

**Portfolio Budget Statements 2019‑20**

**Budget Related Paper No. 1.11**

Industry, Innovation and Science Portfolio

Budget Initiatives and Explanations of

Appropriations Specified by Outcomes

and Programs by Entity

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President of the Senate

Australian Senate

Parliament House

CANBERRA ACT 2600

Speaker

House of Representatives

Parliament House

CANBERRA ACT 2600

Dear Mr President

Dear Mr Speaker

We hereby submit Portfolio Budget Statements in support of the 2019-20 Budget for the Industry, Innovation and Science portfolio.

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

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

Yours sincerely

Senator the Hon Matthew Canavan The Hon Karen Andrews MP

Abbreviations and conventions

The following notation may be used:

NEC/nec not elsewhere classified

- nil

.. not zero, but rounded to zero

na not applicable (unless otherwise specified)

nfp not for publication

$m $ million

$b $ billion

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

Enquiries

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

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

User Guide  
To The  
Portfolio Budget Statements

# User guide

The purpose of the *2019-20 Portfolio Budget Statements* (PB Statements) is to inform Senators and Members of Parliament of the proposed allocation of resources to government outcomes by entities within the portfolio. Entities receive resources from the annual appropriations acts, special appropriations (including standing appropriations and special accounts), and revenue from other sources.

A key role of the PB Statements is to facilitate the understanding of proposed annual appropriations in Appropriation Bills (No. 1 and No. 2) 2019-20 (or Appropriation (Parliamentary Departments) Bill *(*No. 1) 2019-20 for the parliamentary departments). In this sense, the PB Statements are Budget related papers and are declared by the Appropriation Acts to be ‘relevant documents’ to the interpretation of the Acts according to section 15AB of the *Acts Interpretation Act 1901*.

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

As required under section 12 of the *Charter of Budget Honesty Act 1998*, only entities within the general government sector are included as part of the Commonwealth general government sector fiscal estimates and produce PB Statements where they receive funding (either directly or via portfolio departments) through the annual appropriation acts.

The Enhanced Commonwealth Performance Framework

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

**Enhanced Commonwealth Performance Framework**Key components of relevant publications

Portfolio Budget Statements (April)  
*Portfolio based*

Corporate Plan (August)  
*Entity based*

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

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

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

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

**Primary planning document** of a  
Commonwealth entity.

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

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

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

Annual Performance Statement (October following year) *Entity based*

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

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

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

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Portfolio Overview

# Industry, Innovation and Science Portfolio overview

Ministers and portfolio responsibilities

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

The Hon Karen Andrews MP is responsible for Industry, Science and Technology. Minister Andrews is charged with boosting Australia’s competitiveness and facilitating economic and technological transformation to deliver a modern, digital and globally integrated economy that supports economic growth and job creation.

The portfolio was established by the Administrative Arrangements Orders made on 10 May 2018 and 28 August 2018, and comprises:

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

The Department of Industry, Innovation and Science drives Australian growth and job creation. The department boosts Australia’s competitiveness and facilitates economic transformation by backing business, science, innovation and investment.

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

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

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

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

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

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

* **Geoscience Australia**

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

* **IP Australia**

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

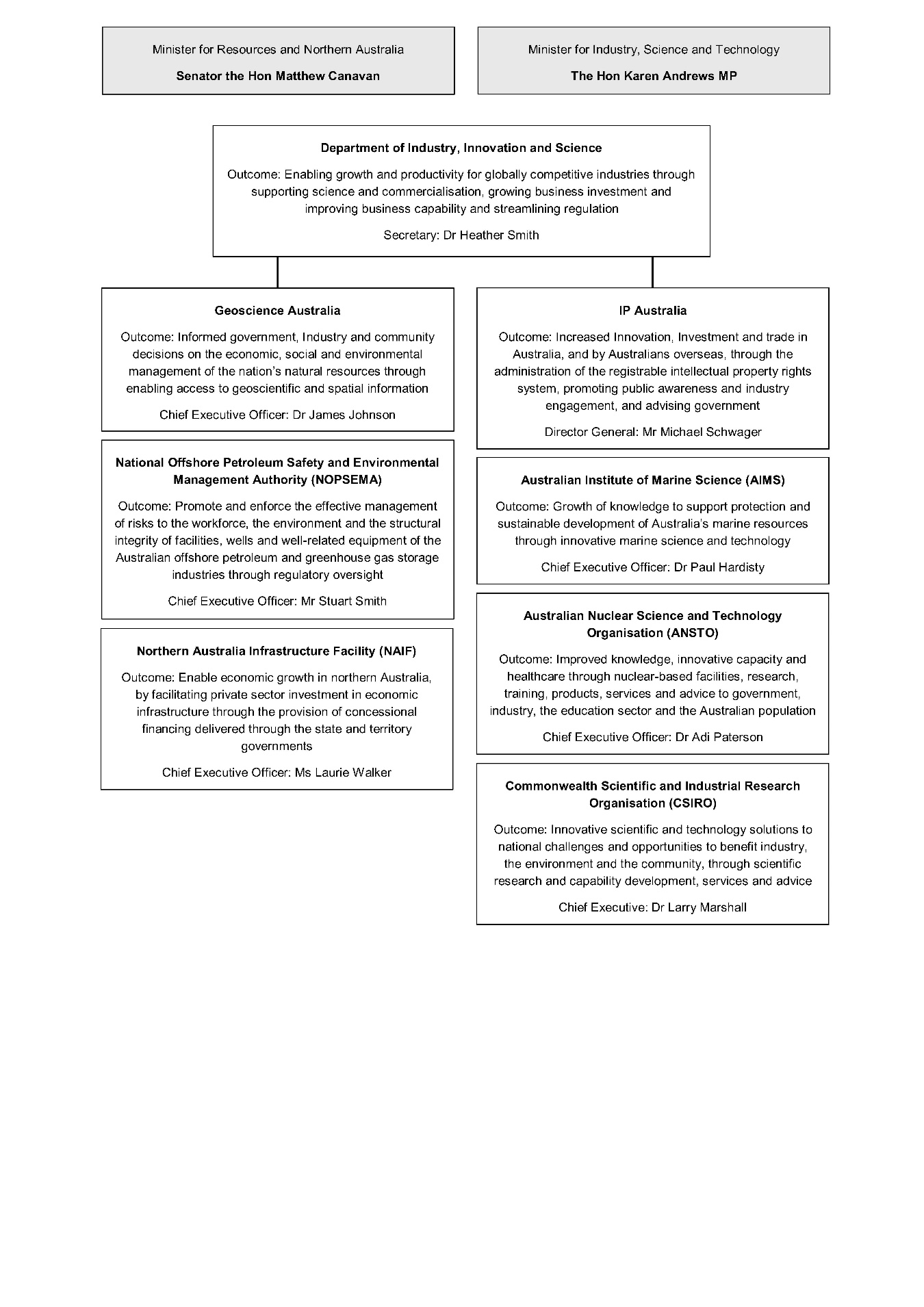
* **National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA)**

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

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

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

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

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

Entity resources and  
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Entity resources and planned performance

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# Department of Industry, Innovation and Science

## Section 1: Entity overview and resources

### 1.1 Strategic direction statement

The Department of Industry, Innovation and Science (the department) drives Australian growth and job creation. The department boosts Australia’s competitiveness and facilitates economic transformation by backing business, science, innovation and investment.

With global forces and technological change reshaping international and domestic markets, the department is critical to enabling citizens and businesses to adjust to change and seize new opportunities, including by stimulating business growth, capability and market development.

For example, the Government is committed to developing a world-class space sector and is investing in the space industry through the new Australian Civil Space Strategy 2019‑2028. This will highlight opportunities for collaboration between Australian governments, researchers and industry to grow a dynamic space industry. The strategy sets out a clear path to triple the size of the industry by 2030, creating up to 20 000 jobs and bringing the sector’s contribution to Australia’s GDP to over $12 billion per annum.

In this Budget, underpinned by the Australian Civil Space Strategy, the Government is investing a further $19.5 million in a Space Infrastructure Fund to support priority projects across Australia. The Fund will address key space infrastructure gaps, building on the Government’s 2018-19 Budget commitment to establish the Australian Space Agency and the International Space Investment program. Complementing this is a $6 million Australian Government contribution to an Australian Space Discovery Centre in Adelaide as part of the Adelaide City Deal. These investments complement the department’s broader efforts to strengthen Australia’s competitive advantage and create new jobs and opportunities for business growth.

The department also works to open up and expand export markets, including for the resources sector. The Government’s release of the National Resources Statement sets out a long-term reform agenda for the sector’s continued global competitiveness. The department is focusing on strengthening communities across the country, including through the Office of Northern Australia and the $5 billion Northern Australia Infrastructure Facility. These initiatives leverage our primary industries, tourism and access to Asia to encourage more private investment, regional growth and job creation.

Growth is also supported by the department’s ongoing efforts to foster a competitive environment for Australian businesses, including through support for tax and regulatory reform, and by simplifying businesses interactions with government.

Another major focus of the department is to support science, innovation, technology and the commercialisation of new ideas. The department’s flagship programs, including the Industry Growth Centres Initiative, the Cooperative Research Centres Program, the Entrepreneurs’ Programme, and the Research and Development Tax Incentive, help to position Australia as a leader in the global innovation race.

Working closely with researchers, regulators, other jurisdictions and the community, the Government is making a number of additional investments to build on this foundation, enabling Australians and Australian businesses to benefit from new digital and collaboration opportunities, and build their skills and capability.

The $3.5 million Making Innovation Games National measure will pilot a national version of the initiative. The Games will bring together small and medium sized businesses, students and graduates, and corporate sponsors. Together participants will address technological and digital challenges facing Australian businesses by developing tailored, practical solutions. Events will be held across Australia and have a strong focus on diversity, including gender balance. The pilot will help connect graduates with potential employers who could benefit from their expertise.

The Government is making a number of investments to address declining participation in science, technology, engineering and maths (STEM) subjects in Australian schools, including the continuing under-representation of women and girls in STEM fields. The $15.1 million Expanding Questacon’s Education Outreach measure will support Questacon to expand its education and outreach programs across the country to engage more students in science and technology.

To showcase the benefits of study and careers in STEM fields and heighten the visibility of girls and women in STEM, funding of $1.5 million will enable implementation of a national digital awareness raising initiative, supported by the Women in STEM Ambassador. An additional $1.8 million in funding will also be provided to the Science in Australia Gender Equity initiative to advance gender equality in higher education and research institutions. These initiatives complement the recently released Women in STEM Decadal Plan, funded in the 2018-19 Budget, which sets out a long-term plan to deliver a more talented and diverse STEM workforce for Australia.

