such as AusIndustry's Enhanced Project By-law Scheme (EPBS) team, to minimise duplication. On 26 June 2015, new EPBS policy

and administrative guidelines were released to remove duplication of AIP plan requirements between the EPBS and the Act. The revised guidelines streamline the administration of the EPBS to allow an AIP plan and compliance report approved under the Act to be used by businesses when applying for the EPBS.

As at 30 June 2015, the Authority had:

- received formal notification of 21 major projects with current or future obligations under the Act
- received 12 draft AIP plans, of which 10 had been approved, with two plans still being evaluated
- published all 12 draft AIP plan summaries online (www.industry.gov.au/aip) within the prescribed one-day time frame in accordance with the Act
- received and evaluated five AIP plan compliance reports.

Automotive Transformation Scheme Act

The Automotive Transformation Scheme (ATS) aims to encourage competitive investment and innovation in the Australian automotive industry to place it on an economically sustainable footing. This is to be achieved in a way that improves environmental outcomes and promotes the development of workforce skills.

Section 27A of the *Automotive Transformation Scheme Act 2009* requires the Secretary to report annually on assistance paid to ATS participants (Table 20) and the Australian automotive industry's progress towards achieving economic sustainability, environmental outcomes and workforce skills development (Table 21).

Table 20: Total assistance paid to ATS participants for the 12-month period ending 31 March 2015

Participants	Capped assistance (\$)	Uncapped assistance (\$)	Total assistance(\$)
Motor vehicle producers	172 535 254	37 676 683	210 211 938
Automotive component producers	89 477 674	0	89 477 674
Automotive machine tool producers	1 779 460	0	1 779 460
Automotive service providers	356 358	0	356 358
Total	264 148 746	37 676 683	301 825 429

Table 21: Progress made by ATS participants in achieving economic sustainability, environmental outcomes, and workforce skills development during the 12-month period ending 31 March 2015

Economic sustainability	
Capability development	81 per cent of ATS participants reported increased capability through participation in change management processes, down from 82 per cent in the previous year.
Business performance	83 per cent of ATS participants reported improved business performance through increased productivity, an increase from 82 per cent in the previous year, while 63 per cent reported that they had found new customers, down from 64 per cent in the previous year.
Environmental outcomes	
Manufacturing process	84 per cent of ATS participants reported better environmental outcomes resulting from improved manufacturing processes, the same percentage as the previous year.
Environmentally sustainable cars	48 per cent of ATS participants reported contributing to the manufacture of more environmentally sustainable cars, down from 49 per cent in the previous year.
Workforce skills development	
Applicable post-school qualifications	ATS participants reported increases in all post-school qualifications within their workforces. Specifically, 33 per cent reported that their workforces had certificate I and II qualifications (up 2 per cent), 25 per cent had certificate III and IV qualifications (up 2 per cent), 12 per cent had other trade qualifications (no change), 6 per cent had diplomas or advanced diplomas (no change), and 24 per cent had bachelor degrees or higher qualifications (up 1 per cent).

Source: ATS participants' updated business plans provided under Regulation 2.27 of the Automotive Transformation Scheme Regulations 2010.

Greenhouse and Energy Minimum Standards Act

This section is prepared in accordance with section 175 of the *Greenhouse and Energy Minimum Standards Act 2012* (GEMS Act). It covers the operation of the GEMS Act from 1 July 2014 to 30 June 2015.

The GEMS Act commenced on 1 October 2012 and replaced seven overlapping pieces of state and territory legislation and four state regulators with one national regulator, simplifying the system for manufacturers and importers of regulated appliances. The GEMS Act is administered by the Department of Industry and Science through the Equipment Energy Efficiency (E3) Programme and the GEMS Regulator.

The objectives of the GEMS Act are to promote the development and adoption of products that use less energy and result in fewer greenhouse

gas emissions. The E3 Programme seeks to drive greater energy efficiency for regulated products and ensure that consumers can make informed choices to improve energy efficiency and to reduce energy consumption and related costs and greenhouse gas emissions.

The main policy tools to achieve these objectives are mandatory Minimum Energy Performance Standards (MEPS) and Energy Rating Labels (ERLs) for appliances and equipment.

At 30 June 2015, a total of 22 determinations were in effect under the GEMS Act. The determinations are legislative instruments that specify GEMS requirements, including requirements for MEPS and ERLs, for products regulated under the GEMS Act. In the course of 2014-15, the GEMS Regulator approved 4650 new product registrations.

The department and the GEMS Regulator work cooperatively with state and territory agencies to draw on their expertise. As part of the E3 Programme, Australia also collaborates on energy efficiency standards with New Zealand, ensuring the greatest net benefit for both countries.

Achievements

The department has undertaken a review of the impacts of current policies and regulation, with the final results to be published in late 2015. Early indications from this work demonstrate that the GEMS legislation and E3 Programme have contributed between \$3.3 billion and \$7.3 billion in savings through avoided energy after costs have been included. The avoided energy use has resulted in fewer greenhouse gas emissions—between 42 megatonnes and 100 megatonnes of CO₂-e (carbon dioxide equivalent). As the remaining products are assessed, these figures are likely to increase; they will be reported in the 2015-16 annual report.

Compliance and enforcement

The GEMS Regulator monitors and enforces compliance with the GEMS Act via a framework that focuses on:

- engagement and education
- verifying compliance
- investigating non-compliance
- responding to non-compliance
- review.

The GEMS Regulator, assisted by GEMS inspectors, manages a risk-based, intelligence-driven compliance monitoring programme which focuses on:

- check testing—to verify, through laboratory testing, whether models of GEMS products meet relevant GEMS-level requirements and the energy efficiency claims of manufacturers and suppliers

- market surveillance—to ensure GEMS products meet GEMS registration and labelling requirements.

During 2014-15, the GEMS Regulator completed check tests of 159 models of GEMS products. Of these, 145 met GEMS requirements, whilst 14 did not. In response, the GEMS Regulator cancelled 10 registrations, referred two models to another agency, and after consultation with registrants, took no action against two models. Market surveillance activities revealed high levels of registration compliance for a range of household GEMS products. However, labelling compliance results revealed room for improvement for other products, notably in the industrial sector. GEMS inspectors reminded suppliers that energy rating labels must be displayed and that the GEMS Regulator will conduct follow-up market surveillance to ensure compliance.

The GEMS Regulator received 26 allegations of suspected non-compliance with the GEMS Act from consumers, industry, and other government departments. The majority of these allegations related to the supply of unregistered GEMS products and labelling issues. The GEMS Regulator investigated each allegation and, where appropriate, engaged with the supplier to ensure compliance.

Governance

The E3 Programme is governed through the Equipment Energy Efficiency (E3) Committee and the Energy Working Group (EWG).

The E3 Committee oversees the day-to-day implementation of the E3 Programme. It comprises representatives from Australian Commonwealth, state and territory government agencies as well as representatives from the New Zealand Government. The E3 Committee reports to the EWG.

The EWG comprises representatives from Commonwealth, state and territory governments as well as representatives from the New Zealand Government. It provides strategic advice on energy efficiency policy and programme delivery through the COAG Energy Council.

Communication

The GEMS Regulator plays an active role in assisting responsible parties to comply voluntarily with the GEMS Act. To achieve this outcome, the GEMS Regulator:

- informs stakeholders about the E3 Programme and the operation of the GEMS Act
- informs stakeholders about registration requirements under the GEMS Act, including through the energyrating.gov.au website
- coordinates national marketing and communication projects to support new, and enhance existing, energy efficiency programmes
- coordinates broad consultative processes with industry and other interested parties developing and implementing energy labelling and associated programmes
- monitors and reports programme performance, achievements and enforcement outcomes.

Offshore Petroleum and Greenhouse Gas Storage Act

The National Offshore Petroleum Titles Administrator (NOPTA) is appointed by the Secretary, pursuant to section 695A of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*. The roles and functions of the Titles Administrator are described at section 695B of the Act. The Titles Administrator is supported by the NOPTA branch of the department's Resources Division.

Commencing operations on 1 January 2012, NOPTA replaced the former state and Northern Territory designated authorities as the technical adviser to the joint authorities established under the Act, in order to streamline the titles administration process and reduce the regulatory burden on industry. This was done as part of the Australian Government's reform programme for the Commonwealth offshore oil and gas industry.

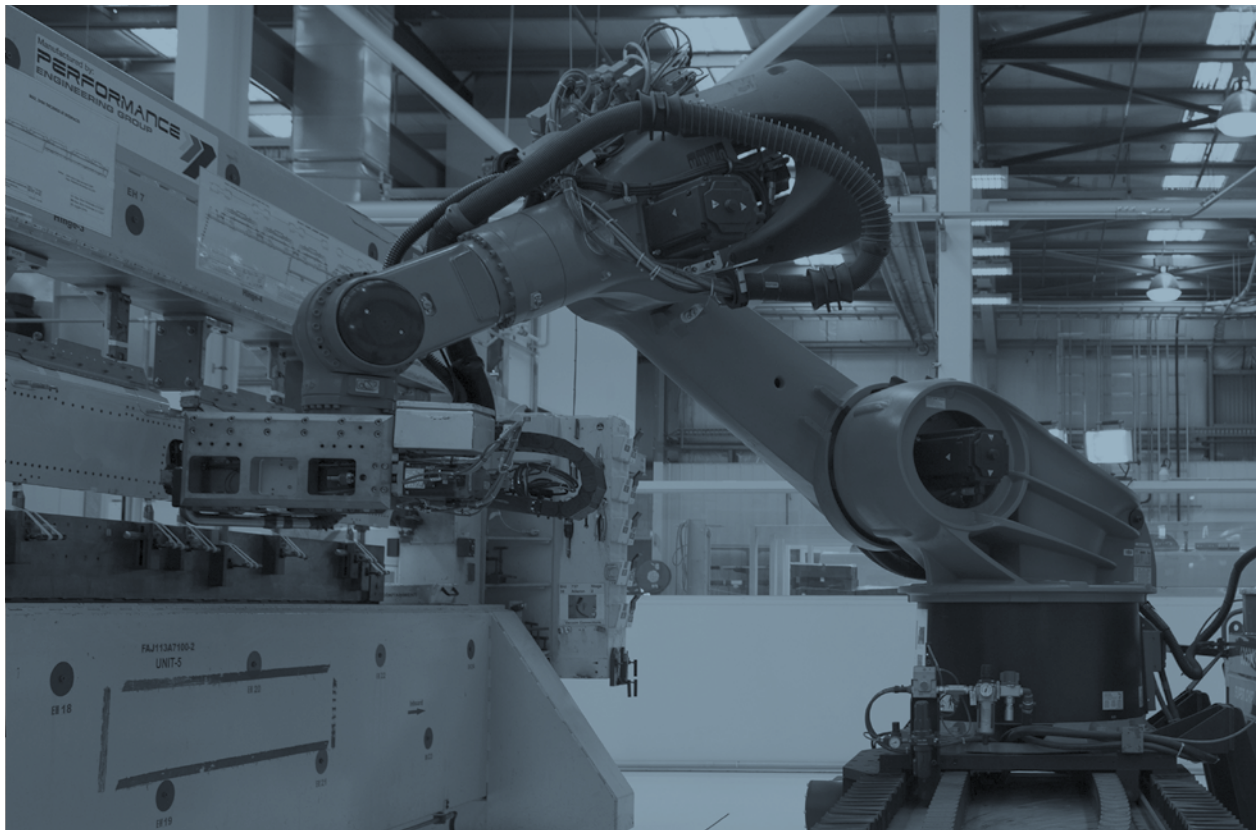
An independent statutory triennial ministerial review of NOPTA was completed on 30 June 2015 and is due to be tabled in parliament.

NOPTA operates from two sites, Perth and Melbourne. In Perth, it is co-located with the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA).

NOPTA's expenses are funded by the offshore petroleum and greenhouse gas industries through cost recovery.

In the past 12 months NOPTA:

- was awarded the 2015 National Archives Award for Digital Excellence in the small agency category—these awards recognise and promote excellence and innovation in the management, use and reuse of digital information by Australian Government agencies
- received very positive feedback from key stakeholders, as part of a stakeholder survey independently conducted by KPMG—overall, the survey indicated a high level of satisfaction with NOPTA's performance, role and function
- implemented the Regulatory Performance Framework
- implemented the new Corporate Plan 2015-2017
- implemented a new cost-recovery implementation statement in compliance with the Australian Government's revised cost-recovery guidelines
- continued to build competent capacity in resource management
- developed the National Offshore Petroleum Information Management System with Geoscience Australia
- continued to enhance its relationship with NOPSEMA to simplify and streamline processes for industry.



CHAPTER 6

*Geoscience Australia
Chief Executive Officer's Review*

Geoscience Australia
Chief Executive Officer's review 158



GEOSCIENCE AUSTRALIA CHIEF EXECUTIVE OFFICER'S REVIEW

As the geoscience adviser to the Australian Government and custodian of the nation's geographic and geological data and knowledge, Geoscience Australia continued during 2014-15 its vital work to underpin Australia's current and future prosperity and wellbeing.

To help build Australia's resource wealth, significant data acquisition, including drill holes in Victoria and an airborne electromagnetic survey in New South Wales and Queensland, was undertaken via the UNCOVER initiative, designed to encourage mineral exploration in underexplored regions of Australia. To encourage petroleum exploration and to better understand CO₂ storage potential, major data acquisition programmes were completed in offshore Western Australia and Victoria, and onshore studies were released for regions of the Northern Territory, Queensland and South Australia.

Work to advance the provision of fundamental geographic information for Australia included leading the Intergovernmental Committee on Surveying and Mapping in its decision to modernise the Australian datum. The new datum will underpin more accurate positioning for many applications, including navigation, infrastructure development and environmental monitoring. A memorandum of understanding was signed with the United States Geological Survey, and significant upgrades to the satellite ground station at Alice Springs commenced, ensuring Australia's access to national-scale satellite data for decades to come.

To help ensure Australia's community safety, information available for flood planning was increased. The availability of historical surface water observations from satellite imagery for all of Australia almost doubled to 28 years of data, and the number of flood studies available from the Australian Flood Risk Information Portal increased to more than 1450. To assist global nuclear weapons reduction efforts, establishment of the last of the Australian monitoring stations required under the Comprehensive Nuclear-Test-Ban Treaty commenced at Davis Station in the Australian Antarctic Territory.

To secure Australia's water resources, Geoscience Australia continued to contribute to the Australian Government's Bioregional Assessment Programme, which aims to better understand the potential impacts of coal seam gas and large coal mining developments on water resources. A significant contribution was also made to assisting our Pacific island neighbours through the provision of a groundwater database and maps for more than 1800 Pacific islands, to help Pacific nations with their decision-making in relation to impacts on groundwater from possible future climates.

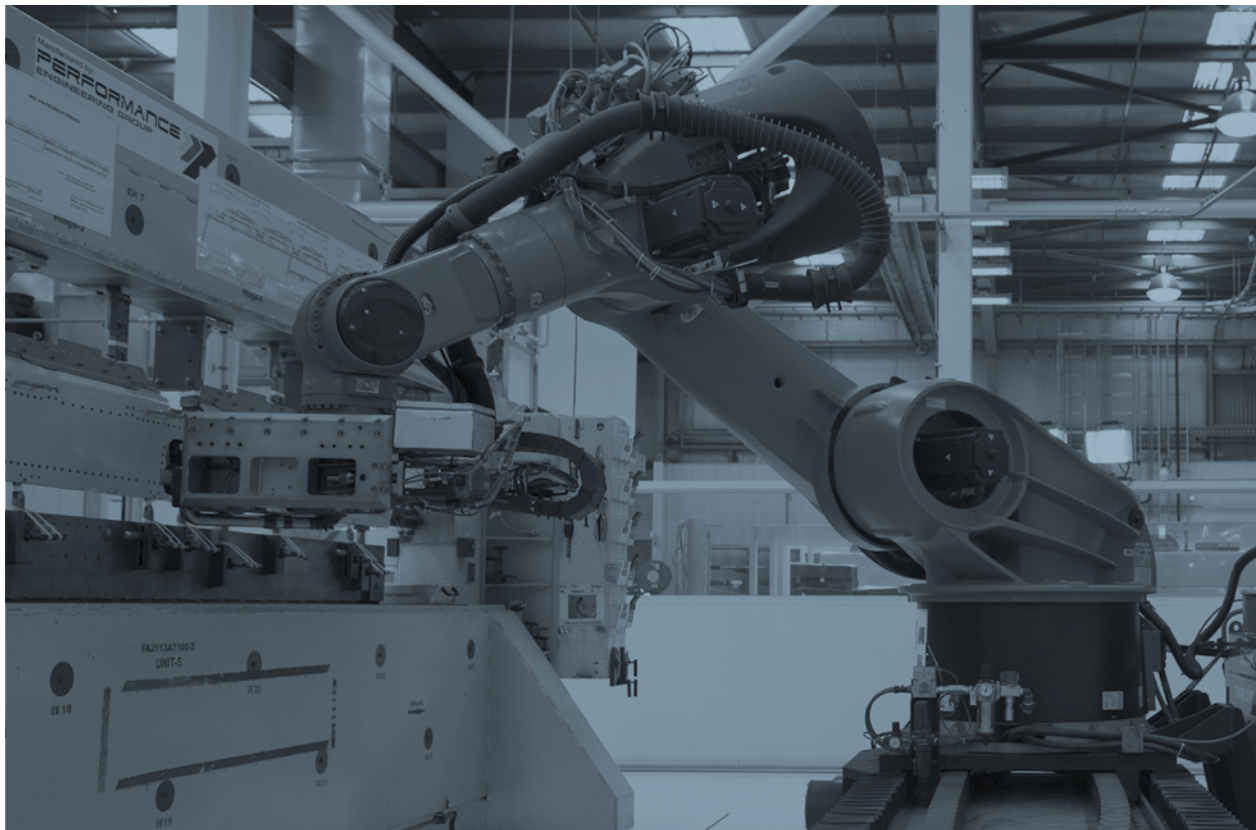
To help manage Australia's marine jurisdiction, Geoscience Australia contributed sea floor mapping advice and data processing expertise to the search for missing Malaysia Airlines flight MH370. This work highlights Geoscience Australia's ability to respond rapidly to national needs. Other efforts to underpin improved management of Australia's marine jurisdiction included sea floor mapping and sampling in waters off Western Australia, the Northern Territory and the Australian Antarctic Territory. The first-time release of digital representations of scheduled areas and petroleum blocks, as defined in the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*, provides greater certainty for the management of Australian petroleum titles.

Developments for maintaining Australia's geoscience knowledge and capability included the release of the National Offshore Petroleum Information Management System, which will become a one-stop shop for Australian petroleum exploration data. Nine nationally significant datasets, including the Sentinel Hotspots bushfire monitoring dataset and national geophysical datasets, were made available via a High Performance Data facility. Geoscience Australia also became an allocating agent for the International Geo Sample Number Organisation and started minting digital object identifiers, enabling internationally unique identification of the organisation's digital data and physical assets.

Early in 2015, Geoscience Australia conducted its biennial stakeholder satisfaction survey, with nearly 300 stakeholders participating. Pleasingly, overall satisfaction with Geoscience Australia was very high, at 87 per cent. The professionalism, knowledge and customer focus of staff was identified as a key strength, as was the quality, accuracy, reliability and usefulness of products, data and services.

Geoscience Australia continued to progress its inclusive culture initiative, aimed at fostering a culture that ensures all staff have equal opportunity to contribute, participate and progress. All staff participated in inclusive practices workshops, a gender strategy was launched, and the Executive Board was changed to an Advisory Board with the introduction of two Executive Level staff and two APS level staff (two women and two men) to facilitate inclusive decision-making.

The remainder of this report provides more detail on Geoscience Australia's work throughout 2014-15.



CHAPTER 7

Geoscience Australia overview

Role and functions	162
Organisational structure	163
Outcome and programme structure	164



GEOSCIENCE AUSTRALIA OVERVIEW

Role and functions

Geoscience Australia is the Australian Government's national geoscience agency, applying geoscience to Australia's most important challenges. It is the government's technical adviser on all aspects of geoscience, and custodian of the geographic and geological data and knowledge of the nation.

Geoscience Australia's strategic priorities focus on six areas:

- 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.

Organisational structure

Figure 2: Geoscience Australia organisational structure, 30 June 2015

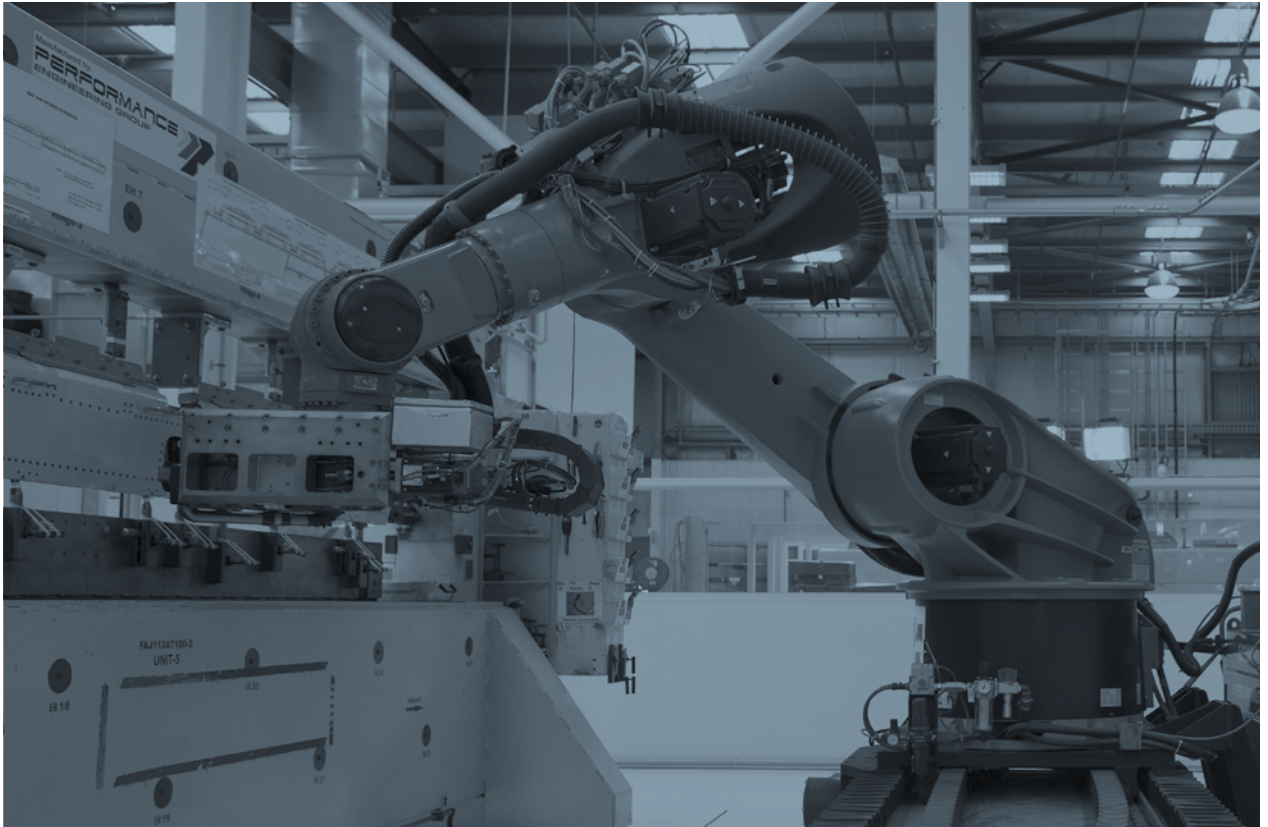
Chief Executive Officer					
<i>Geoscience Australia Chief Scientist</i>	<i>Deputy CEO and Chief of Division</i>	<i>Chief of Division</i>	<i>Chief of Division</i>	<i>General Manager</i>	<i>Chief Information Officer</i>
	Resources Division	Community Safety and Earth Monitoring Division	Environmental Geoscience Division	Corporate Services	ICT Innovation and Services
	Energy Systems Mineral Systems Resources Advice and Promotion	Community Safety Geodesy and Seismic Monitoring Observatories and Science Support	Groundwater National Earth and Marine Observations National Location Information	Client and Information Services Finance Governance and Business Services People and Culture Products and Promotion	Engagement, Brokerage, Assurance and Architecture Geoinformatics and Data Services Service Delivery and Infrastructure Software Development

Outcome and programme structure

Geoscience Australia has one outcome and one programme that contributes to that outcome, as shown in Table 22.

Table 22: Geoscience Australia outcome and programme structure, 2014-15

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.	
Programme	Objective
1 Geoscientific and spatial information services	Building Australia's resource wealth <ul style="list-style-type: none"> ■ Attract investment to Australia's minerals and energy resource sector by reducing geoscience barriers and risk Securing Australia's water resources <ul style="list-style-type: none"> ■ Improve the understanding and management of Australia's groundwater resources Ensuring Australia's community safety <ul style="list-style-type: none"> ■ Provide the understanding that underpins Australia's capability to prepare for and respond to the impact of natural hazards and disasters Managing Australia's marine jurisdictions <ul style="list-style-type: none"> ■ Provide the geoscience evidence base to underpin the sustainable management of Australia's marine jurisdiction Gathering fundamental geographic information <ul style="list-style-type: none"> ■ Collect, integrate and deliver observational and fundamental geoscience and geospatial data and information of Australia to support decision making Maintaining Australia's geoscience knowledge and capability <ul style="list-style-type: none"> ■ Ensure data, information and collections are captured, curated and made accessible to the Australian community for use now and into the future.



CHAPTER 8

Geoscience Australia report on performance

Building Australia's resource wealth	166
Securing Australia's water resources	170
Ensuring Australia's community safety	172
Managing Australia's marine jurisdiction	175
Gathering fundamental geographic information	178
Maintaining Australia's geoscience knowledge and capability	181
Financial performance	184



GEOSCIENCE AUSTRALIA REPORT ON PERFORMANCE

Tables 23 to 34 provide a summary of Geoscience Australia's performance against the deliverables and key performance indicators for the six objectives set out in the Geoscience Australia Portfolio Budget Statements 2014-15.

Building Australia's resource wealth

Table 23: Building Australia's resource wealth—performance against deliverables, 2014-15

Deliverable	2014-15 result
Precompetitive data and information to attract exploration investment	<p>Three major offshore studies in the Browse Basin, Houtman Sub-basin and offshore Gippsland Basin were completed to assist industry in understanding the petroleum prospectivity and CO₂ storage potential of these regions. All data and reports were publicly released.</p> <p>Geoscience Australia continued to manage pre-competitive data acquisition projects in onshore New South Wales and Western Australia to provide data to underpin carbon capture and storage prospectivity assessments.</p> <p>New national maps of magnetic data (fifth edition) and radiometric data (third edition) were released. These data are important for mineral exploration area selection.</p> <p>As part of the UNCOVER mineral exploration initiative, 14 stratigraphic drill holes were completed in the greenfields Stavely region of western Victoria. Also, a new airborne electromagnetic survey in the southern Thomson Orogen (New South Wales – Queensland) was acquired, processed and delivered, to map cover thickness in anticipation of future precompetitive drilling.</p> <p>Promotional activities in Asia and North America were undertaken to attract minerals and petroleum exploration investment.</p> <p>Geoscience Australia continued to liaise with the petroleum and minerals exploration industries to shape and design its pre-competitive programmes.</p>

Deliverable	2014-15 result
Build a geological prospectus of the resource potential of Australia	<p>Two comprehensive data packages comprising information on the petroleum geology of the underexplored Georgina Basin were released in November 2014 and April 2015. They were supported by the Queensland and Northern Territory governments.</p> <p>A comprehensive petroleum prospectivity review of the Cooper Basin, prepared in collaboration with the Queensland and South Australian geological agencies, was completed. The report highlighted further prospectivity, including in previously under-explored regions of the basin. The report will support future petroleum acreage release in the basin within Queensland's jurisdiction.</p> <p>Three new GIS (geographic information system) datasets related to the mineral potential of Australia were released, along with 31 reports, papers and conference proceedings.</p>
Information, advice and expertise about the nation's resource endowment, exploration investment and production activity to inform the development of resource development policies	<p>Geoscience Australia published a range of reports and datasets that underpin the provision of technical advice to government. They included <i>Australia's identified mineral resources</i> and the <i>Upstream Petroleum Resources Working Group report to COAG Energy Council on unconventional reserves, resources, production, forecasts and drilling rates</i>.</p> <p>Geoscience Australia provided key input into the development of the AMIRA Roadmap for Under Cover Exploration, which will shape university research, mining equipment technology and services sector development and precompetitive investment by geological surveys and CSIRO.</p>
Information and advice to inform the development of geothermal energy and carbon capture and storage policies	<p>Geothermal energy information and advice included:</p> <ul style="list-style-type: none"> ■ technical advice to the Australian Renewable Energy Agency (ARENA) ■ assistance to the Department of Industry and Science on its commitments to the Steering Committee of the International Partnership for Geothermal Technology ■ participation in the peer review of the United States Department of Energy Geothermal Technology Office's R&D programme ■ ongoing technical advice on carbon capture and storage, provided as required to the Department of Industry and Science.

Table 24: Building Australia’s resource wealth—performance against key performance indicators, 2014-15

Key performance indicator	2014-15 target	2014-15 actual
Demonstrate Australia’s potential for minerals and energy resources	Ongoing	<p>As part of an assessment of Australia’s shale gas potential, the assessment methodology was developed and implemented for the Cooper Basin.</p> <p>As part of an assessment of Australia’s nickel and platinum-group elements potential, the assessment methodology was completed and underpinning GIS datasets were released.</p>
Provide an evidence base to underpin development of Australia’s minerals and energy resources	Ongoing	<p>Geoscience Australia acquired 3313 km of 2D seismic reflection data in the Houtman Sub-basin, offshore Western Australia, to support potential future petroleum acreage release.</p> <p>Geoscience Australia completed a marine reconnaissance survey in the Browse Basin, under the National CO₂ Infrastructure Plan, to support assessment of the CO₂ storage and petroleum potential of the basin. The survey acquired 3440 km² of multibeam sonar bathymetry, 5710 line km of sub-bottom profiles, and samples and observations from 70 stations.</p> <p>Geoscience Australia supported state and Northern Territory geological surveys’ pre-competitive mineral exploration programmes by commencing or delivering eight gravity surveys and four magnetic surveys, collecting more than 1000 line km of deep seismic data, and processing and delivering more than 1300 line km of seismic data.</p>

Key performance indicator	2014-15 target	2014-15 actual
Support cleaner and low emissions energy technologies	Ongoing	<p>Geoscience Australia provided technical advice to support the award of three Greenhouse Gas Assessment Permits in the offshore Gippsland Basin by the Department of Industry and Science to the Victorian Government.</p> <p>A report on the CO₂ geological storage potential for the Vlaming Sub-basin was released in June 2015.</p> <p>A total of 800 km of 2D seismic data and 2000 km of multibeam bathymetry were acquired in the offshore Gippsland Basin over key potential CO₂ storage sites.</p> <p>The China Australia Geological Storage of CO₂ Project (CAGS phase 2) was successfully completed. Activities over the two years of the CAGS project included five research projects, three workshops, two schools for early career researchers and university students, and 10 scientific exchanges. One of the exchanges was the first time a Geoscience Australia employee undertook a placement within the China Geological Survey.</p>
Offshore Petroleum Acreage Release—2015 gazettal areas	Quarter 1 2014-15	<p>The 2015 Offshore Petroleum Exploration Acreage Release saw the Minister release 29 areas across eight basins at the annual Australian Petroleum Production and Exploration Association (APPEA) conference in May 2015. Data for this year's release was provided for the first time by the National Offshore Petroleum Information Management System (NOPIMS).</p> <p>The release areas were promoted to petroleum explorers at seminars and meetings in Bangkok, Seoul, Beijing and Tokyo.</p>

Securing Australia's water resources

Table 25: Securing Australia's water resources—performance against deliverables, 2014-15

Deliverable	2014-15 result
Data, information and models to identify the nature, extent and behaviour of groundwater resources, and their relationship with surface water	Results of the groundwater hydrochemical characterisation of the Surat Region and Laura Basin—Queensland Project were published, characterising the hydrochemistry of groundwater associated with coal seams and surrounding aquifers in two Queensland coal basins. This project was completed for the Department of the Environment under the National Collaboration Framework Project Agreement to Support the Assessment of Coal Seam Gas and Coal Mining Developments on Groundwater Resources.
An evidence base and advice to inform sustainable groundwater management	Advice provided included hydrogeological and geological technical advice on the Shenhua Watermark coal project for the Independent Expert Scientific Committee on Coal Seam Gas and Large Coal Mining Development; hydrogeological expertise for the Office of the New South Wales Chief Scientist and Engineer; a geological and hydrogeological review of the Ranger 3 Deeps uranium project; and advice on a further 17 coal and coal seam gas project referrals.
Expert technical assessments of project approvals	Expert technical comment was provided on 10 proposed approval decisions under the <i>Environment Protection and Biodiversity Conservation Act 1999</i> for coal, coal seam gas and uranium projects, including the Arrow Bowen Gas Project, the QGC development of new acreage for coal seam gas in the Surat Basin, the South Galilee Coal Project, and a proposal to mine the Kintyre uranium deposit.

Table 26: Securing Australia's water resources—performance against key performance indicators, 2014-15

Key performance indicator	2014-15 target	2014-15 actual
Characterise Australia's groundwater resources	Ongoing	Geoscience Australia products for the Lake Eyre Basin and Gippsland Basin bioregions, delivered as part of the Australian Government's Bioregional Assessment Programme, are providing an enhanced and updated scientific understanding of the potential cumulative impacts of coal and coal seam gas development in high-priority coal basins of Australia. Products included the coal and coal seam gas resource assessment for the Galilee subregion (Queensland) and data registers for the Galilee and Cooper subregions (South Australia - Queensland). Geoscience Australia also provided programme-wide geology and hydrogeology discipline leadership, with direct responsibility for delivering the technical programme submethodology document for developing a coal resource development pathway. These authoritative products are being used by the Independent Expert Scientific Committee for Coal Seam Gas and Large Coal Mining Development to inform its advice to Australian Government and state government regulatory bodies. The products are also publicly released, and their take-up and use will help strengthen community confidence in future development decisions.
Improve the understanding of groundwater management options	Ongoing	Regional and country-specific maps for groundwater vulnerability to future climates for more than 1800 Pacific islands were delivered, along with the first-ever regionally consistent Pacific islands spatial database of island groundwater and physical characteristics. The final outputs developed by Geoscience Australia will assist regional water managers and policy-makers in the Pacific to develop adaptation options and to identify priority areas where more detailed analysis of groundwater vulnerability could be undertaken. This project supported the Pacific-Australia Climate Change Science and Adaptation Planning programme administered by the Department of the Environment.

Ensuring Australia's community safety

Table 27: Ensuring Australia's community safety—performance against deliverables, 2014-15

Deliverable	2014-15 result
Natural hazard risk modelling and assessments	<p>Geoscience Australia provided information on the potential impact of cyclones as real-time data to the Australian Government Crisis Coordination Centre, including for tropical cyclones Marcia and Lam in February 2015 and Nathan in March 2015.</p> <p>Seismic hazard and risk information was given to government and the public for both national and international seismic events, including for the Nepalese earthquakes in April 2015.</p> <p>The National Wind Multiplier Dataset was published, along with the code, to facilitate local wind modelling throughout the country.</p> <p>Geoscience Australia released upgrades to the hydrodynamic modelling (ANUGA) and tropical cyclone risk modelling (TCRM) public open-source software tools.</p> <p>The Australian Landslide Database was updated with details for 45 events, bringing the total number of landslides recorded in the database to more than 1700, from the early part of the twentieth century to the present day.</p> <p>The national Neotectonic Features Database was updated with new detail on 12 tectonic faults, bringing the total number of registered recognised faults features to 345. Field work was undertaken on the Avonmore fault (Victoria) to enable testing of seismo-tectonic models describing large earthquake recurrence behaviour.</p> <p>In support of the disaster risk reduction goals of the Department of Foreign Affairs and Trade, Geoscience Australia provided technical advice and expertise to neighbouring nations, including Indonesia, the Philippines and Papua New Guinea. The aim of this work was to build capacity in technical agencies in those nations for assessing risk and potential impact from natural hazards on vulnerable communities and infrastructure. The Greater Metro Manila Area Risk Assessment Project, which included risk and infrastructure vulnerability modelling for tropical cyclones, earthquakes and flood for Greater Metro Manila, the Philippines, was completed during 2014-15.</p>
Maps, imagery and advice for agencies responding to hazards and disaster events	<p>Geoscience Australia continued to collaborate with the Attorney-General's Department and the Australian Geospatial-Intelligence Organisation to integrate location-based data and emergency management information to support government decision-making in response to disaster events. The information was supplied to the Australian Government's Crisis Coordination Centre (CCC). During the 2014-15 disaster season 146 mapping products were created to support government briefings and to assist with the delivery of financial support to affected communities, with the major events being the Sampson Flat bushfire in South Australia in January 2015 and tropical cyclones Marcia and Lam in February 2015 and Nathan in March 2015.</p> <p>Geoscience Australia coordinated the activation of the International Charter for Space and Major Disasters to deliver satellite-derived emergency mapping to emergency managers in Queensland and the Northern Territory and to the CCC for tropical cyclones Marcia and Lam.</p> <p>Location-based data were also provided to the CCC for security planning for the G20 Summit in Brisbane in November 2014.</p>

Deliverable	2014-15 result
Vulnerability and exposure and impact maps, assessments and tools to inform land use planning, development approvals and building codes	<p>During 2014-15, Geoscience Australia responded to a number of natural disasters by assessing impacts and recovery to inform planning:</p> <ul style="list-style-type: none"> ■ A social survey of communities affected by tropical cyclone Marcia in February 2015 was commenced in a collaborative activity led by the Bureau of Meteorology. ■ A field survey of homes and businesses affected by the April 2015 floods in Dungog, New South Wales, was conducted. ■ A presentation was made to the Bundaberg Regional Council, Queensland, on the results of surveys undertaken in late 2013 and mid-2014 of community flood impacts, recovery and resilience. <p>Together, this work has added to the evidence base used to assess the vulnerability of communities.</p> <p>Geoscience Australia also participated in two Standards Australia committees for building design for earthquake and wind. Each committee developed amendments to improve the Building Code of Australia.</p> <p>The National Flood Risk Information Project continued throughout 2014-15. The Water Observations from Space component of the project transitioned into a business-as-usual capability; in November 2014, it received a Resilient Australia award from the Attorney-General's Department. For the Australian Flood Risk Information Portal, Geoscience Australia worked with the states and territories to source additional flood study information; more than 1450 flood study entries are now available for investigation.</p>
Early warning and alerts of natural hazard and disaster events	<p>Seventy-five earthquakes were alerted to the Joint Australian Tsunami Warning Centre as having the potential to generate a tsunami in the Australian region. Of those, nine generated observable tsunami waves in the Pacific Ocean. No tsunamis were observed in the Indian Ocean. The largest earthquake that generated a Pacific-wide tsunami warning had a magnitude of 7.7 and occurred east of East New Britain, Papua New Guinea, on 29 March 2015.</p>
Nuclear monitoring and assessment, and inform action for Government	<p>There were no suspected nuclear events during 2014-15.</p>

Table 28: Ensuring Australia's community safety—performance against key performance indicators, 2014-15

Key performance indicator	2014-15 target	2014-15 actual
Effective mitigation of natural hazard impacts	Ongoing	<p>Geoscience Australia collaborated in four mitigation projects funded through the Bushfire and Natural Hazards Cooperative Research Centre (BNHCRC). Three projects are developing strategies for reducing the vulnerability of buildings subject to severe wind, earthquake and riverine flooding. During 2014-15, the work included capturing information on residential construction practices and reviewing the applicability of international flood mitigation strategies to Australia. The fourth project will enable coastal communities to optimise their mitigation to the impact and risk from clusters of storm tides and storm surges.</p> <p>Geoscience Australia also served as a lead end-user to the BNHCRC built environment and coastal hazards clusters, helping to align the CRC research to better meet the needs of mitigation decision-makers.</p>
Effective, coordinated responses to natural hazards and disasters	Ongoing	<p>During 2014-15, Geoscience Australia analysed and catalogued 1699 earthquakes from around the world; 222 were alerted to the Australian Government's Crisis Coordination Centre (CCC); 1542 occurred in the Australian region and 685 occurred in Australia. The largest Australian earthquake during 2014-15 had a magnitude of 5.1 and occurred near Eidsvold, Queensland, on 16 February 2015.</p> <p>For natural disaster events, Geoscience Australia provided support to the Attorney-General's Department in collaboration with the Australian Geospatial-Intelligence Organisation, via the CCC, integrating location-based data and emergency management information to co-create mapping products within the agreed two-hour time frame.</p> <p>For tropical cyclones Marcia and Lam in February 2015, Geoscience Australia activated the International Charter for Space and Major Disasters within 24 hours of two official requests from Queensland and the Northern Territory to deliver satellite-derived emergency mapping to emergency managers.</p> <p>The Sentinel Hotspots online bushfire monitoring system was improved in late 2014 to include more satellite sources for hotspot detection, more frequent updates and new functionality, including historical hotspot searching and a more intuitive interface.</p>

Key performance indicator	2014-15 target	2014-15 actual
Non-proliferation of nuclear weapons	Ongoing	During 2014-15, international representation and engagement with the Comprehensive Nuclear-Test-Ban Treaty Organization assisted global efforts in furthering the build-up of the Comprehensive Nuclear-Test-Ban Treaty verification system. Establishment of the infrasound station at Davis Station in the Australian Antarctic Territory was commenced. This is the last of the Australian stations required under the treaty. The operation and maintenance of Australian seismic, infrasound and hydroacoustic stations that are part of the international verification network continued throughout 2014-15.

Managing Australia's marine jurisdiction

Table 29: Managing Australia's marine jurisdiction—performance against deliverables, 2014-15

Deliverable	2014-15 result
Authoritative source for data, information and advice that underpins the legal determination of maritime boundaries	<p>During 2014-15, updated national maritime boundary information was released, reflecting Australia's Continental Shelf Proclamation and changes to the territorial sea baselines at Scott Reef.</p> <p>The first-time release of historical and current digital representations of scheduled areas and petroleum blocks defined in the <i>Offshore Petroleum and Greenhouse Gas Storage Act 2006</i>, providing certainty for the management of Australian petroleum titles.</p> <p>Work with state and territory mapping agencies to provide greater certainty on the location of Australia's territorial sea baseline continued during the year and is expected to be complete in 2018.</p> <p>A new online Australian Maritime Boundary Information System for improved self-service boundary advice was completed in June 2015.</p>
Characterisation of seabed environments and potential new resources—petroleum, fisheries, biodiversity	<p>Seabed mapping surveys on the North West Shelf (Browse Basin, Western Australia), outer Darwin Harbour (Northern Territory) and offshore from Casey Station (Australian Antarctic Territory) were completed during 2014-15.</p> <p>The high-resolution bathymetry data, physical and biological samples and images of seabed habitats from these surveys will inform the future management and use of those areas and provide for improved safety of navigation in the Australian Antarctic Territory.</p> <p>Research completed through the National Environmental Research Program Marine Biodiversity Hub improved the understanding of seabed environments, biological resources and processes influencing biodiversity within Commonwealth marine reserves, particularly for priority areas in northern and south-east Australia.</p>

Deliverable	2014-15 result
Pre-competitive environmental data to inform exploration/investment decisions	<p>Geoscience Australia published reports on the 2013 marine environmental survey in the Browse Basin (Western Australia) and on the analysis of seabed and sub-seabed data collected in the 2012 Vlaming Sub-basin (Western Australia) marine survey for the National CO₂ Infrastructure Plan.</p> <p>A second marine environmental survey was undertaken in the Browse Basin in 2014, investigating the sea floor environments within potential CO₂ storage acreage release areas. This body of work advanced the understanding of relationships between seabed environments and underlying geological features, which will reduce uncertainty in decision-making on CO₂ storage in offshore basins.</p>
Seabed environmental baseline information and advice to underpin environmental planning and management, regulation and compliance	<p>Geoscience Australia supported the multinational search effort to find missing Malaysia Airlines flight MH370. Its scientific teams provided procurement advice, technology and planning expertise for the bathymetric survey and undertook bathymetric processing for the lead search agencies (the Joint Agency Coordination Centre and the Australian Transport Safety Bureau). This collective effort enabled the baseline mapping of over 200 000 km² of sea floor in a remote area of the southern Indian Ocean.</p> <p>Geoscience Australia's Marine Sediment Database (MARS) was upgraded with a web interface, greatly increasing external clients' access to data.</p> <p>Geoscience Australia participated in a collaborative marine survey in Darwin Harbour with the Australian Institute of Marine Science and the Northern Territory Government. This work, which is funded from environmental offsets, is establishing a baseline of marine information to inform the environmental management of development in the harbour.</p>

Table 30: Managing Australia's marine jurisdiction—performance against key performance indicators, 2014-15

Key performance indicator	2014-15 target	2014-15 actual
Provide legal clarity around Australia's rights to its marine estate and the rights of users within it	Ongoing	<p>Geoscience Australia provided clarity on the need for changes to maritime boundaries at Scott Reef to the satisfaction of the petroleum industry and government agencies.</p> <p>Processes continue to be developed for improving the consistency of maritime boundary information delivery with Australian Government legislative processes and standards developed by the International Hydrographic Organization.</p>
Support the sustainable development of Australia's marine resources	Ongoing	<p>New data and interpretations from projects funded under the National CO₂ Infrastructure Plan are being used to establish environmental baselines for potential CO₂ storage locations, including environmental information on sensitive marine habitats and assessments of seal integrity in potential CO₂ injection locations.</p> <p>Data acquired in Darwin Harbour in collaboration with the Australian Institute of Marine Science and the Northern Territory Government will form a baseline of information to support environmental monitoring and assessments as development in the harbour progresses.</p>
Support the effective management of key marine ecosystems	Ongoing	<p>Information from new data and derived products (maps, ecosystem models and summary reports) delivered through the National Environmental Research Program Marine Biodiversity Hub is being used by the Department of the Environment to inform the zoning review of Commonwealth marine reserves and to update the profile descriptions of specific key ecological features within the marine estate, including submarine canyons, banks and shoals in the Timor Sea.</p>

Gathering fundamental geographic information

Table 31: Gathering fundamental geographic information—performance against deliverables, 2014-15

Deliverable	2014-15 result
Authoritative source of fundamental geographic information including maps, data and global navigation information	<p>Geoscience Australia facilitated the evolution and maturity of Australia's Foundation Spatial Data Framework by defining roadmaps for the framework's 11 themes. The roadmaps outline a three-year programme of work to improve access and discoverability for the framework's 36 datasets. Profiles for the datasets were also published on the ANZLIC website, which is hosted by the Department of Communications.</p> <p>A major data acquisition programme was conducted for the Murray-Darling Basin Authority, capturing lidar high-resolution elevation data to map the floodplains of the Darling River Basin. Data covering 40 000 km² were captured during 2014-15; another 20 000 km² will be acquired during 2015-16.</p> <p>The improved national surface water dataset was published as a web service, improving the data quality of surface water information held by Australia's mapping agencies and aggregating it into a single consistent national dataset. This dataset forms the basis for the Bureau of Meteorology's Australian Hydrological Geospatial Fabric and other obligations under the <i>Water Act 2007</i>.</p> <p>Geoscience Australia continued to operate and maintain Earth observing and geodetic Earth monitoring observatory networks, providing data to underpin navigation, environmental and hazard monitoring, infrastructure development and space weather monitoring.</p>
Establishment and maintenance of facilities and arrangements to ensure Australia's ongoing access to fundamental national scale satellite data	<p>A key factor in ensuring Australia's access to national scale satellite data is Geoscience Australia's management of the satellite ground station at Alice Springs. Major achievements in 2014-15 included:</p> <ul style="list-style-type: none"> ■ signing a memorandum of understanding with the United States Geological Survey, confirming an ongoing relationship in managing Landsat satellites ■ commencing a \$3.4 million refurbishment project, scheduled for completion in March 2016, for the primary antenna at the ground station ■ acquiring from the Department of the Environment a 9 m antenna located in Darwin, and planning a project to move it to the ground station at Alice Springs in 2015-16.
Analysis of geospatial information to monitor changes to the natural and built environment through time	<p>Geoscience Australia's Water Observations from Space (WOfS) web service was expanded from 15 years of data (1998 to 2012) to 28 years of data (1987 to the present). WOfS contains historical surface water observations from Landsat satellite imagery over Australia, enabling improved understanding of landscape processes associated with changes in surface water through time.</p>

Deliverable	2014-15 result
Provision of spatial data to underpin positioning systems and location information	<p>Geoscience Australia continued to observe, analyse and provide free access to geodetic data which underpin the Australian datum, the Geocentric Datum of Australia (GDA). Tools and services were also provided to allow Australians to position themselves accurately, including legal traceability that provides an authoritative connection to the Australian datum.</p> <p>Under Geoscience Australia's leadership, the Intergovernmental Committee on Surveying and Mapping agreed to modernise the Australian datum to account for the continual movement of the Australian landmass. This work will create a new plate-fixed datum from 2017, followed by a time-dependent datum progressing from 2020.</p> <p>The complete set of 24 visual terminal charts and 15 visual navigation charts was delivered to Airservices Australia. The charts are essential tools for pilots in planning and executing safe aeronautical travel. In addition, Geoscience Australia commenced work with Airservices Australia and the Royal Australian Air Force to improve the quality of datasets showing the location and height of vertical obstacles as part of the conformance of these data to Civil Aviation Regulation 175, which came into effect in March 2015.</p>

Table 32: Gathering fundamental geographic information—performance against key performance indicators, 2014-15

Key performance indicator	2014-15 target	2014-15 actual
Provide the ability to relate information to location and integrate different location information datasets	Ongoing	<p>Geoscience Australia's National Exposure Information System (NEXIS) was updated with recent fundamental geographic and statistical data, enabling the generation and release of new products for buildings and agriculture exposure based on standard geographic boundaries. A new population density web service based upon the population counts derived from NEXIS was also released. Geoscience Australia uses exposure data for natural hazard and vulnerability modelling and impact analysis.</p> <p>The data were provided to the Department of the Environment for climate adaptation reporting, and were provided as exposure reports to the Australian Government Crisis Coordination Centre to help in disaster impact assessments for the South Australian Sampson Flat bushfire in January 2015 and tropical cyclones Marcia and Lam in February 2015 and Nathan in March 2015.</p>

Key performance indicator	2014-15 target	2014-15 actual
Provide access to fundamental geographic information	Ongoing	<p>Geoscience Australia continued to acquire and distribute Earth observation images, bathymetry data and mapping to support a broad range of public and private sector programmes, including the search for missing Malaysia Airlines flight MH370.</p> <p>Geoscience Australia collaborated with the Department of Communications and NICTA (National ICT Australia) to develop NationalMap, an online mapping tool for discovering, viewing and accessing a range of open and low-cost geographic data from the Australian Government and state and territory governments. The beta version of NationalMap was released in March 2015, and the final version is to be launched in early 2015-16. The underlying platform was used as the foundation for the Australian Renewable Energy Mapping Infrastructure, a mapping tool intended to provide fundamental geographic information to assist in the planning for renewable energy infrastructure development, developed by the Australian Renewable Energy Agency, NICTA and Geoscience Australia.</p> <p>Geoscience Australia continued to provide free access to geodetic data, including Global Navigation Satellite System (GNSS) data, site position time series and real-time data streams.</p>
Provide legal clarity and traceability of information	Ongoing	<p>Geoscience Australia, as a Verifying Authority for Position appointed by the National Measurement Institute's Chief Metrologist, analysed more than 500 GPS datasets and issued 148 certificates to dataset owners to provide legal traceability to the Australian datum during 2014-15.</p> <p>Geoscience Australia also provided legal advice in cases relating to the performance of the GNSS in Australia.</p>
National Earth Observation Infrastructure Plan—public release	Quarter 2 2014-15	<p>The National Earth Observations from Space Infrastructure Plan (NEOS-IP) was developed to guide Australian Government agencies' investment in infrastructure to support access to and the use of satellite imagery. Geoscience Australia and the Bureau of Meteorology are working to implement the NEOS-IP and are using it to guide and prioritise investment decisions. Geoscience Australia is continuing to work with other agencies to promote appropriate aspects of the document, but at this stage it is not expected that the full document will be released.</p>

Maintaining Australia's geoscience knowledge and capability

Table 33: Maintaining Australia's geoscience knowledge and capability—performance against deliverables, 2014-15

Deliverable	2014-15 result
Curation and management of geoscience data, information and collections	<p>Geoscience Australia manages significant collections of digital data and physical samples.</p> <p>For the digital collections, a major advance during 2014-15 was the transfer of a number of large datasets to the High Performance Data infrastructure at the Australian National University's National Computational Infrastructure (NCI). At the start of 2014-15, one Geoscience Australia collection containing 0.5 petabytes of data, the Landsat archive, was housed at the NCI. Nine collections containing 2.2 petabytes of data were moved to the NCI during 2014-15, including the Sentinel Hotspots, Water Observations from Space, and national geophysical datasets. Six of these collections are available via web services.</p> <p>For the physical sample collections, the appointment of a curator was an important advance in 2014-15, delivering improved collection management. Approximately 10 per cent of the Commonwealth Paleontological Collection and 20 per cent of the National Mineral Collection were catalogued. All 13 000 National Mineral Collection specimens were co-located to the same archive area as other collections. Three new displays were created from the collections for educational and promotional purposes.</p> <p>For the Australian Stratigraphic Units Database, 220 new stratigraphic names were added during 2014-15, bringing the total number of names in the database to more than 51 000.</p> <p>Geoscience Australia continues to curate petroleum data and samples submitted under the <i>Offshore Petroleum and Greenhouse Gas Storage Act 2006</i>.</p> <p>In addition, Geoscience Australia continues to catalogue and archive rock samples as part of the national collection.</p>

Deliverable	2014-15 result
Datasets to be discoverable and easily accessed	<p>Seven hundred new datasets and publications were made discoverable online, bringing the total discoverable online to almost 22 000, of which nearly 14 000 are available for direct download. These datasets and publications are also available via national and international data portals, including the Australian Government's data.gov.au and spatial data catalogue (FIND); the Australian National Data Service; the National Library of Australia's Trove catalogue; the Australian Ocean Data Network Portal; and the international Group on Earth Observations portal.</p> <p>An increasing number of these datasets are being made available via web services. During 2014-15, 203 new web services were created, bringing the total to 501 and supplying 175 datasets in a variety of formats. Many of these web services are also available via the Australian Government's NationalMap interactive online mapping tool.</p> <p>The Geophysical Archive and Data Delivery System (GADDS) served nearly 4900 requests for data and provided more than 474 terabytes of data. Since GADDS began in late 2003, more than 77 000 requests have been received and more than 4.4 petabytes of data has been delivered. An aim for 2015-16 is to replace GADDS with NCI data services as the delivery mechanism for these geophysical datasets; this will enable improved integration with data from other geophysical data suppliers, such as the state and territory geoscience agencies.</p>
Establishment and maintenance of a national network of observatories to ensure ongoing access to fundamental data and systems	<p>Geoscience Australia continued to operate and maintain Earth monitoring observatory networks, which provide data to help government and industry with hazard monitoring, infrastructure management, navigation and space weather monitoring.</p>
Operation of laboratory facilities and analytical capability	<p>Geoscience Australia's laboratory facilities worked on nearly 8000 samples from across continental Australia and Australia's marine jurisdictions during 2014-15. More than 23 000 individual analyses and results were produced for internal stakeholders and for external stakeholders such as the Australian Institute of Marine Science, the Australian Antarctic Division and state and territory geoscience agencies. The analyses contributed to minerals, energy and environmental projects. Highlights included field collection and analytical contributions to the Stavely UNCOVER stratigraphic drilling programme in western Victoria, and grain-size and paleontological assessment of sea floor samples from Antarctica.</p>

Table 34: Maintaining Australia's geoscience knowledge and capability—performance against key performance indicators, 2014-15

Key performance indicator	2014-15 target	2014-15 actual
Geoscience data, information and collections are curated for enduring value and are discoverable and openly accessible	Ongoing	<p>During 2014-15, two developments were made in relation to international standards for data curation and management: Geoscience Australia became an Allocating Agent for the International Geo Sample Number (IGSN) organisation, allowing the implementation of internationally unique IGSNs for all samples; and Geoscience Australia started minting digital object identifiers (DOIs) for digital assets, enabling internationally unique citation of datasets.</p> <p>All offshore petroleum data and sample submissions, containing 4900 items of survey and well data, were catalogued and stored.</p> <p>All 741 requests for offshore petroleum data and information were resolved successfully, involving the delivery of 218 terabytes of digital data.</p> <p>Pursuant to the requirements of the <i>Offshore Petroleum and Greenhouse Gas Storage Act 2006</i>, all 336 authorisations from the National Offshore Petroleum Titles Administrator to make offshore petroleum well and survey data publicly available were implemented.</p>
Geoscience data, information and collections are usable and their applications promoted	Ongoing	<p>Geoscience Australia's data holdings are released using internationally recognised standards (including IGSN and DOI), allowing for interoperability and discoverability. Data products were promoted through the Australian and international data portals listed in the second deliverable above, as well as the annual GovHack event, which identifies innovative uses of government data. Monthly email alerts were also used to promote new data releases to interested stakeholders.</p>
Implement National Offshore Petroleum Information Management System (NOPIMS)	June 2015	<p>The NOPIMS, an online data discovery and delivery system for Australian offshore petroleum wells and seismic surveys, was released at the Australian Petroleum Production and Exploration Association (APPEA) Conference and Exhibition in May 2015. Reports and data for open-file offshore petroleum wells and seismic surveys after 1 January 2012 and selected data for the 2015 Offshore Petroleum Acreage Release were loaded into the system. This represented 22 per cent of all offshore petroleum wells and 11 per cent of seismic surveys.</p>

Financial performance

Operating result

In 2014-15, Geoscience Australia had an operating deficit of \$6.8 million, before adjusting for unfunded depreciation of \$11.3 million.

The entity's total income for the year was \$192.0 million; comprising \$126.8 million appropriated to the entity, \$59.2 million received from the sale of goods and services to related and external entities, and \$6.0 million as resources received free of charge and other gains. The \$6.0 million other gain is the transfer of antenna assets from the Department of the Environment in June 2015.

The entity's expenses were \$198.8 million. The major expense categories were employee expenses of \$78.5 million, supplier expenses of \$108.6 million and depreciation of \$11.3 million.

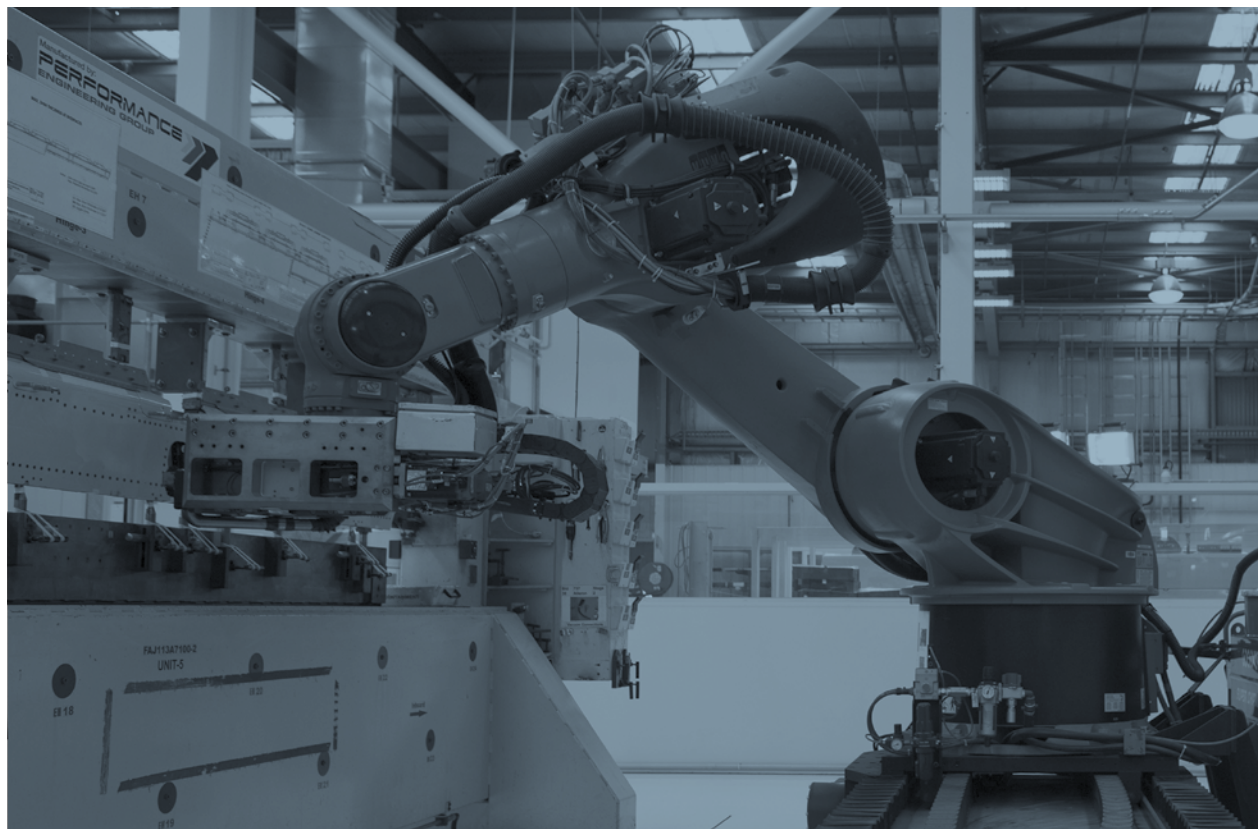
Note 20 in the financial statements compares the actual results to budgeted results as disclosed in the original budget (Portfolio Budget Statements 2014-15), as required by the new Australian Accounting Standards Board (AASB) 1055 Budgetary Reporting accounting standard.

Financial sustainability

Total equity as at 30 June 2015 was \$24.7 million. Total assets were \$133.8 million. Total liabilities were \$109.0 million. The entity has sufficient financial assets to pay its suppliers and other payables as and when they fall due. Non-financial assets consist mainly of plant and equipment and property (land and buildings) owned by the entity.

Administered items

Geoscience Australia administered one grant on behalf of government in 2014-15. A grant of \$0.02 million was made available to the Australian National Committee for the United Nations Educational, Scientific and Cultural Organization International Geoscience Programme.



CHAPTER 9

Geoscience Australia management and accountability

Corporate governance	186
Fraud control	186
External scrutiny	186
Management of human resources	187
Work health and safety	187
National Disability Strategy	187
Purchasing	188
Consultants and contracts	188
Grant programmes	188
Information Publication Scheme	188
Advertising and market research	188
Ecologically sustainable development and environmental performance	188
Service charter	189



GEOSCIENCE AUSTRALIA MANAGEMENT AND ACCOUNTABILITY

Corporate governance

Geoscience Australia's corporate governance arrangements and practices guide the management and operations of the entity to improve overall performance and strengthen accountability.

Geoscience Australia's governance framework includes advisory bodies and committees, as well as Accountable Authority Instructions, policies and procedural guidelines.

The entity is governed by an Advisory Board composed of its Senior Executive Service officials, plus four staff from the Executive Level (EL) and Australian Public Service (APS) classifications. The EL and APS staff has even female and male representation. The Advisory Board is supported by five committees—the Audit and Risk Committee, Security Committee, ICT Strategy Committee, Workplace Health and Safety Committee and Workplace Relations Committee.

Geoscience Australia's strategic plan is reviewed annually to ensure that the entity's portfolio of work reflects current Australian Government priorities and policy requirements. The strategic plan is implemented via more detailed annual work plans.

The organisation's governance practices comply with all statutory requirements and are reviewed regularly to ensure that they remain relevant and effective.

A new risk management framework consistent with the Commonwealth Risk Management Policy was adopted during 2014-15. This included a review of Geoscience Australia's divisional and strategic risks.

Fraud control

Geoscience Australia's fraud control framework is consistent with better practice and provides assurance that the organisation's fraud control strategies are robust. Ongoing fraud awareness training is provided for all staff. As required by the Fraud Rule and the Commonwealth Fraud Control Policy, Geoscience Australia updated its Fraud Control Plan in July 2014. The Fraud Control Plan details fraud prevention, detection, investigation and reporting procedures.

External scrutiny

In 2014-15, no judicial or administrative tribunal decisions were relevant to Geoscience Australia. No investigations into the organisation's operations were conducted by the Commonwealth Ombudsman or by any parliamentary committee.

Geoscience Australia appeared before the Senate Standing Committee on Economics for Senate estimates hearings once in 2014-15, on 3 June 2015.

Management of human resources

Key people management activities in 2014-15 to help Geoscience Australia meet its objectives included implementing a gender strategy to drive action towards creating and supporting a gender equitable and inclusive workplace culture, and improving the representation of women in leadership positions.

Workforce reporting was improved to provide more meaningful data to influence and inform organisational decision-making.

Geoscience Australia supported and developed employees through study scholarships, development grants and in-house learning and development programmes. The graduate programme continued, to attract science and information technology graduates to maintain Geoscience Australia's level of scientific excellence and innovation.

The Geoscience Australia Enterprise Agreement came into effect on 31 August 2011, with a nominal expiry date of 30 June 2014. Negotiations for a new agreement commenced in 2014-15 and will continue into 2015-16.

No performance payments were made by Geoscience Australia in 2014-15.

Geoscience Australia's workforce statistics tables are in Appendix B3.

Work health and safety

Geoscience Australia is committed to a system-based approach to ensuring the health, safety and wellness of workers and visitors. This approach is championed by the Chief Executive Officer through all levels of the organisation.

During 2014-15, Geoscience Australia undertook numerous initiatives to demonstrate its commitment to health, safety and wellness.

Key initiatives included:

- reviewing the work health and safety management system and commencing development of an AS/NZS 4801 and OHSAS 18001 compliant management system
- establishing a Mental Health First Aid Officer Network
- restructuring the Work Health and Safety Committee to include a balanced representation of health and safety representatives and management
- establishing an operational health and safety representative committee
- delivering a programme of monthly wellbeing activities
- offering influenza virus vaccinations to all employees, resulting in 22 per cent of employees being vaccinated
- promoting the Employee Assistance Programme, which resulted in a 10 per cent increase in the number of male employees accessing the programme.

During 2014-15, Geoscience Australia reported two notifiable incidents to Comcare, which required no further action, and received no Comcare statutory notices.

National Disability Strategy

The National Disability Strategy 2010-2020 sets out a ten-year national policy framework to improve the lives of people with disability, promote participation and create a more inclusive society. A high-level two-yearly report will track progress against each of the six outcome areas of the strategy and present a picture of how people with disability are faring. The first of these reports will be available in late 2015, and can be found on the Department of Social Services website (www.dss.gov.au).

Purchasing

During 2014-15, Geoscience Australia undertook its procurements in accordance with the Commonwealth Procurement Rules and the requirements of the entity's Chief Executive Instructions and Accountable Authority Instructions.

Geoscience Australia supports small business participation in the Australian Government procurement market. Participation statistics are available on the Department of Finance website (www.finance.gov.au/procurement/statistics-on-commonwealth-purchasing-contracts/).

Consultants and contracts

During 2014-15, Geoscience Australia entered into 11 new consultancy contracts involving total actual expenditure of \$0.380 million (GST inclusive). No ongoing consultancy contracts were active during 2014-15.

Consultants were engaged through the limited tender procurement method when the required specialised or professional skills were not available within Geoscience Australia; the main category was geoscientific advisory services.

Annual reports contain information about actual expenditure on contracts for consultancies. Information on the value of contracts and consultancies valued at \$10 000 and above is available on the AusTender website (www.tenders.gov.au).

The Chief Executive Officer did not exempt any contract let during 2014-15 from publication on AusTender on the basis that it would disclose exempt matters under the *Freedom of Information Act 1982*.

All contracts valued at \$100 000 or more (GST inclusive) let during 2014-15 allowed for the Auditor-General to have access to the contractor's premises.

Grant programmes

Information on grants awarded by Geoscience Australia during 2014-15 is available at the organisation's website (www.ga.gov.au/about/who-we-are/corporate-documents/grants-awarded).

Information Publication Scheme

Entities subject to the *Freedom of Information Act 1982* (FOI Act) are required to publish information to the public as part of the Information Publication Scheme (IPS). This requirement is in Part II of the FOI Act and has replaced the former requirement to publish a section 8 statement in an annual report. Each entity must display on its website a plan showing what information it publishes, in accordance with the IPS requirements. Geoscience Australia's IPS information is available on its website (www.ga.gov.au/ips).

Advertising and market research

During 2014-15, Geoscience Australia did not pay advertising agencies or marketing, polling or direct mail organisations above the reporting threshold of \$12 565 per payment.

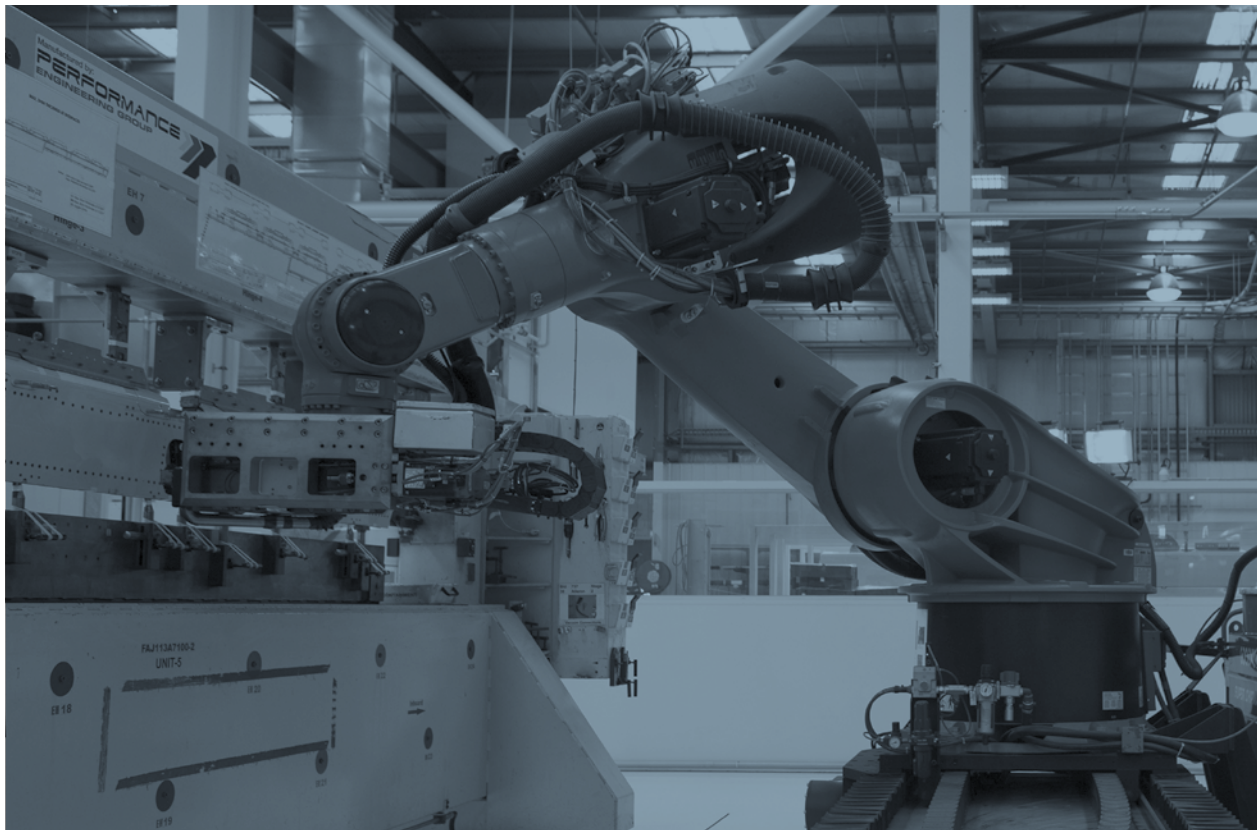
Ecologically sustainable development and environmental performance

In accordance with section 516A of the *Environment Protection and Biodiversity Conservation Act 1999*, a report on how Geoscience Australia's activities accord with and contribute to the principles of ecologically sustainable development and environmental performance is in Appendix B4.

Service charter

Geoscience Australia's Service Charter sets out standards of client service, client rights and responsibilities, and ways to obtain more information about the organisation's products and services. Specific metrics are provided for the provision of products and services related to the website and library. The charter applies to all clients, including other government agencies, community organisations, industry and members of the public.

The charter is available on the Geoscience Australia website (www.ga.gov.au/about/who-we-are/corporate-documents/service-charter).



CHAPTER 10

Geoscience Australia financial performance

Independent auditor's report	192
Statement by the Chief Executive and Chief Financial Officer	194
Financial statements	195



INDEPENDENT AUDITOR'S REPORT

To the Minister for Industry and Science

I have audited the accompanying annual financial statements of Geoscience Australia for the year ended 30 June 2015, which comprise:

- Statement by the Chief Executive Officer and Chief Financial Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement;
- Schedule of Commitments;
- Administered Schedule of Comprehensive Income;
- Administered Reconciliation Schedule;
- Administered Cash Flow Statement; and
- Notes comprising a Summary of Significant Accounting Policies and other explanatory information.

Accountable Authority's Responsibility for the Financial Statements

The Chief Executive Officer of Geoscience Australia is responsible under the *Public Governance, Performance and Accountability Act 2013* for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards and the rules made under that Act. The Chief Executive Officer is also responsible for such internal control as is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I have conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. These auditing standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial

GPO Box 707 CANBERRA ACT 2601
19 National Circuit BARTON ACT
Phone (02) 6203 7300 Fax (02) 6203 7777

statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Accountable Authority of the entity, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence


In conducting my audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

Opinion



In my opinion, the financial statements of Geoscience Australia:

- (a) comply with Australian Accounting Standards and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of Geoscience Australia as at 30 June 2015 and its financial performance and cash flows for the year then ended.

Australian National Audit Office



Phillip Sands
Executive Director
Delegate of the Auditor-General
Canberra
17 September 2015

Geoscience Australia	
STATEMENT BY THE CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER	
In our opinion, the attached financial statements for the year ended 30 June 2015 comply with subsection 42(2) of the Public Governance, Performance and Accountability Act 2013 (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.	
In our opinion, at the date of this statement, there are reasonable grounds to believe that Geoscience Australia will be able to pay its debts as and when they fall due.	
	
Signed.....	Signed.....
Dr Chris Pigram Chief Executive Officer	Darren Hooper Chief Financial Officer
17 /09/2015	17 /09/2015

Geoscience Australia

Statement of Comprehensive Income
for the period ended 30 June 2015

	Notes	2015 \$'000	2014 \$'000
NET COST OF SERVICES			
Expenses			
Employee benefits	4A	78,480	93,625
Suppliers	4B	108,606	103,938
Depreciation and amortisation	4C	11,266	7,924
Finance costs		23	48
Write-down and impairment of assets	4D	408	1,834
Foreign exchange losses		-	15
Losses from asset sales		15	-
Total expenses		198,798	207,384
Own-Source Income			
Own-source revenue			
Sale of goods and rendering of services	5A	59,106	58,325
Other revenue	5B	124	213
Total own-source revenue		59,230	58,538
Gains			
Foreign exchange gains		4	-
Reversals of previous asset write-downs and impairments		7	-
Other gains	5C	5,956	292
Total gains		5,967	292
Total own-source income		65,197	58,830
Net cost of services		(133,601)	(148,554)
Revenue from Government	5D	126,805	135,454
Deficit attributable to the Australian Government		(6,796)	(13,100)
OTHER COMPREHENSIVE INCOME			
Items not subject to subsequent reclassification to net cost of services			
Changes in asset revaluation surplus		(194)	(3,636)
Total other comprehensive loss		(194)	(3,636)
Total comprehensive loss attributable to the Australian Government		(6,990)	(16,736)

The above statement should be read in conjunction with the accompanying notes.

Statement of Financial Position
as at 30 June 2015

	Notes	2015 \$'000	2014 \$'000
ASSETS			
Financial assets			
Cash and cash equivalents		2,671	5,212
Trade and other receivables	7A	87,125	94,567
Other financial assets	7B	528	2,236
Total financial assets		<u>90,324</u>	<u>102,015</u>
Non-financial assets			
Land and buildings	8A	4,422	5,032
Heritage and cultural	8A	2,365	2,365
Property, plant and equipment	8A	28,525	25,079
Intangibles	8B	3,244	5,503
Other non-financial assets	8C	4,896	5,205
Total non-financial assets		<u>43,452</u>	<u>43,184</u>
Total assets		<u>133,776</u>	<u>145,199</u>
LIABILITIES			
Payables			
Suppliers	9A	20,747	13,358
Other payables	9B	61,759	79,722
Total payables		<u>82,506</u>	<u>93,080</u>
Provisions			
Employee provisions	10A	25,936	24,455
Other provisions	10B	600	552
Total provisions		<u>26,536</u>	<u>25,007</u>
Total liabilities		<u>109,042</u>	<u>118,087</u>
Net assets		<u>24,734</u>	<u>27,112</u>
EQUITY			
Parent entity interest			
Contributed equity		32,926	28,314
Reserves		8,128	8,322
Accumulated deficit		(16,320)	(9,524)
Total parent entity interest		<u>24,734</u>	<u>27,112</u>
Total equity		<u>24,734</u>	<u>27,112</u>

The above statement should be read in conjunction with the accompanying notes.

Statement of Changes in Equity
for the period ended 30 June 2015

	Retained earnings		Asset revaluation surplus		Contributed equity/capital		Total equity	
	2015	2014	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance	(9,524)	3,576	8,322	11,958	28,314	24,585	27,112	40,119
Comprehensive income								
Deficit for the period	(6,796)	(13,100)					(6,796)	(13,100)
Other comprehensive losses	-	-	(194)	(3,636)	-	-	(194)	(3,636)
Total comprehensive income	(6,796)	(13,100)	(194)	(3,636)	-	-	(6,990)	(16,736)
Transactions with owners								
Contributions by owners								
Equity injection - Appropriations	-	-	-	-	10	160	10	160
Departmental capital budget	-	-	-	-	4,602	3,569	4,602	3,569
Total transactions with owners	-	-	-	-	4,612	3,729	4,612	3,729
Closing balance as at 30 June	(16,320)	(9,524)	8,128	8,322	32,926	28,314	24,734	27,112

The above statement should be read in conjunction with the accompanying notes.