### 1.2 Entity resource statement

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

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

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

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

Table 1.1: Department of Industry, Innovation and Science resource statement — Budget estimates for 2019-20 as at Budget April 2019

|  |  |  |
| --- | --- | --- |
|  | *2018-19 (a) Estimated actual $'000* | 2019-20 Estimate  $'000 |
| **Departmental** |  |  |
| Annual appropriations - ordinary annual services |  |  |
| Prior year appropriations available (b) | *80,678* | 76,198 |
| Departmental appropriation | *387,193* | 395,828 |
| s74 External Revenue (c) | *92,077* | 75,796 |
| Departmental capital budget (d) | *25,769* | 25,701 |
| Annual appropriations - other services - non-operating |  |  |
| Prior year appropriations available (b) | *11,989* | 14,442 |
| Equity injection | *5,445* | 2,796 |
| Total departmental annual appropriations | *603,151* | 590,761 |
| Special accounts (e) |  |  |
| Opening balance | *11,279* | 10,559 |
| Appropriation receipts | *4,000* | 4,000 |
| Non-appropriation receipts | *8,986* | 5,057 |
| Total special accounts | *24,265* | 19,616 |
| *less departmental appropriations drawn from annual  appropriations and credited to special accounts* | *4,000* | 4,000 |
| ***Total departmental resourcing*** | ***623,416*** | **606,377** |
| **Administered** |  |  |
| Annual appropriations - ordinary annual services |  |  |
| Outcome 1 | *551,451* | 541,997 |
| Payments to corporate entities (f)(g) | *1,104,615* | 1,129,309 |
| Annual appropriations - other services - non-operating |  |  |
| Prior year appropriations available (b) | *23,789* | 8,606 |
| Administered assets and liabilities | *5,000* | 11,000 |
| Payments to corporate entities (f) | *38,611* | 133,800 |
| Total administered annual appropriations | *1,723,466* | 1,824,712 |

**Table 1.1: Department of Industry, Innovation and Science resource statement — Budget estimates for 2019-20 as at Budget April 2019 (continued)**

|  |  |  |
| --- | --- | --- |
|  | *2018-19 (a) Estimated actual $'000* | 2019-20 Estimate  $'000 |
| Total administered special appropriations (h) | *158,473* | 1,359,923 |
| Special accounts (e) |  |  |
| Opening balance | *132,127* | 121,624 |
| Appropriation receipts | *9,900* | - |
| Non-appropriation receipts | *33,878* | 18,926 |
| Total special account receipts | *175,905* | 140,550 |
| *less administered appropriations drawn from annual  appropriations and credited to special accounts* | *9,900* | - |
| *less payments to corporate entities from annual  appropriations* | *1,104,615* | 1,129,309 |
| **Total administered resourcing** | ***943,329*** | **2,195,876** |
| **Total resourcing for the Department of Industry, Innovation and Science** | ***1,566,745*** | **2,802,253** |
|  |  |  |
|  | *2018-19* | 2019-20 |
| **Average staffing level (number)** | *2,303* | 2,456 |

**Table 1.1: Department of Industry, Innovation and Science resource statement — Budget estimates for 2019-20 as at Budget April 2019 (continued)**

**Third party payments from and on behalf of other entities**

|  |  |  |
| --- | --- | --- |
|  | *2018-19 Estimated actual $'000* | 2019-20 Estimate  $'000 |
| **Payments made to corporate entities within the Portfolio (g)** |  |  |
| **Ordinary Annual Services** |  |  |
| Australian Institute of Marine Science | *47,377* | 44,800 |
| Australian Nuclear Science and Technology Organisation | *214,072* | 235,018 |
| Commonwealth Scientific and Industrial Research Organisation | *833,661* | 839,151 |
| Northern Australia Infrastructure Facility | *9,505* | 10,340 |
| **Total ordinary annual services** | ***1,104,615*** | **1,129,309** |
|  |  |  |
| **Other Services** |  |  |
| Australian Institute of Marine Science | *150* | - |
| Australian Nuclear Science and Technology Organisation | *28,461* | 78,800 |
| Commonwealth Scientific and Industrial Research Organisation | *10,000* | 55,000 |
| **Total other services** | ***38,611*** | **133,800** |
| **Total payments to corporate entities within the Portfolio** | ***1,143,226*** | **1,263,109** |

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

Prepared on a resourcing (that is, appropriations available) basis.

1. Annual appropriation amounts appearing for 2018-19 do not include the Appropriation Bills (No. 3) and (No. 4) 2018-2019, as they had not been enacted at the time of publication.
2. Estimated adjusted balance carried forward from previous year.
3. Estimated external revenue receipts under section 74 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).
4. Departmental capital budgets are not separately identified in Appropriation Bill (No.1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details.
5. For further information on special accounts, please refer to Budget Paper No. 4 - Agency Resourcing.
6. 'Corporate entities' are corporate Commonwealth entities as defined under the PGPA Act.
7. Excludes special appropriation payments to the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA).
8. The special appropriation figures include loan funding relating to the Northern Australia Infrastructure Facility (NAIF). The department is administering the loan payments on behalf of the NAIF entity. The figures also include payments to NOPSEMA through a special appropriation administered by the department. The funding is equal in value to the levies NOPSEMA collects from the oil and gas industries.

### 1.3 Budget measures

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

Table 1.2: Entity 2019-20 Budget measures

Part 1: Measures announced since the 2018‑19 Mid-Year Economic and Fiscal Outlook (MYEFO)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Program | 2018-19 $'000 | 2019-20 $'000 | 2020-21 $'000 | 2021-22 $'000 | 2022-23 $'000 |
| **Revenue measures** |  |  |  |  |  |  |
| Expanding Questacon’s Education Outreach | 3 |  |  |  |  |  |
| Administered revenues |  | - | - | - | - | - |
| Departmental revenues |  | - | 150 | 151 | 152 | - |
| **Total** |  | **-** | **150** | **151** | **152** | **-** |
| Implementing Sport 2030 (a) | 3 |  |  |  |  |  |
| Administered revenues |  | - | - | - | - | - |
| Departmental revenues |  | - | - | - | - | - |
| **Total** |  | **-** | **-** | **-** | **-** | **-** |
| **Total revenue measures** |  |  |  |  |  |  |
| Administered |  | - | - | - | - | - |
| Departmental |  | - | 150 | 151 | 152 | - |
| **Total** |  | **-** | **150** | **151** | **152** | **-** |
| **Expense measures** |  |  |  |  |  |  |
| Adelaide City Deal (b) | 3 |  |  |  |  |  |
| Administered expenses |  | - | - | - | - | - |
| Departmental expenses |  | - | - | - | 1,000 | 500 |
| **Total** |  | **-** | **-** | **-** | **1,000** | **500** |
| Expanding Questacon’s Education Outreach | 3 |  |  |  |  |  |
| Administered expenses |  | - | - | - | - | - |
| Departmental expenses |  | - | 4,939 | 5,063 | 5,085 | - |
| **Total** |  | **-** | **4,939** | **5,063** | **5,085** | **-** |
| Implementing Sport 2030 (a) | 3 |  |  |  |  |  |
| Administered expenses |  | - | - | - | - | - |
| Departmental expenses |  | - | - | - | - | - |
| **Total** |  | **-** | **-** | **-** | **-** | **-** |
| Improving STEM Gender Equity in Australia | 1,3 |  |  |  |  |  |
| Administered expenses |  | - | 1,000 | 1,100 | 1,200 | - |
| Departmental expenses |  | - | 39 | 12 | 12 | 3 |
| **Total** |  | **-** | **1,039** | **1,112** | **1,212** | **3** |
| Industry Programs - efficiencies (c) | 2 |  |  |  |  |  |
| Administered expenses |  | (5,000) | - | (1,000) | (2,200) | (5,700) |
| Departmental expenses |  | - | - | - | - | - |
| **Total** |  | **(5,000)** | **-** | **(1,000)** | **(2,200)** | **(5,700)** |

Table 1.2: Entity 2019-20 Budget measures (continued)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Program | 2018-19 $'000 | 2019-20 $'000 | 2020-21 $'000 | 2021-22 $'000 | 2022-23 $'000 |
| Making Innovation Games National | 2,3 |  |  |  |  |  |
| Administered expenses |  | - | 1,608 | 1,616 | - | - |
| Departmental expenses |  | - | 147 | 140 | - | - |
| **Total** |  | **-** | **1,755** | **1,756** | **-** | **-** |
| Space Infrastructure Fund (d) | 2,3 |  |  |  |  |  |
| Administered expenses |  | - | 5,100 | 6,800 | 4,900 | - |
| Departmental expenses |  | 237 | 920 | 1,161 | 363 | - |
| **Total** |  | **237** | **6,020** | **7,961** | **5,263** | **-** |
| Thermochemical Conversion Technology Facility (e) | 2 |  |  |  |  |  |
| Administered expenses |  | nfp | nfp | nfp | nfp | nfp |
| Departmental expenses |  | - | - | - | - | - |
| **Total** |  | **nfp** | **nfp** | **nfp** | **nfp** | **nfp** |
| **Total expense measures** |  |  |  |  |  |  |
| Administered |  | (5,000) | 7,708 | 8,516 | 3,900 | (5,700) |
| Departmental |  | 237 | 6,045 | 6,376 | 6,460 | 503 |
| **Total** |  | **(4,763)** | **13,753** | **14,892** | **10,360** | **(5,197)** |
| **Capital measures** |  |  |  |  |  |  |
| Adelaide City Deal (b) | 3 |  |  |  |  |  |
| Administered capital |  | - | - | - | - | - |
| Departmental capital |  | - | - | - | - | 500 |
| **Total** |  | **-** | **-** | **-** | **-** | **500** |
| Implementing Sport 2030 (a) | 3 |  |  |  |  |  |
| Administered capital |  | - | - | - | - | - |
| Departmental capital |  | - | - | - | - | - |
| **Total** |  | **-** | **-** | **-** | **-** | **-** |
| **Total capital measures** |  |  |  |  |  |  |
| Administered |  | - | - | - | - | - |
| Departmental |  | - | - | - | - | 500 |
| **Total** |  | **-** | **-** | **-** | **-** | **500** |

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

1. This measure will provide funding of $8.1 million for departmental expenses and $1.0 million for capital, and associated revenue over the forward estimates. The lead entity for measure Implementing Sport 2030 is the Department of Health. The full measure description and package details appear in Budget Paper No. 2 under the Health portfolio.
2. The lead entity for measure Adelaide City Deal is the Department of Infrastructure, Regional Development and Cities. The full measure description and package details appear in Budget Paper No. 2 under the Infrastructure, Regional Development and Cities portfolio. The financial impact for this measure shows the increase in expenditure for the department. This differs from the impact that is shown in Budget Paper No. 2 as the expenditure has been offset from the Contingency Reserve.
3. Additional savings of $35.0 million from 2018-19 to 2022-23 have already been made by the Government. The savings from this measure will be redirected by the Government to repair the Budget and fund portfolio policy priorities.
4. The financial impact for this measure shows the increase in expenditure for the department. This differs from the impact that is shown in Budget Paper No. 2 as the expenditure has been offset from the Contingency Reserve.
5. The financial impact for this measure is not for publication (nfp) due to commercial-in-confidence considerations.

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

The Department of Industry, Innovation and Science does not have any other measures not previously reported in a portfolio statement; therefore no table is presented.

## Section 2: Outcomes and planned performance

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

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

**Note:**

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

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

https://www.industry.gov.au/topic/about-us/what-we-do.

### 2.1 Budgeted expenses and performance for Outcome 1

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

#### Linked programs

|  |
| --- |
| **Portfolio Agencies**  **Australian Institute of Marine Science**  **Australian Nuclear Science and Technology Organisation**  **Commonwealth Scientific and Industrial Research Organisation**  **Geoscience Australia**  **IP Australia**  **National Offshore Petroleum Safety and Environmental Management Authority**  **Northern Australia Infrastructure Facility** |
| **Programs**  Australian Institute of Marine Science   * Program 1 - Marine Research   Australian Nuclear Science and Technology Organisation   * Program 1 - Science and Technology Solutions   Commonwealth Scientific and Industrial Research Organisation   * Program 1 - Research – Science, Services and Innovation Fund * Program 2 - National Research Infrastructure – National Facilities and Collections * Program 3 - Science and Industry Endowment Fund   Geoscience Australia   * Program 1 - Geoscientific and Spatial Information Services   IP Australia   * Program 1 - IP Rights Administration and Professional Registration * Program 2 - Education and Awareness * Program 3 - Advice to Government and International Engagement   National Offshore Petroleum Safety and Environmental Management Authority   * Program 1 - Regulatory oversight of Safety Cases, Well Operations Management Plans and Environment Plans coupled with effective monitoring, investigation and enforcement   Northern Australia Infrastructure Facility   * Program 1 - Northern Australia Infrastructure Facility |
| **Contribution to Outcome 1 made by linked programs**  The portfolio agencies’ programs contribute to enabling growth and productivity for globally competitive industries by supporting science and commercialisation, growing business investment and improving business capability and streamlining regulation. Further information on the linked programs is available in the agencies’ chapters. |
| **Department of Agriculture and Water Resources** |
| **Programs**   * Program 1.2 - Sustainable Management – Natural Resources * Program 1.10 - Agricultural Resources |
| **Contribution to Outcome 1 made by linked programs**  The Departments of Agriculture and Water Resources, Industry, Innovation and Science and the Environment and Energy are working collaboratively in the planning phase of the National Carp Control Plan, which will be delivered by the Fisheries Research and Development Corporation. Carp are the worst freshwater aquatic pest in Australia, and make up 80-90 per cent of fish biomass in the Murray-Darling Basin. A national approach to a biological control program of this scale is essential. |
| **Regional Investment Corporation** |
| **Programs**   * Program 1.1 - Regional Investment Corporation |
| **Contribution to Outcome 1 made by linked programs**  The Regional Investment Corporation contributes to growing business investment and improving business capability by working with the Department of Industry, Innovation and Science to enhance northern Australia's water security and agricultural productivity through identification and funding of new water infrastructure through the National Water Infrastructure Loan Facility. |
| **Department of Defence** |
| **Programs**   * Program 2.1 - Strategic Policy and Intelligence * Program 2.9 - Capability, Acquisition and Sustainment * Program 2.13 - Defence Science and Technology |
| **Contribution to Outcome 1 made by linked programs**  The Department of Defence contributes to growing business investment and improving business capability by collaborating with the Department of Industry, Innovation and Science through the Centre for Defence Industry Capability (CDIC).  The CDIC is helping to grow the capability and capacity of Australia’s defence industry, particularly small to medium enterprises, to support the delivery of the Australian Government’s $200 billion investment in defence capability over the next decade. The CDIC provides advice, assistance and grants to eligible businesses to be better positioned to support the Department of Defence. It also facilitates access to Defence’s innovation programs for Australian industry, academia and research organisations, working closely with the Defence Innovation Hub and Next Generation Technologies Fund.  The CDIC also has a major focus on supporting Defence major capital acquisition programs including the continuous shipbuilding programs and the F-35 Joint Strike Fighter Programs to maximise Australian industry involvement. |
| **Department of Foreign Affairs and Trade** |
| **Programs**   * Program 1.1 - Foreign Affairs and Trade Operations |
| **Contribution to Outcome 1 made by linked programs**  The Department of Foreign Affairs and Trade contributes to supporting science and commercialisation, growing business investment and improving business capability through its role in science diplomacy, collaboration on the Global Innovation Strategy with the Department of Industry, Innovation and Science, advancement of Australia’s trade and investment interests, and as the lead in the conciliation process between Australia and Timor-Leste on maritime boundaries in the Timor Sea. |
| **Austrade** |
| **Programs**   * Program 1.1 - Promotion of Australia’s export and other international economic interests * Program 1.2 - Programs to promote Australia’s exports and other international economic interests |
| **Contribution to Outcome 1 made by linked programs**  Austrade contributes to growing business investment and improving business capability by promoting Australia’s exports and other international economic interests through the provision of information, advice and services to businesses, associations, institutions and government. It works with the Department of Industry, Innovation and Science on the Government’s National Innovation and Science Agenda, including the Global Innovation Strategy, to help businesses build their global networks, and identify and capitalise on opportunities in the global marketplace. Austrade also supports implementation of the White Paper on Developing Northern Australia. |
| **Department of Health** |
| **Programs**   * Program 1.1 - Health Policy Research and Analysis |
| **Contribution to Outcome 1 made by linked programs**  The Department of Health contributes to supporting science and commercialisation and growing business investment and improving business capability, including through the Biomedical Translation Fund—a Health portfolio measure under the National Innovation and Science Agenda, administered by the Department of Industry, Innovation and Science. |
| **Department of Home Affairs** |
| **Programs**   * Program 2.2 - Migration * Program 3.1 - Border Revenue * Program 3.2 - Trade Facilitation and Industry Engagement |
| **Contribution to Outcome 1 made by linked programs**  The Department of Home Affairs contributes to growing business investment and improving business capability through its contribution to Australia’s anti-dumping system in coordination with the Anti-Dumping Commission and provision of tariff and duty credits and concessions. The Department of Home Affairs is also working with the Department of Industry, Innovation and Science on the Significant Investor Visa Complying Investment Framework that encourages the expansion of Australia’s venture capital fund capacity, attracting investment into innovative early stage companies, particularly from new sources of foreign investment. The Department of Industry, Innovation and Science will continue to work with the Department of Home Affairs regarding employer sponsored permanent skilled migration. |
| **Department of Infrastructure, Regional Development and Cities** |
| **Programs**   * Program 1.1 - Infrastructure Investment * Program 3.1 - Regional Development |
| **Contribution to Outcome 1 made by linked programs**  The Department of Infrastructure, Regional Development and Cities contributes to supporting science and commercialisation, growing business investment and improving business capability by collaborating with the Department of Industry, Innovation and Science on the implementation of the White Paper on Developing Northern Australia through the Northern Roads and Beef Roads programs, the Roads of Strategic Importance program and the National Water Infrastructure Development Fund. |
| **Department of Jobs and Small Business** |
| **Programs**   * Program 1.1 - Employment Services * Program 2.3 - Small Business Support |
| **Contribution to Outcome 1 made by linked programs**  The Department of Jobs and Small Business works with the Department of Industry, Innovation and Science and contributes to growing business investment and improving business capability. It creates policies that help Australians find and keep work, meet employer needs and increase Australia’s workforce participation, and provides policy support for the Australian Small Business Advisory Service. Like the Department of Industry, Innovation and Science, the Department of Jobs and Small Business works to assist employees in structurally transitioning industries. The departments work closely together to ensure there is a whole of government response to structural adjustment. |
| **Department of the Environment and Energy** |
| **Programs**   * Program 1.1 - Sustainable Management of Natural Resources and the Environment * Program 1.3 - Commonwealth Environmental Water * Program 2.2 - Adapting to Climate Change * Program 3.1 - Antarctica: Science, Policy and Presence * Program 4.1 – Energy |
| **Contribution to Outcome 1 made by linked programs**  The Department of the Environment and Energy contributes to supporting science and commercialisation, growing business investment and improving business capability through its role in facilitating the delivery of reliable and affordable energy to underpin a productive and growing economy. The Department of the Environment and Energy works collaboratively with the Department of Industry, Innovation and Science in the planning phase of the National Carp Control Plan, Antarctic Science Collaboration Initiative, Reef Restoration and Adaptation Program, the implementation of the Australian Government’s Domestic Gas Strategy, the implementation of the Australian Domestic Gas Security Mechanism, through its support for the COAG Energy Council, and international engagement with Australia’s key energy resource markets.  The Department of the Environment and Energy also provides joint secretariat for the National Climate Science Advisory Committee. The Committee advises the Australian Government on a nationally integrated approach to climate change impacts and informs the direction and sustainability of Australia's climate science capacity and research priorities. |
| **Department of the Treasury** |
| **Programs**   * Program 1.4 - General Revenue Assistance * Program 1.9 - National Partnership Payments to the States |
| **Contribution to Outcome 1 made by linked programs**  The Department of the Treasury contributes to supporting taxation benefits including the Research and Development (R&D) Tax Incentive, the early stage venture capital limited partnerships tax concessions, Venture Capital Limited Partnerships tax concessions, Pooled Development Funds tax concessions and tax incentives for early stage investors (‘angel investors’). The Treasury continues to provide general revenue assistance through royalty payments collected from offshore oil and gas projects in Western Australia and a uranium project in the Northern Territory. The Treasury also provides specific purpose payments that support a pilot hydrogen energy supply chain project in Victoria and for the environmental management of the former Rum Jungle mine site in the Northern Territory. |
| **Australian Competition and Consumer Commission** |
| **Programs**   * Program 1.1 - Australian Competition and Consumer Commission |
| **Contribution to Outcome 1 made by linked programs**  The Australian Competition and Consumer Commission contributes to growing business investment and improving business capability by achieving compliance with the Competition and Consumer Act 2010 and associated legislation in order to protect, strengthen and supplement the way competition works in Australian markets and industries to improve the efficiency of the economy and the welfare of Australians. |
| **Australian Taxation Office** |
| **Programs**   * Program 1.1 - Australian Taxation Office * Program 1.7 - Fuel Tax Credit Scheme * Program 1.10 - Research and Development Tax Incentive |
| **Contribution to Outcome 1 made by linked programs**  The Australian Taxation Office contributes to supporting science and commercialisation, growing business investment and improving business capability through taxation benefits including the Research and Development (R&D) Tax Incentive, tax incentives for early stage investors (‘angel investors’), the Fuel Tax Credit Scheme, the Early Stage Venture Capital Limited Partnerships tax concessions, Venture Capital Limited Partnerships tax concessions, Pooled Development Funds tax concessions and Australian Venture Capital Fund of Funds tax concessions. |

##### Budgeted expenses for Outcome 1

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

Table 2.1.1: Budgeted expenses for Outcome 1(a)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Outcome 1:** Enabling growth and productivity for globally competitive industries through supporting science and commercialisation, growing business investment and improving business capability and streamlining regulation. | | | | | |
|  | 2018-19 Estimated actual $'000 | 2019-20 Budget  $'000 | 2020-21 Forward estimate $'000 | 2021-22 Forward estimate $'000 | 2022-23 Forward estimate $'000 |
| **Program 1: Supporting Science and Commercialisation** | | | | | |
| Administered expenses |  |  |  |  |  |
| Ordinary annual services  (Appropriation Bill No. 1) | 236,688 | 282,987 | 279,259 | 310,523 | 282,394 |
| Expenses not requiring  appropriation in the Budget   year (b) | 101 | 201 | 298 | - | - |
| **Administered total** | **236,789** | **283,188** | **279,557** | **310,523** | **282,394** |
| **Total expenses for program 1** | **236,789** | **283,188** | **279,557** | **310,523** | **282,394** |
| **Program 2: Growing Business Investment and Improving Business Capability** | | | | | |
| Administered expenses |  |  |  |  |  |
| Ordinary annual services  (Appropriation Bill No. 1) | 294,714 | 259,010 | 201,218 | 196,524 | 174,688 |
| Ordinary annual services  (Appropriation Bill No. 1)  credited to special accounts | 9,900 | - | - | - | - |
| Special appropriations | 42,414 | 40,000 | 20,128 | 60 | 60 |
| Special accounts | 25,133 | 16,897 | 15,500 | 15,900 | 16,100 |
| Expenses not requiring  appropriation in the Budget  year (b) | 35,928 | 630,598 | 992,603 | 684,932 | 114,337 |
| **Administered total** | **408,089** | **946,505** | **1,229,449** | **897,416** | **305,185** |
| **Total expenses for program 2** | **408,089** | **946,505** | **1,229,449** | **897,416** | **305,185** |
| **Program 3: Program Support** | | | | | |
| Departmental expenses |  |  |  |  |  |
| Departmental appropriation | 397,634 | 395,591 | 375,847 | 373,124 | 368,811 |
| s74 External revenue (c) | 92,077 | 75,796 | 78,406 | 84,320 | 84,121 |
| Special accounts (d) | 9,706 | 7,003 | 5,395 | 5,308 | 5,308 |
| Expenses not requiring  appropriation in the Budget  year (e) | 39,815 | 37,408 | 36,197 | 35,483 | 35,483 |
| **Departmental total** | **539,232** | **515,798** | **495,845** | **498,235** | **493,723** |
| **Total expenses for program 3** | **539,232** | **515,798** | **495,845** | **498,235** | **493,723** |

Table 2.1.1: Budgeted expenses for Outcome 1 (continued)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2018-19 Estimated actual $'000 | 2019-20 Budget  $'000 | 2020-21 Forward estimate $'000 | 2021-22 Forward estimate $'000 | 2022-23 Forward estimate $'000 |
| **Outcome 1 Totals by appropriation type** | | | | | |
| Administered expenses |  |  |  |  |  |
| Ordinary annual services  (Appropriation Bill No. 1) | 531,402 | 541,997 | 480,477 | 507,047 | 457,082 |
| Ordinary annual services  (Appropriation Bill No. 1)  credited to special accounts | 9,900 | - | - | - | - |
| Special appropriations | 42,414 | 40,000 | 20,128 | 60 | 60 |
| Special accounts | 25,133 | 16,897 | 15,500 | 15,900 | 16,100 |
| Expenses not requiring  appropriation in the Budget  year (b) | 36,029 | 630,799 | 992,901 | 684,932 | 114,337 |
| **Administered total** | **644,878** | **1,229,693** | **1,509,006** | **1,207,939** | **587,579** |
| Departmental expenses |  |  |  |  |  |
| Departmental appropriation | 397,634 | 395,591 | 375,847 | 373,124 | 368,811 |
| s74 External revenue (c) | 92,077 | 75,796 | 78,406 | 84,320 | 84,121 |
| Special accounts (d) | 9,706 | 7,003 | 5,395 | 5,308 | 5,308 |
| Expenses not requiring  appropriation in the Budget  year (e) | 39,815 | 37,408 | 36,197 | 35,483 | 35,483 |
| **Departmental total** | **539,232** | **515,798** | **495,845** | **498,235** | **493,723** |
| **Total expenses for Outcome 1** | **1,184,110** | **1,745,491** | **2,004,851** | **1,706,174** | **1,081,302** |
| **Movement of administered  funds between years** |  |  |  |  |  |
| **Outcome 1:** |  |  |  |  |  |
| **Program 1** |  |  |  |  |  |
| National Carp Control Plan | (3,677) | - | 1,838 | 1,839 | - |
| **Program 2** |  |  |  |  |  |
| Cyber Security – implementation of   Australia’s Cyber Security Strategy | (2,000) | 2,000 | - | - | - |
| Radioactive Waste Management | (2,006) | - | - | - | 2,006 |
| **Total movement of  administered funds** | **(7,683)** | **2,000** | **1,838** | **1,839** | **2,006** |
|  |  |  |  |  |  |
|  | 2018-19 | 2019-20 |  |  |  |
| **Average staffing level (number)** | 2,303 | 2,456 |  |  |  |

Figures in brackets represent a decrease in funds.