Cash Flow Statement*for the period ended 30 June 2015*

	Notes	2015 \$'000	2014 \$'000
OPERATING ACTIVITIES			
Cash received			
Appropriations		193,056	177,119
Sale of goods and rendering of services		42,135	51,988
Net GST received		9,345	8,448
Total cash received		<u>244,536</u>	<u>237,555</u>
Cash used			
Employees		(81,182)	(91,803)
Suppliers		(111,563)	(92,101)
Section 74 receipts transferred to OPA		(52,484)	(48,036)
Total cash used		<u>(245,229)</u>	<u>(231,940)</u>
Net cash from/(used by) operating activities	11	<u>(693)</u>	<u>5,615</u>
INVESTING ACTIVITIES			
Cash used			
Purchase of property, plant and equipment		(5,394)	(5,960)
Purchase of intangibles		(1,066)	(2,504)
Total cash used		<u>(6,460)</u>	<u>(8,464)</u>
Net cash used by investing activities		<u>(6,460)</u>	<u>(8,464)</u>
FINANCING ACTIVITIES			
Cash received			
Contributed equity		4,612	3,729
Total cash received		<u>4,612</u>	<u>3,729</u>
Net cash from/(used by) financing activities		<u>4,612</u>	<u>3,729</u>
Net increase/(decrease) in cash held		<u>(2,541)</u>	880
Cash and cash equivalents at the beginning of the reporting period		<u>5,212</u>	4,332
Cash and cash equivalents at the end of the reporting period		<u>2,671</u>	<u>5,212</u>

The above statement should be read in conjunction with the accompanying notes.

Schedule of Commitments
as at 30 June 2015

	2015	2014
BY TYPE	\$'000	\$'000
Commitments receivable		
Other receivables	11,806	3,818
Net GST recoverable on commitments ¹	48,649	45,056
Total commitments receivable	60,455	48,874
Commitments payable		
Capital commitments		
Property, plant and equipment ²	301	243
Intangibles	-	589
Total capital commitments	301	832
Other commitments		
Operating leases ³	520,369	467,725
Other ⁴	25,250	45,527
Total other commitments	545,619	513,252
Total commitments payable	545,920	514,084
Net commitments by type	(485,465)	(465,210)
BY MATURITY		
Commitments receivable		
Other commitments receivable		
Within 1 year	10,744	6,002
Between 1 to 5 years	14,079	11,674
More than 5 years	35,632	31,198
Total other commitments receivable	60,455	48,874
Total commitments receivable	60,455	48,874
Commitments payable		
Capital commitments		
Within 1 year	301	551
Between 1 to 5 years	-	211
More than 5 years	-	70
Total capital commitments	301	832
Operating lease commitments		
Within 1 year	24,481	23,583
Between 1 to 5 years	103,952	101,037
More than 5 years	391,936	343,105
Total operating lease commitments	520,369	467,725
Other Commitments		
Within 1 year	18,188	37,716
Between 1 to 5 years	7,039	7,732
More than 5 years	23	79
Total other commitments	25,250	45,527
Total commitments payable	545,920	514,084
Net commitments by maturity	(485,465)	(465,210)

Note:

1. Commitments are GST inclusive where relevant.
2. Capital commitments are primarily contracts for the upgrade on the 9m Antenna in Alice Springs.
3. A lease variation to property at Symonston was signed 03 June 2014. Operating leases included were effectively non-cancellable.
4. The nature of other commitments are contracts for geoscientific data and facilities management services.

The above schedule should be read in conjunction with the accompanying notes.

Administered Schedule of Comprehensive Income
for the period ended 30 June 2015

	Notes	2015 \$'000	2014 \$'000
NET COST OF SERVICES			
Expenses			
Grants	15A	20	20
Total expenses		<u>20</u>	<u>20</u>
Net (cost of)/contribution by services		<u>(20)</u>	<u>(20)</u>
Total comprehensive income/(loss)		<u>(20)</u>	<u>(20)</u>

The above schedule should be read in conjunction with the accompanying notes.

Administered Reconciliation Schedule

	Notes	2015 \$'000	2014 \$'000
Opening assets less liabilities as at 1 July		-	139
Adjusted opening assets less liabilities		<u>-</u>	<u>139</u>
Net (cost of)/contribution by services			
Expenses			
Payments to entities other than corporate Commonwealth entities		20	20
Transfers (to)/from the Australian Government			
Appropriation transfers from Official Public Account			
Annual appropriations			
Payments to entities other than corporate Commonwealth entities		20	20
Appropriation transfers to OPA			
Transfers to OPA		-	(139)
Closing assets less liabilities as at 30 June		<u>-</u>	<u>-</u>

The above schedule should be read in conjunction with the accompanying notes.

Administered Cash Flow Statement
for the period ended 30 June 2015

	Notes	2015 \$'000	2014 \$'000
OPERATING ACTIVITIES			
Cash used			
Grants		20	20
Net GST paid		-	2
Total cash used		<u>20</u>	<u>22</u>
Net cash from/(used by) operating activities	16	<u>(20)</u>	<u>(22)</u>
Cash and cash equivalents at the beginning of the reporting period			
		-	139
Cash from Official Public Account			
Appropriations			
		20	22
Total cash from official public account		<u>20</u>	<u>22</u>
Cash to Official Public Account			
Transfer to other entities			
		-	(139)
Total cash to official public account		<u>-</u>	<u>(139)</u>
Cash and cash equivalents at the end of the reporting period		<u>-</u>	<u>-</u>

This schedule should be read in conjunction with the accompanying notes.

Geoscience Australia has no Administered Assets and Liabilities in 2015 (2014: nil).

Geoscience Australia has no Administered Commitments in 2015 (2014: nil).

Table of Contents - Notes

Note 1: Summary of Significant Accounting Policies
Note 2: Events After the Reporting Period
Note 3: Net Cash Appropriation Arrangements
Note 4: Expenses
Note 5: Own-Source Income
Note 6: Fair Value Measurements
Note 7: Financial Assets
Note 8: Non-Financial Assets
Note 9: Payables
Note 10: Provisions
Note 11: Cash Flow Reconciliation
Note 12: Senior Management Personnel Remuneration
Note 13: Financial Instruments
Note 14: Financial Assets Reconciliation
Note 15: Administered - Expenses
Note 16: Administered - Cash Flow Reconciliation
Note 17: Appropriations
Note 18: Special Accounts
Note 19: Reporting of Outcomes
Note 20: Budgetary Reports and Explanations of Major Variances
Note 21: Cooperative Research Centres (CRCs)
Note 22: Restructuring

Note 1: Summary of Significant Accounting Policies**1.1 Objectives of Geoscience Australia**

Geoscience Australia (GA) is an Australian Government controlled entity. It is a not-for-profit entity. The objective of GA is to produce first class geoscientific information and knowledge.

GA is structured to meet one outcome: to inform 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.

The continued existence of GA in its present form and with its present programs is dependent on Government policy and on continuing funding by Parliament for GA's administration and programs.

GA's activities contributing toward this outcome are classified as either departmental or administered. Departmental activities involve the use of assets, liabilities, income and expenses controlled or incurred by GA in its own right. Administered activities involve the management or oversight by GA, on behalf of the Government, of items controlled or incurred by the Government.

GA administers a grant to the International Geological Correlation Program on behalf of the Government.

1.2 Basis of Preparation of the Financial Statements

The financial statements are general purpose financial statements and are required by section 42 of the *Public Governance, Performance and Accountability Act 2013*.

The financial statements have been prepared in accordance with:

- a) Financial Reporting Rule (FRR) for reporting periods ending on or after 1 July 2014; and
- b) Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial statements are presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

Unless an alternative treatment is specifically required by an accounting standard or the FRRs, assets and liabilities are recognised in the statement of financial position when and only when it is probable that future economic benefits will flow to GA or a future sacrifice of economic benefits will be required and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under executory contracts are not recognised unless required by an accounting standard. Liabilities and assets that are unrecognised are reported in the schedule of commitments or the contingencies note.

Unless alternative treatment is specifically required by an accounting standard, income and expenses are recognised in the Statement of Comprehensive Income when and only when the flow, consumption or loss of economic benefits has occurred and can be reliably measured.

1.3 Significant Accounting Judgements and Estimates

In the process of applying the accounting policies listed in this note, GA has made the following judgements that have the most significant impact on the amounts recorded in the financial statements:

- The fair value of land which will continue to be used for research activities, and buildings held for specialised purposes and where there is no readily available market price has been taken to be Fair Value - Highest and Best Use (level 3 inputs), as determined by an independent valuer;
- The fair value of plant and equipment has been taken to be Fair Value – Highest and Best Use (level 3 inputs) as determined by an independent valuer;
- The fair value of leasehold improvements has been taken to be Fair Value – Highest and Best Use (level 3 inputs) as determined by an independent valuer;

- Annual leave liability and long service leave provisions – estimated on the basis of the short-hand method outlined in the FRRs; and
- Useful lives for all fixed and intangible assets – based on the GA policy.

1.4 New Australian Accounting Standards

Adoption of new Australian Accounting Standard requirements

GA has adopted AASB 2015-7 earlier than the application date as stated in the standard. This standard exempts not-for-profit public sector entities from certain requirements of the AASB 13 - fair value measurement. Refer the table below for further explanation.

Note no other accounting standards have been adopted earlier than the application date as stated in the standard of the new standards, amendments to standards and interpretations issued prior to the sign-off date that are applicable to the current period.

The following new/revised accounting standards and interpretations were issued prior to the signing of the statement by the Chief Executive Officer and Chief Financial Officer, were applicable to the current reporting period and had a material effect on the entity's financial statements:

Standard/ Interpretation	Nature of change/s in accounting policy adjustment to the financial statements
AASB 1055 <i>Budgetary Reporting</i>	<p>AASB 1055 sets out budgetary disclosure requirements for whole-of-government financial statements, each government's General Government Sector (GGS) financial statements and financial statements for each not-for-profit entity within the GGS.</p> <p>AASB 1055 requires disclosure of the Original Budget as well as explanations for major variances between the Original Budget and the actual amount disclosed in the financial statements.</p> <p>The Original Budget is the first budget presented to Parliament for the reporting period.</p> <p>Where Budget information has not been presented on the same basis and classification as the financial statements, AASB 1055 requires Budget information be restated to be consistent with the financial statements.</p> <p>AASB 1055 requirements apply to both departmental and administered items.</p> <p>Major variance explanation disclosures are those relevant to the information needs of users when assessing performance and accountability.</p> <p>AASB 1055 does not require prior-year budget comparatives.</p>
AASB 2015-7 - Fair Value Disclosures of Not-For-Profit Public Sector Entities	<p>Provides relief for not-for-profit public sector entities from disclosing the fair value measurement of property, plant and equipment assets which are primarily held for internal or policy use, rather than to generate future cash flows.</p> <p>The two relief options for the Public Sector are as follows:</p> <ul style="list-style-type: none"> • disclosure of quantitative information about the inputs used in fair value measurement; and • sensitivity of the fair value measurements due to changes in inputs used for the measurement.

Future Australian Accounting Standard Requirements

Of the new, revised or amending Standards or Interpretations that were issued prior to the sign-off date and are applicable to future reporting periods are not expected to have a future material impact on Geoscience Australia's financial statements except for the new AASB 15: Revenue from contracts with customers.

AASB 15 will be due for implementation for the year ended 30 June 2018.

The main objectives of the new AASB 15 are to:

- Provide a single revenue recognition model based on the transfer of goods and services and the consideration expected to be received in return for that transfer. The model will improve comparability over a range of industries, companies and geographical boundaries.
- Remove inconsistencies and weaknesses in existing revenue recognition standards.

- Simplify the preparation of financial statements by reducing the number of requirements to which preparers must refer.
- Enhance disclosures about revenue, providing guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improving guidance for multiple-element arrangements.
- The standard will require retrospective application but there are transition requirements which allow two alternative retrospective application methods.

The standard introduces a revised contract-based five-step revenue recognition model, which addresses multiple element arrangements and may accelerate or defer revenue recognition. This standard's implementation will likely impact GA as it recognises contract revenues. GA is yet to quantify the full impact of the new standard for future reporting periods.

1.5 Revenue

Revenue from the sale of goods is recognised when:

- the risks and rewards of ownership have been transferred to the buyer;
- GA retains no managerial involvement or effective control over the goods;
- the revenue and transaction costs incurred can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to GA.

Revenue from rendering of services is recognised by reference to the stage of completion of contracts at the reporting date. The revenue is recognised when:

- the amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- the probable economic benefits related to the transaction will flow to GA.

The stage of completion of contracts at the reporting date is determined by reference to the proportion that costs incurred to date relate to the estimated total cost of the contract.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any allowance for impairment. Collectability of debts is reviewed at the end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

Resources Received Free of Charge

Resources received free of charge are recognised as revenue when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

Resources received free of charge are recorded as either revenue or gains depending on their nature.

Revenue from Government

Amounts appropriated for departmental appropriations for the year (adjusted for any formal additions and reductions) are recognised as Revenue from Government when GA gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned. Appropriations receivable are recognised at their nominal amounts.

1.6 Gains

Resources Received Free of Charge

Resources received free of charge are recognised as gains when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

Resources received free of charge are recorded as either revenue or gains depending on their nature.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition, unless received from another Government entity as a consequence of a restructuring of administrative arrangements order (refer to Note 1.7).

Sale of Assets

Gains from disposal of assets are recognised when control of the asset has passed to the buyer.

1.7 Transactions with the Government as Owner

Equity Injections

Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) and Departmental Capital Budgets (DCBs) are recognised directly in contributed equity in that year.

Restructuring of Administrative Arrangements

Net assets received from or relinquished to another Government entity under a restructuring of administrative arrangements order are adjusted at their book value directly against contributed equity.

1.8 Employee Benefits

Liabilities for 'short-term employee benefits' (as defined in AASB 119 *Employee Benefits*) and termination benefits expected within twelve months of the end of the reporting period are measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits are measured as the net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at the end of the reporting period of plan assets (if any) out of which the obligations are to be settled directly.

Leave

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of GA is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including GA's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave has been determined by the short-hand method prescribed by FRR. The liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at 30 June 2015. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Separation and Redundancy

Provision is made for separation and redundancy benefit payments. GA recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

Superannuation

GA's staff are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS) or the PSS accumulation plan (PSSap) or other schemes as choice allows.

The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance's administered schedules and notes.

GA makes employer contributions to the employees' superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the Government. GA accounts for the contributions as if they were contributions to defined contribution plans.

The liability for superannuation recognised as at 30 June represents outstanding contributions for the final fortnight of the year.

1.9 Leases

A distinction is made between finance leases and operating leases. Finance leases effectively transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership of leased assets. An operating lease is a lease that is not a finance lease. In operating leases, the lessor effectively retains substantially all such risks and benefits.

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense. GA has no finance leases.

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

1.10 Borrowing costs

All borrowing costs are expensed as incurred.

1.11 Purchase of data and data received free of charge

Purchased data and data received free of charge is utilised for the purpose of research to attain scientific knowledge. The costs of purchase, storage and maintenance of this data are treated as an operating expense.

1.12 Cash

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand and cash at bank.

1.13 Financial Assets

GA classifies its financial assets in the following categories:

- financial assets at fair value through profit or loss; and
- loans and receivables.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Financial assets are recognised and derecognised upon trade date.

Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest rate basis except for financial assets that are recognised at fair value through profit or loss.

Loans and Receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

Impairment of Financial Assets

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial assets are assessed for impairment at the end of each reporting period.

Financial assets held at amortised cost - if there is objective evidence that an impairment loss has been incurred for loans and receivables or held to maturity investments held at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in the Statement of Comprehensive Income.

Financial assets held at cost - if there is objective evidence that an impairment loss has been incurred, the amount of the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate for similar assets.

1.14 Jointly Controlled Entities

The proportionate interests in Co-Operative Research Centres (CRC) regarded as joint operations are disclosed in the financial statements under appropriate headings. Their primary source of funding is from the Australian Government and funding is progressively drawn down over the life of the CRCs and distributed to participants.

CRCs are a research initiative of the Commonwealth Government established to pursue specific areas of research. A common deliverable of a CRC is the creation of specific intellectual property, which may (or may not have) a commercial value. CRC participants generally have a significant focus on research (e.g. CSIRO, universities and/or private sector bodies).

All contributions made by GA are expensed as incurred in the Statement of Comprehensive Income unless the value of any future economic benefit received/receivable by GA is able to be reliably measured and is considered to be material to the financial statements. In this case, the investment in the CRC is accounted for using the equity method.

GA is a participant in four CRCs and the names of these CRCs are disclosed in Note 21.

1.15 Financial Liabilities

Financial liabilities are recognised and derecognised upon 'trade date'.

Other Financial Liabilities

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (irrespective of having been invoiced).

1.16 Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognised in the statement of financial position but are reported in the reported in the notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

1.17 Acquisition of Assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor's accounts immediately prior to the restructuring.

1.18 Property, Plant and Equipment

Asset Recognition Threshold

Purchases of property, plant and equipment are recognised initially at cost in the statement of financial position, except for purchases costing less than \$2,500, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to 'make good' provisions in property leases taken up by GA where there exists an obligation to restore the property to its original condition. These costs are included in the value of GA's leasehold improvements with a corresponding provision for the 'make good' recognised.

Revaluations

Following initial recognition at cost, property, plant and equipment were carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Valuations were conducted with sufficient frequency to ensure that the carrying amounts of assets did not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depended upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments are made on a class basis. Any revaluation increment was credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets were recognised directly in the surplus/deficit except to the extent that they reversed a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to GA using, in all cases, the straight-line method of depreciation.

Leasehold improvements are amortised on a straight-line basis over the lesser of the estimated useful life of the improvements or the unexpired period of the lease.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2015	2014
Buildings on freehold land	40 years	40 years
Leasehold improvements	7 years or lease term	7 years or lease term
Plant and equipment	4 to 25 years	4 to 25 years
Heritage and cultural	Indefinite	Indefinite

Impairment

All assets were assessed for impairment at 30 June 2015. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if GA were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further economic benefits are expected from its use or disposal.

Heritage and Cultural Assets

GA's heritage and cultural assets comprise:

- a collection of minerals which are primarily held for public exhibition and education; and
- the Commonwealth Paleontological Collection (CPC) – which includes internationally recognised reference specimens used to define fossil species under the International Codes of Botanical and Zoological Nomenclature. Such assets are irreplaceable and have indefinite useful lives.

A key objective of GA is the preservation and storage of its collections. It is currently documenting its collection preservation policy and aims to minimise change to collection material, to protect items from the adverse effects of climate and chemical deterioration, and to safeguard our heritage not only for here and now but for generations to come, and will make these available for public inspection upon approval.

1.19 IntangiblesSoftware

GA's intangibles comprise purchased software. These assets, except for purchases costing less than \$2,500 which are expensed in the year of acquisition, are carried at cost less accumulated amortisation and accumulated impairment losses.

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of GA's software are 2 to 6 years (2013 -14: 2 to 6 years).

All software assets were assessed for indications of impairment as at 30 June 2015.

1.20 Collections not recognised as assets

Through the process of national geological mapping, both onshore and in Australia's marine jurisdiction, and the national stewardship of cores, cuttings, and other samples and data submitted to the agency under the *Petroleum Search Subsidy Act [PSSA] 1957-1961*, *Petroleum [Submerged Lands] Act 1967* amended, and the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*, Geoscience Australia has diverse and comprehensive

geoscience collections used for scientific research and analysis purposes. The collections have been acquired since the inception of GA's forerunner, the Bureau of Mineral Resources, Geology and Geophysics (BMR), in 1946.

The rock and core collections include:

- geological reference samples of surface rock and cores collected during the mapping of Australia;
- physical cores and cuttings samples from offshore petroleum wells and stratigraphic boreholes holes which were submitted under various petroleum Acts referred to above; and
- oil, gas and other fluid samples submitted under the various petroleum Acts.

Numerous data collections are maintained including fundamental types such as:

- two and three dimensional seismic and non-seismic geophysical data;
- satellite earth observation data;
- geospatial data particularly geodetic data for positioning purposes; and
- elevation and bathymetry.

These are national, and in some cases international CPC, collections, that have enduring scientific value for the nation. These collections are deemed irreplaceable, with an indefinite useful life. They are not recognised as assets as their value is not reliably measurable.

1.21 Taxation

GA is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

1.22 Foreign Currency

Transactions denominated in a foreign currency are converted at the exchange rate at the date of the transaction. Foreign currency receivables and payables are translated at the exchange rates current as at balance date. Associated currency gains and losses are not material.

1.23 Comparative Figures

Some comparative figures have been adjusted to align with 2015 disclosure and the implementation of a new Financial Management Information System.

1.24 Compliance with statutory requirements

The Australian Government continues to have regard to developments in case law, including the High Court's most recent decision on Commonwealth expenditure in *Williams v Commonwealth* [2014] HCA 23, as they contribute to the larger body of law relevant to the development of Commonwealth programs. In accordance with its general practice, the Government will continue to monitor and assess risk and decide on any appropriate actions to respond to risks of expenditure not being consistent with constitutional or other legal requirements.

1.25 Reporting of Administered Activities

Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the administered schedules and related notes.

Except where otherwise stated below, administered items are accounted for on the same basis and using the same policies as for departmental items, including the application of Australian Accounting Standards.

Administered Cash Transfers to and from the Official Public Account

Revenue collected by GA for use by the Government rather than GA is administered revenue. Collections are transferred to the Official Public Account (OPA) maintained by the Department of Finance. Conversely, cash is drawn from the OPA to make payments under Parliamentary appropriation on behalf of Government. These transfers to and from the OPA are adjustments to the administered cash held by GA on behalf of the Government and reported as such in the schedule of administered cash flows and in the administered reconciliation schedule.

Revenue

All administered revenues are revenues relating to the course of ordinary activities performed by GA on behalf of the Australian Government. As such, administered appropriations are not revenues of the individual entity that oversees distribution or expenditure of the funds as directed.

Grants and Subsidies

GA administers one grant scheme on behalf of the Government which represents UN Grants-In-Aid to individuals.

The major financial activity was to provide UN Grants-In-Aid to support Australian involvement in International Geological Correlation Programme (IGCP) projects.

Note 2: Events After the Reporting Period**Departmental**

No events have occurred after balance date that should be brought to account or noted in the 2014-15 financial statements.

Administered

No events have occurred after balance date that should be brought to account or noted in the 2014-15 financial statements.

Note 3: Net Cash Appropriation Arrangements

	2015 \$'000	2014 \$'000
Total comprehensive income/(loss) less depreciation/amortisation expenses previously funded through revenue appropriations¹	4,276	(8,812)
Plus: depreciation/amortisation expenses previously funded through revenue appropriation	<u>(11,266)</u>	<u>(7,924)</u>
Total comprehensive loss - as per the Statement of Comprehensive Income	<u>(6,990)</u>	<u>(16,736)</u>

1. From 2010-11, the Government introduced net cash appropriation arrangements, where revenue appropriations for depreciation/amortisation expenses ceased. Entities now receive a separate capital budget provided through equity appropriations. Capital budgets are to be appropriated in the period when cash payment for capital expenditure is required.

Note 4: Expenses

	2015	2014
	\$'000	\$'000
Note 4A: Employee Benefits		
Wages and salaries	55,972	63,251
Superannuation		
Defined contribution plans	4,241	4,821
Defined benefit plans	7,735	8,969
Leave and other entitlements	8,977	9,192
Separation and redundancies	1,555	7,392
Total employee benefits	78,480	93,625
Note 4B: Suppliers		
Goods and services supplied or rendered		
Consultants	689	891
Outsourced services	28,575	50,883
Travel	4,092	4,458
IT services	14,740	5,853
Office expenses	1,113	1,142
Property outgoings	5,600	5,512
Direct operational costs	21,885	6,359
Other	4,462	3,905
Total goods and services supplied or rendered	81,156	79,003
Goods supplied in connection with		
Related parties	15	58
External parties	1,468	2,861
Total goods supplied	1,483	2,919
Services rendered in connection with		
Related parties	2,297	2,085
External parties	77,376	73,999
Total services rendered	79,673	76,084
Total goods and services supplied or rendered	81,156	79,003
Other suppliers		
Operating lease rentals in connection with		
External parties		
Minimum lease payments	27,014	24,915
Workers compensation expenses	436	20
Total other suppliers	27,450	24,935
Total suppliers	108,606	103,938

The chart of accounts was changed on 1 July 2014. These changes have contributed to some of the movements from the prior year categorisations.

Note 4C: Depreciation and Amortisation

Depreciation		
Property, plant and equipment	7,713	5,342
Buildings	617	543
Total depreciation	8,330	5,885
Amortisation		
Intangibles	2,936	2,039
Total amortisation	2,936	2,039
Total depreciation and amortisation	11,266	7,924

Note 4D: Write-Down and Impairment of Assets

Impairment on financial instruments	19	12
Impairment of property, plant and equipment	-	1,800
Impairment on intangible assets	389	22
Total write-down and impairment of assets	408	1,834

Note 5: Own-Source Income

	2015	2014
Own-Source Revenue	\$'000	\$'000

Note 5A: Sale of Goods and Rendering of Services**Sale of goods in connection with**

Related parties	326	634
External parties	630	2,584
Total sale of goods	956	3,218

Rendering of services in connection with

Related parties	36,428	31,104
External parties	21,722	24,003
Total rendering of services	58,150	55,107
Total sale of goods and rendering of services	59,106	58,325

Note 5B: Other Revenue

Resources received free of charge

Remuneration of auditors	89	89
Other revenue	35	124
Total other revenue	124	213

Gains**Note 5C: Other Gains**

Resources received free of charge

Computer software	-	292
Property, plant and equipment	5,956	-
Total other gains	5,956	292

Note 5D: Revenue from Government

Appropriations

Departmental appropriations	124,976	130,990
Supplementation		
Department of Industry and Science - Geoscience Australia	1,829	4,464
Total revenue from Government	126,805	135,454

Note 6: Fair Value Measurements

The following tables provide an analysis of assets and liabilities that are measured at fair value. The different levels of the fair value hierarchy are defined below.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at measurement date.
 Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
 Level 3: Unobservable inputs for the asset or liability.

Note 6A: Fair Value Measurements, Valuation Techniques and Inputs Used

	Fair value measurements at the end of the reporting period		For Levels 2 and 3 fair value measurements		Inputs used
	2015 \$'000	2014 \$'000	Category (Level 1, 2 or 3)	Valuation techniques ²	
Non-financial assets³					
Land	765	765	Level 3	Market Approach	Adjusted market transactions
Building	361	379	Level 3	Depreciated Replacement Cost (DRC)	Replacement Cost New (price per square metre)
Leasehold Improvements	3,296	3,888	Level 3	Depreciated Replacement Cost (DRC)	Consumed economic benefit / Obsolescence of asset
Infrastructure, Plant and Equipment	2,130	2,501	Level 2	Market Approach	Adjusted market transactions
Infrastructure, Plant & Equipment	26,395	22,578	Level 3	Depreciated Replacement Cost (DRC)	Replacement Cost New (price per square metre)
Heritage and Cultural Collection	2,165	2,165	Level 2	Market Approach	adjusted market transactions
Heritage and Cultural Collection (CPC Collection)	200	200	Level 3	Market Approach	adjusted market transactions
Total non-financial assets	35,312	32,476			
Total fair value measurements of assets in the statement of financial position	35,312	32,476			

Note 6B: Level 1 and Level 2 Transfers for Recurring Fair Value Measurements

1. Geoscience Australia had no transfers between level 1 and 2 of the measurement hierarchy. The entity's policy for determining when transfers between levels are deemed to have occurred can be found in Note 1.

Note 6: Fair Value Measurements (Cont'd)**Note 6C: Reconciliation for Recurring Level 3 Fair Value Measurements****Recurring Level 3 fair value measurements - reconciliation for assets**

	Financial assets						Non-financial assets					
	Land & Buildings		Leasehold improvements		Heritage and cultural		Other property, plant & equipment		Total			
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	
As at 1 July	1,144	6,102	3,888	3,866	200	22,578	26,803	27,810	27,810	36,771		
Total gains/(losses) recognised in net cost of services ¹	(18)	(143)	(598)	(401)	-	(6,577)	(7,139)	(7,193)	(7,193)	(7,683)		
Total gains/(losses) recognised in other comprehensive income ²	-	(242)	-	(748)	-	200	(4,434)	(59)	(59)	(5,224)		
Purchases	-	283	6	108	-	-	5,568	10,939	10,939	5,959		
Other movements	-	-	-	-	-	-	(2,501)	(480)	(480)	(2,501)		
Reclassification of assets class	-	(4,856)	-	1,063	-	-	4,281	-	-	488		
Total as at 30 June	1,126	1,144	3,296	3,888	200	26,395	22,578	31,017	31,017	27,810		

1. These gains/(losses) are presented in the Statement of Comprehensive Income under depreciation and amortisation.

2. This reflects the fair value decrement of level 3 property plant and equipment or impairment.

The entity's policy for determining when transfers between levels are deemed to have occurred can be found in Note 1.

Note 7: Financial Assets

	2015	2014
	\$'000	\$'000
Note 7A: Trade and Other Receivables		
Goods and services receivables in connection with		
Related parties	1,802	1,516
External parties	4,400	3,450
Total goods and services receivables	6,202	4,966
Appropriations receivables		
Existing programs	73,924	87,691
Total appropriations receivables	73,924	87,691
Other receivables		
Statutory receivables	1,048	1,922
Other	5,975	-
Total other receivables	7,023	1,922
Total trade and other receivables (gross)	87,149	94,579
Less impairment allowance		
Goods and services	(24)	(12)
Total impairment allowance	(24)	(12)
Total trade and other receivables (net)	87,125	94,567
Trade and other receivables (net) expected to be recovered		
No more than 12 months	87,094	94,567
More than 12 months	31	-
Total trade and other receivables (net)	87,125	94,567
Trade and other receivables (gross) aged as follows		
Not overdue	85,393	94,137
Overdue by		
0 to 30 days	1,643	51
31 to 60 days	23	40
61 to 90 days	5	62
More than 90 days	85	289
Total trade and other receivables (gross)	87,149	94,579
Impairment allowance aged as follows		
Overdue by		
61 to 90 days	(2)	-
More than 90 days	(22)	(12)
Total impairment allowance	(24)	(12)

Credit terms for goods and services are net 30 days (2014: 30 days).

Reconciliation of the Impairment Allowance**Movements in relation to 2015**

	Goods and services \$'000	Other receivables \$'000	Total \$'000
As at 1 July 2014	(12)	-	(12)
Amounts recovered and reversed	7	-	7
Increase/(Decrease) recognised in net cost of services	(19)	-	(19)
Total as at 30 June 2015	(24)	-	(24)

Movements in relation to 2014

	Goods and services \$'000	Other receivables \$'000	Total \$'000
As at 1 July 2013	-	-	-
Increase/(Decrease) recognised in net cost of services	(12)	-	(12)
Total as at 30 June 2014	(12)	-	(12)

	2015	2014
	\$'000	\$'000
Note 7B: Other Financial Assets		
Accrued Revenue	528	2,236
Total other financial assets	528	2,236

All other financial assets are expected to be recovered within 12 months.

Note 8: Non-Financial Assets**Revaluations of non-financial assets**

No revaluation was performed during the 2014-15 financial year.

Note 8A: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment**Reconciliation of the opening and closing balances of property, plant and equipment for 2015**

	Land \$'000	Buildings \$'000	Leasehold improvements \$'000	Total land and buildings \$'000	Heritage and cultural \$'000	Other property, plant & equipment \$'000	Total \$'000
As at 1 July 2014							
Gross book value	765	379	3,888	5,032	2,365	25,361	32,758
Accumulated depreciation and impairment	-	-	-	-	-	(282)	(282)
Total as at 1 July 2014	765	379	3,888	5,032	2,365	25,079	32,476
Additions							
Purchase	-	-	6	6	-	5,386	5,392
Resources received free of charge	-	-	-	-	-	5,956	5,956
Impairments recognised in other comprehensive income	-	-	-	-	-	(169)	(169)
Depreciation	-	(18)	(598)	(616)	-	(7,712)	(8,328)
Disposals	-	-	-	-	-	(15)	(15)
Total as at 30 June 2015	765	361	3,296	4,422	2,365	28,525	35,312
Total as at 30 June 2015 represented by							
Gross book value	765	379	3,894	5,038	2,365	36,357	43,760
Accumulated depreciation and impairment	-	(18)	(598)	(616)	-	(7,832)	(8,448)
Total as at 30 June 2015	765	361	3,296	4,422	2,365	28,525	35,312

Reconciliation of the opening and closing balances of property, plant and equipment for 2014

	Land \$'000	Buildings \$'000	Leasehold improvements \$'000	Total land and buildings \$'000	Heritage and cultural ¹ \$'000	Other property, plant & equipment \$'000	Total \$'000
As at 1 July 2013							
Gross book value	1,125	5,115	4,255	10,495	1,982	31,196	43,673
Accumulated depreciation and impairment	-	(138)	(389)	(527)	-	(4,393)	(4,920)
Total as at 1 July 2013	1,125	4,977	3,866	9,968	1,982	26,803	38,753
Additions							
Purchase	-	283	108	391	-	5,568	5,959
Revaluations recognised in other comprehensive income	(360)	118	(725)	(967)	383	(3,917)	(4,501)
Impairments recognised in other comprehensive income	-	-	(23)	(23)	-	(517)	(540)
Impairments recognised in net cost of services	-	-	-	-	-	(1,800)	(1,800)
Depreciation	-	(143)	(401)	(544)	-	(5,339)	(5,883)
Other movements							
Reclassification of assets class	-	(4,856)	1,063	(3,793)	-	4,281	488
Total as at 30 June 2014	765	379	3,888	5,032	2,365	25,079	32,476
Total as at 30 June 2014 represented by							
Gross book value	765	379	3,888	5,032	2,365	25,361	32,758
Accumulated depreciation and impairment	-	-	-	-	-	(282)	(282)
Total as at 30 June 2014	765	379	3,888	5,032	2,365	25,079	32,476

No Property, Plant and Equipment are expected to be sold or disposed of within the next 12 months.

Property, plant and equipment was assessed for impairment in accordance with the impairment policy stated at Note 1. This resulted in the recognition of an impairment write-down of \$168,299 (2014: \$539,522) which was recorded as other comprehensive income. There was also an impairment write-down of Nil (2014: \$1,800,000) which was recorded as an expense.

Note 8: Non-Financial Assets (Cont'd)**Note 8B: Reconciliation of the Opening and Closing Balances of Intangibles****Reconciliation of the opening and closing balances of intangibles for 2015**

	Computer software purchased \$'000
As at 1 July 2014	
Gross book value	8,560
Accumulated amortisation and impairment	(3,057)
Total as at 1 July 2014	5,503
Additions	
Purchase	1,066
Impairments recognised in net cost of services	(389)
Amortisation	(2,936)
Total as at 30 June 2015	3,244
Total as at 30 June 2015 represented by	
Gross book value	8,902
Accumulated amortisation and impairment	(5,658)
Total as at 30 June 2015	3,244

Reconciliation of the opening and closing balances of intangibles for 2014

	Computer software purchased \$'000
As at 1 July 2013	
Gross book value	6,310
Accumulated amortisation and impairment	(1,054)
Total as at 1 July 2013	5,256
Additions	
Purchase	2,504
Resources received free of charge	292
Impairments recognised in net cost of services	(22)
Amortisation	(2,039)
Other movements	
Reclassification of asset class	(488)
Total as at 30 June 2014	5,503
Total as at 30 June 2014 represented by	
Gross book value	8,560
Accumulated amortisation and impairment	(3,057)
Total as at 30 June 2014	5,503

Intangibles were assessed for impairment in accordance with the impairment policy stated at Note 1. This resulted in the recognition of an impairment write-down of \$389,016 (2014: \$22,464) which was recorded as an expense.

No intangibles are expected to be sold or disposed of within the next 12 months.

	2015	2014
	\$'000	\$'000
Note 8C: Other Non-Financial Assets		
Prepayments	4,896	2,705
Lease assets	-	2,500
Total other non-financial assets	4,896	5,205
Other non-financial assets expected to be recovered		
No more than 12 months	4,760	5,127
More than 12 months	136	78
Total other non-financial assets	4,896	5,205

No indicators of impairment were found for other non-financial assets.

Note 9: Payables

	2015	2014
	\$'000	\$'000
Note 9A: Suppliers		
Trade creditors and accruals	8,687	8,086
Operating lease rentals	<u>12,060</u>	<u>5,272</u>
Total suppliers	<u>20,747</u>	<u>13,358</u>
Suppliers expected to be settled		
No more than 12 months	14,050	8,086
More than 12 months	<u>6,697</u>	<u>5,272</u>
Total suppliers	<u>20,747</u>	<u>13,358</u>
Suppliers in connection with		
Related parties	67	58
External parties	<u>20,680</u>	<u>13,300</u>
Total suppliers	<u>20,747</u>	<u>13,358</u>
Supplier payables are settled within 30 days.		
Note 9B: Other Payables		
Wages and salaries	2,583	2,882
Superannuation	409	376
Separations and redundancies	1,108	2,071
Lease incentive	20,784	18,911
Prepayments received/unearned income	36,796	55,319
Other	<u>79</u>	<u>163</u>
Total other payables	<u>61,759</u>	<u>79,722</u>
Other payables expected to be settled		
No more than 12 months	29,945	62,000
More than 12 months	<u>31,814</u>	<u>17,722</u>
Total other payables	<u>61,759</u>	<u>79,722</u>

Note 10: Provisions

	2015	2014
	\$'000	\$'000
Note 10A: Employee Provisions		
Leave	25,936	24,455
Total employee provisions	25,936	24,455
Employee provisions expected to be settled		
No more than 12 months	7,808	8,460
More than 12 months	18,128	15,995
Total employee provisions	25,936	24,455
Note 10B: Other Provisions		
Provision for restoration	600	552
Total other provisions	600	552
Other provisions expected to be settled		
More than 12 months	600	552
Total other provisions	600	552
		Provision for restoration
		\$'000
As at 1 July 2014		552
Additional provisions made		26
Unwinding of discount or change in discount rate		22
Total as at 30 June 2015		600

GA currently has three (2014: 3) agreements for the leasing of premises which have provisions requiring GA to restore the premises to their original condition at the conclusion of the lease. GA has made a provision to reflect the present value of this obligation.

Note 11: Cash Flow Reconciliation

	2015	2014
	\$'000	\$'000
Reconciliation of cash and cash equivalents as per statement of financial position to cash flow statement		
Cash and cash equivalents as per		
Cash flow statement	2,671	5,212
Statement of financial position	<u>2,671</u>	<u>5,212</u>
Discrepancy	<u>-</u>	<u>-</u>
Reconciliation of net cost of services to net cash from/(used by) operating activities		
Net (cost of)/contribution by services	(133,601)	(148,554)
Revenue from Government	126,805	135,454
Adjustments for non-cash items		
Depreciation/amortisation	11,266	7,924
Net write down of non-financial assets	408	1,834
Loss disposal of assets	15	-
Resources received free of charge	(89)	(89)
Movements in assets and liabilities		
Assets		
(Increase)/Decrease in net receivables	3,239	(1,612)
(Increase)/Decrease in other non-financial assets	309	(560)
Liabilities		
Increase/(Decrease) in employee provisions	1,481	(3,585)
Increase/(Decrease) in suppliers payables	7,389	3,435
Increase/(Decrease) in other payables	(17,963)	12,724
Increase/(Decrease) in other provisions	<u>48</u>	<u>(1,356)</u>
Net cash from/(used by) operating activities	<u>(693)</u>	<u>5,615</u>

Note 12: Senior Management Personnel Remuneration

	2015	2014
	\$	\$
Short-term employee benefits		
Salary	1,546,772	1,517,153
Motor vehicle and other allowances	<u>10,630</u>	<u>4,178</u>
Total short-term employee benefits	<u>1,557,402</u>	<u>1,521,331</u>
Post-employment benefits		
Superannuation	<u>495,846</u>	<u>470,216</u>
Total post-employment benefits	<u>495,846</u>	<u>470,216</u>
Other long-term employee benefits		
Annual leave	134,232	173,848
Long-service leave	<u>85,572</u>	<u>84,824</u>
Total other long-term employee benefits	<u>219,804</u>	<u>258,672</u>
Termination benefits		
Early termination benefit	<u>93,244</u>	-
Total termination benefits	<u>93,244</u>	-
Total senior executive remuneration expenses	<u>2,366,296</u>	<u>2,250,219</u>

The total number of senior management personnel that are included in the above table is for seven substantive positions (2014: 7).