1. Further information on payments to corporate entities can be found in the ‘Third Party Payments’ section of Table 1.1 Entity Resource Statement.
2. Expenses not requiring appropriation relate to depreciation and amortisation expenses for the National Offshore Petroleum Titles Administrator, the expenses associated with the concessional loans proposed under the Northern Australia Infrastructure Facility and to PSMA Australia Limited, and unwinding of the present value discount associated with the obligation for Quantum Computing partly paid shares.
3. Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act.
4. Excludes expenditure funded via Ordinary Annual Services (Appropriation Bill No.1).
5. Expenses not requiring annual appropriation includes depreciation and amortisation expenses and audit fees.

Table 2.1.2: Program components of Outcome 1

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Program 1: Supporting Science and Commercialisation** | | | | | |
|  | 2018-19 Estimated  actual $'000 | 2019-20 Budget  $'000 | 2020-21 Forward estimate $'000 | 2021-22 Forward estimate $'000 | 2022-23 Forward estimate $'000 |
| *Sub-program 1.1: Science awareness, infrastructure and international engagement* | | | | | |
| **Annual administered expenses:** |  |  |  |  |  |
| Access to World-leading Astronomy   Infrastructure | 12,633 | 11,918 | 12,538 | 12,789 | 13,044 |
| Antarctic Science Collaboration   Initiative | - | 5,000 | 5,000 | 5,000 | 5,000 |
| Australia-China Science and   Research Fund | 3,344 | 2,204 | 2,804 | 2,584 | 2,204 |
| Australia-India Strategic Research   Fund | 3,110 | 2,110 | 3,680 | 2,680 | - |
| Global Innovation Strategy | 6,536 | 7,626 | 8,376 | 8,726 | 6,536 |
| Inspiring all Australians in STEM | 14,899 | 11,415 | 11,315 | 11,415 | 9,405 |
| National Carp Control Plan | - | - | 1,838 | 1,839 | - |
| Square Kilometre Array Radio  Telescope Project | 19,480 | 42,800 | 29,800 | 50,600 | 38,070 |
| **Total annual administered expenses** | **60,002** | **83,073** | **75,351** | **95,633** | **74,259** |
| **Total sub-program 1.1 expenses** | **60,002** | **83,073** | **75,351** | **95,633** | **74,259** |
| *Sub-program 1.2: Business research, development and commercialisation* | | | | | |
| **Annual administered expenses:** |  |  |  |  |  |
| Boosting Female Founders Initiative | - | - | 6,087 | 6,089 | 6,090 |
| Business Research and Innovation   Initiative | 3,560 | 9,214 | 3,468 | 9,222 | 3,475 |
| Cooperative Research Centres   Program | 167,341 | 184,150 | 187,356 | 192,239 | 191,223 |
| Digital Productivity | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 |
| Innovation Investment Fund | 122 | 127 | 134 | 140 | 147 |
| Research and Development Tax   Incentive | 4,163 | 4,923 | 5,363 | 5,700 | 5,700 |
| **Total annual administered expenses** | **176,686** | **199,914** | **203,908** | **214,890** | **208,135** |
| **Expenses not requiring   appropriation in the Budget year:** |  |  |  |  |  |
| Quantum Computing (a) | 101 | 201 | 298 | - | - |
| **Total expenses not requiring   appropriation in the Budget year** | **101** | **201** | **298** | **-** | **-** |
| **Total sub-program 1.2 expenses** | **176,787** | **200,115** | **204,206** | **214,890** | **208,135** |
| **Total program 1 expenses** | **236,789** | **283,188** | **279,557** | **310,523** | **282,394** |

Table 2.1.2: Program components of Outcome 1 (continued)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Program 2: Growing Business Investment and Improving Business Capability** | | | | | |
|  | 2018-19 Estimated actual $'000 | 2019-20 Budget  $'000 | 2020-21 Forward estimate $'000 | 2021-22 Forward estimate $'000 | 2022-23 Forward estimate $'000 |
| *Sub-program 2.1: Competitive marketplace* | | | | | |
| **Annual administered expenses:** |  |  |  |  |  |
| Australian Business Number and   Business Names Registration  System - expansion | 50 | 50 | 50 | 50 | 50 |
| Bait Industry Support | 800 | 2,100 | 2,100 | - | - |
| Geocoded National Address File | 8,455 | 6,200 | 6,324 | 6,451 | 6,580 |
| Industry 4.0 Testlabs for Australia | 6,000 | - | - | - | - |
| Support for Industry Service   Organisations Program | 4,043 | 4,056 | 4,128 | 4,189 | 4,253 |
| **Total annual administered expenses** | **19,348** | **12,406** | **12,602** | **10,690** | **10,883** |
| **Expenses not requiring   appropriation in the Budget year:** |  |  |  |  |  |
| PSMA Australia Limited (b) | 460 | 614 | - | - | - |
| **Total expenses not requiring   appropriation in the Budget year** | **460** | **614** | **-** | **-** | **-** |
| **Total sub-program 2.1 expenses** | **19,808** | **13,020** | **12,602** | **10,690** | **10,883** |
| *Sub-program 2.2: Business and market development* | | | | | |
| **Annual administered expenses:** |  |  |  |  |  |
| Artificial Intelligence Capability Fund | 100 | 100 | - | 300 | - |
| Asialink Business | 3,183 | 3,138 | 3,250 | 2,997 | 2,899 |
| Empowering Businesses to Go Digital | 1,000 | 2,000 | - | - | - |
| Entrepreneurs' Programme | 118,657 | 116,300 | 110,652 | 111,691 | 112,910 |
| Industry Growth Centres | 59,841 | 48,271 | 46,097 | 46,800 | 45,700 |
| National Innovation Games | - | 1,608 | 1,616 | - | - |
| SME Export Hubs | 2,500 | 4,700 | 5,848 | 6,100 | - |
| Thermochemical Conversion   Technology Trial Facility (c) | 5,000 | nfp | nfp | nfp | nfp |
| **Total annual administered expenses** | **190,281** | **176,117** | **167,463** | **167,888** | **161,509** |
| **Total sub-program 2.2 expenses** | **190,281** | **176,117** | **167,463** | **167,888** | **161,509** |

Table 2.1.2: Program components of Outcome 1 (continued)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Program 2: Growing Business Investment and Improving Business Capability** | | | | | |
|  | 2018-19 Estimated actual $'000 | 2019-20 Budget  $'000 | 2020-21 Forward estimate $'000 | 2021-22 Forward estimate $'000 | 2022-23 Forward estimate $'000 |
| *Sub-program 2.3: Economic transition* | | | | | |
| **Annual administered expenses:** |  |  |  |  |  |
| Advanced Manufacturing Growth   Fund | 29,377 | 14,241 | - | - | - |
| Cyber Security – implementation of   Australia’s Cyber Security Strategy | 2,250 | 8,750 | - | - | - |
| Encouraging Innovation in Advanced   Manufacturing | 11,250 | 4,250 | 2,500 | - | - |
| International Space Investment | - | 3,000 | 5,000 | 7,000 | - |
| Mossman Mill Transition Program | - | 12,000 | 4,000 | 4,000 | - |
| Next Generation Manufacturing   Investment Programme | 8,600 | 1,124 | 100 | - | - |
| Space Infrastructure Fund | - | 5,100 | 6,800 | 4,900 | - |
| **Total annual administered expenses** | **51,477** | **48,465** | **18,400** | **15,900** | **-** |
| **Special Appropriations:** |  |  |  |  |  |
| *Automotive Transformation Scheme   Act 2009* | 42,354 | 39,940 | 20,068 | - | - |
| **Total special appropriations** | **42,354** | **39,940** | **20,068** | **-** | **-** |
| **Special account expenses:** |  |  |  |  |  |
| Services for Other Entities and Trust   Moneys Special Account | 9,817 | 1,700 | - | - | - |
| **Total special account expenses** | **9,817** | **1,700** | **-** | **-** | **-** |
| **Total sub-program 2.3 expenses** | **103,648** | **90,105** | **38,468** | **15,900** | **-** |

Table 2.1.2: Program components of Outcome 1 (continued)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Program 2: Growing Business Investment and Improving Business Capability** | | | | | |
|  | 2018-19 Estimated actual $'000 | 2019-20 Budget  $'000 | 2020-21 Forward estimate $'000 | 2021-22 Forward estimate $'000 | 2022-23 Forward estimate $'000 |
| *Sub-program 2.4: Resources* | | | | | |
| **Annual administered expenses:** |  |  |  |  |  |
| Coal Mining Abatement Technology   Support Package | 2,250 | 750 | - | - | - |
| Maralinga Maintenance | 239 | 239 | - | - | - |
| Onshore Gas Social and Economic   Research Fund | 1,000 | 1,000 | - | - | - |
| Petroleum Royalties Administration | 40 | 40 | 40 | 40 | 40 |
| Radioactive Waste Management | 16,423 | 13,289 | 2,006 | 2,006 | 2,256 |
| Rum Jungle Mine Site –  Environmental Rehabilitation | 69 | 97 | - | - | - |
| Supporting the Development of New   Onshore Gas Supply | 13,587 | 6,607 | 707 | - | - |
| **Total annual administered expenses** | **33,608** | **22,022** | **2,753** | **2,046** | **2,296** |
| **Special Appropriations:** |  |  |  |  |  |
| *Offshore Minerals Act 1994* | 60 | 60 | 60 | 60 | 60 |
| **Total special appropriations** | **60** | **60** | **60** | **60** | **60** |
| **Special account expenses:** |  |  |  |  |  |
| Clean Energy Initiative Special   Account |  |  |  |  |  |
| Carbon Capture and Storage   Flagships | 9,900 | - | - | - | - |
| National Offshore Petroleum Titles   Administrator | 15,316 | 15,197 | 15,500 | 15,900 | 16,100 |
| **Total special account expenses** | **25,216** | **15,197** | **15,500** | **15,900** | **16,100** |
| **Expenses not requiring   appropriation in the Budget year:** |  |  |  |  |  |
| National Offshore Petroleum Titles   Administrator (d) | 1,684 | 1,803 | 2,104 | 2,404 | 2,704 |
| **Total expenses not requiring   appropriation in the Budget year** | **1,684** | **1,803** | **2,104** | **2,404** | **2,704** |
| **Total sub-program 2.4 expenses** | **60,568** | **39,082** | **20,417** | **20,410** | **21,160** |

Table 2.1.2: Program components of Outcome 1 (continued)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Program 2: Growing Business Investment and Improving Business Capability** | | | | | |
|  | 2018-19 Estimated actual $'000 | 2019-20 Budget  $'000 | 2020-21 Forward estimate $'000 | 2021-22 Forward estimate $'000 | 2022-23 Forward estimate $'000 |
| *Sub-program 2.5: Northern Australia Development* | | | | | |
| **Expenses not requiring   appropriation in the Budget year:** |  |  |  |  |  |
| Northern Australia Infrastructure   Facility (b) | 33,784 | 628,181 | 990,499 | 682,528 | 111,633 |
| **Total expenses not requiring   appropriation in the Budget year** | **33,784** | **628,181** | **990,499** | **682,528** | **111,633** |
| **Total sub-program 2.5 expenses** | **33,784** | **628,181** | **990,499** | **682,528** | **111,633** |
| **Total program 2 expenses** | **408,089** | **946,505** | **1,229,449** | **897,416** | **305,185** |
| **Program 3: Program Support** | | | | | |
|  | | | | | |
| **Annual departmental expenses:** |  |  |  |  |  |
| Ordinary annual services   (Appropriation Bill No.1) | 397,634 | 395,591 | 375,847 | 373,124 | 368,811 |
| s74 External revenue (e) | 92,077 | 75,796 | 78,406 | 84,320 | 84,121 |
| Special accounts (f) | 9,706 | 7,003 | 5,395 | 5,308 | 5,308 |
| Expenses not requiring appropriation  in the Budget year (g) | 39,815 | 37,408 | 36,197 | 35,483 | 35,483 |
| **Total program 3 expenses** | **539,232** | **515,798** | **495,845** | **498,235** | **493,723** |

1. Expenses not requiring appropriation relate to unwinding of the present value discount associated with the obligation for Quantum Computing partly paid shares.
2. Expenses not requiring appropriation relate to the expenses associated with the concessional loans proposed under the Northern Australia Infrastructure Facility and to PSMA Australia Limited.
3. The financial impact is not for publication (nfp) due to commercial-in-confidence considerations.
4. Expenses not requiring appropriation relate to depreciation and amortisation expenses for the National Offshore Petroleum Titles Administrator.
5. Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act.
6. Excludes expenditure funded via Ordinary Annual Services (Appropriation Bill No.1).
7. Expenses not requiring annual appropriation includes depreciation and amortisation expenses and audit fees.