Note 13: Financial Instruments

	Notes	2015 \$'000	2014 \$'000
Note 13A: Categories of Financial Instruments			
Financial Assets			
Loans and receivables			
Cash and cash equivalents		2,671	5,200
Trade and other receivables		6,178	4,966
Other financial assets		528	2,236
Total loans and receivables		9,377	12,402
Total financial assets		9,377	12,402
Financial Liabilities			
Financial liabilities measured at amortised cost			
Trade creditors and accruals		8,687	8,086
Unearned income		36,796	55,319
Total financial liabilities measured at amortised cost		45,483	63,405
Total financial liabilities		45,483	63,405

Note 13B: Credit Risk

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. The maximum credit risk on financial assets of which GA recognised is exposed is the carrying amount net of any impairment loss as indicated in the balance sheet. Due to the majority of GA's receivables being from Government Agencies, such risk is considered to be low. GA held no collateral to mitigate against credit risk. The maximum exposure to credit risk is equal to the amount of receivables and other financial assets totalling \$6.706m.

Note 13C: Liquidity Risk

GA is appropriated funded from the Australian Government and has policies in place to ensure adequate funds are available to meet payments as they fall due, it is highly unlikely that GA will encounter difficulty in meeting its obligations associated with financial liabilities. GA has sufficient assets to meet its financial liabilities at 30 June 2015.

Note 13D: Market Risk**Currency risk**

Currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. GA was exposed to \$4,000 (2014: \$15,000 loss) foreign exchange currency gain in 2015 primarily through undertaking certain transactions denominated in foreign currency. The currency risk to GA is minimal.

Note 14: Financial Assets Reconciliation

	Notes	2015 \$'000	2014 \$'000
Total financial assets as per statement of financial position		90,324	102,015
Less: Non-financial instrument components			
Appropriation receivables	7A	73,924	87,691
Other receivables	7A	5,975	-
Statutory receivables	7A	1,048	1,922
Total non-financial instrument components		80,947	89,613
Total financial assets as per financial instruments note		9,377	12,402

Note 15: Administered - Expenses

	2015	2014
	\$'000	\$'000
Note 15A: Grants		
Private sector		
Australian UNESCO Committee for the International Geological Correlation Programme	20	20
Total grants	<u>20</u>	<u>20</u>

Note 16: Administered - Cash Flow Reconciliation

	2015	2014
	\$'000	\$'000
Reconciliation of cash and cash equivalents as per administered schedule of assets and liabilities to administered cash flow statement		
Cash and cash equivalents as per		
Schedule of administered cash flows	-	-
Schedule of administered assets and liabilities	-	-
Discrepancy	<u>-</u>	<u>-</u>
Reconciliation of net cost of services to net cash from/(used by) operating activities		
Net (cost of)/contribution by services	(20)	117
Movements in assets and liabilities		
Assets		
(Increase)/Decrease in net receivables	-	(139)
Liabilities		
Increase/(Decrease) in other payables	-	-
Net cash from/(used by) operating activities	<u>(20)</u>	<u>(22)</u>

Note 17: Appropriations**Note 17A: Annual Appropriations ('Recoverable GST exclusive')****Annual Appropriations for 2015**

	<i>Appropriation Act</i>		<i>PGPA Act</i>		Appropriation applied in 2015 (current and prior years) \$'000	Variance ³ \$'000
	Annual Appropriation ¹ \$'000	AFM ² \$'000	Section 74 \$'000	Total appropriation \$'000		
Departmental						
Ordinary annual services	131,407	-	42,818	174,225	190,733	(16,508)
Other services						
Equity	10	-	-	10	10	-
Total departmental	131,417	-	42,818	174,235	190,743	(16,508)
Administered						
Ordinary annual services						
Administered items	20	-	-	20	20	-
Total administered	20	-	-	20	20	-

1. GA received \$1.829m in supplementation for the 2014-15 financial year through Appropriation Act No. 5.

2. In 2014-15, there was no adjustment that met the recognition criteria of a formal addition or reduction in revenue (in accordance with FRR Part 6 Div 3) and at law the appropriations had not been amended before the end of the reporting period.

3. In 2014-15, the departmental variance was predominantly driven by Section 74 program spending for which receipts were received in previous years.

Annual Appropriations for 2014

	<i>Appropriation Act</i>		<i>FMA Act</i>		Appropriation applied in 2014 (current and prior years) \$'000	Variance ³ \$'000
	Annual Appropriation ¹ \$'000	AFM ² \$'000	Section 31 \$'000	Total appropriation \$'000		
Departmental						
Ordinary annual services	139,023	-	48,036	187,059	180,848	6,211
Other services						
Equity	160	-	-	160	-	160
Total departmental	139,183	-	48,036	187,219	180,848	6,371
Administered						
Ordinary annual services						
Administered items	20	-	-	20	20	-
Total administered	20	-	-	20	20	-

1. GA received \$4.464m in supplementation for the 2013-14 financial year through Appropriation Act No. 5 and \$169,000 of the departmental appropriation was reduced by Appropriation Act (No. 5) which previously was made available to GA through Appropriation Act (No. 1).

2. In 2013-14, there was no adjustment that met the recognition criteria of a formal addition or reduction in revenue (in accordance with FRR Part 6 Div 3) and at law the appropriations had not been amended before the end of the reporting period.

3. Departmental variances are as a result of the Section 31 revenue received in advance in 2013-14 which will be expensed and paid in 2014-15.

Note 17B: Departmental and Administered Capital Budgets ('Recoverable GST exclusive')

2015 Capital Budget Appropriations			Capital Budget Appropriations applied in 2015 (current and prior years)			
<i>Appropriation Act</i>	<i>PGPA Act</i>	Total Capital Budget Appropriations \$'000	Payments for non-financial assets ² \$'000	Total payments \$'000	Variance \$'000	
Annual Capital Budget \$'000	Section 75 \$'000					
Departmental						
Ordinary annual services - Departmental Capital Budget ¹						
4,602	-	4,602	6,629	6,629	(2,027)	

1. Departmental and Administered Capital Budgets are appropriated through Appropriation Acts (No.1,3,5). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts. For more information on ordinary annual services appropriations, please see Note 17A: Annual Appropriations.

2. Payments made on non-financial assets include purchases of assets, expenditure on assets which has been capitalised, costs incurred to make good an asset to its original condition, and the capital repayment component of finance leases.

2014 Capital Budget Appropriations			Capital Budget Appropriations applied in 2014 (current and prior years)			
<i>Appropriation Act</i>	<i>FMA Act</i>	Total Capital Budget Appropriations \$'000	Payments for non-financial assets ² \$'000	Total payments \$'000	Variance \$'000	
Annual Capital Budget \$'000	Section 32 \$'000					
Departmental						
Ordinary annual services - Departmental Capital Budget ¹						
3,569	-	3,569	7,467	7,467	(3,898)	

1. Departmental and Administered Capital Budgets are appropriated through Appropriation Acts (No.1,3,5). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts. For more information on ordinary annual services appropriations, please see Note 17A: Annual Appropriations.

2. Payments made on non-financial assets include purchases of assets, expenditure on assets which has been capitalised, costs incurred to make good an asset to its original condition, and the capital repayment component of finance leases.

Note 17C: Unspent Annual Appropriations ('Recoverable GST exclusive')

	2015 \$'000	2014 \$'000
Departmental		
Appropriation Act (No. 2) 2012-13 - Non Operating - Equity Injection	-	200
Appropriation Act (No. 1) 2013-14	-	87,331
Appropriation Act (No. 2) 2013-14 - Non Operating - Equity Injection	-	160
Appropriation Act (No. 1) 2013-14 - Cash	-	5,212
Appropriation Act (No. 1) 2014-15	72,856	-
Appropriation Act (No. 5) 2014-15	1,068	-
Appropriation Act (No. 1) 2014-15 - Cash	2,671	-
Total departmental	76,595	92,903

Note 18: Special Accounts

	Joint Australian U.S. Geological and Geophysical Research Station Special Account (Administered) ¹		Australia New Zealand Land Information Special Account (Administered) ²	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Balance brought forward from previous period	-	1	-	139
Increases				
Other receipts	-	4	-	1
Total increases	-	4	-	1
Available for payments	-	5	-	140
Decreases				
Special Public Money				
Fund transferred to the OPA	-	-	-	138
Total special public money	-	-	-	138
Administered				
Payments made to suppliers	-	5	-	2
Total administered	-	5	-	2
Total decreases	-	5	-	140
Total balance carried to the next period	-	-	-	-

1. Appropriation: *Financial Management and Accountability Act 1997* section 20.

Establishing Instrument: *Financial Management and Accountability Determination 2009/34*.

Purpose: For expenditure on agreed research projects and other program activities performed in conjunction with, or for private or other entities.

The Joint Australian U.S. Geological and Geophysical Research Station Account (JGGRS), established through Determination 2009/34, comprises funds from the United States Air Force (USAF). The funds are used to pay operating costs of the Joint Geology and Geophysics Station (JGGRS) at Alice Springs. This account is not included in the Schedule of Administered Items as Geoscience Australia only has custody and access to the funds to arrange disbursement in its capacity of providing administrative support. Geoscience Australia has no discretion over any of the funds contributed by USAF.

The JGGRS special account was closed on 01 July 2014. Geoscience Australia had no transactions in this account during the 2014-15 financial year.

2. Appropriation: *Financial Management and Accountability Act 1997* section 20.

Establishing Instrument: *Financial Management and Accountability Determination 2006/10*.

Purpose: For the expenditure of moneys to meet the financial and administrative operation of the National Office of ANZLIC.

The Australian New Zealand Land Information Special Account was established under section 20 of the *Financial Management and Accountability Act 1997* to: develop best practice policies and guidelines in spatial data management in Australia and New Zealand, and assist the growth of the spatial information industry in Australia and New Zealand.

The administration and reporting in relation to this account was transferred to the Department of Communication during the 2013-14 financial year.

Note 19: Reporting of Outcomes

GA only has one outcome: To inform 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

Note 19A: Net Cost of Outcome Delivery

	Outcome 1	
	2015 \$'000	2014 \$'000
Departmental		
Expenses	198,798	207,384
Own-source income	65,197	58,830
Administered		
Expenses	20	20
Income	-	-
Net cost/(contribution) of outcome delivery	133,621	148,574

Note 20: Budgetary Reports and Explanations of Major Variances

The following tables provide a comparison of the original budget as presented in the 2014-15 Portfolio Budget Statements (PBS) to the 2014-15 final outcome as presented in accordance with Australian Accounting Standards for the entity. The Budget is not audited.

Variances are considered to be 'major' based on the following criteria:

- the variance between budget and actual is greater than 10%; and
- The variance between budget and actual is greater than 1% of the relevant category (Income, Expenses and Equity totals); or
- an item below this threshold but is considered important for the reader's understanding or is relevant to an assessment of the discharge of accountability and to an analysis of performance of an entity.

Note 20A: Departmental Budgetary Reports

Statement of Comprehensive Income

for the period ended 30 June 2015

	Actual	Budget estimate	
	2015	Original ¹	Variance ²
	\$'000	\$'000	\$'000
NET COST OF SERVICES			
Expenses			
Employee benefits	78,480	78,843	(363)
Suppliers	108,606	84,363	24,243
Depreciation and amortisation	11,266	8,183	3,083
Finance costs	23	70	(47)
Write-down and impairment of assets	408	-	408
Losses from asset sales	15	-	15
Total expenses	198,798	171,459	27,339
Own-Source Income			
Own-source revenue			
Sale of goods and rendering of services	59,106	38,181	20,925
Other revenue	124	119	5
Total own-source revenue	59,230	38,300	20,930
Gains			
Foreign exchange gains	4	-	4
Reversals of previous asset write-downs and impairments	7	-	7
Other gains	5,956	-	5,956
Total gains	5,967	-	5,967
Total own-source income	65,197	38,300	26,897
Net cost of services	(133,601)	(133,159)	(442)
Revenue from Government	126,805	124,976	1,829
Deficit attributable to the Australian Government	(6,796)	(8,183)	1,387
OTHER COMPREHENSIVE INCOME			
Items not subject to subsequent reclassification to net cost of services			
Changes in asset revaluation surplus	(194)	-	(194)
Total other comprehensive loss	(194)	-	(194)
Total comprehensive loss attributable to the Australian Government	(6,990)	(8,183)	1,193

1. The entity's original budgeted financial statement that was first presented to Parliament in respect of the reporting period (i.e. from the entity's 2014-15 Portfolio Budget Statements (PBS)).

2. Explanations of major variances between the actual and original budgeted amounts for 2015 are provided in Note 20B.

Note 20: Budgetary Reports and Explanations of Major Variances (Cont'd)**Statement of Financial Position***as at 30 June 2015*

	Actual	Budget estimate	
		Original ¹	Variance ²
	2015	2015	2015
	\$'000	\$'000	\$'000
ASSETS			
Financial assets			
Cash and cash equivalents	2,671	2,500	171
Trade and other receivables	87,125	60,940	26,185
Investments accounted for using the equity method	-	669	(669)
Other financial assets	528	856	(328)
Total financial assets	90,324	64,965	25,359
Non-financial assets			
Land and buildings	4,422	8,651	(4,229)
Heritage and cultural	2,365	1,982	383
Property, plant and equipment	28,525	28,811	(286)
Intangibles	3,244	5,909	(2,665)
Other non-financial assets	4,896	3,066	1,830
Total non-financial assets	43,452	48,419	(4,967)
Total assets	133,776	113,384	20,392
LIABILITIES			
Payables			
Suppliers	20,747	77	20,670
Other payables	61,759	45,860	15,899
Total payables	82,506	45,937	36,569
Provisions			
Employee provisions	25,936	29,406	(3,470)
Other provisions	600	2,065	(1,465)
Total provisions	26,536	31,471	(4,935)
Total liabilities	109,042	77,408	31,634
Net assets	24,734	35,976	(11,242)
EQUITY			
Parent entity interest			
Contributed equity	32,926	32,926	-
Reserves	8,128	11,959	(3,831)
Accumulated deficit	(16,320)	(8,909)	(7,411)
Total parent entity interest	24,734	35,976	(11,242)
Total equity	24,734	35,976	(11,242)

1. The entity's original budgeted financial statement that was first presented to Parliament in respect of the reporting period (i.e. from the entity's 2014-15 Portfolio Budget Statements (PBS)).

2. Explanations of major variances between the actual and original budgeted amounts for 2015 are provided in Note 20B.

Statement of Changes in Equity for not-for-profit Reporting Entities
for the period ended 30 June 2015

	Retained earnings		Asset revaluation surplus				Contributed equity/capital		Total equity	
	Budget estimate		Budget estimate		Budget estimate		Budget estimate		Budget estimate	
	Actual	Original ¹	Original ¹	Variance ²	Original ¹	Variance ²	Original ¹	Variance ²	Original ¹	Variance ²
	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance	(9,524)	(726)	8,322	11,959	(3,637)	-	28,314	27,112	39,547	(12,435)
Comprehensive income	(6,796)	(8,183)	(194)	(194)	(194)	(6,796)	(8,183)	(6,796)	(8,183)	1,387
Surplus/(Deficit) for the period	-	-	(194)	(194)	(194)	-	-	(194)	-	(194)
Other comprehensive income	(6,796)	(8,183)	(194)	(194)	(194)	(6,796)	(8,183)	(6,796)	(8,183)	1,387
Total comprehensive income	(13,520)	(16,366)	(388)	(388)	(388)	(13,520)	(16,366)	(13,520)	(16,366)	(1,193)
Transactions with owners	-	-	-	-	-	-	-	-	-	-
Contributions by owners	-	-	-	-	-	10	10	10	10	-
Equity injection	-	-	-	-	-	-	-	-	-	-
Departmental capital budget	-	-	-	-	-	4,602	4,602	4,602	4,602	-
Total transactions with owners	-	-	-	-	-	4,612	4,612	4,612	4,612	-
Closing balance as at 30 June	(16,320)	(16,366)	(388)	(388)	(388)	(13,520)	(16,366)	(13,520)	(16,366)	(11,242)

1. The entity's original budgeted financial statement that was first presented to Parliament in respect of the reporting period (i.e. from the entity's 2014-15 Portfolio Budget Statements (PBS)).

2. Explanations of major variances between the actual and original budgeted amounts for 2015 are provided in Note 20B.

Note 20: Budgetary Reports and Explanations of Major Variances (Cont'd)**Cash Flow Statement for not-for-profit Reporting Entities**
for the period ended 30 June 2015

	Actual	Budget estimate	
		Original ¹	Variance ²
	2015	2015	2015
	\$'000	\$'000	\$'000
OPERATING ACTIVITIES			
Cash received			
Appropriations	193,056	147,851	45,205
Sale of goods and rendering of services	42,135	16,886	25,249
Net GST received	9,345	-	9,345
Total cash received	244,536	164,737	79,799
Cash used			
Employees	(81,182)	(78,654)	(2,528)
Suppliers	(111,563)	(83,125)	(28,438)
Section 74 receipts transferred to OPA	(52,484)	-	(52,484)
Total cash used	(245,229)	(161,779)	(83,450)
Net cash from/(used by) operating activities	(693)	2,958	(3,651)
INVESTING ACTIVITIES			
Cash received			
Proceeds from sales of property, plant and equipment	-	42	(42)
Total cash received	-	42	(42)
Cash used			
Purchase of property, plant and equipment	(5,394)	(7,612)	2,218
Purchase of intangibles	(1,066)	-	(1,066)
Total cash used	(6,460)	(7,612)	1,152
Net cash from/(used by) investing activities	(6,460)	(7,570)	1,110
FINANCING ACTIVITIES			
Cash received			
Contributed equity	4,612	4,612	-
Total cash received	4,612	4,612	-
Net cash from/(used by) financing activities	4,612	4,612	-
Net increase/(decrease) in cash held	(2,541)	-	(2,541)
Cash and cash equivalents at the beginning of the reporting period	5,212	2,500	2,712
Cash and cash equivalents at the end of the reporting period	2,671	2,500	171

1. The entity's original budgeted financial statement that was first presented to Parliament in respect of the reporting period (i.e. from the entity's 2014-15 Portfolio Budget Statements (PBS)).

2. Explanations of major variances between the actual and original budgeted amounts for 2015 are provided in Note 20B.

Note 20: Budgetary Reports and Explanations of Major Variances (Cont'd)**Note 20B: Departmental Major Budget Variances for 2014-15**

Explanations of major variances	Affected line items (and statement)
Statement of Comprehensive Income	
GA received considerable more s74 revenue than was budgeted. The Budget was conservative and based on known revenue streams. Supplier expenses are also up on budget as GA had to incur associated expenses to earn the revenue. The actual result was in line with previous years. Cash received and used are also up on budget as GA had associated cashflows with the additional revenue and expenses.	Supplier expenses, Sale of goods and rendering of services (Statement of Comprehensive Income), Supplier payables (Statement of Financial Position), Cash received - Sale of goods and rendering of services, Cash used - Suppliers (Cash Flow Statement)
Depreciation and amortisation were higher than anticipated due to a number of the useful lives of property, plant & equipment assets being reassessed downward by the valuer at 30 June 2014 increasing the depreciation expense for 2014-15.	Depreciation and amortisation (Statement of Comprehensive Income) Land, building and property, plant, equipment (Statement of Financial Position)
The actual revaluation reserve is under budget due to the revaluation of all assets as at 30 June 2014. The valuation was not complete prior to the budget being prepared.	Reserves (Statement of Financial Position), Asset revaluation reserves (Statement of Changes in Equity)
The actual provision for makegood was reassessed down by \$1.4m by the valuer as 30 June 2014.	Other provisions (Statement of Financial Position)
Other gains relates to the unbudgeted transfer of antenna assets from the Department of Environment that will be utilised in Alice Springs.	Other gains (Statement of Comprehensive Income)
Trade and other receivables are over budget by \$26m. The primary reasons are as follows:\$20.3m was s74 revenue received in advance, \$2.8m relates to salary disbursements being held to pay the staff salaries on 1 July 2015 (This amount is also shown in the cashflow statement making up the increase in employee payments over the budget) and \$3m relates to a lease incentive receivable.	Trade and other receivables (Statement of Financial Position), Cash used employee (Cash Flow Statement)
There are no GA investments accounted for using the equity method. This accounting treatment was corrected in the 2013-14 financial statements and was disclosed in Note 1.26.	Investments accounted for using the equity method (Statement of Financial Position)
There was a lower than budgeted spend on computer software for the year and a higher amortisation expense than budgeted principally due to reduced useful lives for a number of software assets. Note the budget line in the Cashflow Statement included intangibles in property, plant and equipment cash used.	Other non-financial assets (Statement of Financial Position), Cash used purchase of property plant and equipment, Purchase of intangibles (Cash Flow Statement)
Actual prepayments are over budget due to the July 2015 rent being prepaid in June 2015.	Other non-financial assets (Statement of Financial Position)
Actual GST received was not budgeted	Net GST received (Cash Flow Statement)
Suppliers include the actual operating lease rental payable of \$12m for the Symonston lease, straight-lined over the life of the lease including the extension in accordance with the AASB 117. This was not budgeted.	Suppliers (Statement of Financial Position)
Other payables is over budget principally due to s74 revenue being received in advance.	Other payables (Statement of Financial Position)
Employee provisions are down on budget due to lower staffing FTE at year end compared to an original budget.	Employee provisions (Statement of Financial Position)
Appropriations and Section 74 receipts transferred to OPA are both under budget as these items were not budgeted for correctly. Department of Finance requires GA to return all s74 revenue to the OPA and then redraw that revenue when it is earned increasing the cash flows in and out.	Appropriations and Section 74 receipts transferred to OPA (Cash Flow Statement)

Note 20: Budgetary Reports and Explanations of Major Variances (Cont'd)**Note 20C: Administered Budgetary Reports****Administered Schedule of Comprehensive Income for not-for-profit Reporting Entities***for the period ended 30 June 2015*

	Actual	Budget estimate	
		Original ¹	Variance ²
	2015	2015	2015
	\$'000	\$'000	\$'000
NET COST OF SERVICES			
Expenses			
Grants	20	20	-
Total expenses	20	20	-
Total income	-	-	-
Total comprehensive income/(loss)	(20)	(20)	-

1. The entity's original budgeted financial statement that was first presented to Parliament in respect of the reporting period (i.e. from the entity's 2014-15 Portfolio Budget Statements (PBS)).

2.. There are no variances between the actual and original budgeted amounts for 2015 actual.

Note 21: Cooperative Research Centres (CRCs)

All CRCs have been classified as joint operations as their purpose is for the pursuit of collaborative scientific research where participants share in the scientific outcomes and outputs of the CRCs.

GA's total cash and in-kind contribution (e.g. staff and use of assets) to CRCs from its own resources was \$2.481 million for the year (2014: \$2.059 million). Contributions made by GA are expensed as incurred and these are included in the Statement of Comprehensive Income.

No contingent liabilities were reported by the CRC's in which GA is a participant.

GA is a participant in the following CRCs as at 30 June 2015:

Name of the CRC	Expected Termination Date
CRC Spatial Information	30/06/2018
Bushfire CRC	30/06/2017
CO2CRC	30/06/2015
National Environment Research Program	30/06/2015

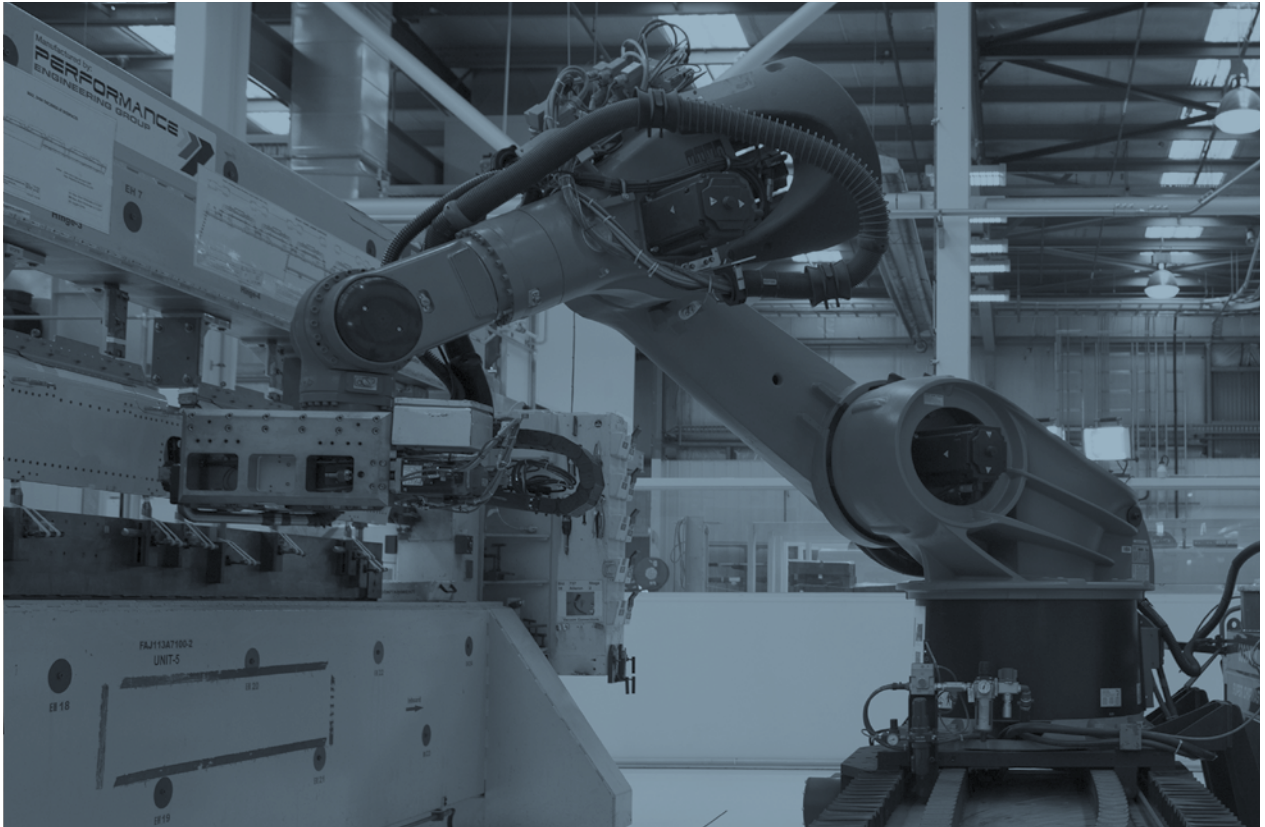
Note 22: Restructuring**Note 22A: Administered Restructuring**

	2015	2014
		Australia New Zealand Land Information Special Account, Department of Communications
	\$'000	\$'000
FUNCTIONS RELINQUISHED		
Assets relinquished		
Cash	-	139
Total assets relinquished	-	139
Liabilities relinquished		
Liabilities	-	-
Total liabilities relinquished	-	-
Net (assets)/liabilities relinquished	-	139

1. Australia New Zealand Land Information Special Account was relinquished to Department of Communications during 2013-14 due to Government decision.

2. The net assets relinquished to this entity in 2014 was \$0.139m.

3. In respect of functions assumed, the net book values of assets and liabilities were transferred to the entity for no consideration.



CHAPTER 11

Geoscience Australia appendices

Appendix B1: Agency resource statement 2014-15	238
Appendix B2: Expenses and resources for 2014-15	239
Appendix B3: Workforce statistics	240
Appendix B4: Ecologically sustainable development and environmental performance	243



GEOSCIENCE AUSTRALIA APPENDICES

Appendix B1: Agency resource statement 2014-15

	Actual available appropriation for 2014-15 \$'000 (a)	Payments made 2014-15 \$'000 (b)	Balance remaining 2014-15 \$'000 (a) – (b)
Ordinary Annual Services⁽¹⁾			
Departmental appropriation ⁽²⁾	276,434	199,839	76,595
Total	276,434	199,839	76,595
Administered expenses			
UN Grants-in-aid	20	20	-
Total	20	20	-
Total ordinary annual services	276,454	199,859	76,595
Departmental non-operating			
Equity injections ⁽³⁾	370	370	-
Total	370	370	-
Total Available Annual Appropriations and payments	276,824	200,229	76,595
Special account	-	-	-
Total resourcing and payments for Geoscience Australia	276,824	200,229	76,595

1 Includes *Appropriation Act (Nos.1 and 5) 2014-15*, section 74 Retained Revenue Receipts of \$52m and \$93m carried forward from *Appropriation Act (No.1) 2013-14*.

2 Includes an amount of \$4.6m in 2014-15 for the Departmental Capital Budget. For accounting purposes this amount has been designated as 'contributions by owners'.

3 Includes *Appropriation Act (No.2) 2014-15* and \$360,000 carried forward from *Appropriation Act (No.2) 2012-13* and *Appropriation Act (No.2) 2013-14*.

Appendix B2: Expenses and resources for 2014-15

Expenses and resources for 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.	Budget*	Actual	Variation
	2014-15 \$'000	Expenses 2014-15 \$'000	2014-15 \$'000
	(a)	(b)	(a)-(b)
Programme 1.1: Geoscientific and spatial information services			
Administered expenses			
Ordinary Annual Services (Appropriation Act No. 1)	20	20	-
Special Accounts	-	-	-
Departmental expenses			
Departmental appropriation ¹	193,374	187,443	5,931
Expenses not requiring appropriation in the Budget year	11,500	11,355	145
Total for Programme 1.1	204,894	198,818	6,076
Total expenses for Outcome 1			
	2013-14	2014-15	
Average Staffing Level (number)	685	601	

* Full year budget, including any subsequent adjustment made to the 2014-15 Budget at Additional Estimates.

¹ Departmental Appropriation combines Ordinary annual services (Appropriation Act Nos. 1 and 5) and Retained Revenue Receipts under section 74 of the PGPA Act 2013.

Appendix B3: Workforce statistics

At 30 June 2015, Geoscience Australia had 607 staff members, 589 of whom were located in Canberra, six in Western Australia, one in the Northern Territory and two in Indonesia.

Employee statistics are shown in tables 35 to 40.

Table 35: Workplace agreement coverage, by classification, 30 June 2015, Geoscience Australia

APS classification	EA coverage	Common law contract	Salary range	
			Minimum	Maximum
APS 1 (cadets)	1	0	\$37 985	\$41 210
APS 2	1	0	\$47 097	\$50 324
APS 3	3	0	\$53 653	\$57 040
APS 4 (including graduates)	45	0	\$60 428	\$68 183
APS 5	115	0	\$67 312	\$75 389
APS 6	140	0	\$78 070	\$90 369
EL 1	180	0	\$93 974	\$130 354
EL 2	115	0	\$111 677	\$200 449
SES Band 1	0	2	\$195 000	\$205 000
SES Band 2	0	4	\$240 000	\$265 000
SES Band 3	0	1	\$300 000	\$330 000 ¹
TOTAL	600	7		

APS = Australian Public Service; EA = Enterprise Agreement, EL = Executive Level; SES = Senior Executive Service

¹ Indicative range used to protect privacy of individual occupant

Table 36: Ongoing employees by classification and gender, 30 June 2014 and 30 June 2015, Geoscience Australia

APS classification	Female		Male		Total	
	2014	2015	2014	2015	2014	2015
APS 1	0	0	1	0	1	0
APS 2	0	0	1	1	1	1
APS 3	2	1	1	1	3	2
APS 4	16	18	13	18	29	36
APS 5	50	50	61	61	111	111
APS 6	53	56	78	76	131	132
EL 1	53	51	122	117	175	168
EL 2	25	23	98	87	123	110
SES Band 1	0	0	2	2	2	2
SES Band 2	0	0	4	4	4	4
SES Band 3	0	0	1	1	1	1
Total	199	199	382	368	581	567

APS = Australian Public Service; EL = Executive Level; SES = Senior Executive Service

Table 37: Non-ongoing employees by classification and gender, 30 June 2014 and 30 June 2015, Geoscience Australia

APS classification	Female		Male		Total	
	2014	2015	2014	2015	2014	2015
APS 1	0	0	1	1	1	1
APS 2	0	0	0	0	0	0
APS 3	0	1	0	0	0	1
APS 4	2	1	10	8	12	9
APS 5	2	3	3	1	5	4
APS 6	4	3	8	5	12	8
EL 1	1	1	16	11	17	12
EL 2	0	0	5	5	5	5
SES Band 1	0	0	0	0	0	0
SES Band 2	0	0	0	0	0	0
SES Band 3	0	0	0	0	0	0
Total	9	9	43	31	52	40

APS = Australian Public Service; EL = Executive Level; SES = Senior Executive Service

Table 38: Number of full-time and part-time employees by classification, 30 June 2014 and 30 June 2015, Geoscience Australia

APS classification	Full-time		Part-time		Total	
	2014	2015	2014	2015	2014	2015
APS 1	2	1	0	0	2	1
APS 2	0	0	1	1	1	1
APS 3	3	3	0	0	3	3
APS 4	35	38	6	7	41	45
APS 5	106	107	10	8	116	115
APS 6	129	126	14	14	143	140
EL 1	179	170	13	10	192	180
EL 2	122	109	6	6	128	115
SES Band 1	2	2	0	0	2	2
SES Band 2	4	4	0	0	4	4
SES Band 3	1	1	0	0	1	1
Total	583	561	50	46	633	607

APS = Australian Public Service; EL = Executive Level; SES = Senior Executive Service

Table 39: Number of full-time and part-time employees by gender, 30 June 2014 and 30 June 2015, Geoscience Australia

Gender	Full-time		Part-time		Total	
	2014	2015	2014	2015	2014	2015
Male	412	390	13	9	425	399
Female	171	171	37	37	208	208
Total	583	561	50	46	633	607

Table 40: Indigenous employees, 30 June 2014 and 30 June 2015, Geoscience Australia

Employment status	2014	2015
Ongoing	3	3
Non-ongoing	2	0
Total	5	3

Appendix B4: Ecologically sustainable development and environmental performance

Many of Geoscience Australia's activities contribute to an improved understanding of the physical nature and health of the natural environment. See the report on performance in Chapter 8 for more details of specific activities.

Beyond its programme activities, Geoscience Australia pursued ecologically sustainable development (ESD) initiatives in its property and facilities management during 2014-15.

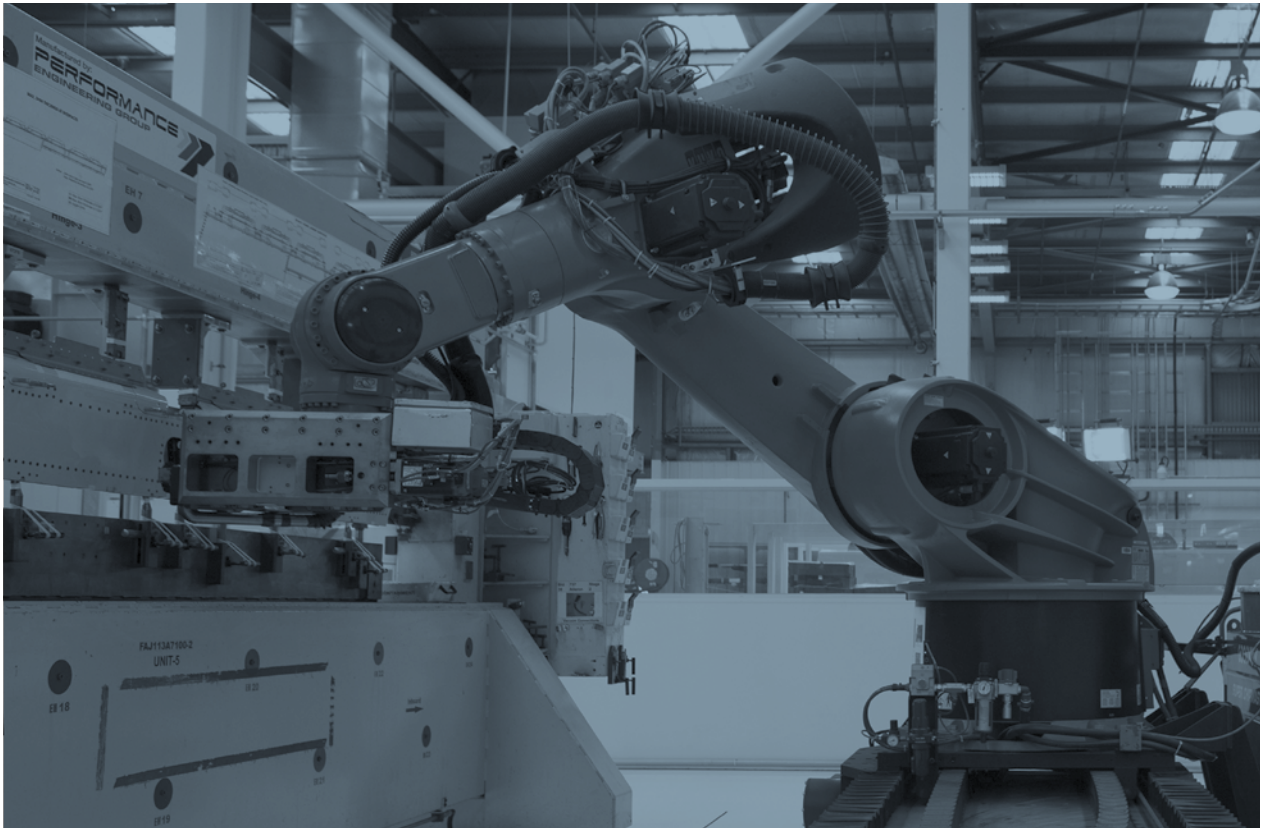
The Geoscience Australia building has many ESD features, including:

- a geothermal air-conditioning system
- double-glazed windows and doors
- a north-south axis
- infrared movement detection for lighting in general office areas
- a large building footprint, allowing for a low ratio of external wall to gross floor area in comparison to high-rise buildings, minimising the impact of external thermal conditions on the air-conditioning system
- a smart building control management system.

Geoscience Australia uses an environmental management system to identify, modify and control environmental impacts in areas such as waste management, recycling and chemical disposal. Monitoring and reporting on water and energy consumption are also incorporated into this system. A voluntary staff committee, the Green Team, assists the organisation to develop a more environmentally friendly workplace by implementing environmentally friendly procedures and practices. The outsourced facilities management contract also focuses on responsible environmental management of the building and facilities.

Environmental initiatives at the Geoscience Australia building during 2014-15 included replacing 20 individual geothermal heat pump units (pilot stage) with more modern energy-efficient models. Other property management initiatives included:

- an ongoing commitment in the negotiated lease extension for the lessor to use its best endeavours to upgrade the building to achieve at least a 4-star base building National Australian Built Environment Rating System (NABERS) energy rating
- the purchase of 10 per cent green energy as part of the whole-of-government energy procurement process
- the use of recycled paper (rated at 80 per cent recycled) for printing, and the use of default settings for double-sided printing
- a major relocation project to consolidate staff within the building, resulting in significant energy savings from decommissioning two large areas of the facility.



CHAPTER 12

IP Australia
Director General's review

IP Australia Director General's review

246



IP AUSTRALIA DIRECTOR GENERAL'S REVIEW

IP Australia's vision is for a world leading intellectual property (IP) system building prosperity for Australia. The vision is supported by a new Strategic Plan, launched in March 2015, which signals the direction of IP Australia's endeavours over the next four years.

Core business remains at the heart of IP Australia's Strategic Plan. Our primary objective is to continue to administer the IP system efficiently and ensure its continued relevance for Australia's economic growth. This creates a secure environment for investment in innovation and enables firms to build brand value and capture market share. Importantly, the patents system also encourages the disclosure of inventions and the take-up of knowledge and technology across the economy.

With the development and expansion of global markets, there is an increased focus on the value of IP rights. The evident value that markets place on IP is seen in larger corporate IP transactions, global licensing deals, assertive use of the legal system to enforce IP rights and the prominence of IP issues in trade negotiations.

While a range of domestic and international factors contribute to fluctuations in demand for IP rights, the overall trend in recent years has resulted in a growing demand, especially for trade marks. Domestic factors had an impact on new patent filings in 2014-15; however, growth

in demand for trade marks and higher than expected levels of renewals of IP rights were reflected in growth in our revenues.

As the value of IP in business, trade and investment grows, the importance of a high-performing IP system that is integrated into the global system of IP rights increases. Australia's IP system continues to rank highly in global ratings, and IP Australia is generally well rated by its stakeholders and customers. We are committed to building on this base to deliver ongoing improvements in our effectiveness, efficiency and customer service, and thus contributing to national competitiveness.

We also engage closely with the administrative body for the global IP system, the World Intellectual Property Organization, as well as other national IP offices, to promote streamlined international IP rights administration and the adoption of global standards. Such developments can assist Australian exporters and facilitate trade and investment.

In 2014-15, we were active in multilateral and bilateral IP forums and continued to undertake capacity-building activities with other IP offices, especially those in our region. We supported relevant trade negotiations, including the China-Australia Free Trade Agreement, the Regional Comprehensive Economic Partnership and the Trans-Pacific Partnership. More generally, we contributed to a range of IP policy advice,

from technical amendments to our legislation to analysis of the use of the IP system by various industry sectors.

The Australian Parliament passed the *Intellectual Property Laws Amendment Act 2015* in February 2015. The Act provides for the implementation of the protocol amending the World Trade Organization Agreement on Trade-Related Aspects of Intellectual Property (the TRIPS Protocol) and Australia–New Zealand Single Economic Market IP initiatives. In 2014-15, we also consulted on 22 further proposed legislative amendments designed to reduce regulatory red tape, by making the Australian IP system more streamlined, efficient and user-friendly for customers, and to support small business. These proposals will form the basis of legislative amendments planned for 2015-16.

In December 2014, IP Australia's capability review report was publicly released. The report found that IP Australia delivers its core business effectively, is well regarded by stakeholders, both domestically and internationally, and has a capable and committed workforce. The report also highlighted opportunities to improve performance in areas including leadership, staff engagement, ICT management and a stronger external focus.

IP Australia is addressing the review's key findings through implementing a Capability Action Plan, which sets out deliverables and time frames for action. Outcomes to date include a new vision and Strategic Plan, a revised internal governance structure and greater devolution of responsibility within the agency. The main themes of the plan focus on building a united, trusted and strategic culture in the organisation. The plan has informed IP Australia's 2014-15 strategic and operational planning.

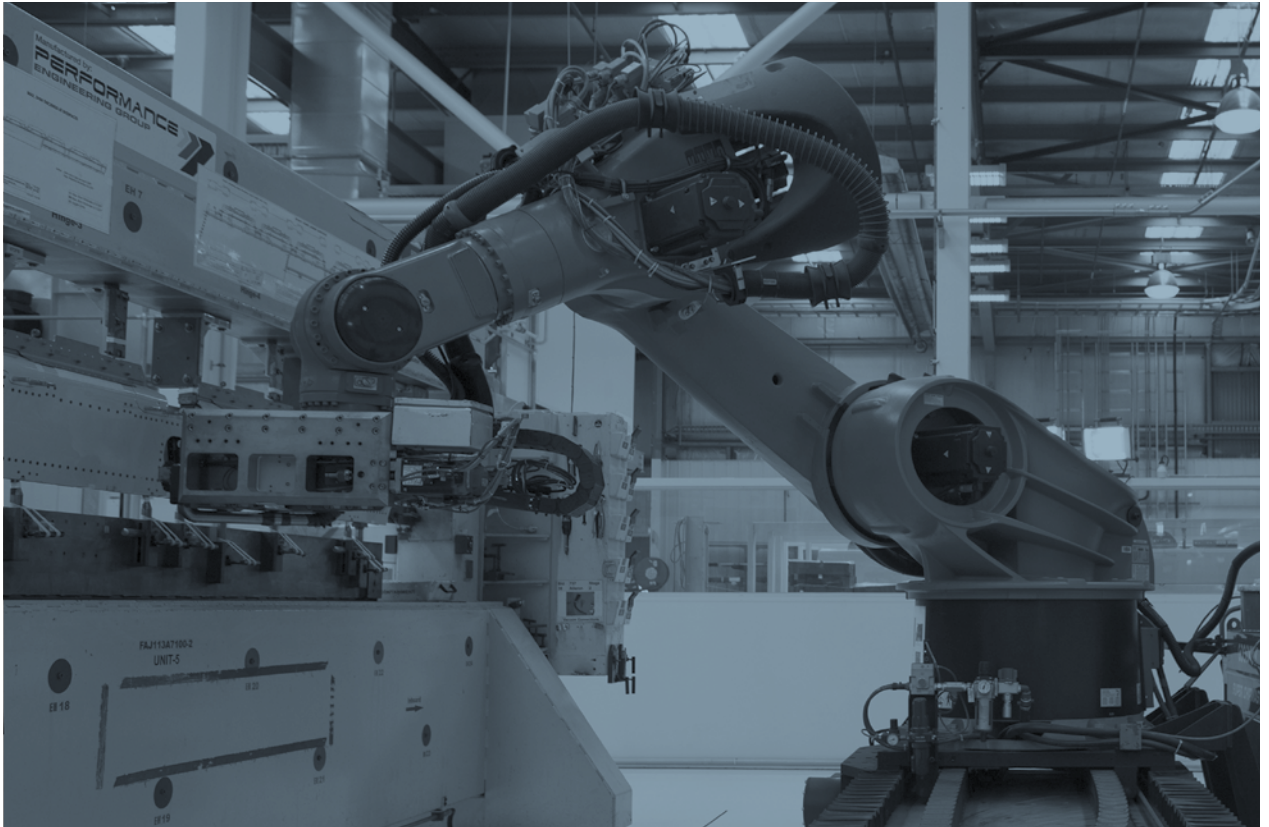
IP Australia's strong focus on quality management and the quality of IP rights examination decisions continues to highlight our commitment to ongoing improvement.

Consistently good outcomes showed high performance in all categories of quality standards for 2014-15.

During 2014-15, IP Australia also continued to seek ways to use data to the benefit of customers and other stakeholders. We released a comprehensive range of IP rights data on the Australian Government's public dataset repository, data.gov.au. This resource—IP Government Open Data—provides a comprehensive, reliable dataset that is of value to IP researchers and professionals and supports the development and implementation of policies associated with IP in Australia. Under the oversight of our Chief Economist, we continue to develop our data and analysis capabilities to improve the evidence base for IP policy advice.

ICT systems are central to our IP rights management work and to customer engagement, as online transactions now account for around 97 per cent of all customer transactions. In 2014-15, IP Australia continued to modernise and improve its business systems and processing environment. This work will progressively deliver a more agile business environment that captures efficiencies and improves service delivery.

IP Australia is also looking at where we can add value to the work of our customers and contribute to the priorities of the Australian Government. In 2014-15, we launched a Patent Analytics Service, which is available to public sector entities such as universities and public research agencies. The service is designed to provide public sector researchers with better information on which to make decisions about issues, including the direction of research programmes, the commercialisation of research, and research collaboration opportunities. This work supports a better return on the public research dollar.



CHAPTER 13

IP Australia overview

Role and functions	250
Organisational structure	250
Outcome and programme structure	251



IP AUSTRALIA OVERVIEW

Role and functions

IP Australia is the agency responsible for administering Australia's IP rights system—specifically, trade marks, patents, designs and plant breeder's rights.

As well as granting exclusive rights under the statutes it administers, IP Australia advises the Australian Government on IP policy; provides IP information and education services to business and the broader community; regulates the IP profession; and contributes to bilateral and multilateral negotiations and development cooperation programmes to promote a more harmonised global IP system.

These activities foster innovation within Australia by:

- providing an incentive for research and development by offering an opportunity to capture the economic benefits of innovation
- promoting the disclosure of discoveries, and thereby facilitating follow-on innovation
- enabling firms to build brand value and business reputation
- providing the legal framework that underpins firms bringing new technologies and inventions into Australia.

IP Australia operates independently of the Department of Industry and Science on financial matters, and with delegated authority on other matters, and recovers more than 98 per cent of its costs by charging fees for its IP rights services.

Organisational structure

Figure 3 shows the organisational structure of IP Australia. The department's organisational chart (Figure 1) shows how IP Australia fits into the overall departmental structure.

In addition to helping the Director General to manage IP Australia, the Deputy Director General holds the offices of Commissioner of Patents, Registrar of Trade Marks, Registrar of Designs and Registrar of Plant Breeder's Rights. The Deputy Director General exercises functions and powers under the legislation IP Australia administers, including the *Olympic Insignia Protection Act 1987*, the *Patents Act 1990*, the *Plant Breeder's Rights Act 1994*, the *Trade Marks Act 1995* and the *Designs Act 2003*.

Figure 3: IP Australia organisational structure, 30 June 2015

Director General	
Deputy Director General	
General manager, Trade Marks and Designs	General manager, People and Communications
General manager, Patent and Plant Breeder's Rights	General manager, Finance, Quality, Reporting and Property
General manager, Continuous Improvements Projects	General manager, Policy and Governance
General manager, Customer Operations	General manager, Business and Information Management Solutions
	General manager, RIO Program and Business Futures

RIO = Rights in One

Outcome and programme structure

IP Australia has one outcome and three programmes that contribute to that outcome, as shown in Table 41.

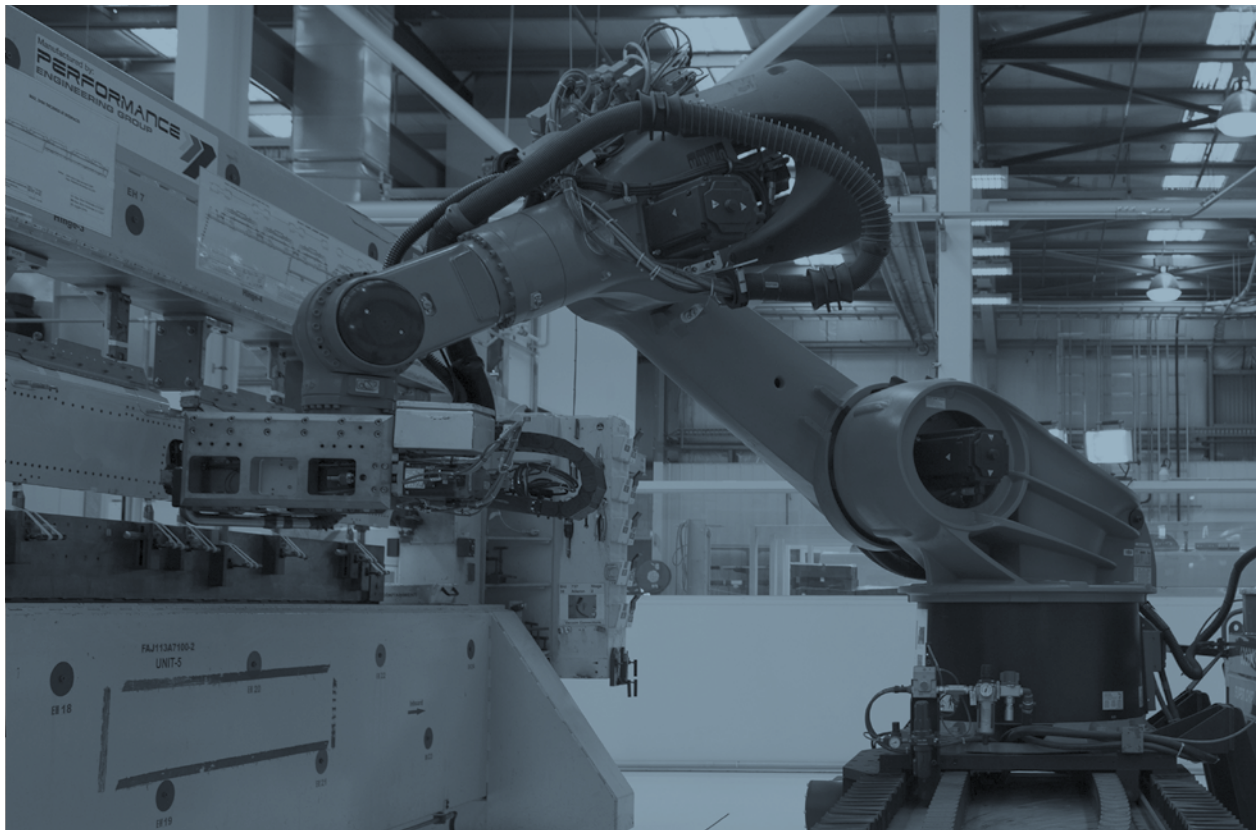
Table 41: IP Australia outcome and programme structure, 2014-15

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.	
Programme	Objective
1.1: IP Rights Administration and Professional Registration	<p>Intellectual property rights: IP Australia will deliver robust IP rights and satisfy its customers in terms of timeliness and value for money. 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.</p> <p>Professional registration: IP Australia will successfully undertake its functions associated with persons wishing to qualify for registration as Patent and/or Trade Marks Attorneys and will provide effective secretariat support to the Professional Standards Board for Patent and Trade Marks Attorneys.</p>

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.

Programme	Objective
1.2: Education, Awareness and International Engagement	<p>Education and awareness: IP Australia will facilitate understanding of the value of and access to the domestic and international intellectual property system among its stakeholders in line with Australia's interests.</p> <p>International engagement: IP Australia will influence the development of effective intellectual property systems in line with Australia's interests.</p>
1.3: Advice to Government	<p>Policy and legislation: IP Australia's programme of policy and legislative change will foster Australian innovation by shaping the development of the IP system both at home and abroad.</p> <p>Support for advisory bodies: IP Australia will provide support to the Advisory Council on Intellectual Property (ACIP) and the Plant Breeder's Rights Advisory Committee (PBRAC).</p>



CHAPTER 14

IP Australia report on performance

Outcome 1 overview	254
Programme 1.1: IP Rights Administration and Professional Registration	254
Programme 1.2: Education, Awareness and International Engagement	256
Programme 1.3: Advice to Government	258
Financial performance	260



IP AUSTRALIA REPORT ON PERFORMANCE

Outcome 1 overview

The outcome and programme structure for IP Australia is set out in the Industry and Science Portfolio Budget Statements (PBS) 2014-15. IP Australia has one outcome and three programmes that contribute to that outcome, as shown in Table 42.

Table 42: IP Australia outcome and programme structure and price results, 2014-15

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.		
Programme	2014-15 target¹	2014-15 actual
1.1 IP Rights Administration and Professional Registration	\$171.562 million	\$167.787 million
1.2 Education, Awareness and International Engagement	\$5.832 million	\$6.092 million
1.3 Advice to Government	\$5.883 million	\$5.715 million

IP = intellectual property

¹ These targets reflect revised budget estimates as provided in the Portfolio Budget Statements 2015-16.

Programme 1.1: IP Rights Administration and Professional Registration

Programme 1.1 encompasses the administration of patent, trade mark, design and plant breeder's IP rights legislation. It also includes the administration of the Professional Standards Board for Patent and Trade Marks Attorneys and the Patent and Trade Marks Attorneys Disciplinary Tribunal.

Performance review

This section provides a summary of IP Australia's performance against the deliverables and key performance indicators for Programme 1.1 set out in the IP Australia PBS 2014-15.

Table 43: Programme 1.1 performance against deliverables, 2014-15

Deliverable	2014-15 target ¹	2014-15 actual
Receipt of Patent applications	28 120	28 163
Receipt of Patent Cooperation Treaty applications	3235	3264
Provision of Patent examination services	28 354	28 124
Receipt of Trade Mark applications	117 900	123 890
Provision of Trade Mark registration services	63 235	64 648
Receipt of Design applications	6200	6533
Provision of Design examination services	1415	1521
Receipt of Plant Breeder's Rights applications	340	362
Provision of Plant Breeder's Rights examination services	275	249
Receipt of Professional Standards Board for Patent and Trade Marks Attorneys applications	105	114
Provision of Professional Standards Board for Patent and Trade Marks Attorneys registration services	1115	1485

¹ These targets reflect revised estimates as provided in the Portfolio Budget Statements 2015-16.

Table 44: Programme 1.1 performance against key performance indicators, 2014-15

Key performance indicator	2014-15 result
Intellectual property rights	
The level of customer satisfaction with the consistency of IP Australia's work	A customer survey conducted in 2014-15 showed that 67% of customers were satisfied that IP Australia was providing consistent decisions, compared with 64% in the 2013-14 survey; across the measures an average of 73% of customers were either satisfied or very satisfied overall with IP Australia products and services over the past 12 months, compared with 71% overall in 2013-14.
IP Australia's performance in benchmarking against quality standards	During 2014-15, IP Australia maintained its compliance with the ISO 9001 Quality Standard while expanding its scope of certification to include its strategic communication and research and information services functions.
The level of maturity of quality assurance systems	The outcomes of the Quality Review System continued to exceed prescribed product and service quality standards.
Timeliness of services against service charter standards	The Customer Service Charter (CSC) commitment for patents was adjusted to 16 months for the first 6 months of the 2014-15 financial year to reflect the effect of the work requested prior to IP reform in 2013. During this first 6 months, the average timeliness achieved was 13.0 months. For the second half of the financial year, the CSC commitment was reset to 12 months; for this period, the average timeliness achieved was 11.4 months. Over the full financial year, the average timeliness was 12.2 months. Performance against the CSC standards for trade marks and designs was consistently high. The average timeliness for trade marks was 8.5 weeks and the average timeliness for designs was 7.2 weeks, which is well below the CSC commitment of 13 weeks.

The level of work on hand for each IP right	The patents inventory level was reduced for the year and was within the planning tolerance. The trade marks inventory of unprocessed applications increased in 2014-15. Overtime and extra work offered through an Achievement Scheme are being utilised to reduce the stockpile.
---	--

Professional Standards Board for Patent and Trade Marks Attorneys

Stakeholder satisfaction with secretariat support	The Professional Standards Board was satisfied with the secretariat support provided during the year.
---	---

Programme 1.2: Education, Awareness and International Engagement

Programme 1.2 encompasses IP Australia's role in raising awareness and educating customers about IP and engaging with key international stakeholders and IP bodies.

Performance review

This section provides a summary of IP Australia's performance against the deliverables and key performance indicators for Programme 1.2 set out in the IP Australia PBS 2014-15.

Table 45: Programme 1.2 performance against deliverables, 2014-15

Deliverable	2014-15 result
Delivery of public education and awareness programmes, which promote the importance of intellectual property (IP) and provide Australians with the tools they require to make informed decisions regarding IP	Public education and awareness programmes delivered by IP Australia included communication activities targeted to start-up businesses and entrepreneurs, accountants and exporters, Indigenous business owners, and secondary students through support to Qwestacon's Smart Skills Initiative.
Proactive management of customer and international engagement activities, including development of cooperation activities	International engagement activities undertaken by IP Australia included participating in multilateral forums and trade negotiations as they relate to IP; overseeing Australia's World Intellectual Property Organization funds in trust programme; and building the capacity of IP systems globally, including through the continuation of the Regional Patent Examination Training programme. These cooperation activities seek to add value to the global IP system and support private sector growth, facilitate trade and promote international competitiveness.

Table 46: Programme 1.2 performance against key performance indicators, 2014-15

Key performance indicator	2014-15 result
Education and awareness	
Increased use of public information services	IP Australia's website (www.ipaustralia.gov.au) is the primary source of information for customers. The number of visitors to the website increased by 11% from 2013-14 to 2014-15, and visitors now total more than 2 million each year.
Increased public awareness of intellectual property rights	<p>IP Australia continued to raise public awareness through the delivery of relevant and timely information to stakeholders and customers. Website content is a primary vehicle for this, alongside forums, subscription lists and social media channels. Other initiatives included Dream Shield, a suite of products for Indigenous IP owners, and IP Workshops for Start-ups, which educate small businesses and start-ups on the importance of IP.</p> <p>IP Australia continued its formal relationships with CPA Australia, Engineers Australia and the Export Council of Australia to promote IP messages to their respective membership bases. Under these arrangements, IP Australia works closely with these groups to provide relevant information regarding the benefits of the IP rights system.</p> <p>IP Australia is a supporting partner of the Questacon Smart Skills Initiative. This activity is targeted at secondary school students and aims to foster innovative thinking and invention. By joining with Questacon, IP Australia is able to show how IP is part of everyday life and why it is important to inventors.</p>
The level of satisfaction with information services	A customer research exercise found that 60% of participants rated IP Australia's website as good or very good. Of customers surveyed about IP Australia's search systems, 57% rated the usefulness of those systems as 7 or higher on a scale of 1 to 10.
International engagement	
The amount and quality of international work sharing	<p>Initiatives that allow IP offices to share examination work aim to increase the efficiency and quality of patent examination and reduce time and costs for applicants.</p> <p>IP Australia continued to manage two major initiatives relating to international work sharing:</p> <ul style="list-style-type: none"> <li data-bbox="481 1283 1134 1467">■ It continued to develop a single application and examination process for patents, to remove duplication and drive efficiencies and to make it easier for innovators to apply for the same patent in both Australia and New Zealand. This initiative is part of the Single Economic Market agenda to remove regulatory barriers to firms operating between Australia and New Zealand. <li data-bbox="481 1477 1134 1601">■ It continued to promote expansion of the World Intellectual Property Organization (WIPO) Centralised Access to Search and Examination (CASE). WIPO CASE is an IT platform that enables IP offices to share their search and examination results. <p>Both projects met key deliverables. Australian legislation supporting the single application and examination processes received royal assent in February 2015. The membership of WIPO CASE doubled over 2014-15, with 18 international IP offices now participating.</p>

Programme 1.3: Advice to Government

Programme 1.3 encompasses IP Australia's role in providing advice on IP matters and supporting research into the current and future use of IP rights.

Performance review

This section provides a summary of IP Australia's performance against the deliverables and key performance indicators for Programme 1.3 set out in the IP Australia PBS 2014-15.

Table 47: Programme 1.3 performance against deliverables, 2014-15

Deliverable	2014-15 result
Provision of policy advice across government and internationally	<p>IP Australia provided a range of policy advice on IP issues across government, including in relation to the government's deregulation agenda, the Industry Innovation and Competitiveness Agenda and the Smaller Government agenda.</p> <p>In February 2015, the <i>Intellectual Property Laws Amendment Act 2015</i> received royal assent. Among other things, the Act allows for the implementation of the protocol amending the World Trade Organization Agreement on Trade-Related Aspects of Intellectual Property Rights (the TRIPS Protocol) and Australia-New Zealand Single Economic Market IP initiatives. In early 2015, IP Australia consulted stakeholders on a significant package of legislative proposals to further streamline IP processes and support small business.</p> <p>IP Australia continued to represent Australia's interests in the World Intellectual Property Organization and assisted the Department of Foreign Affairs and Trade in negotiating IP chapters in free trade agreements (FTAs), including the conclusion of the China-Australia FTA and negotiations on the Trans-Pacific Partnership and Regional Comprehensive Economic Partnership.</p>

Table 48: Programme 1.3 performance against key performance indicators, 2014-15

Key performance indicator	2014-15 result
Policy and legislation	
Satisfaction of stakeholders with quality and timeliness of advice on policy and legislation, and ministerial correspondence, speeches and briefings, submissions to reviews and government responses	<p>IP Australia's policy and advice were consistently delivered on time, including briefings to the Minister and Parliamentary Secretary on policy issues and the <i>Intellectual Property Laws Amendment Act 2015</i>.</p> <p>IP Australia provided quality ministerial briefs and correspondence. In 2014-15, less than 5% of IP Australia's ministerial contributions were returned for revision, and all contributions were provided on time.</p> <p>In 2014-15, IP Australia provided 83 pieces of ministerial correspondence, 52 information briefs, 26 action briefs, one meeting brief, one engagement brief, two record of meeting briefs, four event briefs and two question time briefs.</p>

IP research

Increased understanding of IP issues impacting on Australian business

Following the research programme published in the IP Report, IP Australia released a significant number of outputs in 2014-15, the most important of which were the releases of the IP Government Open Data (IPGOD), which provides 100 years of IP data linked to Australian Business Numbers and economic research on innovation patents as part of a new research paper series. The patent analytics hub was expanded and provided insight into the patenting of technology around medical devices and mining in Australia.

The number of IP research initiatives

Four economic research papers were published in 2014-15, as well as two iterations of IPGOD and two patent analytics reports. In addition, IP Australia continued its work on two Australian Research Council co-funded linkage grant projects on patent examination outcomes in different IP offices and the use of surveys in trade mark related court cases. New work commenced with the Organisation for Economic Co-operation and Development and the United States and United Kingdom IP offices to create the world's first international trade mark database. Projects on Geographical Indications and forecasting also commenced.

Support for advisory boards

Council and board satisfaction with the quality of secretariat and research support provided

The Advisory Council on Intellectual Property (ACIP), the Plant Breeder's Rights Advisory Committee and the Professional Standards Board for Patent and Trade Marks Attorneys indicated that they were very satisfied with the secretariat and research support provided by IP Australia in 2014-15.

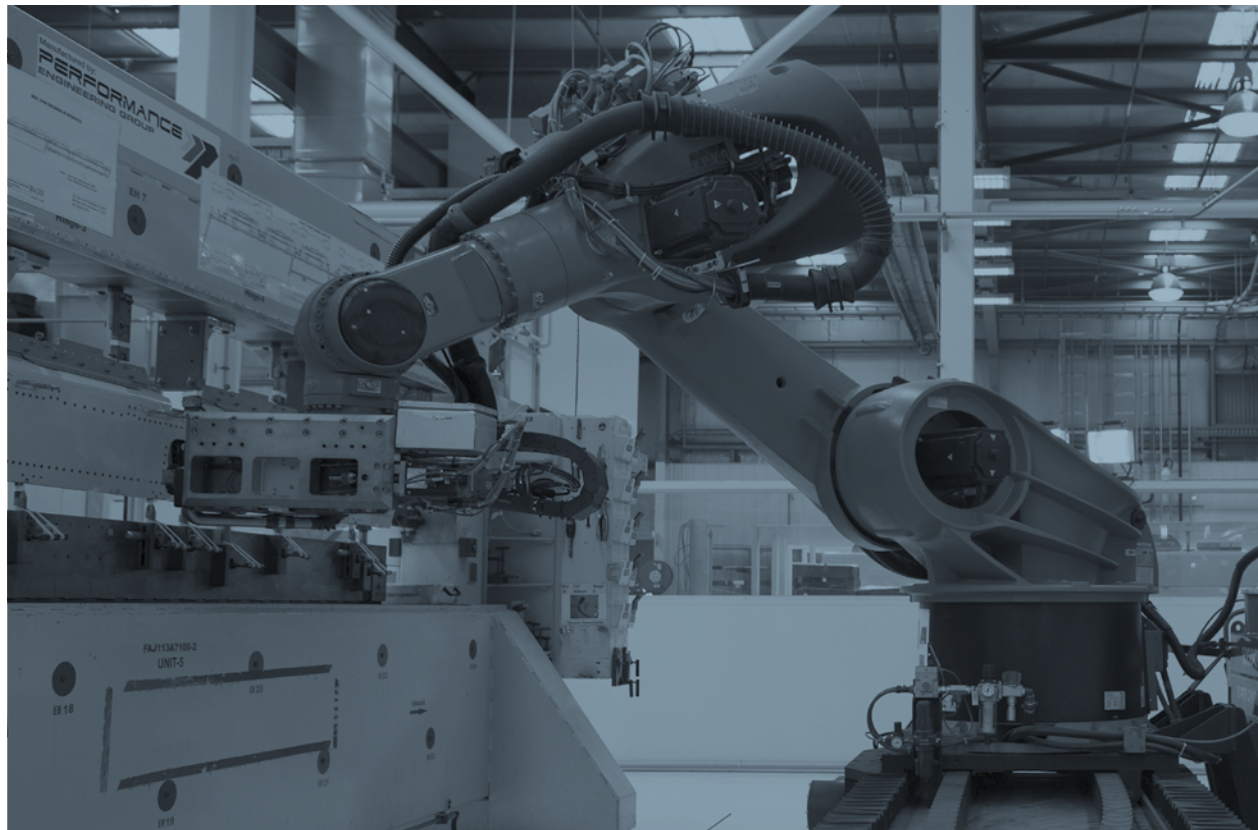
The number of ACIP reviews completed

IP Australia provided secretariat support to ACIP in the Review of the Designs System, which was completed in March 2015, and an ACIP submission on parallel imports of trade marked goods to the Competition Policy Review. ACIP also published a statement with an updated recommendation on its review of the Innovation Patent System. ACIP was formally abolished in April 2015 after completing its work programme.

Financial performance

IP Australia recorded an operating surplus of \$11.7 million for 2014-15 against a planned surplus of \$2.2 million, as published in the 2015-16 PBS. Revenue was \$5.8 million (3.1 per cent) above plan due to higher than anticipated IP right filings, registrations and renewals. Expenses were \$3.7 million (2.0 per cent) below budget as a result of a lower than planned average staffing level, delay in the commencement of IP Australia's new Enterprise Agreement and general savings realised across the organisation.

IP Australia will monitor revenue trends carefully and will control costs to ensure continued sustainable operations. The organisation has sufficient financial assets to pay its suppliers and other payables as and when they fall due. IP Australia will continue to invest in productive assets to ensure continuing efficiency in its operations, improved functionality and user experience for customers, and to maintain a prominent position in the global market for the registration of IP rights.



CHAPTER 15

IP Australia management and accountability

Corporate governance	262
Fraud control	262
External scrutiny	263
Management of human resources	263
Work health and safety	263
National Disability Strategy	264
Purchasing	264
Consultants and contracts	264
Grant programmes	265
Information Publication Scheme	265
Advertising and market research	265
Ecologically sustainable development and environmental performance	265



IP AUSTRALIA MANAGEMENT AND ACCOUNTABILITY

Corporate governance

IP Australia's governance framework includes appropriate core governance forums as well as documented directions such as the Accountable Authority Instructions. Examination staff operate under a range of legislative powers as delegated to them by the Commissioner of Patents and the Registrar of Trade Marks, Designs and Plant Breeder's Rights.

IP Australia reviewed its core governance arrangements at the beginning of 2014-15 and now has the following governance forums, which foster strategic decision-making and accountability:

- Executive Board
- Business Investment Committee
- Finance and Planning Committee
- People and Communication Committee
- Audit Committee.

IP Australia's Audit Committee provides independent assurance and advice to the Director General and Executive Board on IP Australia's accountability and control framework, including independent verification and safeguarding the integrity of the entity's financial and performance reporting. The composition of the Audit Committee and its charter were reviewed to comply with the requirements of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and the Australian National Audit

Office's March 2015 better practice guide, *Public Sector Audit Committees: Independent assurance and advice for Accountable Authorities*.

IP Australia's Risk Management Framework was reviewed in accordance with the Commonwealth Risk Management Policy. IP Australia continues to use risk management as a key decision-making tool; this work includes quarterly reviews of the corporate risk register and treatment strategies by the Executive Board and the Audit Committee to ensure that areas of high risk are being managed appropriately.

Fraud control

IP Australia is committed to minimising the incidence of fraud against its operations. IP Australia's Fraud Control Framework includes prevention, detection, investigation and reporting strategies as required by the PGPA Act and the Commonwealth Fraud Control Framework.

The Audit Committee regularly reviews the Fraud Control Plan and the Fraud Risk Register in addition to monitoring any allegations of fraud and the status of any ongoing investigations. No allegations or instances of fraud were reported in 2014-15.

External scrutiny

IP Australia is subject to external scrutiny in the form of appeals or applications for judicial review of decisions made by the Commissioner of Patents and the Registrars of Trade Marks, Designs, and Plant Breeder's Rights. The Federal Court of Australia has jurisdiction over decisions of each of these statutory officers, and the Administrative Appeals Tribunal has power to review some decisions of each of the officers. Decisions of the Registrars of Trade Marks and Designs can also be appealed in the Federal Circuit Court (previously the Federal Magistrates Court).

IP Australia undertook a voluntary capability review by the Australian Public Service Commission (APSC). The report on the review was published on the APSC website in December 2014.

A list of appeals or applications for judicial review received in 2014-15 is in Appendix C1.

Management of human resources

In 2014-15, IP Australia developed and implemented a number of workforce management strategies in response to the 2014 APSC agency capability review. The key strategies included a new strategic plan; a workforce planning framework, including IP Australia's first Strategic Workforce Plan; a learning and development strategy; and an action plan in response to the capability review. IP Australia also entered into a shared services arrangement with the Department of Industry and Science to provide payroll and system administration services.

IP Australia's Enterprise Agreement 2011-2014 nominally expired on 30 June 2014. Negotiations on a new enterprise agreement commenced in May 2014 and are continuing. The terms and

conditions prescribed in the 2011-2014 agreement will continue to apply until a new agreement is established.

IP Australia's workforce statistics tables are in Appendix C4.

Work health and safety

In 2014-15, IP Australia continued to prioritise matters related to work health and safety (WHS) and remained committed to providing a safe working environment for all workers (employees, contactors and others) and visitors. The agency has a strong commitment to meeting its obligations under the *Work Health and Safety Act 2011* and the *Safety, Rehabilitation and Compensation Act 1988*.

The First Aid Officers Committee, the Health and Safety Representative Committee and the WHS Committee facilitated effective communication on WHS matters. The agency implemented and facilitated consultation through the Safety Improvement Plan, which is a product of the WHS risk register; the WHS management system audit; and mental health policy actions.

The agency delivered a number of health and wellbeing initiatives, including annual flu vaccinations, annual skin checks, annual health assessments, lunchtime health and wellbeing seminars, awareness campaigns that aligned with national awareness days, and support for lunchtime classes, such as yoga and Pilates.

IP Australia continued to contribute to eye testing and optical correction services for eligible employees who perform significant screen-based work. The subsidy was administered in accordance with the agency's guide to allowances.

Free counselling services continued to be provided for all employees and their immediate families through the Employee Assistance Programme. This service was also available to managers to assist them in supporting their employees.

One incident during the year was deemed notifiable under section 38 of the Work Health and Safety Act and reported to Comcare. Comcare did not investigate or take any action under the Work Health and Safety Act in 2014-15.

National Disability Strategy

The National Disability Strategy 2010-2020 sets out a ten-year national policy framework to improve the lives of people with disability, promote participation and create a more inclusive society. A high-level two-yearly report will track progress against each of the six outcome areas of the strategy and present a picture of how people with disability are faring. The first of these reports will be available in late 2015, and can be found at the Department of Social Services website (www.dss.gov.au).

Purchasing

During 2014-15, IP Australia's centralised procurement and contracts team continued to ensure that all commitments entered into were consistent with the Commonwealth Procurement Rules and represented value for money for the Australian Government.

IP Australia's Accountable Authority Instructions require the use of purchase orders for all purchases of more than \$10 000. This assists in tracking commitments and meeting accountability requirements.

IP Australia's Annual Procurement Plan is published on AusTender to provide prospective suppliers with advance knowledge of anticipated procurement opportunities for the next 12 months.

IP Australia supports small business participation in the Australian Government procurement market. Participation statistics are available on the Department of Finance website (www.finance.gov.au/procurement/statistics-on-commonwealth-purchasing-contracts/).

From 2014-15, the information contained in the Senate Order report is available on AusTender (www.tenders.gov.au). The Senate Order report includes a list of all contracts valued at \$100 000 and above that were not fully performed or were entered into in the previous 12 months. All non-procurement contracts entered into during the relevant 12-month reporting period are published on the IP Australia website (www.ipaustralia.gov.au).

Consultants and contracts

IP Australia's Annual Procurement Plan is published on AusTender to provide prospective suppliers with advance knowledge of anticipated procurement opportunities for the next 12 months.

During 2014-15, IP Australia entered into 31 new consultancy contracts with a total expenditure of \$1 629 331 (GST inclusive), in addition to 11 ongoing consultancy contracts with a total expenditure value of \$731 156 (GST inclusive).

IP Australia's policy on selecting and engaging consultants and approving expenditure takes into account all relevant legislation, the Commonwealth Procurement Rules and IP Australia's Accountable Authority Instructions. The procurement method is determined having regard to the cost, value for money and nature of the work involved.

Details of consultancies valued at \$10 000 or more (inclusive of GST) are available on the AusTender website (www.tenders.gov.au). The Director General did not exempt any contract let during 2014-15 from publication on AusTender on the basis that it would disclose exempt matters under the *Freedom of Information Act 1982*.

Grant programmes

Information on grants made by IP Australia during 2014-15 is available on the organisation's website (www.ipaustralia.gov.au/about-us/accountability-and-reporting/grants_awarded/).

Information Publication Scheme

Agencies subject to the *Freedom of Information Act 1982* (FOI Act) are required to publish information to the public as part of the Information Publication Scheme (IPS). This requirement is in Part II of the FOI Act and has replaced the former requirement to publish a section 8 statement in an annual report. Each agency must display on its website a plan showing what information it publishes, in accordance with the IPS requirements.

IP Australia's IPS information is available on the organisation's website (www.ipaustralia.gov.au/about-us/accountability-and-reporting/freedom-of-information/ips/).