Table 2.1.3: Performance criteria for Outcome 1

Table 2.1.3 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2019-20 Budget measures have created new programs or materially changed existing programs.

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Outcome 1 – Enabling growth and productivity for globally competitive industries through supporting science and commercialisation, growing business investment and improving business capability and streamlining regulation. | | | | | | | | | | |
| **Program 1** **–** **Supporting Science and Commercialisation**  The objective of Program 1 is to facilitate the development and uptake of new ideas and technology and translate them into commercial activity.  The components of Program 1 are grouped under the following sub-programs:   * Sub-program 1.1 - Science awareness, infrastructure and international engagement – this sub program is designed to improve science awareness, infrastructure and international engagement to support the creation and dissemination of scientific and technical information as an input to the economic process. * Sub-program 1.2 - Business research, development and commercialisation – this sub-program is designed to provide incentives for business research, development and commercialisation, facilitate adoption and diffusion of digital technologies and encourage collaboration between businesses and researchers to drive innovation and thus contribute to improved productivity. | | | | | | | | | | |
| **Delivery** | | | | Through supporting science and commercialisation, the department fosters innovation, facilitates economic transformation, enhances productivity, creates jobs and drives economic growth for all Australians by:   * maintaining a strong science base focused on meeting Australia’s priorities * supporting international collaboration on science, technology and innovation * facilitating business research and development (R&D) and commercialisation * encouraging collaboration between the research sector and businesses * facilitating growth of a knowledge-based economy in Australia. | | | | | | |
| **Performance information** | | | | | | | | | | |
| **Intended results** | | | | **Contributing sub-programs** | | | **Performance criteria** | | | |
| Improvement in Australia’s performance in scientific research | | | | Sub-program 1.1 | | | * Share of world’s top ten per cent of highly cited publications | | | |
| Enhanced international engagement in science and technology | | | | Sub-program 1.1 | | | * Share of scientific publications with international co-authors * Share of patents with international co-inventors | | | |
| Increased research and development in business | | | | Sub-program 1.2 | | | * Business expenditure on research and development (BERD) as a percentage of GDP * BERD in real terms | | | |
| Increased commercialisation | | | | Sub-program 1.2 | | | * Number of Patent Cooperation Treaty patents | | | |
| Growth in the proportion of firms engaging in innovative activity | | | | Sub-program 1.2 | | | * Proportion of Australian businesses that are innovation active * Proportion of Australian businesses introducing new to the world innovation | | | |
| Increased collaboration between researchers and businesses | | | | Sub-program 1.1  Sub-program 1.2 | | | * Proportion of innovation active businesses collaborating on innovation with higher education institutions * Proportion of higher education R&D financed by industry | | | |
| Increased investment by businesses in intangible assets—i.e. the knowledge assets of an organisation | | | | Sub-program 1.1  Sub-program 1.2 | | | * Private gross fixed capital formation – intellectual property products | | | |
| Growth in the value add of knowledge-intensive industries | | | | Sub-program 1.1  Sub-program 1.2 | | | * Gross value added and employment by knowledge-intensive industries | | | |
| **Sub-program 1.1 - Science awareness, infrastructure and international engagement** | | | | | | | | | | |
| **Contributing components** | | **Performance criteria (a)** | | | **2018-19 targets** | **2019-20 targets** | | **2020-21 targets** | **2021-22 targets** | **2022-23 targets** |
| Access to World leading Astronomy Infrastructure | | Proportion of proposals for competitively allocated observing time on European Southern Observatory (ESO) telescopes at La Silla - Paranal Observatory, Chile, led by Principal Investigators from Australia (%) | | | 4.8 | 5 | | 5 | 5 | 5 |
| Proportion of total competitively allocated observing hours on the ESO 8.2-metre Very Large Telescope (VLT) allocated to proposals led by Principal Investigators from Australia (%) | | | 5.2 | 7.5 | | 7.5 | 7.5 | 7.5 |
| Number of unique Australian institutions involved at the Principal Investigator or Co -Investigator level, allocated competitive observing time on ESO telescopes at La Silla - Paranal Observatory, Chile | | | 9 | 6 | | 6 | 6 | 6 |
| Antarctic Science Collaboration Initiative (Australian Antarctic Science) | | Number of positions to support Antarctic Science and Research in Hobart directly funded via the ASCI grant (FTE) | | | N/A | 21 | | 21 | 21 | 21 |
| Australia-China Science and Research Fund; Australia-India Strategic Research Fund | | Number of collaborative research projects completed that reported strengthened international relationships | | | 11 | 14 | | 0 | 13 | 12 |
| Global Innovation Strategy | | Number of activities completed that reported strengthened international relationships | | | 69 | 27 | | 57 | 33 | 8 |
| Inspiring all Australians in STEM  (including initiatives encouraging more women to pursue science, technology, engineering and mathematics (STEM) education and careers) | | Number of direct engagements supported by Inspiring Australia activities | | | 2,500 | 2,500 | | 2,500 | 2,500 | 2,500 |
| Number of institutions participating in the Science in Australia Gender Equity process | | | 44 | N/A | | N/A | N/A | N/A |
| Effective delivery of initiatives to encourage more women and girls to pursue science education and careers. | | | | | | | | |
| Square Kilometre Array Radio Telescope Project | | Number of discrete SKA design projects with significant Australian institution inputs achieving significant engineering milestones | | | 10 | 10 | | N/A | N/A | N/A |
| **Sub-program 1.2 - Business research, development and commercialisation** | | | | | | | | | | |
| **Contributing components** | **Performance criteria (a)** | | | | **2018-19 targets** | **2019-20 targets** | | **2020-21 targets** | **2021-22 targets** | **2022-23 targets** |
| Business Research and Innovation Initiative | Proportion of feasibility studies completed (per round) (%) | | | | Nil | 100  (round 2) | | 100  (round 3) | Nil | 100  (round 4) |
| Proportion of proof of concept projects completed (per round) (%) | | | | 100  (round 1) | Nil | | 90  (round 2) | Nil | 90  (round 3) |
| Proportion of participating agencies procuring a solution developed under the program (per round) (%) | | | | 20  (round 1) | 40  (round 1) | | Nil | 60  (round 2) | Nil |
| Cooperative Research Centres (CRC) Program | Number of CRCs and CRC Projects supported | | | | 116 | 129 | | 133 | 124 | 122 |
| Number of commercialisation agreements reported by CRCs and CRC Projects | | | | 2,583 | 1,981 | | 1,981 | 819 | 819 |
| Number of applications for patents filed by CRCs and CRC Projects | | | | 30 | 24 | | 24 | 23 | 24 |
| Digital Productivity (Digital Careers) | Number of students participating in computational thinking and digital technology activities | | | | 120,000 | 80,000 | | N/A | N/A | N/A |
| Number of new student registrations on the Ribit Platform | | | | 21,000 | 21,000 | | N/A | N/A | N/A |
| Quantum Computing | Silicon Quantum Computing (SQC) aims to develop a 10-qubit quantum integrated circuit prototype by 2022 | | | | | | | | | |
| Research and Development (R&D) Tax Incentive | R&D expenditure registered by entities with the department in order to claim the tax incentive through their annual tax returns ($’000) | | | | 13,900,000 | The department does not have forward estimates of R&D expenditure as it is a demand-driven program.  Note:  The registered R&D is reported against the income year in which it is registered. This is the year following the year in which the companies undertake the R&D activity. | | | | |
| Application for registration of R&D activities processed within:   * 40 business days for first time registrants (%) * 20 business days for registrants that have applied within 6 months after the end of the income period (%) * 80 business days for registrations submitted from 6 to 10 months after the end of the income period (%) | | | | 95 |
| **Purposes** | Purpose 1: Supporting Science and Commercialisation – Facilitating the development and uptake of new ideas and technology and translating them into commercial activity. | | | | | | | | | |
| **Material changes to Program 1 resulting from the following measures:** Nil | | | | | | | | | | |
| **Program 2 - Growing Business Investment and Improving Business Capability**  The objective of Program 2 is to build a diversified, flexible, resilient and dynamic economic base that can identify and adapt to new markets and emerging opportunities.  The components of Program 2 are grouped under the following sub-programs:   * Sub-program 2.1: Competitive marketplace – this sub-program is designed to create a more competitive marketplace to achieve profitable and sustainable industry futures * Sub-program 2.2: Business and market development – this sub-program is designed to enhance business leadership, management, digital and entrepreneurial skills, increase innovation and investment in growth sectors, and open up international export markets to Australian businesses * Sub-program 2.3: Economic transition – this sub-program is designed to encourage innovation and investment to underpin industry transformation * Sub-program 2.4: Resources – this sub-program is designed to support the sustainable development of the resources sector, attract private sector investment and encourage innovative technologies * Sub-program 2.5: Northern Australia Development – this sub-program is designed to drive economic growth and investment in northern Australia. | | | | | | | | | | |
| **Delivery** | | | Through growing business investment and improving business capability, the department boosts competitiveness, facilitates economic transformation, enhances productivity, creates jobs and drives economic growth for all Australians by:   * creating a more competitive marketplace to achieve profitable and sustainable industry * working with industry to support businesses to build the capability (including management, entrepreneurial and digital) to be globally competitive * supporting the growth of emerging sectors and sectors where Australia has a strong competitive advantage * encouraging innovation and investment to underpin industry transformation * working collaboratively to maximise national benefits from Australia’s natural resources * supporting economic development in northern Australia * accelerating high growth and exports of Australian businesses * working nationally and internationally to attract private sector investment. | | | | | | | |
| **Performance information** | | | | | | | | | | |
| **Intended results** | | | **Contributing sub-programs** | | | **Performance criteria** | | | | |
| Fair and competitive marketplace | | | Sub-program 2.1 | | | * Goods market efficiency in the World Economic Forum’s Global Competitiveness Index | | | | |
| Improved management and organisational capabilities in Australian businesses | | | Sub-program 2.2 | | | * Proportion of businesses with a strategic plan in place * Proportion of businesses monitoring Key Performance Indicators | | | | |
| Increased entrepreneurship activity in Australian businesses | | | Sub-program 2.2 | | | * Australia’s ranking in the Global Entrepreneurship Monitor indicator of total early-stage entrepreneurship activity * New business entries in the economy | | | | |
| Enhanced digital capabilities in Australian business | | | Sub-program 2.2 | | | * Proportion of businesses that introduced or changed a digital business strategy * Proportion of businesses that used paid cloud computing services | | | | |
| Smooth transition of people and resources from shrinking to growing sectors | | | Sub-program 2.2  Sub-program 2.3 | | | * Share of total employment in services and knowledge intensive industries | | | | |
| Increased national benefits from Australia’s natural resources | | | Sub-program 2.4 | | | * Growth in exports, employment and output from the resource sector * Growth in resources royalties incomes | | | | |
| Increased economic growth and investment in northern Australia | | | Sub-program 2.5 | | | * Growth in the number of businesses in northern Australia * Growth in employment and hours worked in northern Australia * Population growth in northern Australia | | | | |
| Increased number of high growth firms in the economy | | | Sub-program 2.1  Sub-program 2.2  Sub-program 2.3  Sub-program 2.4  Sub-program 2.5 | | | * Rate of high growth firms in the economy | | | | |
| Improved export performance | | | Sub-program 2.1  Sub-program 2.2  Sub-program 2.3  Sub-program 2.4  Sub-program 2.5 | | | * Proportion of businesses that export * Total exports as a share of GDP | | | | |
| Growth in new private sector investment | | | Sub-program 2.1  Sub-program 2.2  Sub-program 2.3  Sub-program 2.4  Sub-program 2.5 | | | * Annual private business investment growth | | | | |
| Increased foreign direct investment in Australia | | | Sub-program 2.1  Sub-program 2.2  Sub-program 2.3  Sub-program 2.4  Sub-program 2.5 | | | * Foreign direct investment as a share of annual GDP | | | | |
| **Sub-program 2.1 - Competitive marketplace** | | | | | | | | | | |
| **Contributing components** | **Performance criteria** | | | | **2018-19 targets** | **2019-20 targets** | | **2020-21 targets** | **2021-22 targets** | **2022-23 targets** |