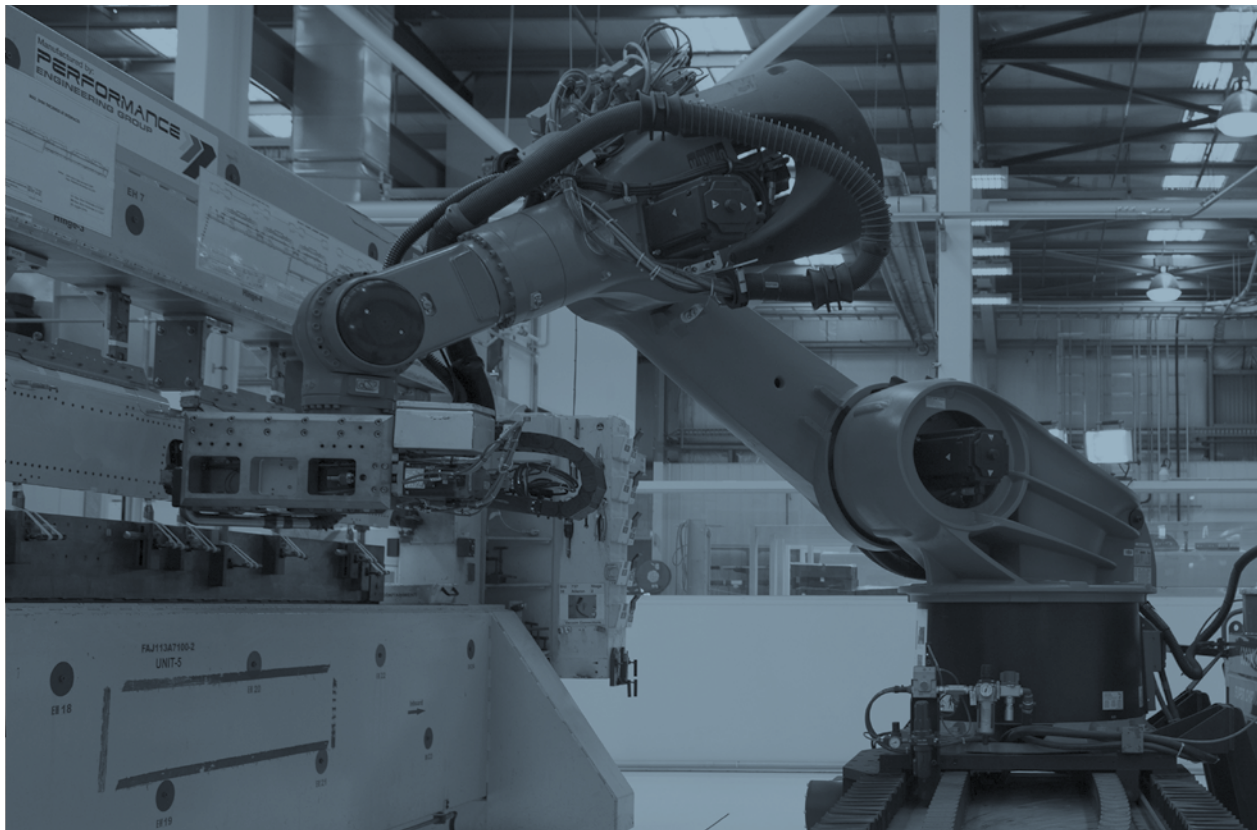
Advertising and market research

IP Australia did not undertake market research, conduct any advertising campaigns or purchase any services from advertising agencies or polling, direct mail or media advertising organisations in 2014-15.

IP Australia did not make any payments of more than \$12 565 (GST inclusive) to external organisations for advertising or market research services in 2014-15. Payments of \$12 565 or less (GST inclusive) are not reported in the annual report.

Ecologically sustainable development and environmental performance

In accordance with section 516A of the *Environment Protection and Biodiversity Conservation Act 1999*, a report on how IP Australia's activities accord with and contribute to the principles of ecologically sustainable development and environmental performance is in Appendix C5.



CHAPTER 16

IP Australia financial performance

Independent auditor's report	268
Statement by the Accountable Authority and Chief Financial Officer	270
Financial statements	271



INDEPENDENT AUDITOR'S REPORT

To the Minister for Industry, Innovation and Science

I have audited the accompanying annual financial statements of IP Australia for the year ended 30 June 2015, which comprise:

- Statement by the Accountable Authority and Chief Financial Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement;
- Schedule of Commitments;
- Notes to and forming part of the financial statements comprising a Summary of significant accounting policies and other explanatory information.

Accountable Authority's Responsibility for the Financial Statements

The Director General of IP Australia is responsible under the *Public Governance, Performance and Accountability Act 2013* for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards and the rules made under that Act. The Director General is also responsible for such internal control as is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I have conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. These auditing standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An

GPO Box 707 CANBERRA ACT 2601
19 National Circuit BARTON ACT
Phone (02) 6203 7300 Fax (02) 6203 7777

audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Accountable Authority of the entity, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

In conducting my audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

Opinion

In my opinion, the financial statements of IP Australia:

- (a) comply with Australian Accounting Standards and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of IP Australia as at 30 June 2015 and its financial performance and cash flows for the year then ended.

Australian National Audit Office



Kristian Gage
Audit Principal
Delegate of the Auditor-General
Canberra
23 September 2015

IP Australia**STATEMENT BY THE ACCOUNTABLE AUTHORITY AND CHIEF FINANCIAL OFFICER**

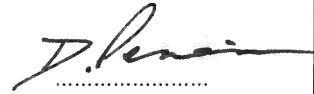
In our opinion, the attached financial statements for the year ended 30 June 2015 comply with subsection 42(2) of the Public Governance, Performance and Accountability Act 2013 (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that IP Australia will be able to pay its debts as and when they fall due.



Patricia Kelly
Accountable Authority

23 September 2015



Doug Pereira
Chief Financial Officer

23 September 2015

IP AUSTRALIA
STATEMENT OF COMPREHENSIVE INCOME
for the period ended 30 June 2015

	Notes	2015 \$'000	2014 \$'000
NET COST OF SERVICES			
Expenses			
Employee benefits	3A	116,086	118,700
Suppliers	3B	48,717	45,436
Depreciation and amortisation	7A	14,778	13,518
Finance costs - Unwinding of discount	9B	7	8
Write-down and impairment of assets - Intangibles	7A	6	1,900
Losses from asset sales		-	2
Total expenses		179,594	179,564
Own-Source Income			
Own-source revenue			
Sale of goods and rendering of services	4A	188,801	178,255
Resources received free of charge - Remuneration of auditors		140	135
Total own-source revenue		188,941	178,390
Gains			
Gains from sales of assets		38	-
Total gains		38	-
Total own-source income		188,979	178,390
Net (cost) / contribution by services		9,385	(1,174)
Revenue from Government		2,302	2,578
Surplus attributable to the Australian Government		11,687	1,404
OTHER COMPREHENSIVE INCOME			
Items not subject to subsequent reclassification to net cost of services			
Changes in asset revaluation surplus		-	7
Total other comprehensive income		-	7
Total comprehensive income attributable to the Australian Government		11,687	1,411

The above statement should be read in conjunction with the accompanying notes.

IP AUSTRALIA
STATEMENT OF FINANCIAL POSITION
as at 30 June 2015

	Notes	2015 \$'000	2014 \$'000
ASSETS			
Financial assets			
Cash and cash equivalents		710	1,087
Trade and other receivables	6A	99,416	98,266
Total financial assets		100,126	99,353
Non-financial assets			
Leasehold improvements	7A	15,258	16,097
Property, plant and equipment	7A	8,579	6,478
Intangibles	7A	60,055	54,822
Prepayments	7B	4,606	4,162
Total non-financial assets		88,498	81,559
Total assets		188,624	180,912
LIABILITIES			
Payables			
Suppliers	8A	18,660	21,547
Other payables	8B	23,243	25,694
Total payables		41,903	47,241
Provisions			
Employee provisions	9A	35,752	34,396
Provision for restoration obligation	9B	209	202
Total provisions		35,961	34,598
Total liabilities		77,864	81,839
Net assets		110,760	99,073
EQUITY			
Contributed equity		5,608	5,608
Reserves		9,131	9,131
Retained surplus		96,021	84,334
Total equity		110,760	99,073

The above statement should be read in conjunction with the accompanying notes.

IP AUSTRALIA
STATEMENT OF CHANGES IN EQUITY
for the period ended 30 June 2015

	Retained earnings		Asset revaluation surplus		Contributed equity		Total equity	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Opening balance	84,334	82,930	9,131	9,124	5,608	5,608	99,073	97,662
Comprehensive income								
Surplus for the period	11,687	1,404	-	-	-	-	11,687	1,404
Other comprehensive income - changes in asset revaluation surplus	-	-	-	7	-	-	-	7
Total comprehensive income	11,687	1,404	-	7	-	-	11,687	1,411
Closing balance as at 30 June	96,021	84,334	9,131	9,131	5,608	5,608	110,760	99,073

The above statement should be read in conjunction with the accompanying notes.

IP AUSTRALIA
CASH FLOW STATEMENT
for the period ended 30 June 2015

	2015	2014
	Notes	\$'000
OPERATING ACTIVITIES		
Cash received		
Appropriations	2,302	2,578
Sales of good and rendering of services	186,710	170,197
Net GST received	5,550	4,313
Total cash received	<u>194,562</u>	<u>177,088</u>
Cash used		
Employees	(114,810)	(115,838)
Suppliers	(57,889)	(44,799)
Cash transferred to the Official Public Account	(1,000)	(2,000)
Total cash used	<u>(173,699)</u>	<u>(162,637)</u>
Net cash from operating activities	10 <u>20,863</u>	<u>14,451</u>
INVESTING ACTIVITIES		
Cash received		
Proceeds from sales of property, plant and equipment	42	19
Total cash received	<u>42</u>	<u>19</u>
Cash used		
Purchase of property, plant and equipment	7A (5,921)	(3,648)
Purchase of intangibles	7A (15,361)	(11,202)
Total cash used	<u>(21,282)</u>	<u>(14,850)</u>
Net cash used by investing activities	<u>(21,240)</u>	<u>(14,831)</u>
FINANCING ACTIVITIES		
Net cash from financing activities	-	-
Net decrease in cash held	<u>(377)</u>	<u>(380)</u>
Cash and cash equivalents at the beginning of the reporting period	1,087	1,467
Cash and cash equivalents at the end of the reporting period	<u>710</u>	<u>1,087</u>

The above statement should be read in conjunction with the accompanying notes.

IP AUSTRALIA
SCHEDULE OF COMMITMENTS
as at 30 June 2015

BY TYPE	2015	2014
	\$'000	\$'000
Commitments receivable		
Net GST recoverable on commitments	<u>11,256</u>	<u>12,280</u>
Total commitments receivable	<u>11,256</u>	<u>12,280</u>
Commitments payable		
Other commitments		
Operating leases ¹	(96,740)	(108,928)
Other commitments	<u>(31,903)</u>	<u>(30,901)</u>
Total other commitments	<u>(128,643)</u>	<u>(139,829)</u>
Net commitments by type	<u>(117,387)</u>	<u>(127,549)</u>
BY MATURITY		
Commitments receivable		
Other commitments receivable		
Within 1 year	3,273	2,842
Between 1 to 5 years	5,183	5,394
More than 5 years	<u>2,800</u>	<u>4,044</u>
Total other commitments receivable	<u>11,256</u>	<u>12,280</u>
Commitments payable		
Operating lease commitments		
Within 1 year	(12,554)	(12,185)
Between 1 to 5 years	(53,381)	(52,252)
More than 5 years	<u>(30,805)</u>	<u>(44,491)</u>
Total operating lease commitments	<u>(96,740)</u>	<u>(108,928)</u>
Other commitments		
Within 1 year	(26,469)	(21,855)
Between 1 to 5 years	<u>(5,434)</u>	<u>(9,045)</u>
Total other commitments	<u>(31,903)</u>	<u>(30,900)</u>
Net commitments by maturity	<u>(117,387)</u>	<u>(127,549)</u>

This schedule should be read in conjunction with the accompanying notes.

Note:

- Operating leases included are effectively non-cancellable.
- Commitments were GST inclusive where relevant.

Nature of lease	General description of leasing arrangement
Leases for office accommodation	Lease payments are subject to rent review in accordance with lease provisions.

**IP AUSTRALIA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

Note	Description
1	Summary of Significant Accounting Policies
2	Events After the Reporting Period
3	Expenses
4	Income
5	Fair Value Measurements
6	Financial Assets
7	Non-Financial Assets
8	Payables
9	Provisions
10	Cash Flow Reconciliation
11	Senior Management Personnel Remuneration
12	Financial Instruments
13	Financial Assets Reconciliation
14	Appropriations
15	Special Accounts
16	Reporting of Outcomes
17	Cost Recovery
18	Budgetary Reports and Explanations of Major Variances

IP AUSTRALIA NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 1: Summary of Significant Accounting Policies

1.1 Objectives of IP Australia

IP Australia is an Australian Government controlled entity. It is a not-for-profit entity. The objective of IP Australia is to contribute to the improvement of Australian and international IP systems and thereby support Australia's economic development through the provision and administration of intellectual property rights.

IP Australia is structured to meet one outcome: 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.

IP Australia's activities contributing toward the outcome are classified as departmental. Departmental activities involve the use of assets, liabilities, income and expenses controlled or incurred by IP Australia in its own right.

Departmental activities are identified under three programs:

- Program 1.1 - IP Rights Administration and Professional Registration;
- Program 1.2 - Awareness, Education and International Engagement; and
- Program 1.3 - Advice to Government.

IP Australia operates on a cost recovery basis, funding its operations almost entirely through revenues raised from charges for intellectual property services. Appropriation is received in relation to notional interest paid against the balance of the IP Australia Special Account. The use of a Special Account, established under the *Public Governance, Performance and Accountability Act 2013*, enables IP Australia to fund its operations from the revenue received from charges for intellectual property services.

1.2 Basis of Preparation of the Financial Statements

The financial statements are general purpose financial statements and are required by section 42 of the *Public Governance, Performance and Accountability Act 2013*.

The financial statements have been prepared in accordance with:

- a) Financial Reporting Rule (FRR) for reporting periods ending on or after 1 July 2014; and
- b) Australian Accounting Standards and Interpretations issued by Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and in accordance with historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial statements are presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

IP AUSTRALIA**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS****1.3 Significant Accounting Judgements and Estimates**

In the process of applying the accounting policies listed in this note, IP Australia has made assumptions or estimates in the following area that has the most significant impact on the amounts recorded in the financial statements:

- The fair value of IP Australia's leasehold improvements and plant and equipment has been taken to be the market value of similar items or depreciated replacement cost as determined by an independent valuer. In some instances, IPA's leasehold improvements that were purposed-built and some specialised plant and equipment may in fact realise more or less in the market.

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

1.4 New Australian Accounting Standards*Adoption of New Australian Accounting Standard Requirements*

IP Australia has adopted AASB 2015-7 earlier than the application date as stated in the standard. This standard exempts not-for-profit public sector entities from disclosing the fair value measurement of property, plant and equipment assets which are primarily held for internal or policy use, rather than to generate future net cash flows.

During the 2014-15 financial year several accounting standards and interpretations that were issued prior to the signing of the financial statements by the Accountable Authority and Chief Financial Officer are applicable to the current reporting period. The accounting standard that had a material effect on IP Australia's financial statements for 2014-15 is summarised below:

- AASB1055- Budgetary Reporting requires reporting of budgetary information by not-for-profit entities within the General Government Sector. IP Australia had disclosed budgetary information in the notes forming part of the financial statements (Note 18). AASB 1055 does not require prior-year budget comparative to be disclosed.

All other accounting standards that were issued prior to the sign-off date and are applicable to the current reporting period did not have a material effect, and are not expected to have a future material effect, on IP Australia's financial statements.

Future Australian Accounting Standard Requirements

During the 2014-15 financial year, several accounting standards and interpretations were issued or amended by the Australian Accounting Standards Board which are effective for future reporting periods, however those future standards and interpretation are not expected to have a future material impact on IP Australia's financial statements.

IP AUSTRALIA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1.5 Revenue and Gains

Revenue from the sale of goods is recognised when:

- a) the risks and rewards of ownership have been transferred to the buyer;
- b) IP Australia retains no managerial involvement nor effective control over the goods;
- c) the revenue and transaction costs incurred for the transaction can be reliably measured; and
- d) it is probable that the economic benefits associated with the transaction will flow to IP Australia.

Revenue from rendering of services is recognised by reference to the stage of completion of contracts at the reporting date. The revenue is recognised when:

- a) the amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- b) the probable economic benefits associated with the transaction will flow to the entity.

The stage of completion of contracts at the reporting date is determined by reference to the proportion that costs incurred to date bear to the estimated total costs of the transaction.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at the end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

Resources Received Free of Charge

Resources received free of charge are recognised as revenue when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

Revenue from Government

Amounts appropriated for departmental appropriations for the year (adjusted for any formal additions and reductions) are recognised as Revenue from Government when IP Australia gains control of the appropriation. Appropriations receivable are recognised at their nominal amounts.

Sale of Asset

Gains from disposal of assets are recognised when control of the asset has passed to the buyer.

1.6 Employee Benefits

Liabilities for 'short-term employee benefits' (as defined in AASB 119 *Employee Benefits*) and termination benefits due within twelve months of the end of the reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits are measured as net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at

IP AUSTRALIA**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

the end of the reporting period of plan assets (if any) out of which the obligations are to be settled directly.

Leave

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of IP Australia is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time leave is taken, including IP Australia's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave has been determined by reference to the work of an actuary as at 31 January 2013. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Separation and Redundancy

IP Australia recognises a provision for termination in Note 8B when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

Superannuation

IP Australia staff are predominantly members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS) or the PSS accumulation plan (PSSap).

The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported by the Department of Finance within its administered schedules and notes.

IP Australia makes employer contributions to the employee's superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the Government. IP Australia accounts for the contributions as if they were contributions to defined contribution plans.

The liability for superannuation recognised as at 30 June represents outstanding contributions for the final fortnight of the year.

1.7 Leases

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased asset. Lease incentives are recognised as other payables and amortised over the period of the lease on a straight line basis.

IP AUSTRALIA NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1.8 Fair Value Measurement

IP Australia deems transfers between the levels of the fair value hierarchy to have occurred at the end of the reporting period.

1.9 Financial Assets

Cash and cash equivalents

Cash is recognised at its nominal amount. Cash and cash equivalents include:

- cash on hand;
- cash in special accounts.

Receivable

Trade receivables are classified as 'loans and receivables' and recorded at face value less any impairment. Trade receivables are recognised where IP Australia becomes party to a contract and has a legal right to receive cash. Trade receivables are derecognised on payment. Loans and receivables are assessed for impairment at the end of each financial year. Allowances are made when collectability of the debt is no longer probable.

1.10 Financial Liabilities

Supplier and other payables are classified as 'other financial liabilities' and are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced). Supplier and other payables are derecognised on payment.

1.11 Contingent Liabilities and Contingent Assets

IP Australia had no quantifiable or unquantifiable contingent liabilities or assets at 30 June 2015 (2013-14: nil).

1.12 Acquisition of Assets

The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value.

1.13 Property, Plant and Equipment and Leasehold Improvements

Asset Recognition Threshold

Purchases of property, plant and equipment are recognised initially at cost in the statement of financial position, except for purchases of leasehold improvements costing less than \$20,000 (2013-14: \$20,000) and computer equipment costing less than \$1,000 (2013-14: \$1,000). Purchases of other property, plant and equipment are also recognised initially at cost in the statement of financial position, except for purchases costing less than \$5,000 (2013-14: \$5,000).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to 'makegood' provisions in property leases taken up by IP Australia where

IP AUSTRALIA**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

there exists an obligation to restore the property to its original condition. These costs are included in the value of IP Australia's leasehold improvements with a corresponding provision for the 'make good' recognised.

Revaluations

Following initial recognition at cost, property, plant and equipment were carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Valuations were conducted with sufficient frequency to ensure that the carrying amounts of assets did not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets. The most recent independent valuation was conducted by the former Australian Valuation Office as at 30 June 2013.

Revaluation adjustments are made on a class basis. Any revaluation increment was credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets were recognised directly through the surplus/deficit except to the extent that they reversed a previous revaluation increment for that class.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to IP Australia using, in all cases, the straight-line method of depreciation. Leasehold improvements are depreciated on a straight-line basis over the lesser of the estimated useful life of the improvements or the unexpired period of the lease.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2015	2014
Leasehold improvements	Lease term	Lease term
Plant and Equipment	3 to 25 years	3 to 25 years

Impairment

All assets were assessed for impairment at 30 June 2015. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

IP AUSTRALIA NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1.14 Intangibles

IP Australia's intangibles comprise internally developed and purchased software for internal use. These assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of IP Australia's software are 3 to 10 years (2013-14: 3 to 10 years).

Purchases of software are recognised initially at cost in the statement of financial position, except for purchases costing less than \$5,000 (2013-14: \$5,000). Dependent on the stage of development, internally developed software is recognised at cost in the statement of financial position, except for purchases costing less than \$200,000 (2013-14: \$200,000).

All software assets were assessed for indications of impairment as at 30 June 2015.

1.15 Taxation

IP Australia is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

1.16 Special note for non-corporate Commonwealth entities under the PGPA Act (formally the prescribed agencies under the FMA Act)

The Australian Government continues to have regard to developments in case law, including the High Court's most recent decision on Commonwealth expenditure in *Williams v Commonwealth* (2014) HCA 23, as they contribute to the larger body of law relevant to the development of Commonwealth programs. In accordance with its general practice, the Government will continue to monitor and assess risk and decide on any appropriate actions to respond to risks of expenditure not being consistent with constitutional or other legal requirements.

Note 2: Events After the Reporting Period

There are no events occurring after statement of financial position date that materially affect the financial statements.

IP AUSTRALIA**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS****Note 3: Expenses**

	2015	2014
	\$'000	\$'000
Note 3A: Employee Benefits		
Wages and salaries	88,450	91,110
Superannuation:		
Defined contribution plans	7,831	7,699
Defined benefit plans	8,142	8,941
Leave and other entitlements	10,859	10,247
Separation and redundancies	804	703
Total employee benefits	116,086	118,700
Note 3B: Suppliers		
Goods and services		
Contractors & Consultants	8,704	6,023
Travel	1,614	1,596
Communication & IT Services	13,639	12,574
Administrative Services	10,678	11,231
Subscription to World Intellectual Property Organisation	964	883
Total goods and services	35,599	32,307
Goods and services are made up of:		
Provision of goods - External parties	439	798
Rendering of services - Related parties	1,877	2,796
Rendering of services - External parties	33,283	28,713
Total goods and services	35,599	32,307
Other suppliers		
Operating lease rentals -External parties:		
Minimum lease payments	10,806	10,905
Workers compensation expenses	2,312	2,224
Total other suppliers	13,118	13,129
Total suppliers	48,717	45,436

IP AUSTRALIA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 4: Income

	2015	2014
	\$'000	\$'000
Own-Source Revenue		

Note 4A: Sale of Goods and Rendering of Services**Sale of goods and rendering of services**

Patent fees	118,603	113,477
Trade Mark fees	64,245	59,088
Design fees	3,537	3,369
Plant Breeders Rights fees	1,319	1,312
Other goods and services	1,097	1,009
Total sale of goods and rendering of services	188,801	178,255

Sale of goods and rendering of services are made up of

Provision of goods - External parties	590	206
Rendering of services - Related parties	125	226
Rendering of services - External parties	188,086	177,823
Total sale of goods and rendering of services	188,801	178,255

IP AUSTRALIA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 5: Fair Value Measurements

The following tables provide an analysis of assets and liabilities that are measured at fair value. The different levels of the fair value hierarchy are defined below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that IP Australia can access at measurement date.
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: Unobservable inputs for the asset or liability.

Note 5A: Fair Value Measurements, Valuation Techniques and Inputs Used**Fair value measurements at the end of the reporting period by hierarchy for assets and liabilities in 2015**

	Fair value measurements at the end of the reporting period			For Levels 2 and 3 fair value
	2015 \$'000	2014 \$'000	Category (Level 1,2 or 3 ¹)	Valuation technique(s) ²
Non-financial assets³				
Recurring				
Leasehold improvements	15,258	16,097	3	Depreciated Replacement Cost (DRC)
Property, plant and equipment	2,810	2,877	2	Market Approach
Property, plant and equipment	5,505	3,601	3	Depreciated Replacement Cost (DRC)
Total fair value measurements of assets in the statement of financial position	23,573	22,575		

- IP Australia did not measure any non-financial assets at fair value on a non-recurring basis as at 30 June 2015.
- There has been changes to the valuation techniques for assets in the property, plant and equipment class. In instances where sufficient observable inputs, such as market transactions of similar assets, were (not) identified in this financial year, the valuation technique was changed from a DRC (Market) approach to a Market (DRC) approach.
- Fair value measurements - highest and best use differs from current use for non-financial assets (NFAs)**
IP Australia's assets are held for operational purposes and not held for the purpose of deriving a profit. The highest and best used of all non-financial assets are the same as their current use.
- Recurring and non-recurring Level 3 fair value measurements - valuation processes**
IP Australia tests the procedures of the valuation model as an internal asset materiality review at least once every 12 months (with a formal revaluation undertaken once every four years). If a particular asset class experiences significant and volatile changes in fair value (i.e. where indicators suggest that the value of the class has changed materially since the previous reporting period), that class is subject to specific valuation in the reporting period, where practicable, regardless of the timing of the last specific valuation. IP Australia engaged Australian Valuation Solutions (AVS) to undertake a full revaluation and to confirm that the models developed comply with AASB 13.

Significant Level 3 inputs utilised by IP Australia are derived and evaluated as follows:

Property, Plant & Equipment (PPE) - Adjusted Market Transactions

The significant unobservable inputs used in the fair value measurement of PPE assets relates to the market demand and valuers judgement to determine the fair value measurement of these assets. A significant increase (decrease) in this input would result in a significantly higher (lower) fair value measurement.

Leasehold Improvements, Property, Plant and Equipment - Consumed economic benefit / Obsolescence of asset

Assets that do not transact with enough frequency or transparency to develop objective opinions of value from observable market evidence have been measured utilising the cost (Depreciated Replacement Cost or DRC) approach. Under the DRC approach the estimated cost to replace the asset is calculated and then adjusted to take into account its consumed economic benefit / asset obsolescence (accumulated depreciation). Consumed economic benefit / asset obsolescence has been determined based on professional judgement regarding physical, economic and external obsolescence factors relevant to the asset under consideration.

IP AUSTRALIA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 5B: Level 1 and Level 2 transfers for recurring fair value measurements

IP Australia had no transfers of non-financial assets between level 1 and 2 of the hierarchy during the year.

**Note 5C: Reconciliation for Recurring Level 3 Fair Value Measurements
Recurring Level 3 fair value measurements - reconciliation for assets**

	Non-financial assets					
	Property, Plant and Equipment		Leasehold Improvements		Total	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
As at 1 July¹	3,601	2,973	16,097	17,435	19,698	20,408
Total gains/(losses) recognised in net cost of services ²	(1,377)	(970)	(2,062)	(2,095)	(3,439)	(3,065)
Purchases	3,021	1,598	1,223	757	4,244	2,355
Disposals	-	-	-	-	-	-
Transfers into Level 3 ³	269	-	-	-	269	-
Transfers out of Level 3 ⁴	(9)	-	-	-	(9)	-
Total as at 30 June	5,505	3,601	15,258	16,097	20,763	19,698

1. Open balance as determined in accordance with AASB 13.

2. These gains/(losses) are presented in the Statement of Comprehensive Income under Depreciation and Amortisation in Note 7A.

3. There have been fourteen transfers of property, plant and equipment asset fair value measurements into level 3 due to changes in the valuation technique from a market approach to DRC.

4. There has been one transfer out of level 3.

IP Australia's policy for determining when transfers between levels are deemed to have occurred can be found in Note 1.

IP AUSTRALIA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 6: Financial Assets

	2015	2014
	\$'000	\$'000
Note 6A: Trade and Other Receivables		
Trade receivable - Related parties	60	60
Trade receivable - External parties	411	163
Special Account Receivables (held as cash in OPA)	97,775	96,775
GST receivable from the Australian Taxation Office	1,141	1,251
Other receivables	29	17
Total trade and other receivables	99,416	98,266
Trade and other receivables are expected to be recovered		
No more than 12 months	22,641	19,992
More than 12 months	76,775	78,274
Total trade and other receivables	99,416	98,266
Trade and other receivables aged as follows		
Not overdue	99,407	98,237
Overdue by:		
0 to 30 days	7	28
31 to 60 days	2	1
61 to 90 days	-	-
More than 90 days	-	-
Total trade and other receivables	99,416	98,266

Credit terms for goods and services were within 30 days (2013-14: 30 days).

IP AUSTRALIA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 7A: Reconciliation of the opening and closing balances of property, plant and equipment 2015

	Leasehold Improvements \$'000	Property, plant & equipment \$'000	Computer software internally developed \$'000	Computer software purchased \$'000	Total Intangibles \$'000	Total \$'000
As at 1 July 2014						
Gross book value	18,349	9,829	93,847	13,451	107,298	135,476
Accumulated depreciation and impairment	(2,252)	(3,351)	(44,122)	(8,354)	(52,476)	(58,079)
Net book value 1 July 2014	16,097	6,478	49,725	5,097	54,822	77,397
Additions - by purchase or internally developed	1,223	4,698	14,755	606	15,361	21,282
Depreciation/Amortisation expense	(2,062)	(2,594)	(8,464)	(1,658)	(10,122)	(14,778)
Other movements: transfers	-	-	(1,651)	1,651	-	-
Disposals	-	(3)	-	(6)	(6)	(9)
Total as at 30 June 2015	15,258	8,579	54,365	5,690	60,055	83,892
Total as at 30 June 2015 represented by:						
Gross book value	19,477	13,839	106,563	15,535	122,098	155,414
Accumulated depreciation and impairment	(4,219)	(5,260)	(52,198)	(9,845)	(62,043)	(71,522)
Total as at 30 June 2015	15,258	8,579	54,365	5,690	60,055	83,892

No indicators of impairment were identified for property, plant and equipment and intangibles.

No property, plant and equipment and intangibles are expected to be sold or disposed of within the next 12 months.

Reconciliation of the opening and closing balances of property, plant and equipment 2014

	Leasehold Improvements \$'000	Property, plant & equipment \$'000	Computer software internally developed \$'000	Computer software purchased \$'000	Total Intangibles \$'000	Total \$'000
As at 1 July 2013						
Gross book value	17,593	7,232	85,240	12,988	98,228	123,053
Accumulated depreciation and impairment	(158)	(1,056)	(36,804)	(7,049)	(43,853)	(45,067)
Net book value 1 July 2013	17,435	6,176	48,436	5,939	54,375	77,986
Additions - by purchase or internally developed	757	2,891	10,508	694	11,202	14,850
Impairments recognised in the operating result	-	-	(1,900)	-	(1,900)	(1,900)
Depreciation/Amortisation expense	(2,095)	(2,568)	(7,319)	(1,536)	(8,855)	(13,518)
Disposals	-	(21)	-	-	-	(21)
Total as at 30 June 2014	16,097	6,478	49,725	5,097	54,822	77,397

IP AUSTRALIA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 7 & 8: Prepayments & Payables

	2015	2014
	\$'000	\$'000
Note 7B: Prepayments		
Expected to be recovered no more than 12 months	4,259	4,078
Expected to be recovered more than 12 months	347	84
Total Prepayments	4,606	4,162

No indicators of impairment were found for prepayments.

Note 8A: Suppliers

Trade creditors and accruals	9,405	12,452
Operating lease rentals	9,255	9,095
Total suppliers	18,660	21,547

Suppliers expected to be settled

No more than 12 months	9,609	12,464
More than 12 months	9,051	9,083
Total Suppliers	18,660	21,547

Suppliers - Related parties	660	640
Suppliers - External parties	18,000	20,907
Total supplier payables	18,660	21,547

Settlement is usually made within 30 days.

Note 8B: Other Payables

Unearned revenues		
Patents fees	8,187	10,749
Trade Marks fees	6,500	6,210
Designs fees	179	159
Plant Breeders Rights fees	1,062	903
Total unearned revenues	15,928	18,021
Prepayments received/unearned income	298	118
Lease incentives	2,660	3,027
Salary and wages	3,656	3,317
Superannuation	544	508
Separations and redundancies	157	703
Total other payables	23,243	25,694

Other payables expected to be settled

No more than 12 months	18,170	20,461
More than 12 months	5,073	5,233
Total other payables	23,243	25,694

Note 9: Provisions

	2015	2014
	\$'000	\$'000
Note 9A: Employee Provisions		
Leave	32,810	31,547
Superannuation on-cost	2,942	2,849
Total employee provisions	35,752	34,396
Employee provisions are expected to be settled		
No more than 12 months	11,224	11,254
More than 12 months	24,528	23,142
Total employee provisions	35,752	34,396

Note 9B: Provision for Restoration Obligation

	Provision for restoration obligations \$'000
As at 1 July 2014	202
Unwinding of discount	7
Total as at 30 June 2015	209

IP Australia currently has one agreement for the leasing of premises which has a provision requiring IP Australia to restore the premises to their original condition at the conclusion of the lease. IP Australia has made a provision to reflect the present value of this obligation.

Provision for restoration obligation is expected to be settled in more than 12 months.

IP AUSTRALIA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 10: Cash Flow Reconciliation

	2015	2014
	\$'000	\$'000
Reconciliation of cash and cash equivalents as per statement of financial position to cash flow statement		
Cash and cash equivalents as per:		
Cash flow statement	710	1,087
Statement of financial position	710	1,087
Discrepancy	<u>-</u>	<u>-</u>
Reconciliation of net cost of services to net cash from / (used by) operating activities		
Net (cost)/contribution of services	9,385	(1,174)
Revenue from Government	2,302	2,578
Cash transferred to the Official Public Account	(1,000)	(2,000)
Adjustments for non-cash items		
Depreciation / amortisation	14,778	13,518
Net write down of non-financial assets	6	1,900
Gain on disposal of assets	(38)	2
Finance Cost	7	8
Movements in assets / liabilities		
Assets		
(Increase) in net receivables	(150)	(81)
(Increase) in other non-financial assets	(444)	(893)
Liabilities		
Increase in employee provisions	1,356	2,263
Increase in Provision for restoration obligation	-	1
Increase / (Decrease) in suppliers payables	(2,887)	6,629
(Decrease) in other payables	(2,451)	(8,300)
Net cash from operating activities	<u>20,863</u>	<u>14,451</u>

IP AUSTRALIA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 11: Senior Management Personnel Remuneration

	2015	2014
	\$	\$
Short-term employee benefits		
Salary	1,750,575	1,581,152
Performance bonuses	32,000	38,917
Motor vehicle and other allowances ¹	237,556	260,626
Total short-term employee benefits	<u>2,020,131</u>	<u>1,880,695</u>
Post-employment benefits		
Superannuation	310,826	307,854
Total post-employment benefits	<u>310,826</u>	<u>307,854</u>
Other long-term employee benefits		
Annual leave	146,545	168,980
Long-service leave	48,257	66,490
Total other long-term employee benefits	<u>194,802</u>	<u>235,470</u>
Total senior executive remuneration expenses	<u>2,525,759</u>	<u>2,424,019</u>

Notes:

1. Includes motor vehicles and parking.

The total number of senior management personnel that are included in the above table are 11 individuals. (2013-14: 9 individuals).

IP AUSTRALIA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 12: Financial Instruments

	Notes	2015 \$'000	2014 \$'000
Note 12A: Categories of Financial Instruments			
Financial Assets			
Loans and receivables			
Cash and cash equivalents		710	1,087
Trade and other receivables	6A	471	223
Total financial assets		1,181	1,310
Financial Liabilities			
Financial liabilities measured at amortised cost			
Trade creditors	8A	9,405	12,452
Total financial liabilities		9,405	12,452

There was no income and expense from financial assets and financial liabilities in the year ending 2015 (2013-14: nil).

Note 12B: Credit Risk

IP Australia is exposed to minimal credit risk in relation to potential debtor default. The maximum exposure to credit risk is the risk that arises from potential default of a debtor. This amount is equal to the total amount of trade receivables (2015: \$471,249 and 2014: \$223,346). IP Australia has assessed the risk of the default on payment and provides for this risk through the recognition of an impairment allowance where necessary. The value of financial assets considered impaired in 2015 was nil (2013-14: nil).

IP Australia manages its debtors by undertaking recovery processes for those receivables which are considered to be overdue. The risk of overdue debts arising is negated through the implementation of credit assessments on potential customers. IP Australia holds no collateral to mitigate against credit risk. IP Australia's credit risk profile has not changed from the prior financial year.

Note 12C: Liquidity Risk

IP Australia analyses measures of liquidity such as the relationship between current assets and current liabilities. Such processes, together with the application of full cost recovery, ensures that at any point in time IP Australia has appropriate resources available to meet its financial obligations as and when they fall due. IP Australia manages liquidity risk by ensuring all financial liabilities are paid in accordance with terms and conditions on demand. IP Australia's liquidity risk profile has not changed from the prior financial year.

Note 12D: Market Risk

IP Australia holds basic financial instruments that do not expose the Agency to certain market risks. IP Australia's market risk profile has not changed from the prior financial year. IP Australia is exposed to 'Currency risk' however this risk is managed through regular fee reviews. IP Australia is not exposed to 'Other price risk'.

Note 13: Financial Assets Reconciliation

		2015	2014
		\$'000	\$'000
	Notes		
Total financial assets as per statement of financial position		100,126	99,353
Less: Non-financial instrument components			
Special Account receivable	6A	97,775	96,775
Other receivables	6A	<u>1,170</u>	<u>1,268</u>
Total non-financial instrument components		<u>98,945</u>	<u>98,043</u>
Total financial assets as per financial instruments note		<u>1,181</u>	<u>1,310</u>

IP AUSTRALIA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 14: Appropriations

Table 14A: Annual Appropriations (Recoverable GST exclusive)

Annual Appropriations for 2015	Appropriation Act		PGPA Act			Appropriation applied in 2015 (current and prior years) \$'000	Variance ² \$'000	Section 51 determinations \$'000
	Annual Appropriation ¹ \$'000	AFM \$'000	Section 74 \$'000	Section 75 \$'000	Total appropriation \$'000			
DEPARTMENTAL								
Ordinary annual services	2,302	-	-	-	2,302	2,302	-	-
Total departmental	2,302	-	-	-	2,302	2,302	-	-
Annual Appropriations for 2014	Appropriation Act		FMA Act			Total appropriation \$'000	Appropriation applied in 2014 (current and prior years) \$'000	Variance \$'000
DEPARTMENTAL	Annual Appropriation \$'000	AFM \$'000	Section 30 \$'000	Section 31 \$'000	Section 32 \$'000			
Ordinary annual services	2,578	-	-	-	-	2,578	2,578	-
Total departmental	2,578	-	-	-	-	2,578	2,578	-

Appropriations received under ordinary annual services are sourced from Appropriation Acts (Nos. 1 & 3)

1. In 2014-15, there were no appropriations that have been quarantined.
2. In 2014-15, there were no variances.

Note 15: Special Accounts

	Intellectual Property Special Account ¹		Services for Other Entities and Trust Moneys World Intellectual Property Organisation ²		Services for Other Entities and Trust Moneys - Security of Costs ²		Service for Other Entities and Trust Moneys - Comcare ²	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Balance brought forward from previous period	97,862	96,243	551	559	63	57	8	-
Increases:								
Appropriation credited to special account	2,302	2,578	-	-	-	-	-	-
Costs recovered	186,633	170,131	-	-	-	-	-	-
Receipts on behalf of WIPO	-	-	8,432	8,763	-	-	-	-
Other receipts	42	19	-	-	10	19	416	770
Total increases	188,977	172,728	8,432	8,763	10	19	416	770
Available for payments	286,839	268,971	8,983	9,322	73	76	424	770
Decreases:								
Departmental								
Payments made to suppliers	(73,544)	(55,271)	-	-	-	-	-	-
Payments made to employees	(114,810)	(115,838)	-	-	-	-	-	-
Money held for non-Commonwealth Party	-	-	(8,623)	(8,771)	(17)	(13)	(424)	(762)
Total departmental decreases	(188,354)	(171,109)	(8,623)	(8,771)	(17)	(13)	(424)	(762)
Total balance carried to the next period	98,485	97,862	360	551	56	63	-	8

1. Appropriation: Public Governance and Performance and Accountability Act 2013: s78

Establishing Instrument: Financial Management and Accountability Determination 2006/66

Purpose: For developing and administering intellectual and industrial property systems, including the provision of property rights in inventions, trademarks, designs and plant breeders rights.

2. Appropriation: Public Governance and Performance and Accountability Act 2013: s78

Establishing Instrument: Financial Management and Accountability Determination 2011/11

Purpose: For the services for Other Entities and Trust Moneys - IP Australia (Special Public Money) - For expenditure of money temporary held on trust or otherwise for the benefit of a person other than the Commonwealth and expenditure in connection with services performed on behalf of other Government and bodies that are not FMA Act agencies.

Note 16: Reporting of Outcomes

IP Australia uses an Activity Based Costing system to determine the attribution of its shared items.

The basis of attribution in the table below is consistent with the basis used for the Budget.

Note 16A: Net Cost of Outcome Delivery

	Outcome 1	
	2015	2014
	\$'000	\$'000
Departmental		
Expenses	179,594	179,564
Own-source income	(188,979)	(178,390)
Net cost of outcome delivery	(9,385)	1,174

IP AUSTRALIA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 17: Cost Recovery Summary

	2015	2014
	\$'000	\$'000
Amounts applied		
Departmental		
Annual appropriations	2,302	2,578
Own source revenue	<u>186,633</u>	<u>170,197</u>
Total amounts applied	<u>188,935</u>	<u>172,775</u>
Expenses		
Departmental	<u>179,594</u>	<u>179,564</u>
Total Expenses	<u>179,594</u>	<u>179,564</u>
Revenue		
Departmental	<u>188,801</u>	<u>178,255</u>
Total Revenues	<u>188,801</u>	<u>178,255</u>
Receivables		
Not overdue	452	128
Overdue by		
0 to 30 days	7	3
31 to 60 days	2	1
61 to 90 days	-	-
More than 90 days	-	-
Total receivables	<u>461</u>	<u>132</u>
Amounts written off		
Departmental	-	-
Total amounts written off	<u>-</u>	<u>-</u>

Cost recovered activities:

IP Australia operates on a cost recovery basis, predominately funding all operations from cost recovered activities.

These activities include:

- Patents
- Trade Marks
- Designs
- Plant Breeder's Rights
- Professional Standards Board

Documentation (Cost recovery Impact Statement/s) for the above activities is available at www.ipaustralia.gov.au/about-us/what-we-do/reports/cost-recovery-impact

IP AUSTRALIA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 18: Budgetary Reports and Explanations of Major Variances

The following tables provide a comparison of the original budget as presented in the 2014-15 Portfolio Budget Statements (PBS) to the 2014-15 final outcome as presented in accordance with Australian Accounting Standards for IP Australia.

IP Australia considers that major variances are those:

- greater than 10% of the original estimate or
- greater than 2% of the relevant categories (Total Income, Expenses, Assets and Liabilities) or
- an item below this threshold but is considered important for the reader's understanding or is relevant to an assessment of the discharge of accountability and to an analysis of performance of IP Australia.

Where a budget has not been provided for in the PBS, for example non-cash items such as sale of asset adjustments and finance cost, for these items no explanation has been provided unless the variance is considered to be 'major'.

The Budget is not audited.

Note 18A: Departmental Budgetary Reports

IP Australia

Statement of Comprehensive Income
for the period ended 30 June 2015

	Actual 2015 \$'000	Budget estimate	
		Original ¹ 2015 \$'000	Variance ² 2015 \$'000
NET COST OF SERVICES			
Expenses			
Employee benefits	116,086	119,841	(3,755)
Suppliers	48,717	46,113	2,604
Depreciation and amortisation	14,778	15,119	(341)
Finance costs - Unwinding of discount	7	-	7
Write-down and impairment of assets - Intangibles	6	-	6
Total expenses	179,594	181,073	(1,479)
Own-Source Income			
Own-source revenue			
Sale of goods and rendering of services	188,801	178,705	10,096
Resources received free of charge - Remuneration of auditors	140	166	(26)
Total own-source revenue	188,941	178,871	10,070
Gains			
Gains from sales of assets	38	-	38
Total gains	38	-	38
Total own-source income	188,979	178,871	10,108
Net contribution of services	9,385	(2,202)	11,587
Revenue from Government	2,302	2,302	-
Surplus attributable to the Australian Government	11,687	100	11,587
OTHER COMPREHENSIVE INCOME			
Items not subject to subsequent reclassification to net cost of services			
Changes in asset revaluation surplus	-	-	-
Total other comprehensive income	-	-	-
Total comprehensive income	11,687	100	11,587
Total comprehensive income attributable to the Australian Government	11,687	100	11,587

1. IP Australia's original budgeted financial statement that was first presented to parliament in respect of the reporting period.
2. Between the actual and original budgeted amounts for 2015. Explanations of major variances are provided below.

Explanations of major variances	Affected line items
Variance to budget is primarily due to greater than expected Trade Mark applications, registrations & renewals. Patent examination & renewal revenue was also above plan.	<i>Sale of goods and rendering of services</i>
The variance against budget in employee benefits is related to the combination of ending the financial year with less ASL than planned and the delay in entering into a new Enterprise Agreement.	<i>Employee benefits</i>

IP AUSTRALIA
STATEMENT OF FINANCIAL POSITION
as at 30 June 2015

	Actual	Budget estimate	
		Original ¹	Variance ²
	2015	2015	2015
	\$'000	\$'000	\$'000
ASSETS			
Financial assets			
Cash and cash equivalents	710	1,500	(790)
Trade and other receivables	99,416	91,986	7,430
Total financial assets	100,126	93,486	6,640
Non-financial assets			
Leasehold improvements	15,258	13,858	1,400
Property, plant and equipment	8,579	5,045	3,534
Intangibles	60,055	57,967	2,088
Prepayments	4,606	3,657	949
Total non-financial assets	88,498	80,527	7,971
Total assets	188,624	174,013	14,611
LIABILITIES			
Payables			
Suppliers	18,660	16,223	2,437
Other payables	23,243	19,901	3,342
Total payables	41,903	36,124	5,779
Provisions			
Employee provisions	35,752	37,810	(2,058)
Provision for restoration obligation	209	217	(8)
Total provisions	35,961	38,027	(2,066)
Total liabilities	77,864	74,151	3,713
Net assets	110,760	99,862	10,898
EQUITY			
Contributed equity	5,608	5,608	(0)
Reserves	9,131	9,124	7
Retained surplus	96,021	85,130	10,891
Total equity	110,760	99,862	10,898

- IP Australia's original budgeted financial statement that was first presented to parliament in respect of the reporting period.
- Between the actual and original budgeted amounts for 2015. Explanations of major variances are provided below.

Explanations of major variances	Affected line items
Special Account Receivable ended the year above plan as a result of the growth in sale of goods and rendering of services.	<i>Trade and other receivables</i>
The total fitout cost from the establishment of a flexible working environment within Discovery House was not included in the budget.	<i>Leasehold improvements</i>
Variance reflects Executive Board approval for increased investment in computer and office equipment following the release of the external budget.	<i>Property, plant & equipment</i>
Variance to budget is due to an increase in annual service fees and the timing of supplier invoice payments.	<i>Prepayments</i>
The variance relates to the costs of financing a number of new initiatives and additional supplier expenses unknown at the time of setting the 2014-15 budget.	<i>Suppliers</i>
The variance is primarily related to unearned revenue which ended the year above plan as a result of higher than anticipated examination requests.	<i>Other payables</i>
Employee provision is below budget as a result of higher discount factor than was anticipated in the budget and ending the financial year with less ASL than planned.	<i>Employee provisions</i>

IP AUSTRALIA
STATEMENT OF CHANGES IN EQUITY
for the period ended 30 June 2015

	Retained earnings			Asset revaluation surplus			Contributed equity			Total equity		
	Actual	Budget estimate	Variance ²	Actual	Budget estimate	Variance ²	Actual	Budget estimate	Original ¹	Actual	Budget estimate	Variance ²
	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000
Opening balance	84,334	85,030	(696)	9,131	9,124	7	5,608	5,608	(0)	99,073	99,762	(689)
Comprehensive income												
Surplus for the period	11,687	100	11,587	-	-	-	-	-	-	11,687	100	11,587
Other comprehensive income - changes in asset revaluation surplus	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income	11,687	100	11,587	-	-	-	-	-	-	11,687	100	11,587
Closing balance as at 30 June	96,021	85,130	10,891	9,131	9,124	7	5,608	5,608	(0)	110,760	99,862	10,898

1. IP Australia's original budgeted financial statement that was first presented to parliament in respect of the reporting period.

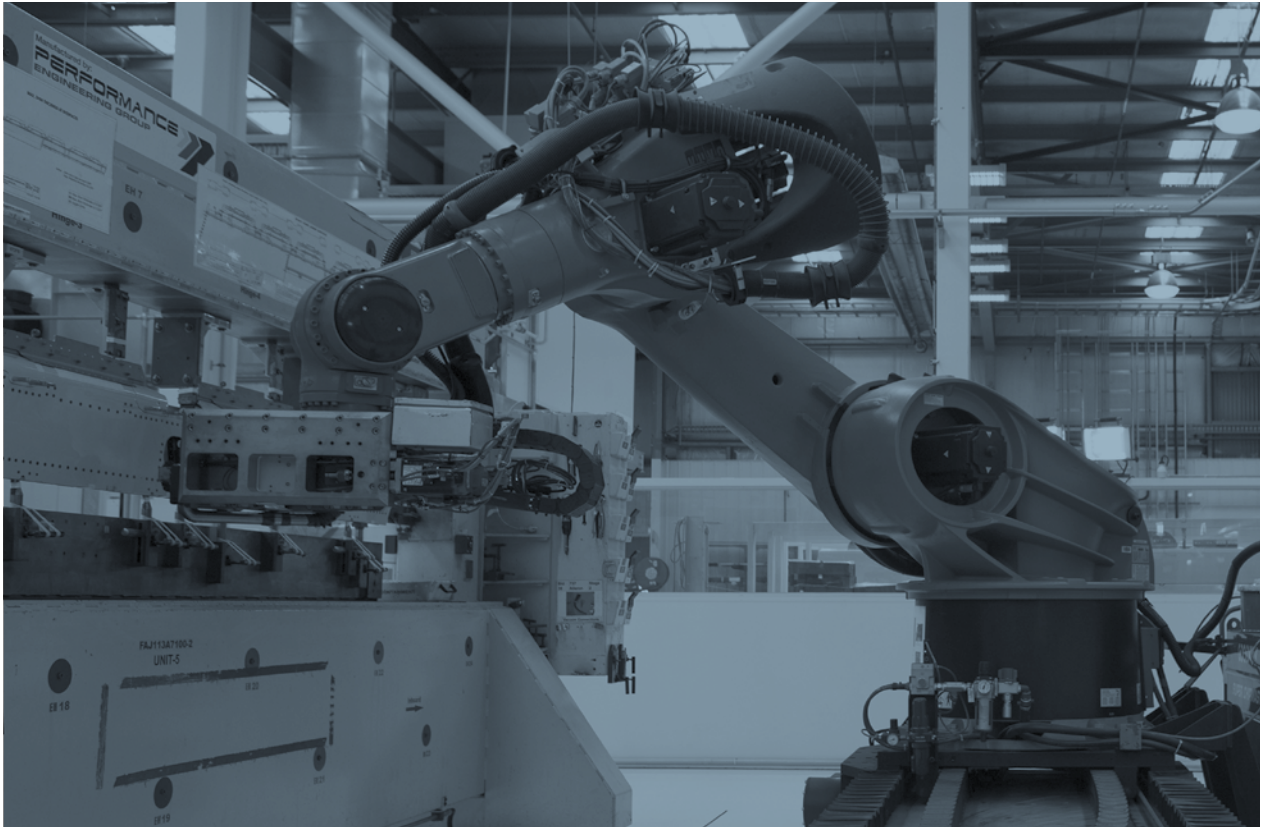
2. Between the actual and original budgeted amounts for 2015. There are no major variances.

IP AUSTRALIA
CASH FLOW STATEMENT
for the period ended 30 June 2015

	Actual	Budget estimate	
		Original ¹	Variance ²
	2015	2015	2015
	\$'000	\$'000	\$'000
OPERATING ACTIVITIES			
Cash received			
Appropriations	2,302	2,302	-
Sales of good and rendering of services	186,710	176,211	10,499
Net GST received	5,550	5,101	449
Cash received from the Official Public Account	-	829	(829)
Total cash received	194,562	184,443	10,119
Cash used			
Employees	(114,810)	(117,252)	2,442
Suppliers	(57,889)	(51,441)	(6,448)
Cash transferred to the Official Public Account	(1,000)	-	(1,000)
Total cash used	(173,699)	(168,693)	(5,006)
Net cash from operating activities	20,863	15,750	5,113
INVESTING ACTIVITIES			
Cash received			
Proceeds from sales of property, plant and equipment	42	39	3
Total cash received	42	39	3
Cash used			
Purchase of property, plant and equipment	(5,921)	(2,493)	(3,428)
Purchase of intangibles	(15,361)	(13,296)	(2,065)
Total cash used	(21,282)	(15,789)	(5,493)
Net cash used by investing activities	(21,240)	(15,750)	(5,491)
FINANCING ACTIVITIES			
Net cash from financing activities	-	-	-
Net decrease in cash held	(377)	-	(377)
Cash and cash equivalents at the beginning of the reporting period	1,087	1,500	(413)
Cash and cash equivalents at the end of the reporting period	710	1,500	(790)

1. IP Australia's original budgeted financial statement that was first presented to parliament in respect of the reporting period.

2. Between the actual and original budgeted amounts for 2015. Variances relating to cash flows are a result of the factors explained under items in Statement of Comprehensive Income and Statement of Financial Position. Unless otherwise individually significant, no commentary has been included.



CHAPTER 17

IP Australia appendices

Appendix C1: Appeals of decisions	306
Appendix C2: Agency resource statement 2014-15	307
Appendix C3: Expenses and resources for 2014-15	309
Appendix C4: Workforce statistics	311
Appendix C5: Ecologically sustainable development and environmental performance	315



IP AUSTRALIA APPENDICES

Appendix C1: Appeals of decisions

Appeals of decisions— Commissioner of Patents

Alphapharm Pty Ltd v H Lundbeck A-S [2014] HCA 42: IP Australia granted an extension of time for Lundbeck to apply for a pharmaceutical extension of term. The High Court upheld IP Australia's decision.

Research Affiliates LLC v Commissioner of Patents [2014] FCAFC 150: IP Australia refused a patent for a computer implemented method for generating a financial index, on the basis that it did not relate to patent eligible subject matter. The Full Federal Court upheld IP Australia's decision.

Sunesis Pharmaceuticals Inc v Commissioner of Patents [2015] FCAFC 29: IP Australia refused an extension of time relating to the application provisions of the *Intellectual Property Laws Amendment (Raising the Bar) Act 2012*. The Full Federal Court upheld IP Australia's decision.

Miles v Commissioner of Patents [2014] FCAFC 109: IP Australia refused an application in which the applicant had not responded to several opportunities to address grounds of objection. The Full Federal Court upheld IP Australia's decision and the High Court refused special leave to appeal (*Miles v Commissioner of Patents* [2014] HCATrans 293).

Appeals of decisions—Registrar of Trade Marks

In 2014-15, there were 21 FCA appeals from the Registrar of Trade Marks' decisions (involving 25 trade marks). Of those, six were finalised during the year. A further six initiated prior to July 2014 were also finalised. Of the 12 that were finalised, eight were settled by negotiation, allowing the registrar's decision to stand.

The decisions of the courts have both validated the practice of the Australian Trade Marks Office and provided further clarification of interpretation of the law. Notably, in *Apple Inc v Registrar of Trade Marks* [2014] FCA 1304, the Federal Court of Australia found that the trade mark APP STORE did not have any inherent capacity to distinguish the retail services identified in the application. Australian Trade Marks Office practice in respect of the examination of trade marks for plants was clarified following the Federal Court appeal (*Mastronardi Produce Ltd v Registrar of Trade Marks* [2014] FCA 1021) for the trade mark ZIMA and new invented names for plants.

In *Cantarella Brothers Pty Limited v Modena Trading Pty Limited* [2014] HCA 48, the High Court of Australia considered the meaning of the Italian words "ORO" (meaning gold) and "CINQUE STELLE" (meaning five star) in relation to the goods of coffee. The court considered the ordinary signification of the words and found that the marks distinguish the goods of Cantarella; the decision was in line with Australian Trade Marks Office practice. This matter did not involve the Registrar of Trade Marks, however, and was the first time in several years that a trade mark matter had been heard in the High Court.

Appendix C2: Agency resource statement 2014-15

Table 49: IP Australia Agency Resource Statement 2014-15

		Actual Available Appropriation for 2014-15 \$'000	Payments Made 2014-15 \$'000
<i>1/ Ordinary annual services</i>			
Departmental appropriation			
Departmental appropriation ⁽¹⁾		2,302	2,302
Total		2,302	2,302
Total ordinary annual services	A	2,302	2,302
<i>2/ Other services</i>			
Departmental non-operating			
Equity injections			
Total			
Total other services	B		
Total available annual appropriations		2,302	2,302
<i>3/ Special appropriations</i>			
Total special appropriations	C		
Total appropriations excluding Special Accounts		2,302	2,302
<i>Special Accounts</i>			
Opening balance		97,862	
Appropriation receipts ⁽²⁾		2,302	
Non-appropriation receipts to Special Accounts		186,675	
Payments made			188,354
Total Special Account	D	286,839	188,354

<i>Total resourcing</i>		
A+B+C+D	289,141	190,656
Less appropriations drawn from annual or special appropriations above and credited to special accounts	2,302	2,302
Total net resourcing for IP Australia	286,839	188,354

(1) Appropriation Bill (No.1) 2014-15.

(2) Appropriation receipts from IP Australia annual appropriations for 2014-15 included above.

Appendix C3: Expenses and resources for 2014-15

Table 50: IP Australia expenses and resources for 2014-15

	Budget 2014-15 \$'000	Actual 2014-15 \$'000	Variation 2014-15 \$'000
OUTCOME 1			
<i>Programme 1.1: IP Rights Administration and Professional Registration</i>			
Departmental expenses			
Departmental appropriation			
Special appropriations			
Special Accounts	171,395	167,642	3,753
Expenses not requiring appropriation in the Budget year	166	140	26
Total for Programme 1.1	171,561	167,782	3,779
<i>Programme 1.2: Awareness, Education and International Engagement</i>			
Departmental expenses			
Departmental appropriation			
Special appropriations			
Special Accounts	5,832	6,097	(265)
Expenses not requiring appropriation in the Budget year			
Total for Programme 1.2	5,832	6,097	(265)
<i>Programme 1.3: Advice to Government</i>			
Departmental expenses			
Departmental appropriation	2,302	2,302	0
Special appropriations			
Special Accounts	3,581	3,413	168
Expenses not requiring appropriation in the Budget year 2			
Total for Programme 1.3	5,883	5,715	168

Outcome 1 Totals by appropriation type

Departmental expenses

Departmental appropriation	2,302	2,302	0
Special appropriations			
Special Accounts	180,808	177,152	3,656
Expenses not requiring appropriation in the Budget year	166	140	26
Total expenses for Outcome 1	183,276	179,594	3,682
Average staffing level (number)	1,028	1,006	22

Appendix C4: Workforce statistics

Table 51: Employment arrangements for ongoing and non-ongoing employees, by classification, 30 June 2015, IP Australia

Classification	Employment arrangement		Salary range	
	Enterprise agreement	Individual flexibility arrangement	Minimum (\$)	Maximum (\$)
APS 1	0	0	43 549	48 312
APS 2	1	0	50 087	54 841
APS 3	7	0	56 307	61 105
APS 4	147	2	62 653	67 909
APS 5	82	7	69 764	74 761
APS 6	545	159	76 189	86 548
EL 1	239	65	95 631	107 632
EL 2	75	29	113 086	131 830
Total	1096	262		

APS = Australian Public Service; EL = Executive Level

Note: SES employment arrangements are included in Department of Industry and Science data (Table 11) to ensure non-identification of individual recipients.

Table 52: Ongoing employees, by classification and gender, 30 June 2014 and 30 June 2015, IP Australia

Classification	Female		Male		Total	
	2014	2015	2014	2015	2014	2015
APS 1	0	0	0	0	0	0
APS 2	1	1	0	0	1	1
APS 3	0	0	6	6	6	6
APS 4	114	99	53	48	167	147
APS 5	77	57	30	25	107	82
APS 6	195	201	340	340	535	541
EL 1	96	96	138	139	234	235
EL 2	27	28	46	46	73	74
SES Band 1	2	3	4	5	6	8
SES Band 2	1	1	0	0	1	1
SES Band 3	1	1	1	0	2	1
Total	514	487	618	609	1132	1096

APS = Australian Public Service; EL = Executive level; SES = Senior Executive Service

Table 53: Non-ongoing employees, by classification and gender, 30 June 2014 and 30 June 2015, IP Australia

Classification	Female		Male		Total	
	2014	2015	2014	2015	2014	2015
APS 1	0	0	0	0	0	0
APS 2	0	0	0	0	0	0
APS 3	0	1	1	0	1	1
APS 4	1	0	0	0	1	0
APS 5	1	0	0	0	1	0
APS 6	0	2	3	2	3	4
EL 1	2	1	1	3	3	4
EL 2	0	0	1	1	1	1
SES Band 1	0	0	0	0	0	0
SES Band 2	0	0	0	0	0	0
SES Band 3	0	0	0	0	0	0
Total	4	4	6	6	10	10

APS = Australian Public Service; EL = Executive Level; SES = Senior Executive Service

Table 54: Ongoing and non-ongoing employees, by classification and full-time or part-time status, 30 June 2014 and 30 June 2015, IP Australia

Classification	Full-time		Part-time		Total	
	2014	2015	2014	2015	2014	2015
APS 1	0	0	0	0	0	0
APS 2	1	1	0	0	1	1
APS 3	6	6	1	1	7	7
APS 4	142	115	26	32	168	147
APS 5	89	67	19	15	108	82
APS 6	480	484	58	61	538	545
EL 1	213	219	24	20	237	239
EL 2	69	70	5	5	74	75
SES Band 1	6	8	0	0	6	8
SES Band 2	1	1	0	0	1	1
SES Band 3	2	1	0	0	2	1
Total	1009	972	133	134	1142	1106

APS = Australian Public Service; EL = Executive Level; SES = Senior Executive Service

Table 55: Ongoing and non-ongoing employees, by gender and full-time or part-time status, 30 June 2014 and 30 June 2015, IP Australia

Gender	Full-time		Part-time		Total	
	2014	2015	2014	2015	2014	2015
Male	600	586	24	29	624	615
Female	409	386	109	105	518	491
Total	1009	972	133	134	1142	1106

Table 56: Ongoing and non-ongoing employees, by classification and location, 30 June 2015, IP Australia

Classification	ACT	NSW	Vic.	Qld	SA	WA	Tas.	Total
APS 1	0	0	0	0	0	0	0	0
APS 2	1	0	0	0	0	0	0	1
APS 3	7	0	0	0	0	0	0	7
APS 4	147	0	0	0	0	0	0	147
APS 5	79	1	1	1	0	0	0	82
APS 6	466	19	44	9	4	2	1	545
EL 1	230	3	4	0	2	0	0	239
EL 2	74	0	1	0	0	0	0	75
SES Band 1	8	0	0	0	0	0	0	8
SES Band 2	1	0	0	0	0	0	0	1
SES Band 3	1	0	0	0	0	0	0	1
Total	1014	23	50	10	6	2	1	1106

APS = Australian Public Service; EL = Executive Level; SES = Senior Executive Service

Table 57: Performance payments from 1 July 2014 to 30 June 2015, non-SES, IP Australia

Classification	No. of recipients	Aggregate (\$)	Average (\$)	Bonus payment	
				Minimum (\$)	Maximum (\$)
APS 1-6	33	226 661	6868	20	26 460
EL 1	14	85 175	6084	2223	11 839
EL 2	64	455 554	7118	2743	14 370
Total	111	767 390			

APS = Australian Public Service; EL = Executive Level

Note: APS 1-6 figures are combined to ensure non-identification of individual recipients. Figures on performance payments for IP Australia's SES officers are included with the Department of Industry and Science's data (Table 12) to ensure non-identification of individual recipients.

Table 58: Indigenous employees, 30 June 2014 and 30 June 2015, IP Australia

Employment status	30 June 2014	30 June 2015
Ongoing	5	10
Non-ongoing	0	0
Total	5	10

Appendix C5: Ecologically sustainable development and environmental performance

In 2014-15, IP Australia maintained its commitment to minimise the impact of its operations on the environment. Through processes identified in the IP Australia Environmental Management System, the organisation continued to reduce its energy consumption and waste, increase recycling and promote the efficient use of resources.

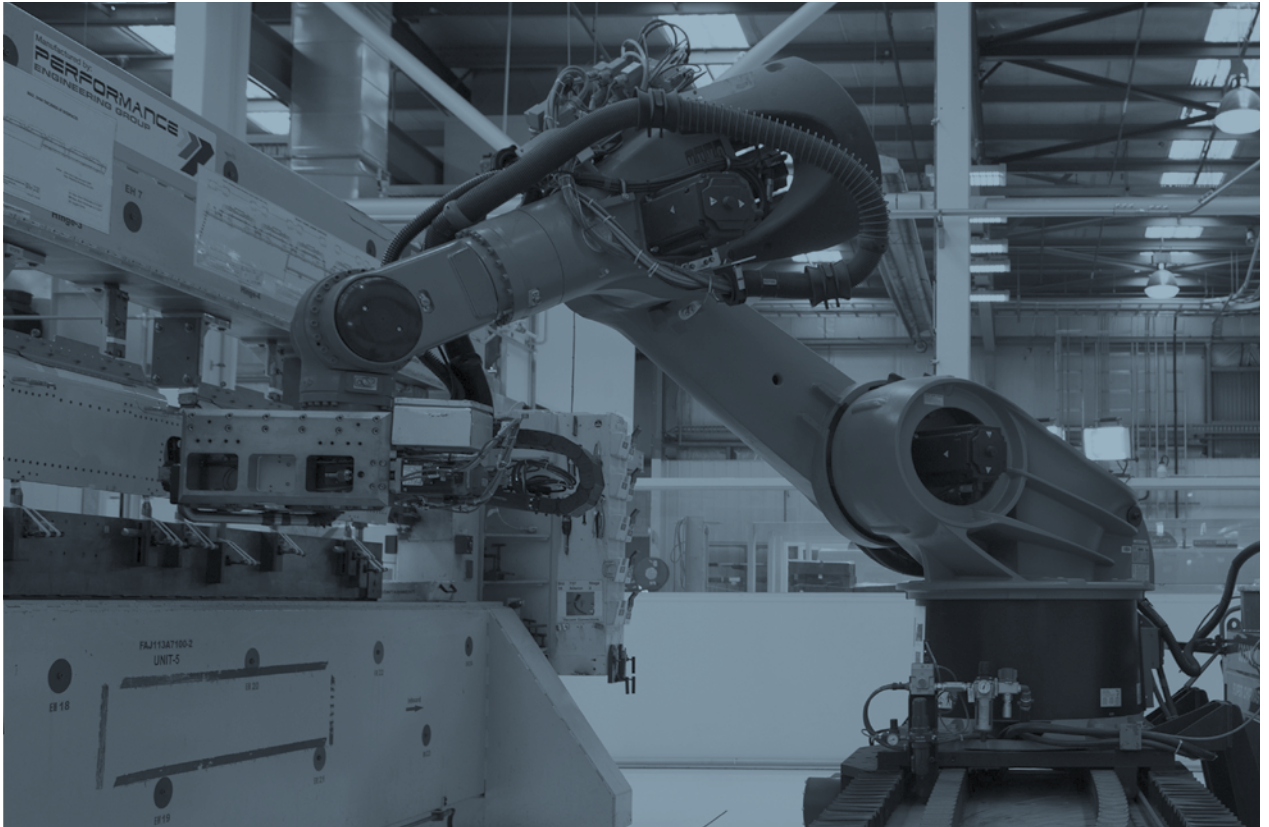
In 2014-15, IP Australia reported a significant reduction in paper usage and the lowest paper usage level to date. IP Australia's environmental policies and programmes continue to evolve in response to short- and long-term economic, environmental and social drivers.

IP Australia retained ISO 14001:2004 accreditation for its environmental management system in 2014-15.

The organisation's main office building, Discovery House in Canberra, incorporates a number of energy-efficient design measures, including lighting control, air-conditioning control systems, double glazing, and efficient heating and cooling of the atrium using recycled air. The west wing of Discovery House, completed in September 2007, has a 5-star National Australian Built Environment Rating System (NABERS) energy base building rating, and the original elements of the building achieved a 4.5-star NABERS rating in 2011-12.

A range of environmental strategies designed to contribute to ecologically sustainable best practice have been developed and implemented at IP Australia. They continued to be monitored throughout 2014-15, and performance indicators met expectations.

IP Australia is accredited under the ACT Government's Actsmart programme, which promotes waste minimisation and effective recycling. Results at the Canberra office meant that IP Australia was awarded the 2013 ACT Smart Office award for motivational excellence.



PART D

References

Glossary and abbreviations list	318
Compliance list	319
Index	323



REFERENCES

Glossary and abbreviations list

AAIP	Australian Apprenticeships Incentives Programme
AAIs	Accountable Authority Instructions
AIP plan	Australian Industry Participation plan
ANAO	Australian National Audit Office
ANSTO	Australian Nuclear Science and Technology Organisation
APS	Australian Public Service
APSC	Australian Public Service Commission
ATS	Automotive Transformation Scheme
COAG	Council of Australian Governments
CPRs	Commonwealth Procurement Rules
CSIRO	Commonwealth Scientific and Industrial Research Organisation
E3 Committee	Equipment Energy Efficiency Committee
E3 Programme	Equipment Energy Efficiency Programme
EPBS	Enhanced Project By-law Scheme
ERLs	Energy Rating Labels
ESD	ecologically sustainable development
EWG	Energy Working Group
FDI	foreign direct investment
FOI Act	<i>Freedom of Information Act 1982</i>
GDP	gross domestic product
GEMS Act	<i>Greenhouse and Energy Minimum Standards Act 2012</i>
ICT	information and communications technology
IP	intellectual property
IPS	Information Publication Scheme
LOAs	licences, options and assignments
MEPS	Minimum Energy Performance Standards
NABERS	National Australian Built Environment Rating System
NOPSEMA	National Offshore Petroleum Safety and Environmental Management Authority
NOPTA	National Offshore Petroleum Titles Administrator
OECD	Organisation for Economic Co-operation and Development
PAES	Portfolio Additional Estimates Statements
PBS	Portfolio Budget Statements
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i>
SES	Senior Executive Service
STEM	science, technology, engineering and mathematics
WHS	work health and safety

Compliance list

Department of Industry and Science, Geoscience Australia and IP Australia

Requirement	Location		
	Industry and Science	Geoscience Australia	IP Australia
General details			
Letter of transmittal	iii	iii	iii
Table of contents	v–viii	v–viii	v–viii
Index	323–331	323–331	323–331
Glossary and abbreviations list	318	318	318
Contact officer(s)	iv	iv	iv
Internet home page address and internet address for report	iv	iv	iv
Review by Secretary/Chief Executive Officer/Director General			
Review by departmental secretary/Chief Executive Officer/Director General	2–3	158–59	246–47
Summary of significant issues and developments	2–3	158–59	246–47
Overview of department's/agency's performance and financial results	2–3, 31	158–59, 184	246–47, 260
Outlook for following year	3	–	–
Significant issues and developments—portfolio	2	n.a.	n.a.
Departmental/agency overview			
Role and functions	2, 8	162	250
Organisational structure	4	163	250–51
Outcome and programme structure	4–5	164	251
Where outcome and programme structures differ from Portfolio Budget Statements/Portfolio Additional Estimates Statements (PBS/PAES) or other portfolio statements accompanying any other additional appropriation bills (other portfolio statements), details of variation and reasons for change	4–5, 8	none to report	none to report
Portfolio structure	3	n.a.	n.a.
Report on performance			
Review of performance during the year in relation to programmes and contribution to outcomes	8–30	166–83	254–59
Actual performance in relation to deliverables and key performance indicators set out in PBS/PAES or other portfolio statements	8–30	166–83	254–59
Where performance targets differ from the PBS/PAES, details of both former and new targets, and reasons for the change	8–30	none to report	none to report

Requirement	Location		
	Industry and Science	Geoscience Australia	IP Australia
Narrative discussion and analysis of performance	8-30	166-83	254-59
Trend information	8-30	166-83	254-59
Significant changes in nature of principal functions/services	8	none to report	none to report
Performance of purchaser-provider arrangements	-	-	-
Factors, events or trends influencing departmental/agency performance	8-9, 14-15, 25	159, 176	246-47
Contribution of risk management in achieving objectives	-	-	-
Performance against service charter customer service standards, complaints data, and the department's/agency's response to complaints	n.a.	189	255
Discussion and analysis of the department's/agency's financial performance	31	184	260
Discussion of any significant changes in financial results from the prior year, from budget or anticipated to have a significant impact on future operations	31	184	260
Agency resource statement and summary resource tables by outcomes	142-45	238-39	307-10
Management and accountability			
Corporate governance			
Department head's certification of compliance with the Commonwealth Fraud Control Framework	iii	iii	iii
Statement of the main corporate governance practices in place	34	186	262
Names of the senior executive and their responsibilities	-	-	-
Senior management committees and their roles	34	186	262
Corporate and operational plans and associated performance reporting and review	34	186	246
Internal audit arrangements, including approach adopted to identifying areas of significant financial or operational risk and arrangements to manage those risks	34	186	262
Policy and practices on the establishment and maintenance of appropriate ethical standards	-	-	-
How nature and amount of remuneration for Senior Executive Service officers is determined	-	-	-
External scrutiny			
Significant developments in external scrutiny	34-35	186	263
Judicial decisions and decisions of administrative tribunals or the Australian Information Commissioner	none to report	186	263, 306

Requirement	Location		
	Industry and Science	Geoscience Australia	IP Australia
Reports by the Auditor-General, parliamentary committees, the Commonwealth Ombudsman or an agency capability review	34-35	186	263
Management of human resources			
Assessment of effectiveness in managing and developing human resources to achieve departmental/agency objectives	35	187	263
Workforce planning, staff retention and turnover	35	187	263
Impact and features of enterprise or collective agreements, individual flexibility arrangements (IFAs), determinations, common law contracts and Australian Workplace Agreements (AWAs)	35	187	263
Training and development undertaken and its impact	35	187	263
Work health and safety performance	35	187	263-64
Productivity gains	-	-	-
Statistics on staffing	146-49	240-42	311-14
Statistics on employees who identify as Indigenous	149	242	314
Enterprise or collective agreements, IFAs, determinations, common law contracts and AWAs	146	240	311
Performance pay	146	187	146, 314
Asset management			
Assessment of effectiveness of asset management	n.a.	n.a.	n.a.
Purchasing			
Assessment of purchasing against core policies and principles	36	188	264
Consultants			
Summary statement	36	188	264
Availability of information through AusTender	36	188	264
Selection and engagement policy and procedures, and main purposes for which consultants were engaged	36	188	264
Absence of provisions in contracts allowing access by the Auditor-General	none to report	none to report	none to report
Contracts exempt from publication in AusTender	36	188	264

Requirement	Location		
	Industry and Science	Geoscience Australia	IP Australia
Small business			
Procurement initiatives to support small business	36	188	264
Financial statements			
Financial statements	40-140	192-235	268-303
Other mandatory information			
Work health and safety (Schedule 2, Part 4 of the <i>Work Health and Safety Act 2011</i>)	35	187	263-64
Advertising and market research (Section 311A of the <i>Commonwealth Electoral Act 1918</i>)	150	188	265
Ecologically sustainable development and environmental performance (Section 516A of the <i>Environment Protection and Biodiversity Conservation Act 1999</i>)	37	188, 243	265, 315
Obligations under the <i>Carer Recognition Act 2010</i>	n.a.	n.a.	n.a.
Grant programmes	36	188	265
Disability reporting	35	187	264
Information Publication Scheme statement	36	188	265
Correction of material errors in previous annual report	none to report	none to report	none to report
Agency resource statements and resources for outcomes	142-45	238-39	307-10
List of requirements	319-22	319-22	319-22

Index

- Accountable Authority Instructions, 36, 186
 IP Australia, 262
 and purchasing
 Geoscience Australia, 188
 IP Australia, 264
- ACT Government
 Actsmart programme, 315
- ACT Smart Office award for motivational excellence
 IP Australia, 315
- administered expenses
 Department of Industry and Science, 31
- administered items
 Geoscience Australia, 184
- administered revenue
 Department of Industry and Science, 31
- Administrative Arrangements Order of 23 December 2014,
 2, 4, 5, 8, 35
- advanced manufacturing and elaborately transformed manufactures
 export values of, 9
- Advanced Manufacturing Growth Centre, 23
- advertising and market research
 Department of Industry and Science, 36, 150
 Geoscience Australia, 188
 IP Australia, 265
- Advisory Board
 Geoscience Australia, 159, 186
- Advisory Council on Intellectual Property, 252, 259
 reviews, 259
- agency resource statement
 Department of Industry and Science, 142–3
 Geoscience Australia, 238
 IP Australia, 307–8
- airborne electromagnetic survey
 New South Wales and Queensland, 158
 Thomson Orogen (NSW – Qld), 166
- Airservices Australia, 179
- AirShr, 22
- Alice Springs
 satellite ground station, 158, 178
- Alphapharm Pty Ltd v H Lundbeck A-S* [2014] HCA 42, 306
- AMIRA Roadmap for Under Cover Exploration, 167
- Annual Procurement Plan
 Department of Industry and Science, 36
 IP Australia, 264
- ANZLIC website, 178
- APP STORE trade mark, 306
- appeals of decisions – IP Australia, 306
- Apple Inc v Registrar of Trade Marks* [2014] FCA 1304, 306
- Arrow Bowen Gas Project, 170
- Asialink Business, 10
- Assurance and Audit Committee
 Department of Industry and Science, 34
- Attorney-General's Department
 and disaster events, 172
 and natural disasters, 174
 and Resilient Australia award, 173
- Audit and Risk Committee
 Geoscience Australia, 186
- Audit Committee
 IP Australia, 262
- AusIndustry, 29
- AusTender, 36, 188, 264
- Australia-China Science and Research Fund
 International Education and Training, 10
- Australian Antarctic Division, 182
- Australian Antarctic Territory
 sea floor mapping and sampling, 159
 see also Davis Station (Australian Antarctic Territory)
- Australian Apprenticeships Incentives Programme, 31, 35
- Australian Astronomical Observatory, 10
- Australian Competition and Consumer Commission, 24
- Australian datum, 179, 180
- Australian Flood Risk Information Portal, 158, 173
- Australian Geospatial-Intelligence Organisation
 and natural disasters, 174
- Australian Government Crisis Coordination Centre, 172, 174, 179
- Australian Government Innovation and Investment Fund (Tasmania),
 17
- Australian Hydrological Geospatial Fabric (Bureau of Meteorology),
 178
- Australian Industry Participation Authority, 151–2
- Australian Industry Participation (AIP) plan, 151, 152
- Australian Innovation System Report 2014*, 8, 9
- Australian Institute of Marine Science, 31, 182
 environmental monitoring and assessments of Darwin
 Harbour, 177
 and Industry and Science portfolio, 3
- Australian Jobs Act 2013*, 151–2
- Australian Landslide Database, 172
- Australian Maritime Boundary Information System, 175
- Australian National Audit Office (ANAO)
 The Award of Grants Under the Clean Technology Program,
 34
 better practice guide, *Public Sector Audit Committees:
 Independent assurance and advice for Accountable
 Authorities*, 262
 The Ethanol Production Grants Program, 34
 *Procurement Initiatives to Support Outcomes for Indigenous
 Australians*, 34
- Australian National Committee for the United Nations Educational,
 Scientific and Cultural Organization International Geoscience
 Programme, 184
- Australian National University's National Computational
 Infrastructure
 High Performance Data infrastructure, 181
- Australian Nuclear Science and Technology Organisation, 31
 and Industry and Science portfolio, 3
 and Synchrotron, 12
- Australian Petroleum Production and Exploration Association,
 169, 183
- Australian Public Service Commission
 agency capability review of IP Australia, 263
- Australian Renewable Energy Agency, 20, 31, 167, 180
 and Industry and Science portfolio, 3
- Australian Renewable Energy Mapping Infrastructure, 180
- Australian Research Council
 and IP research initiatives, 259
- Australian Stratigraphic Units Database, 181
- Australian Synchrotron, 12
- Australian Synchrotron Holding Company Pty Ltd, 12
- Australian Trade Marks Office, 306
- Australian Transport Safety Bureau
 and Malaysia Airlines flight MH370, 176
- Australia–New Zealand Single Economic Market IP initiatives, 247,
 258
- Australia's identified mineral resources*, 167
- Automotive Diversification Programme, 17
- Automotive Transformation Scheme, 17, 152–3
- Automotive Transformation Scheme Act 2009*, 151, 152–3
- Avonmore fault (Vic), 172
- The Award of Grants Under the Clean Technology Program* (ANAO),
 34
- Best Practice Regulation Coordinator, 25
- biodiversity
 and seabed environments, 175
- Bioregional Assessment Programme, 171