| Certain Inputs to Manufacture (CIM) | Number of new duty registrations | | | | 4 | 4 | | 4 | 4 | 4 |
| Total value of duty concessions to eligible firms ($’000) | | | | 4,000 | 4,000 | | 4,000 | 4,000 | 4,000 |
| Geocoded National Address File (G-NAF) | Updated versions of the G-NAF are published via data.gov.au on a quarterly basis to enable greater use of high-value foundational spatial data by the Australian community | | | | | | | | | |
| Support for Industry Service Organisations | Australian memberships of key international standardisation and accreditation bodies are maintained | | | | | | | | | |
| Textile Clothing and Footwear—Register of Approved Occupational Clothing | Proportion of registrations within 30 days of complete information being provided (%) | | | | 100 | 100 | | 100 | 100 | 100 |
| Tradex | Number of active Tradex Order users | | | | 580 | 560 | | 560 | 500 | 490 |
| Total value of duty and/or tax concessions to eligible firms ($’000) | | | | 135,000 | 133,000 | | 133,000 | 125,000 | 120,000 |
| **Sub-program 2.2 - Business and market development** | | | | | | | | | | |
| **Contributing components** | **Performance criteria** | | | | **2018-19 targets** | **2019-20 targets** | | **2020-21 targets** | **2021-22 targets** | **2022-23 targets** |
| Asialink Business | Number of courses run on Asia Capability Development | | | | 5 | 5 | | 5 | 5 | 5 |
| Number of events held promoting and building Asia capabilities | | | | 50 | 50 | | 50 | 50 | 50 |
| Entrepreneurs’ Programme | Number of services provided to strengthen business management and networks, develop start-up capabilities, enhance research collaborations, and facilitate commercialisation of novel products, processes and services | | | | 6,932 | 6,832 | | 6,832 | 6,832 | 6,832 |
| Industry Growth Centres Initiative | Number of Growth Centre activities against key objectives | | | | 160 | 170 | | 180 | 180 | 180 |
| Number of participants in Growth Centre activities | | | | 2,200 | 2,500 | | 3,000 | 3,000 | 3,000 |
| Established Growth Centres are delivering against the Initiative’s objectives through implementation of Sector Competitiveness Plans including activities to:   * identify and pursue opportunities for regulatory reform including improving industry standards * increase collaboration between business and researchers * increase business engagement with supply chains and international markets * identify sector skills needs and improve management and workforce skills. | | | | | | | | | |
| SME Export Hubs | Number of SME Export Hub Activities | | | | 0 | 300 | | 300 | 300 | 300 |
| Number of SME reporting increased revenue/export sales | | | | 0 | 50 | | 100 | 150 | 200 |
| SME Export Hubs are delivering against their objectives through helping collaborative networks of SMEs to identify their competitive strengths and innovation potential and develop export plans including activities to:   * increase business engagement with supply chains and international markets * identify and improve management and workforce skills. | | | | | | | | | |
| **Sub-program 2.3 - Economic transition** | | | | | | | | | | |
| **Contributing components** | **Performance criteria (a)** | | | | **2018-19 targets** | **2019-20 targets** | | **2020-21 targets** | **2021-22 targets** | **2022-23 targets** |
| Advanced Manufacturing Growth Fund | Induced private sector investment in new or expanded business activity ($’000) | | | | 79,311 | 33,604 | | N/A | N/A | N/A |
| Automotive Transformation Scheme | Total value of plant and equipment and innovation investment by Australian automotive industry induced by the Automotive Transformation Scheme ($’000) | | | | 155,334 | 168,360 | | 78,842 | N/A | N/A |
| Cyber Security Small Business Program | Number of small business grants inducing investment in cyber security through CREST providers | | | | 200 | 2,900 | | N/A | N/A | N/A |
| International Space Investment | To be developed following finalisation of program design and consultation with stakeholders noting that any investment in strategic international space projects will target a minimum of 80 per cent of the investment being made in Australia for the benefit of Australian space industry firms | | | | | | | | | |
| Mossman Mill Transition Program | *To be developed following finalisation of program design and consultation with stakeholders* | | | | | | | | | |
| Next Generation Manufacturing Investment Programme | Induced private sector investment in new or expanded business activity ($’000) | | | | 27,199 | 2,690 | | N/A | N/A | N/A |
| Space Infrastructure Fund | *To be developed following finalisation of program design and consultation with stakeholders* | | | | | | | | | |
| **Sub-program 2.4 - Resources** | | | | | | | | | | |
| **Contributing components** | **Performance criteria** | | | | **2018-19 targets** | **2019-20 targets** | | **2020-21 targets** | **2021-22 targets** | **2022-23 targets** |
| Carbon Capture and Storage Flagships | Number of projects supported to accelerate the deployment of low emission technologies | | | | 3 | 1 | | 1 | 1 | 1 |
| Coal Mining Abatement Technology Support Package | Number of projects supported to develop technologies to safely reduce coal mining fugitive methane emissions | | | | 1 | 1 | | N/A | N/A | N/A |
| Maralinga Maintenance; Rum Jungle Mine Site - Environmental Rehab | Maintenance of the Maralinga site in accordance with 2009 Handback Deed | | | | | | | | | |
| Administration and governance of the Rum Jungle Stage 2A Project Agreement and delivery of a Detailed Business Case for Commonwealth consideration | | | | | | | | | |
| National Offshore Petroleum Titles Administrator | Effective and efficient administration of the legislation for oil and gas resources in Commonwealth offshore waters | | | | | | | | | |
| NT Uranium Royalty (Ranger Project Area) Administration (including SPP) | Efficient and effective biannual collection, payment and reconciliation of uranium royalties | | | | | | | | | |
| *Offshore Minerals Act 1994* | Percentage of *Offshore Minerals Act 1994* fees received paid to States/ Northern Territory for administration (%) | | | | 100 | 100 | | 100 | 100 | 100 |
| Petroleum Royalties Administration | Petroleum royalty administration activities ensure royalty revenue collected is accurate and complete and paid in accordance with regulatory requirements | | | | | | | | | |
| Radioactive Waste Management | Effective delivery of activities supporting the government’s radioactive waste management strategy | | | | | | | | | |
| Royalty Payments WA - *Offshore Petroleum and Greenhouse Gas Storage Act 2006 (SPP)* | Timely and accurate calculation, verification and advice to the Commonwealth Treasury of the amount payable to Western Australia | | | | | | | | | |
| Supporting the Development of New Onshore Gas Supply (Energy for the Future) | Effective delivery of the projects in the Gas Acceleration Program to bring forward additional gas supply to the east coast market | | | | | | | | | |
| **Sub-program 2.5 - Northern Australia Development** | | | | | | | | | | |
| **Contributing components** | **Performance criteria** | | | | **2018-19 targets** | **2019-20 targets** | | **2020-21 targets** | **2021-22 targets** | **2022-23 targets** |
| Northern Australia Infrastructure Facility (NAIF) | The Northern Australia Infrastructure Facility (NAIF) was established as a Corporate Commonwealth Entity on 1 July 2016. Refer to NAIF’s Budget Statement for information about the facility’s performance criteria and targets. | | | | | | | | | |
| **Purposes** | Purpose 2: Growing Business Investment and Improving Business Capability –  Building a diversified, flexible, resilient and dynamic economic base that can identify and adapt to new markets and emerging opportunities. | | | | | | | | | |
| **Material changes to Program 2 resulting from the following measures:**   * Mossman Mill Transition Program * Space Infrastructure Fund | | | | | | | | | | |
| **Program 3 – Program Support**  The objectives of Program 3 are to make it easier for business to interact with government and reduce the cost of doing business in Australia, and provide effective and efficient administrative services and support to the department, government, industry and other stakeholders.  The components of Program 3 are grouped under the following sub-programs:   * Sub-program 3.1: Simplifying doing business – this sub-program aims to facilitate competition and innovation by making it easier for business to interact with government and reducing the cost of doing business in Australia. It is achieved through:   + Regulatory reform and functions – the department will reduce the burden on industry of inefficient regulation by the implementation of regulatory reform across all levels of government, ensuring that the regulatory environment strikes the right balance between efficient markets and community expectations   + Better services and information for business – the department will improve the delivery of our services and programs by streamlining and simplifying business services and programs, as well as providing information to assist businesses to grow and improving the ways in which it is delivered. * Sub-program 3.2: Building a high performance organisation – this sub-program aims to provide effective and efficient operational and administrative support and specific services to the department, government, industry and other stakeholders. | | | | | | | | | | |
| **Delivery** | | | Through simplifying doing business and building a high performance organisation, the department fosters innovation, boosts competitiveness, facilitates economic transformation, enhances productivity, creates jobs and drives economic growth for all Australians by:   * creating a conducive operating environment for innovative and competitive Australian businesses * contributing to economy-wide regulatory reforms that reduce business costs * making it simpler and easier for businesses to get access to government information and services * contributing to the Australian Government’s Shared Services Program and Streamlining Government Grants Administration Program to increase the effectiveness and efficiency of services within government * improving the delivery of internal enabling and support services through regularly reviewing key processes to: remove internal red tape, optimise the use of digital technologies and increase efficiency * fostering a strong and collaborative development culture that builds employee capabilities and creates career opportunities * becoming an agency of choice for new and existing employees. | | | | | | | |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Performance information** | | | | | | | |
| **Intended results** | | **Contributing sub-programs** | | **Performance criteria** | | | |
| Improvement in the quality of regulation | | Sub-program 3.1 | | * Australia’s ranking by the OECD product market regulation index | | | |
| Reduced burden on industry of inefficient regulation | | Sub-program 3.1 | | * Portfolio net regulatory reduction for business | | | |
| The ease of doing business in Australia | | Sub-program 3.1 | | * Australia’s ranking by the World Bank ease of doing business index | | | |
| Improved staff engagement | | Sub-program 3.2 | | * Engagement index score with the APS State of the Service Employee Census data | | | |
| Increased innovative activities | | Sub-program 3.2 | | * Innovation index score with the APS State of the Service Employee Census data | | | |
| More inclusive workforce | | Sub-program 3.2 | | * Proportion of departmental staff who identify as Aboriginal and Torres Strait Islander * Proportion of departmental staff who identify with a disability * Proportion of female representation in the senior executive service (SES) and executive level (EL) classifications | | | |
| **Sub-program 3.1 – Simplifying doing business** | | | | | | | |
| **Contributing components** | **Performance criteria** | | **2018-19 targets** | **2019-20 targets** | **2020-21 targets** | **2021-22 targets** | **2022-23 targets** |
| National Business Simplification Initiative (NBSI) | Working effectively with other portfolios and with state and territory governments to help simplify the process of operating a business in Australia and improve business regulation and services | | | | | | |
| Portfolio Regulatory Reform | Changes to regulation are implemented in line with the Deregulation Agenda | | | | | | |
| **Sub-program 3.2 – Building a high performance organisation** | | | | | | | |
| **Contributing components** | **Performance criteria** | | **2018-19 targets** | **2019-20 targets** | **2020-21 targets** | **2021-22 targets** | **2022-23 targets** |
| Corporate, financial, digital and analytical services | Effective and efficient provision of corporate, financial, digital and analytical services | | | | | | |
| **Purposes** | Purpose 1: Supporting Science and Commercialisation – Facilitating the development and uptake of new ideas and technology and translating them into commercial activity.  Purpose 2: Growing Business Investment and Improving Business Capability – Building a diversified, flexible, resilient and dynamic economic base that can identify and adapt to new markets and emerging opportunities.  Purpose 3: Simplifying Doing Business – Facilitating competition and innovation by making it easier for businesses to interact with government and reducing the cost of doing business in Australia. | | | | | | |
| **Material changes to Program 3 resulting from the following measures:** Nil | | | | | | | |

1. New or modified performance criteria that reflect new or materially changed programs are shown in *italics.*

## Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2019-20 budget year, including the impact of budget measures and resourcing on financial statements.

### 3.1 Budgeted financial statements

#### 3.1.1 Differences between entity resourcing and financial statements

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

#### 3.1.2 Explanatory notes and analysis of budgeted financial statements

##### Departmental Financial Statements

###### Budgeted Departmental Income Statement

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

The budgeted net cost of services to the department for delivering its programs in 2019‑20 is $434.2 million.

###### Expenses

Total departmental expenses budgeted for in 2019-20 are $515.8 million, comprising $310.3 million for employee expenses, $170.4 million for suppliers, $35.0 million for depreciation and amortisation and $0.1 million for grants.

###### Income

Total departmental own-source income budgeted for in 2019-20 is $81.6 million, comprising $75.8 million from sale of goods and rendering of services, $5.1 million from other independent sources and $0.7 million in resources received free of charge.

Revenue from Government for 2019-20 is budgeted at $395.6 million.

###### Budgeted Departmental Balance Sheet

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

###### Assets

Total departmental assets budgeted for 2019-20 are $315.5 million, comprising $209.2 million in non-financial assets and $106.3 million in financial assets.

Non-financial assets include $98.0 million for land and buildings, $32.8 million for property, plant and equipment, $63.8 million for intangibles, $2.2 million for inventories and $12.3 million in other assets. Financial assets consist of $93.7 million for receivables, $10.2 million for cash, and $2.4 million in other financial assets.

###### Liabilities

Total departmental liabilities budgeted for in 2019-20 are $157.4 million, comprising $82.9 million in provisions and $74.5 million in payables.

###### Budgeted Departmental Statement of Cash Flows

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

###### Statement of Changes in Equity – Summary of movement

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

##### Administered Financial Statements

###### Schedule of Budgeted Income and Expenses

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

###### Expenses

Total administered expenses budgeted for in 2019-20 are $2.4 billion, represented by $1.2 billion in payments to corporate entities, $629.0 million in finance costs, $446.3 million in grants, $106.7 million in suppliers and depreciation, $39.9 million in subsidies and $7.7 million in employee benefits.

###### Income

Total administered income budgeted for in 2019-20 is $1.2 billion, represented by $1.0 billion in royalties, $77.3 million in interest, $76.2 million in fees and $1.7 million in other revenue.

###### Schedule of Budgeted Assets and Liabilities

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

###### Assets

Total administered assets budgeted for in 2019-20 are $4.4 billion, represented by $3.3 billion in investments, $981.3 million in cash and receivables, $88.7 million in other financial assets and $8.4 million in non-financial assets.

###### Liabilities

Total administered liabilities budgeted for in 2019-20 are $95.2 million, represented by $93.7 million in payables and $1.5 million in provisions.

###### Schedule of Budgeted Administered Cash Flows

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

### 3.2 Budgeted financial statements tables

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2018-19 Estimated actual $'000 | 2019-20 Budget  $'000 | 2020-21 Forward estimate $'000 | 2021-22 Forward estimate $'000 | 2022-23 Forward estimate $'000 |
| **EXPENSES** |  |  |  |  |  |
| Employee benefits | 306,104 | 310,256 | 305,959 | 306,681 | 308,657 |
| Suppliers | 197,312 | 170,411 | 154,860 | 156,528 | 150,040 |
| Grants | 790 | 105 | - | - | - |
| Depreciation and amortisation | 35,026 | 35,026 | 35,026 | 35,026 | 35,026 |
| **Total expenses** | **539,232** | **515,798** | **495,845** | **498,235** | **493,723** |
| **LESS:** |  |  |  |  |  |
| **OWN-SOURCE INCOME** |  |  |  |  |  |
| **Own-source revenue** |  |  |  |  |  |
| Sale of goods and rendering of  services | 92,077 | 75,796 | 78,406 | 84,320 | 84,121 |
| Other | 8,986 | 5,057 | 5,038 | 5,037 | 5,037 |
| **Total own-source revenue** | **101,063** | **80,853** | **83,444** | **89,357** | **89,158** |
| **Gains** |  |  |  |  |  |
| Other | 728 | 728 | 728 | 728 | 728 |
| **Total gains** | **728** | **728** | **728** | **728** | **728** |
| **Total own-source income** | **101,791** | **81,581** | **84,172** | **90,085** | **89,886** |
| **Net (cost of)/contribution by  services** | **(437,441)** | **(434,217)** | **(411,673)** | **(408,150)** | **(403,837)** |
| Revenue from Government | 397,634 | 395,591 | 375,847 | 373,124 | 368,811 |
| **Surplus/(deficit) attributable to the  Australian Government** | **(39,807)** | **(38,626)** | **(35,826)** | **(35,026)** | **(35,026)** |
| **Total comprehensive income/(loss)** | **(39,807)** | **(38,626)** | **(35,826)** | **(35,026)** | **(35,026)** |
| **Total comprehensive income/(loss)  attributable to the Australian  Government** | **(39,807)** | **(38,626)** | **(35,826)** | **(35,026)** | **(35,026)** |
|  |  |  |  |  |  |
| **Note: Impact of net cash appropriation arrangements** | | |  |  |  |
|  | 2018-19 $'000 | 2019-20 $'000 | 2020-21 $'000 | 2021-22 $'000 | 2022-23 $'000 |
| **Total comprehensive income/(loss)  excluding depreciation/  amortisation expenses previously  funded through revenue  appropriations** | **(4,781)** | **(3,600)** | **(800)** | **-** | **-** |
| less depreciation/amortisation  expenses previously funded through  revenue appropriations | 35,026 | 35,026 | 35,026 | 35,026 | 35,026 |
| **Total comprehensive income/(loss)  - as per the statement of  comprehensive income** | **(39,807)** | **(38,626)** | **(35,826)** | **(35,026)** | **(35,026)** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2018-19 Estimated actual $'000 | 2019-20 Budget  $'000 | 2020-21 Forward estimate $'000 | 2021-22 Forward estimate $'000 | 2022-23 Forward estimate $'000 |
| **ASSETS** |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |
| Cash and cash equivalents | 11,928 | 10,219 | 9,862 | 9,591 | 9,320 |
| Trade and other receivables | 97,148 | 93,715 | 91,676 | 90,295 | 88,917 |
| Accrued revenue | 2,402 | 2,402 | 2,402 | 2,402 | 2,402 |
| ***Total financial assets*** | ***111,478*** | ***106,336*** | ***103,940*** | ***102,288*** | ***100,639*** |
| **Non-financial assets** |  |  |  |  |  |
| Land and buildings | 98,113 | 97,952 | 92,812 | 89,536 | 86,995 |
| Property, plant and equipment | 37,491 | 32,844 | 31,665 | 24,930 | 20,919 |
| Intangibles | 65,543 | 63,822 | 62,883 | 65,280 | 64,545 |
| Inventories | 2,242 | 2,242 | 2,242 | 2,242 | 2,242 |
| Other non-financial assets | 12,298 | 12,298 | 12,298 | 12,298 | 12,298 |
| ***Total non-financial assets*** | ***215,687*** | ***209,158*** | ***201,900*** | ***194,286*** | ***186,999*** |
| **Total assets** | **327,165** | **315,494** | **305,840** | **296,574** | **287,638** |
| **LIABILITIES** |  |  |  |  |  |
| **Payables** |  |  |  |  |  |
| Suppliers | 48,606 | 47,064 | 45,468 | 43,816 | 42,167 |
| Grants | 2,302 | 2,302 | 2,302 | 2,302 | 2,302 |
| Other payables | 25,157 | 25,157 | 25,157 | 25,157 | 25,157 |
| ***Total payables*** | ***76,065*** | ***74,523*** | ***72,927*** | ***71,275*** | ***69,626*** |
| **Provisions** |  |  |  |  |  |
| Employee provisions | 81,034 | 81,034 | 81,034 | 81,034 | 81,034 |
| Other provisions | 1,848 | 1,848 | 1,848 | 1,848 | 1,848 |
| ***Total provisions*** | ***82,882*** | ***82,882*** | ***82,882*** | ***82,882*** | ***82,882*** |
| **Total liabilities** | **158,947** | **157,405** | **155,809** | **154,157** | **152,508** |
| **Net assets** | **168,218** | **158,089** | **150,031** | **142,417** | **135,130** |
| **EQUITY\*** |  |  |  |  |  |
| Contributed equity | 535,352 | 563,849 | 591,617 | 619,029 | 646,768 |
| Reserves | 10,482 | 10,482 | 10,482 | 10,482 | 10,482 |
| Accumulated deficit | (377,616) | (416,242) | (452,068) | (487,094) | (522,120) |
| **Total equity** | **168,218** | **158,089** | **150,031** | **142,417** | **135,130** |

Prepared on Australian Accounting Standards basis.