- Bioregional Assessment Programme
 - and impact of coal seam gas and large coal mining developments on water resources, 158
 - and water resources, 158
- Browse Basin (WA)
 - marine environmental survey, 176
 - offshore studies petroleum prospectivity and CO₂ storage potential, 166, 168, 176
 - seabed mapping surveys, 175
- Building Australia's resource wealth deliverables, 166–7
 - key performance indicators, 168–9
- Building Code of Australia, 173
- building codes, 173
- Bundaberg Regional Council (Qld)
 - and floods, 173
- Bureau of Meteorology
 - Australian Hydrological Geospatial Fabric, 178
 - and National Earth Observation Infrastructure Plan, 180
 - and tropical cyclone Marcia, 173
- Bushfire and Natural Hazards Cooperative Research Centre, 174
- bushfires, 172, 174, 179
- business
 - and IP issues, 259
- Business Evaluation Grant, 22
- Business Growth Grant, 22
- business.gov.au website, 29
- Cantarella Brothers Pty Limited v Modena Trading Pty Limited* [2014] HCA 48, 306
- Capability Action Plan
 - IP Australia, 247
- capability development programmes
 - Department of Industry and Science, 35
- carbon capture and storage
 - technical advice, 167
- Career Development Program
 - Department of Industry and Science, 35
- Casey Station (Australian Antarctic Territory)
 - seabed mapping surveys, 175
- Charities Maritime and Aviation Support Programme (Carbon Price Deductible Gift Recipient Fund), 21
- Chief Economist
 - IP Australia, 247
- Chief Executive Instructions
 - and purchasing
 - Geoscience Australia, 188
- Chief Executive Officer's review
 - Geoscience Australia, 158–9
- Chief Scientist
 - and STEM, 13
- China Australia Geological Storage of CO₂ Project (CAGS phase 2), 169
- China Geological Survey, 169
- China-Australia Free Trade Agreement, 246, 258
- Chubb, Professor Ian, AC
 - and STEM, 13
- Civil Aviation Regulation 175, 179
- cleaner and low emissions energy technologies, 169
- climate adaptation reporting, 179
- CO₂ injection locations, potential, 177
- CO₂ storage potential, 158, 166, 168, 177
 - Gippsland Basin, 169
 - Vlaming Sub-basin, 169, 176
- COAG Energy Council, 24
- Coal Mining Abatement Technology Support Package, 20
- coal mining developments
 - impact on water resources, 158
- coal seam gas
 - impact on water resources, 158, 170
- Coffee Roasters Australia, 22
- Comcare, 35, 187, 264
- commercialisation of research, 2, 3
 - income from, 9
- Commissioner of Patents, 250, 262, 263
 - appeals of decisions, 306
- Commonwealth Fraud Control Framework, 34, 262
- Commonwealth Fraud Control Policy, 186
- Commonwealth marine reserves, 175, 177
- Commonwealth Ombudsman, 35, 186
- Commonwealth Paleontological Collection, 181
- Commonwealth Procurement Rules, 36, 188, 264
- Commonwealth Risk Management Policy, 186, 262
- Commonwealth Science Council
 - and science and research priorities, 13
- Commonwealth Scientific and Industrial Research Organisation (CSIRO), 31
 - and Industry and Science portfolio, 3
 - and Industry Growth Centres, 23
- Community Energy Efficiency Programme, 20
- community safety, 158, 162, 164, 172–5
- Competition Policy Review
 - and parallel imports of trade marked goods, 259
- Comprehensive Nuclear-Test-Ban Treaty, 158
- Comprehensive Nuclear-Test-Ban Treaty Organisation, 175
- consultants and contracts
 - Department of Industry and Science, 36
 - Geoscience Australia, 188
 - IP Australia, 264
- Continental Shelf Proclamation, 175
- Cooper Basin
 - petroleum prospectivity review, 167
 - shale gas potential, 168
- Cooperative Research Centres Programme, 2, 11
- corporate governance
 - Department of Industry and Science, 34
 - Geoscience Australia, 186
- corporate, human resource, financial and ICT services, 28
- Corporate Network, 3
- Corporate Plan
 - National Offshore Petroleum Titles Administrator and, 31
- CPA Australia, 257
- customer satisfaction
 - IP Australia, 255, 257
- Customer Service Charter
 - IP Australia, 255
- cyclones, 172
 - see *also* tropical cyclones Marcia, Lam and Nathan
- Darwin Harbour (NT)
 - environmental monitoring and assessments, 177
 - seabed mapping surveys, 175, 176
- data.gov.au, 247
- datasets and publications (Geoscience Australia)
 - discoverable and accessible, 182, 183
- Davis Station (Australian Antarctic Territory)
 - monitoring station under Comprehensive Nuclear-Test-Ban Treaty, 158, 175
- deliverables
 - Building Australia's resource wealth, 166–7
 - Ensuring Australia's community safety, 172–3
 - Gathering fundamental geographic information, 178–9
 - Maintaining Australia's geoscience knowledge and capability, 181–2
 - Managing Australia's marine jurisdiction, 175–6
 - Programme 1.1: IP Rights Administration and Professional Registration (IP Australia), 255
 - Programme 1.2: Education, Awareness and International Engagement (IP Australia), 256
 - Programme 1.3: Advice to Government (IP Australia), 258

- Securing Australia's water resources, 170
- Department of Communications and ANZLIC website, 178
- and NationalMap, 180
- Department of Education and Training and Australian Apprenticeships Incentives Programme, 35
- and Programme 1: Building Skills and Capability, 5, 8
- and Research Infrastructure Review, 12
- staff transfer to, 35
- and vocational education and skills policy and programmes, 2, 4
- Department of Foreign Affairs and Trade
- disaster risk reduction goals, 172
- and IP chapters in free trade agreements, 258
- Department of Industry and Science
- financial performance, 3, 40–140
- and Industry and Science portfolio, 3
- Machinery of Government changes, 2
- management and accountability, 34–7
- organisational structure, 4
- outcome and programme structure, 4–5
- overview, 2–3
- performance reports, 8–31
- shared services arrangement with IP Australia re payroll and system administration services, 263
- vision, 2, 8
- Department of the Environment
- and climate adaptation reporting, 179
- and National Environmental Research Program Marine Biodiversity Hub, 177
- and Pacific-Australia Climate Change Science and Adaptation Planning programme, 171
- Department of the Treasury
- and small business programmes, 2, 4
- departmental structure
- Department of Industry and Science, 4
- Deputy Director General
- IP Australia, 250
- deregulation, 29–30
- designs, 250, 254
- Designs Act 2003*, 250
- development approvals, 173
- digital object identifiers (DOIs), 183
- Director General
- IP Australia, 250
- Director General's review
- IP Australia, 246–7
- disaster events, 172, 173
- see also natural disasters/hazards
- Dream Shield, 257
- Dungog (NSW)
- floods, 173
- E3 Programme see Equipment Energy Efficiency (E3) Programme
- early warning and alerts of natural hazard and disaster events, 173
- Earth observing and geodetic Earth monitoring observatory networks, 178, 182
- earthquakes, 172, 173, 174
- ecologically sustainable development and environmental performance
- Department of Industry and Science, 37
- Geoscience Australia, 188, 243
- IP Australia, 265, 315
- Eidsvold (Qld)
- earthquake, 174
- elaborately transformed manufactures see advanced manufacturing
- and elaborately transformed manufactures
- electromagnetic survey see airborne electromagnetic survey
- Employee Assistance Programme
- Geoscience Australia, 187
- IP Australia, 264
- energy see resources and energy
- energy efficiency
- Department of Industry and Science, 153
- Geoscience Australia, 243
- IP Australia, 315
- Energy Efficiency Information Grants, 21
- Energy Efficiency Programmes, 20
- Energy Productivity Plan, 3
- Energy Rating Labels (ERLs), 153
- Energy White Paper, 2, 24
- Energy Working Group, 154
- Engineers Australia, 257
- Enhanced Project By-law Scheme, 15, 151
- Ensuring Australia's community safety deliverables, 172–3
- key performance indicators, 174–5
- enterprise agreements see Geoscience Australia Enterprise Agreement; IP Australia's Enterprise Agreement 2011-2014; One Innovation Enterprise Agreement 2011
- Entrepreneurs' Infrastructure Programme see Entrepreneurs' Programme
- Entrepreneurs' Programme, 2, 3, 16, 22
- Environment Protection and Biodiversity Conservation Act 1999*, 37, 170, 188, 265
- and *Australian Jobs Act 2013*, 152
- environmental management system
- Geoscience Australia, 243
- IP Australia, 315
- Equipment Energy Efficiency (E3) Committee, 154
- Equipment Energy Efficiency (E3) Programme, 153, 154
- Essential Writing Skills*, 35
- Ethanol Production Grants, 20
- The Ethanol Production Grants Program* (ANAO), 34
- E3 Programme see Equipment Energy Efficiency (E3) Programme
- Executive Board
- Department of Industry and Science, 34
- Geoscience Australia, 159
- IP Australia, 262
- Expediting Clinical Trial Reform in Australia, 16
- expenses and resources
- Department of Industry, 144–5
- Geoscience Australia, 239
- IP Australia, 309–10
- Exploration Development Incentive, 2
- exploration investment
- pre-competitive data and information, 166
- Export Council of Australia, 257
- exports and imports as a percentage of GDP, 15
- external scrutiny
- Department of Industry and Science, 34–5
- Geoscience Australia, 186
- IP Australia, 263
- Federal Court of Australia
- and review of decisions re patents, trade marks, designs and plant breeder's rights, 263
- Apple Inc v Registrar of Trade Marks* [2014] FCA 1304, 306
- Mastronardi Produce Ltd v Registrar of Trade Marks* [2014] FCA 1021, 306
- Miles v Commissioner of Patents* [2014] FCAFC 109, 306
- Research Affiliates LLC v Commissioner of Patents* [2014] FCAFC 150, 306
- Sunesis Pharmaceuticals Inc v Commissioner of Patents* [2015] FCAFC 29, 306
- fees
- for IP rights services, 250
- Finance and Planning Committee
- IP Australia, 262
- financial performance

- Department of Industry and Science, 3, 40–140
 - administered, 31
 - departmental, 31
- Geoscience Australia, 184, 192–235
- IP Australia, 260, 271–303
- financial statements
 - Department of Industry and Science, 43–140
 - Geoscience Australia, 195–235
 - IP Australia, 271–303
- financial sustainability
 - Department of Industry and Science, 31
 - Geoscience Australia, 184
- First Aid Officers Committee
 - IP Australia, 263
- fisheries resources
 - and seabed environments, 175
- flexible workplace, 3
- flood planning, 158
- flood studies, 158
- floods, 173, 174
- Food and Agribusiness Growth Centre, 23
- foreign direct investment as a percentage of GDP, 14
- Foundation Spatial Data Framework, 178
- Fraser Institute investment attractiveness index (states and territories), 14
- fraud control
 - Department of Industry and Science, 34
 - Geoscience Australia, 186
 - IP Australia, 262
- Fraud Control Framework
 - IP Australia, 262
- Fraud Control Plan
 - Geoscience Australia, 186
 - IP Australia, 262
- Fraud Risk Register
 - IP Australia, 262
- Fraud Rule, 186
- free trade agreements
 - IP chapters in, 258
- Freedom of Information Act 1982*, 36, 188, 264, 265
- G20 Summit (Brisbane), 172
- Galilee and Cooper subregions (SA – Qld)
 - coal seam gas impact on groundwater resources, 171
- Galilee subregion (Qld)
 - coal seam gas impact on groundwater resources, 171
- Gathering fundamental geographic information
 - deliverables, 178–9
 - key performance indicators, 179–80
- GEMS products, 154
- GEMS Regulator, 153, 154, 155
- general policy advice on matters impacting on industry, 26
- general programme delivery designed to have a positive impact on industry, 27
- Geocentric Datum of Australia, 179
- geographic information, 158, 162, 164, 178–80
- geological prospectus of resource potential, 167
- Geophysical Archive and Data Delivery System, 182
- Georgina Basin
 - petroleum geology, 167
- Geoscience Australia
 - financial performance, 184, 192–235
 - and Industry and Science portfolio, 3
 - management and accountability, 186–9
 - and National Offshore Petroleum Information Management System, 155
 - organisational structure, 163
 - outcome and programme structure, 164
 - overview, 162–4
 - report on performance, 166–84
 - role and functions, 162
- Geoscience Australia Enterprise Agreement, 187
- geoscience data, information and collections
 - curation and management of, 181
- geoscience knowledge and capability, 159, 162, 164, 181–3
- geothermal energy information and advice, 167
- Gippsland Basin
 - CO₂ storage potential, 169
 - Greenhouse Gas Assessment Permits, 169
 - offshore studies petroleum prospectivity and CO₂ storage potential, 166
- Gippsland Basin bioregion
 - coal seam gas impact on groundwater resources, 171
- GIS (geographic information system) datasets, 167, 168
- global IP system, 246
- Global Navigation Satellite System, 180
- governance framework
 - IP Australia, 262
- GovHack event, 183
- Graduate Development Programme
 - Department of Industry and Science, 35
- graduate programme, 3
- grant programmes
 - Department of Industry and Science, 36
 - Geoscience Australia, 188
 - IP Australia, 265
- Greater Metro Manila Area Risk Assessment Project, 172
- green energy
 - Geoscience Australia, 243
- greenfields mineral exploration, 2
- Greenhouse and Energy Minimum Standards Act 2012* (GEMS Act), 151, 153–5
- Greenhouse and Energy Minimum Standards National Legislative Framework, 20
- greenhouse emissions, 153
 - see also cleaner and low emissions energy technologies
- Greenhouse Gas Assessment Permits
 - Gippsland Basin, 169
- groundwater database and maps
 - Pacific islands, 158, 171
- groundwater management, 171
- groundwater resources, 170, 171
- Growth Centres, 2, 23, 25
 - see also *Regulation Reform Agendas Guide for Growth Centres*
- Growth Centres Advisory Committee, 23, 25
- Growth Fund, 2, 3
- Health and Safety Representative Committee
 - IP Australia, 263
- High Court of Australia
 - Alphapharm Pty Ltd v H Lundbeck A-S* [2014] HCA 42, 306
 - Cantarella Brothers Pty Limited v Modena Trading Pty Limited* [2014] HCA 48, 306
 - Miles v Commissioner of Patents* [2014] HCA Trans 293, 306
- High Performance Data facility, 159

- High Performance Data infrastructure
at Australian National University's National Computational Infrastructure, 181
- Houtman Sub-basin (WA)
offshore studies petroleum prospectivity and CO₂ storage potential, 166
seismic reflection data, 168
- human resource management
Department of Industry and Science, 35
Geoscience Australia, 187
IP Australia, 263
- hydrodynamic modelling (ANUGA), 172
- ICT Strategy Committee
Department of Industry and Science, 34
Geoscience Australia, 186
- ICT systems
and IP rights management, 247
- imports and exports as a percentage of GDP, 15
- independent auditor's report
Department of Industry and Science, 40–1
Geoscience Australia, 192–3
IP Australia, 268–9
- Independent Expert Scientific Committee on Coal Seam Gas and Large Coal Mining Development, 170, 171
- Indigenous IP owners, 257
- Indonesia
disaster risk reduction goals advice and expertise, 172
- Industry and Science portfolio, 3
- Industry Growth Centres see Growth Centres
- Industry Innovation and Competitiveness Agenda, 2, 23, 258
- Industry Monitor 2015*, 9, 14, 15, 25
- Industry Officer's Guide to Regulation Reform*, 25
- Industry Service Organisations
support for, 15
- Information Publication Scheme, 36, 188, 265
- innovation
small and medium businesses, 8–9
see also Programme 2: Supporting Science and Innovation
- Innovation Patent System
review of, 259
- Inputs to Manufacture, 15
- intangible capital
investment in, 9
and productivity growth, 9
- Intellectual Property Laws Amendment Act 2015*, 247, 258
- Intellectual Property Laws Amendment (Raising the Bar) Act 2012*, 306
- Intergovernmental Committee on Surveying and Mapping, 158, 179
- International Charter for Space and Major Disasters, 172, 174
- international engagement
IP Australia, 256, 257
see also Programme 1.2: Education, Awareness and International Engagement
- International Geo Sample Number Organisation, 159, 183
- International Hydrographic Organization, 177
- international IP rights administration, 246
- International Trade Centre Trade Performance index, 14–15
- international trade mark database, 259
- investment
in intangible capital, 9
in resources and energy, 14
in science, 2
see also Programme 3: Encouraging Investment
- IP Australia
financial performance, 260
financial statements, 271–303
and Industry and Science portfolio, 3
management and accountability, 262–5
organisational structure, 250–1
outcome and programme structure, 251–2, 254
overview, 250–2
report on performance, 254–60
role and functions, 250
vision, 246
- IP Australia Enterprise Agreement 2011–2014, 263
- IP Australia Environmental Management System, 315
- International Hydrographic Organization IP forums, 246
- IP Government Open Data, 247, 259
- IP legislation, 247, 252
- IP Report, 259
- IP research initiatives, 259
- IP rights, 151
demand for, 246
public awareness of, 256–7
value of, 246
- IP rights data, 247
- IP rights examination decisions, 247
- IP rights management
and ICT systems, 247
- IP rights services
fees for, 250
- IP system, 246, 247, 250, 257
- IP Workshops for Start-ups, 257
- Joint Agency Coordination Centre
and Malaysia Airlines flight MH370, 176
- Joint Australian Tsunami Warning Centre, 173
- key performance indicators
Building Australia's resource wealth, 168–9
Ensuring Australia's community safety, 174–5
Gathering fundamental geographic information, 179–80
Maintaining Australia's geoscience knowledge and capability, 183
Managing Australia's marine jurisdiction, 177
Programme 1.1: IP Rights Administration and Professional Registration (IP Australia), 255–6
Programme 1.2: Education, Awareness and International Engagement (IP Australia), 257
Programme 1.3: Advice to Government (IP Australia), 258–9
Securing Australia's water resources, 171
- Kintyre uranium deposit, 170
- knowledge-intensive industries
value-added of, 9
- KPMG
and National Offshore Petroleum Titles Administrator, 155
- laboratory facilities and analytical capability (Geoscience Australia), 182
- Lake Eyre Basin bioregion
coal seam gas impact on groundwater resources, 171
- land use planning, 173
- Landsat archive, 181
- Landsat satellites, 178
- landslides, 172
- learning and development, 3
Geoscience Australia, 187
- legislative requirements see reports addressing special legislative requirements
- licences, options and assignments (LOAs)
income from, 9
- Low Emissions Technology Demonstration Fund, 18
- Low Income Energy Efficiency Programme, 20
- magnetic data see maps of magnetic data and radiometric data
- maintaining Australia's geoscience knowledge and capability
deliverables, 181–2
key performance indicators, 183

- Malaysia Airlines flight MH370, 159, 176, 180
- Management Action Program
 Department of Industry and Science, 35
- management and accountability
 Department of Industry and Science, 34–7
 Geoscience Australia, 186–9
 IP Australia, 262–5
- Management to Leadership Program
 Department of Industry and Science, 35
- Managing Australia's marine jurisdiction
 deliverables, 175–6
 key performance indicators, 177
- Manufacturing Transition Programme, 2, 17
- maps, imagery and advice
 hazards and disaster events, 172
- maps of magnetic data and radiometric data, 166
- Maralinga Maintenance, 18
- marine ecosystems
 management of, 177
- marine environmental survey
 Browse Basin (WA), 176
- marine estate
 legal clarity around, 177
- marine jurisdiction management, 159, 162, 164, 175–7
- marine resources
 sustainable development of, 177
- Marine Sediment Database (MARS), 176
- maritime boundaries, 175, 177
- market research see advertising and market research
- Mastronardi Produce Ltd v Registrar of Trade Marks* [2014] FCA 1021, 306
- Medical Technologies and Pharmaceuticals Growth Centre, 23
- Mental Health First Aid Officer Network
 Geoscience Australia, 187
- Miles v Commissioner of Patents* [2014] FCAFC 109, 306
- Miles v Commissioner of Patents* [2014] HCATrans 293, 306
- mineral exploration, 158
- minerals and energy resources see Building Australia's resource wealth
- Minimum Energy Performance Standards (MEPS), 153
- Mining Equipment, Technology and Services Growth Centre, 23
- ministerial briefs and correspondence
 IP Australia, 258
- Murray–Darling Basin Authority
 mapping floodplains, 178
- National Archives Award for Digital Excellence
 National Offshore Petroleum Titles Administrator, 155
- National CO₂ Infrastructure Plan, 168, 176, 177
- National Collaboration Framework Project Agreement to Support the Assessment of Coal Seam Gas and Coal Mining Developments on Groundwater Resources, 170
- National Disability Strategy, 35, 187, 264
- National Earth Observation Infrastructure Plan, 180
- National Environmental Research Program Marine Biodiversity Hub, 175, 177
- National Exposure Information System (NEXIS), 179
- National Flood Risk Information Project, 173
- national geophysical datasets, 159, 181
- National ICT Australia (NICTA)
 and NationalMap, 180
- National Low Emissions Coal Initiative, 18
- National Measurement Institute's Chief Metrologist and Verifying Authority for Position, 180
- National Mineral Collection, 181
- National Offshore and Petroleum Safety and Environmental Management Authority, 31
- National Offshore Petroleum Information Management System, 155, 159, 169, 183
- National Offshore Petroleum Safety and Environmental Management Authority, 31, 155
 and Industry and Science portfolio, 3
- National Offshore Petroleum Titles Administrator, 31, 155, 183
- national scale satellite data, 178
- national surface water dataset, 178
- National Wind Multiplier Dataset, 172
- NationalMap, 180
- natural disasters/hazards, 172, 173, 179
 impact mitigation, 174
 responses, 174
- natural hazard risk modelling and assessments, 172
- Neotectonic Features Database, 172
- Nepalese earthquakes, 172
- New South Wales
 airborne electromagnetic survey, 158
- New Zealand
 and E3 Committee, 154
 and Single Economic Market
 and IP, 257, 258
 and Synchrotron, 12
- Next Generation Manufacturing Investment Programme, 17
- nickel and platinum-group elements potential, 168
- North West Shelf (Browse Basin, WA)
 seabed mapping surveys, 175
- Northern Territory
 sea floor mapping and sampling, 159
- Northern Territory Government
 environmental monitoring and assessments of Darwin Harbour, 177
- Northern Territory Uranium Royalty (Ranger Project Area) Administration (including SPP), 18
- nuclear monitoring and assessment, 173
- nuclear weapons reduction, 158, 175
- observatories
 national network of, 182
- Office of the New South Wales Chief Scientist and Engineer, 170
- Offshore Minerals Act 1994*, 18
- Offshore Petroleum Acreage Release, 169, 183
- Offshore Petroleum and Greenhouse Gas Storage Act 2006*, 151, 155, 159, 175, 181, 183
- offshore petroleum data and samples, 183
- Oil, Gas and Energy Resources Growth Centre, 23
- Olympic Insignia Protection Act 1987*, 250
- One Innovation Enterprise Agreement 2011, 35
- operating environment
 Programme 2: Supporting Science and Innovation, 8–9
 Programme 3: Encouraging Investment, 14–15
 Programme 4: Programme Support, 25
- operating result
 Department of Industry and Science, 31
 Geoscience Australia, 184
- Operational Frameworks Committee
 Department of Industry and Science, 34
- operational health and safety representative committee
 Geoscience Australia, 187
- Organisation for Economic Co-operation and Development (OECD)
 and business collaboration on innovation, 9
 and international trade mark database, 259
 and quality of regulation, 25
- organisational structure
 Department of Industry and Science, 4
 Geoscience Australia, 163
 IP Australia, 250–1
- Outcome 1 (Department of Industry and Science), 5
 expenses and resources, 144–5
 overview, 8
- Outcome 1 (Geoscience Australia), 164
 expenses and resources, 239
- Outcome 1 (IP Australia), 251–2

- expenses and resources, 309–10
 - overview, 254
- outcome and programme structure
 - Department of Industry and Science, 4–5
 - Geoscience Australia, 164
 - IP Australia, 251–2, 254
- Pacific islands
 - groundwater database and maps, 158, 171
- Pacific–Australia Climate Change Science and Adaptation Planning programme, 171
- Papua New Guinea
 - disaster risk reduction goals advice and expertise, 172
- Patent Analytics Service, 247
- Patent and Trade Marks Attorneys Disciplinary Tribunal, 254
- Patent and/or Trade Marks Attorneys
 - professional registration, 251
- patent filings, 246
- patents, 250, 254
- Patents Act 1990*, 250
- patents inventory, 256
- People and Communication Committee
 - IP Australia, 262
- performance reports
 - Department of Industry and Science, 8–31
 - Geoscience Australia, 166–84
 - IP Australia, 254–60
- petroleum acreage release, 168, *see also* Offshore Petroleum Acreage Release
- petroleum blocks *see* scheduled areas and petroleum blocks
- petroleum data and samples, 181
- petroleum exploration, 158, 159
- petroleum geology
 - Georgina Basin, 167
- petroleum prospectivity and CO₂ storage potential
 - offshore studies, 166, 168, 176
- petroleum prospectivity review
 - Cooper Basin, 167
- petroleum resources
 - and seabed environments, 175
- Petroleum Royalties Administration, 18
- petroleum titles, 159, 175
- the Philippines
 - disaster risk reduction goals advice and expertise, 172
- plant breeder's rights, 250, 254
- Plant Breeder's Rights Act 1994*, 250
- Plant Breeder's Rights Advisory Committee, 252, 259
- platinum-group elements potential *see* nickel and platinum-group elements potential
- policy advice *see* general policy advice on matters impacting on industry; Programme 1.3: Advice to Government; regulatory policy advice
- population density web service, 179
- portfolio Additional Estimates Statements and programmes
 - performance indicators, 8
- portfolio and departmental overview, 3
- Portfolio Budget Statements
 - and programmes, 8
 - performance indicators, 8
- Portfolio Regulatory Reform, 26
- positioning systems and location information, 179
- pre-competitive data and information, 168
 - to attract exploration investment, 166, 176
- private sector capital expenditure, 14
- Procurement Initiatives to Support Outcomes for Indigenous Australians* (ANAO), 34
- productivity growth
 - and intangible capital, 9
- professional registration
 - Patent and/or Trade Marks Attorneys, 251
- Professional Standards Board for Patent and Trade Marks Attorneys, 251, 254, 256, 259
- Programmes – Department of Industry and Science:
 - see also* Sub-programmes – Department of Industry and Science:
 - Programme 1: Building Skills and Capability, 5, 8
 - expenses and resources, 144
 - Programme 2: Supporting Science and Innovation, 5, 8–13
 - expenses and resources, 144
 - operating environment, 8–9
 - performance measures and results, 10–11
 - Programme 3: Encouraging Investment, 5, 8, 14–24
 - expenses and resources, 144–5
 - operating environment, 14–15
 - Programme 4: Programme Support, 5, 8, 25–30
 - expenses and resources, 145
 - operating environment, 25
- Programmes – Geoscience Australia:
 - Programme 1.1 Geoscientific and spatial information services, 164
 - expenses and resources, 239
- Programmes – IP Australia:
 - Programme 1.1: IP Rights Administration and Professional Registration, 251, 254–6
 - expenses and resources, 309
 - performance against deliverables, 255
 - performance against key performance indicators, 255–6
 - Programme 1.2: Education, Awareness and International Engagement, 252, 254, 256–7
 - expenses and resources, 309
 - performance against deliverables, 256
 - performance against key performance indicators, 257
 - Programme 1.3: Advice to Government, 252, 254, 258–9
 - expenses and resources, 309
 - performance against deliverables, 258
 - performance against key performance indicators, 258–9
- programme delivery *see* general programme delivery designed to have a positive impact on industry; regulatory programme delivery
- Programme Evaluation and Governance Committee
 - Department of Industry and Science, 34
- public awareness of intellectual property rights, 256–7
- public education and awareness programmes
 - IP Australia, 256
 - see also* Programme 1.2: Education, Awareness and International Engagement
- Public Governance, Performance and Accountability Act 2013*, 36, 262
- purchasing
 - Department of Industry and Science, 36
 - Geosciences Australia, 188
 - IP Australia, 264
- QGC development
 - new acreage for coal seam gas in Surat Basin, 170
- quality assurance systems
 - maturity of
 - IP Australia, 255
- Quality Review System
 - IP Australia, 255
- quality standards
 - IP Australia, 255
- Queensland
 - airborne electromagnetic survey, 158
- Questacon
 - Smart Skills Initiative, 256, 257
- Radioactive Waste Management, 19
- radiometric data *see* maps of magnetic data and radiometric data
- Ranger 3 Deeps uranium project, 170
- R&D Tax Incentive, 2, 11, 22, 29

- recycling
 - Geoscience Australia, 243
- red-tape reduction, 29–30
- Regional Comprehensive Economic Partnership, 246, 258
- Regional Infrastructure Programme, 17
- regional innovation funds, 2
- Regional Patent Examination Training programme, 256
- Registrar of Designs, 250, 262, 263
- Registrar of Plant Breeder's Rights, 250, 262, 263
- Registrar of Trade Marks, 250, 262, 263
 - appeals of decisions, 306
- Regulation Reform Agendas Guide for Growth Centres*, 25
- Regulatory Performance Framework, 155
- regulatory policy advice, 26
- regulatory programme delivery, 26
- regulatory reform
 - business and government and, 25
 - OECD and, 25
- reports addressing special legislative requirements, 151–5
- research
 - and STEM, 13
 - see also scientific research
- Research Affiliates LLC v Commissioner of Patents* [2014] FCAFC 150, 306
- Research Connections grant, 22
- Research Infrastructure Review, 12
- Resilient Australia award, 173
- resource potential
 - geological prospectus of, 167
- resource wealth, 158, 162, 164, 166–9
- resources and energy
 - investment in, 14
- Review of the Designs System, 259
- Risk Management Framework
 - IP Australia, 262
- rock samples, 181
- Royal Australian Air Force, 179
- Royalty Payments WA—*Offshore Petroleum and Greenhouse Gas Storage Act 2006* (SPP), 18
- Rum Jungle Mine Site—Environmental Rehab (SPP), 19
- Safety Improvement Plan
 - IP Australia, 263
- Safety, Rehabilitation and Compensation Act 1988*, 263
- Sampson Flat bushfire (SA), 172, 179
- satellite data, 158
- satellite ground station at Alice Springs, 158, 178
- satellite imagery
 - of surface water, 158
- scheduled areas and petroleum blocks, 175
 - digital representations of, 159
- Scholarship Award Program
 - Department of Industry and Science, 35
- science, 13
 - investment in, 2
 - and STEM, 13
 - see also Programme 2: Supporting Science and Innovation
- Science for Australia's Future, 10
- science priorities, 2
- science, technology, engineering and mathematics (STEM), 2
 - and science and research priorities, 13
- Science, technology, engineering and mathematics: Australia's future*, 13
- scientific research
 - changes in, 9
 - see also research
- Scott Reef
 - changes to the territorial sea baselines at, 175
- sea floor mapping advice and data processing, 159
- seabed environmental baseline information and advice, 176
- seabed environments, 175
- seabed mapping surveys, 175, 176
- seal integrity
 - in potential CO₂ injection locations, 177
- Secretary's review, 2–3
- Securing Australia's water resources
 - deliverables, 170
 - key performance indicators, 171
- Security Committee
 - Geoscience Australia, 186
- seismic hazard and risk information, 172
- seismic reflection data
 - Houtman Sub-basin (WA), 168
- Senate Estimates, 186
- Senate Standing Committee on Economics, 186
- Senior Executive Service (SES)
 - Department of Industry and Science, 35
- Sentinel Hotspots
 - bushfire monitoring dataset/online bushfire monitoring system, 159, 174, 181
- Service Charter
 - Geoscience Australia, 189
- shale gas potential, 168
- Shenhua Watermark coal project, 170
- Single Business Service initiative, 3, 22
- Single Economic Market
 - with New Zealand
 - and IP, 257, 258
- small and medium businesses
 - and innovation, 8–9
 - and science, 2
- Smaller Government agenda, 258
- SmartForms, 29
- Snowy Hydro Limited, 31
- South Galilee Coal Project, 170
- Space Concession, 15
- special legislative requirements
 - reports addressing, 151–5
- Square Kilometre Array Radio Telescope Project, 10
- stakeholder satisfaction survey
 - Geoscience Australia, 159
- Statement by the Secretary and Chief Financial Officer
 - Department of Industry and Science, 42
 - Geoscience Australia, 194
 - IP Australia, 270
- Stavelly (Vic)
 - stratigraphic drill holes, 166, 182
- Steering Committee of the International Partnership for Geothermal Technology, 167
- strategic objectives
 - Department of Industry and Science, 2
- strategic plans
 - Department of Industry and Science, 2, 34
 - Geoscience Australia, 186
 - IP Australia, 246, 247
- Strategic Workforce Plan
 - IP Australia, 263
- stratigraphic drill holes
 - Stavelly (Vic), 166
- Sub-programmes – Department of Industry and Science:
 - Sub-programme 2.1: Science awareness, infrastructure and international engagement, 5
 - performance measures and results, 10
 - Sub-programme 2.2: Business research, development and commercialisation, 5
 - performance measures and results, 11
 - Sub-programme 3.1: Competitive marketplace, 5
 - performance measures and results, 15
 - Sub-programme 3.2: Business and market development, 5

- performance measures and results, 16
- Sub-programme 3.3: Economic transition, 5
 - performance measures and results, 17
- Sub-programme 3.4: Resources, 5
 - performance measures and results, 18–19
- Sub-programme 3.5: Energy, 5
 - performance measures and results, 20–1
- Sub-programme 4.1: Improving regulation, 5
 - performance measures and results, 26
- Sub-programme 4.2: Building a high performance organisation, 5
 - performance measures and results, 26–8
- Sunesis Pharmaceuticals Inc v Commissioner of Patents* [2015] FCAFC 29, 306
- Surat Basin
 - QGC development for coal seam gas in, 170
- Surat Region and Laura Basin—Queensland Project
 - groundwater hydrochemical characterisation of, 170
- surface water
 - dataset, 178
 - and groundwater resources, 170
- surface water observations
 - from satellite imagery, 158
- sustainable groundwater management, 170
- Synchrotron see Australian Synchrotron
- Syntroleum Depreciation, 19
- Tasmania
 - regional innovation funds, 2
- territorial sea baseline, 175
- Textile Clothing and Footwear—Register of Approved Occupational Clothing, 15
- Thomson Orogen (NSW – Qld)
 - airborne electromagnetic survey, 166
- Timor Sea, 177
- Titles Administrator see National Offshore Petroleum Titles Administrator
- Toyota Major Facelift Vehicle Grant, 17
- Toyota Supplier Development Programme Grant, 17
- trade marks, 250, 254
 - demand for, 246
- Trade Marks Act 1995*, 250
- Trade Marks Attorneys see Patent and/or Trade Marks Attorneys
- trade marks inventory, 256
- Tradex, 15
- Trans-Pacific Partnership, 246, 258
- TRIPS Protocol see World Trade Organization Agreement on Trade-Related Aspects of Intellectual Property (TRIPS Protocol)
- tropical cyclone risk modelling (TCRM) software tool, 172
- tropical cyclones Marcia, Lam and Nathan, 172, 173, 174, 179
 - see also cyclones
- tsunamis, 173
- UNCOVER initiative, 158, 166, 182
- United Kingdom IP office
 - and international trade mark database, 259
- United Nations Educational, Scientific and Cultural Organization
 - International Geoscience Programme
 - Australian National Committee for, 184
- United States Department of Energy
 - Geothermal Technology Office
 - peer review of R&D programme, 167
- United States Geological Survey, 158, 178
- United States IP office
 - and international trade mark database, 259
- Upstream Petroleum Resources Working Group report to COAG Energy Council on unconventional reserves, resources, production, forecasts and drilling rates*, 167
- uranium projects, 170
- UrbanVirons, 22
- Verifying Authority for Position, 180
- Victoria
 - drill holes, 158
 - regional innovation funds, 2
- Victorian Innovation and Investment Fund—Ford assistance, 17
- Vision for a science nation—Responding to Science, technology, engineering and mathematics: Australia's future*, 13
- visual terminal charts and visual navigation charts, 179
- Vlaming Sub-basin
 - CO₂ geological storage potential, 169, 176
- Water Act 2007*, 178
- Water Observations from Space, 173, 178, 181
- water resources, 158, 162, 164, 170–1
- website
 - IP Australia, 257
- Western Australia
 - sea floor mapping and sampling, 159
- wind events, 173
- wind modelling, 172
- work health and safety
 - Department of Industry and Science, 35
 - Geoscience Australia, 187
 - IP Australia, 263–4
 - incidents
 - Department of Industry and Science, 35
 - Geoscience Australia, 187
 - IP Australia, 264
 - Work Health and Safety Act 2011*, 35, 263, 264
- Work Health and Safety Committee
 - Geoscience Australia, 187
 - IP Australia, 263
- Workforce Plan
 - Department of Industry and Science, 35
- workforce planning, 3
- workforce statistics
 - Department of Industry and Science, 146–9
 - Geoscience Australia, 240–2
 - IP Australia, 311–14
- Workplace Health and Safety Committee
 - Geoscience Australia, 186
- Workplace Relations Committee
 - Geoscience Australia, 186
- World Bank Group
 - and “ease of doing business”, 25
- World Intellectual Property Organization, 246, 256, 258
 - Centralised Access to Search and Examination, 257
- World Trade Organization Agreement on Trade-Related Aspects of Intellectual Property (TRIPS Protocol), 247, 258
- Writing for Government and the Minister*, 35
- ZIMA trade mark, 306