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

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2019-20)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Retained earnings  $'000 | Asset revaluation reserve $'000 | Contributed equity/ capital $'000 | Total equity   $'000 |
| **Opening balance as at 1 July 2019** |  |  |  |  |
| Balance carried forward from  previous period | (377,616) | 10,482 | 535,352 | 168,218 |
| ***Adjusted opening balance*** | ***(377,616)*** | ***10,482*** | ***535,352*** | ***168,218*** |
| **Comprehensive income** |  |  |  |  |
| Surplus/(deficit) for the period | (38,626) | - | - | (38,626) |
| ***Total comprehensive income*** | ***(38,626)*** | ***-*** | ***-*** | ***(38,626)*** |
| of which: |  |  |  |  |
| Attributable to the Australian  Government | (38,626) | - | - | (38,626) |
| ***Contributions by owners*** |  |  |  |  |
| Equity injection - Appropriation | - | - | 2,796 | 2,796 |
| Departmental Capital Budget (DCB) | - | - | 25,701 | 25,701 |
| ***Sub-total transactions with  owners*** | ***-*** | ***-*** | ***28,497*** | ***28,497*** |
| **Estimated closing balance as at  30 June 2020** | **(416,242)** | **10,482** | **563,849** | **158,089** |
| **Closing balance attributable to  the Australian Government** | **(416,242)** | **10,482** | **563,849** | **158,089** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2018-19 Estimated actual $'000 | 2019-20 Budget  $'000 | 2020-21 Forward estimate $'000 | 2021-22 Forward estimate $'000 | 2022-23 Forward estimate $'000 |
| **OPERATING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Appropriations | 495,563 | 474,820 | 456,292 | 458,825 | 454,310 |
| Sale of goods and rendering of  services | 92,077 | 75,796 | 78,406 | 84,320 | 84,121 |
| Net GST received | 19,810 | 17,052 | 15,486 | 15,653 | 15,004 |
| Other | 8,986 | 5,057 | 5,038 | 5,037 | 5,037 |
| ***Total cash received*** | ***616,436*** | ***572,725*** | ***555,222*** | ***563,835*** | ***558,472*** |
| **Cash used** |  |  |  |  |  |
| Employees | 306,104 | 310,256 | 305,959 | 306,681 | 308,657 |
| Suppliers | 217,884 | 188,277 | 171,214 | 173,105 | 165,965 |
| Grants | 790 | 105 | - | - | - |
| s74 External Revenue  transferred to the OPA | 92,077 | 75,796 | 78,406 | 84,320 | 84,121 |
| ***Total cash used*** | ***616,855*** | ***574,434*** | ***555,579*** | ***564,106*** | ***558,743*** |
| **Net cash from/(used by)  operating activities** | **(419)** | **(1,709)** | **(357)** | **(271)** | **(271)** |
| **INVESTING ACTIVITIES** |  |  |  |  |  |
| **Cash used** |  |  |  |  |  |
| Purchase of property, plant and  equipment and intangibles | 32,597 | 28,497 | 27,768 | 27,412 | 27,739 |
| ***Total cash used*** | ***32,597*** | ***28,497*** | ***27,768*** | ***27,412*** | ***27,739*** |
| **Net cash from/(used by)  investing activities** | **(32,597)** | **(28,497)** | **(27,768)** | **(27,412)** | **(27,739)** |
| **FINANCING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Contributed equity | 32,059 | 28,497 | 27,768 | 27,412 | 27,739 |
| ***Total cash received*** | ***32,059*** | ***28,497*** | ***27,768*** | ***27,412*** | ***27,739*** |
| **Net cash from/(used by)  financing activities** | **32,059** | **28,497** | **27,768** | **27,412** | **27,739** |
| **Net increase/(decrease) in cash  held** | **(957)** | **(1,709)** | **(357)** | **(271)** | **(271)** |
| Cash and cash equivalents at the  beginning of the reporting period | 12,885 | 11,928 | 10,219 | 9,862 | 9,591 |
| **Cash and cash equivalents at  the end of the reporting period** | **11,928** | **10,219** | **9,862** | **9,591** | **9,320** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2018-19 Estimated actual $'000 | 2019-20 Budget  $'000 | 2020-21 Forward estimate $'000 | 2021-22 Forward estimate $'000 | 2022-23 Forward estimate $'000 |
| **NEW CAPITAL APPROPRIATIONS** |  |  |  |  |  |
| Capital budget - Bill 1 (DCB) | 25,769 | 25,701 | 26,075 | 25,717 | 25,893 |
| Equity injections - Bill 2 | 5,445 | 2,796 | 1,693 | 1,695 | 1,846 |
| **Total new capital appropriations** | **31,214** | **28,497** | **27,768** | **27,412** | **27,739** |
| ***Provided for:*** |  |  |  |  |  |
| *Purchase of non-financial assets* | *31,214* | *28,497* | *27,768* | *27,412* | *27,739* |
| ***Total items*** | ***31,214*** | ***28,497*** | ***27,768*** | ***27,412*** | ***27,739*** |
| **PURCHASE OF NON-FINANCIAL  ASSETS** |  |  |  |  |  |
| Funded by capital appropriations (a) | 5,445 | 2,796 | 1,693 | 1,695 | 1,846 |
| Funded by capital appropriation -  DCB (b) | 26,614 | 25,701 | 26,075 | 25,717 | 25,893 |
| Funded internally from departmental  resources (c) | 538 | - | - | - | - |
| **TOTAL** | **32,597** | **28,497** | **27,768** | **27,412** | **27,739** |
| **RECONCILIATION OF CASH USED  TO ACQUIRE ASSETS TO ASSET  MOVEMENT TABLE** |  |  |  |  |  |
| Total purchases | 32,597 | 28,497 | 27,768 | 27,412 | 27,739 |
| **Total cash used to acquire assets** | **32,597** | **28,497** | **27,768** | **27,412** | **27,739** |

Prepared on Australian Accounting Standards basis.

1. Includes both current Bill 2 and prior Act 2/4/6 appropriations.
2. Does not include annual finance lease costs. Includes purchases from current and previous years’ Departmental capital budgets (DCBs).
3. Includes the following sources of funding:

* current Bill 1 and prior year Act 1/3/5 appropriations (excluding amounts from the DCB)
* internally developed assets
* s74 external revenue.

Table 3.6: Statement of asset movements (Budget year 2019‑20)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Buildings    $'000 | Other property, plant and equipment $'000 | Computer software and intangibles $'000 | Total    $'000 |
| **As at 1 July 2019** |  |  |  |  |
| Gross book value | 114,744 | 67,739 | 144,636 | 327,119 |
| Accumulated depreciation/  amortisation and impairment | (16,631) | (30,248) | (79,093) | (125,972) |
| **Opening net book balance** | **98,113** | **37,491** | **65,543** | **201,147** |
| **Capital asset additions** |  |  |  |  |
| **Estimated expenditure on new  or replacement assets** |  |  |  |  |
| By purchase - appropriation equity (a) | - | - | 2,796 | 2,796 |
| By purchase - appropriation  ordinary annual services (b) | 8,573 | 11,799 | 5,329 | 25,701 |
| **Total additions** | **8,573** | **11,799** | **8,125** | **28,497** |
| **Other movements** |  |  |  |  |
| Depreciation/amortisation expense | (8,734) | (16,446) | (9,846) | (35,026) |
| **Total other movements** | **(8,734)** | **(16,446)** | **(9,846)** | **(35,026)** |
| **As at 30 June 2020** |  |  |  |  |
| Gross book value | 123,317 | 79,538 | 152,761 | 355,616 |
| Accumulated depreciation/  amortisation and impairment | (25,365) | (46,694) | (88,939) | (160,998) |
| **Closing net book balance** | **97,952** | **32,844** | **63,822** | **194,618** |

Prepared on Australian Accounting Standards basis.

1. 'Appropriation equity' refers to equity injection appropriation provided through Appropriation Bill (No. 2) 2019-20.
2. 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No.1) 2019‑20 for the Departmental Capital Budget.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2018-19 Estimated actual $'000 | 2019-20 Budget  $'000 | 2020-21 Forward estimate $'000 | 2021-22 Forward estimate $'000 | 2022-23 Forward estimate $'000 |
| **EXPENSES** |  |  |  |  |  |
| Employee benefits | 6,852 | 7,700 | 7,800 | 8,000 | 8,100 |
| Suppliers | 107,472 | 104,881 | 94,229 | 95,788 | 97,252 |
| Fees | 40 | 40 | 40 | 40 | 40 |
| Subsidies | 42,354 | 39,940 | 20,068 | - | - |
| Grants | 452,131 | 446,333 | 393,968 | 419,179 | 367,850 |
| Depreciation and amortisation | 1,684 | 1,803 | 2,104 | 2,404 | 2,704 |
| Payments to corporate entities | 1,144,250 | 1,166,371 | 1,147,073 | 1,156,901 | 1,171,114 |
| Finance costs | 34,345 | 628,996 | 990,797 | 682,528 | 111,633 |
| **Total administered   expenses on behalf of   Government** | **1,789,128** | **2,396,064** | **2,656,079** | **2,364,840** | **1,758,693** |
| **LESS:** |  |  |  |  |  |
| **OWN-SOURCE INCOME** |  |  |  |  |  |
| **Own-source revenue** |  |  |  |  |  |
| **Taxation revenue** |  |  |  |  |  |
| Indirect tax | 550 | 550 | 550 | 550 | 550 |
| ***Total taxation revenue*** | ***550*** | ***550*** | ***550*** | ***550*** | ***550*** |
| **Non-taxation revenue** |  |  |  |  |  |
| Fees from regulatory  services | 49,355 | 52,262 | 52,262 | 52,762 | 53,262 |
| Fees | 7,750 | 23,900 | 21,690 | 3,900 | 1,800 |
| Interest | 10,017 | 77,325 | 189,776 | 279,913 | 318,896 |
| Royalties | 1,416,991 | 1,027,931 | 908,960 | 845,486 | 757,525 |
| Other non-taxation revenue | 27,181 | 1,102 | 1,124 | 1,147 | 1,169 |
| ***Total non-taxation revenue*** | ***1,511,294*** | ***1,182,520*** | ***1,173,812*** | ***1,183,208*** | ***1,132,652*** |
| **Total own-sourced income  administered on behalf of  Government** | **1,511,844** | **1,183,070** | **1,174,362** | **1,183,758** | **1,133,202** |
| **Net (cost of)/contribution by  services** | **(277,284)** | **(1,212,994)** | **(1,481,717)** | **(1,181,082)** | **(625,491)** |
| **Total comprehensive  income/(loss)** | **(277,284)** | **(1,212,994)** | **(1,481,717)** | **(1,181,082)** | **(625,491)** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2018-19 Estimated actual $'000 | 2019-20 Budget  $'000 | 2020-21 Forward estimate $'000 | 2021-22 Forward estimate $'000 | 2022-23 Forward estimate $'000 |
| **ASSETS** |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |
| Cash in special accounts | 46,471 | 40,910 | 40,910 | 41,010 | 41,410 |
| Trade and other receivables | 158,217 | 940,412 | 2,226,316 | 3,215,169 | 3,627,686 |
| Other investments | 3,287,779 | 3,289,241 | 3,242,132 | 3,181,161 | 3,134,464 |
| Accrued revenue | 126,151 | 88,653 | 81,699 | 70,136 | 63,128 |
| ***Total financial assets*** | ***3,618,618*** | ***4,359,216*** | ***5,591,057*** | ***6,507,476*** | ***6,866,688*** |
| **Non-financial assets** |  |  |  |  |  |
| Land and buildings | 2,683 | 2,399 | 2,115 | 1,831 | 1,547 |
| Property, plant and equipment | 1,152 | 1,387 | 1,521 | 1,555 | 1,489 |
| Intangibles | 4,633 | 4,379 | 3,925 | 3,271 | 2,417 |
| Prepayments | 258 | 258 | 258 | 258 | 258 |
| ***Total non-financial assets*** | ***8,726*** | ***8,423*** | ***7,819*** | ***6,915*** | ***5,711*** |
| **Total assets administered on  behalf of Government** | **3,627,344** | **4,367,639** | **5,598,876** | **6,514,391** | **6,872,399** |
| **LIABILITIES** |  |  |  |  |  |
| **Payables** |  |  |  |  |  |
| Suppliers | 27,668 | 27,668 | 27,668 | 27,668 | 27,668 |
| Subsidies | 9,945 | 10,084 | - | - | - |
| Grants | 51,222 | 51,222 | 51,222 | 51,222 | 51,222 |
| Other payables | 9,501 | 4,702 | - | - | - |
| ***Total payables*** | ***98,336*** | ***93,676*** | ***78,890*** | ***78,890*** | ***78,890*** |
| **Provisions** |  |  |  |  |  |
| Employee provisions | 1,537 | 1,537 | 1,537 | 1,537 | 1,537 |
| ***Total provisions*** | ***1,537*** | ***1,537*** | ***1,537*** | ***1,537*** | ***1,537*** |
| **Total liabilities administered on  behalf of Government** | **99,873** | **95,213** | **80,427** | **80,427** | **80,427** |
| **Net assets/(liabilities)** | **3,527,471** | **4,272,426** | **5,518,449** | **6,433,964** | **6,791,972** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2018-19 Estimated actual $'000 | 2019-20 Budget  $'000 | 2020-21 Forward estimate $'000 | 2021-22 Forward estimate $'000 | 2022-23 Forward estimate $'000 |
| **OPERATING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Interest | 99 | 335 | 473 | 432 | 593 |
| Fees | 7,750 | 23,900 | 21,690 | 3,900 | 1,800 |
| Royalties | 1,397,655 | 1,065,429 | 915,914 | 857,049 | 764,533 |
| Net GST received | 56,455 | 54,406 | 48,732 | 51,101 | 46,515 |
| Other | 42,721 | 16,852 | 16,874 | 17,397 | 17,919 |
| Levy receipts | 34,365 | 37,062 | 37,062 | 37,062 | 37,062 |
| ***Total cash received*** | ***1,539,045*** | ***1,197,984*** | ***1,040,745*** | ***966,941*** | ***868,422*** |
| **Cash used** |  |  |  |  |  |
| Suppliers | 118,754 | 115,893 | 104,141 | 105,411 | 106,932 |
| Grant | 497,344 | 489,767 | 432,828 | 460,697 | 404,725 |
| Employees | 6,852 | 7,700 | 7,800 | 8,000 | 8,100 |
| Subsidies | 50,678 | 39,801 | 30,152 | - | - |
| Payments to corporate   entities | 1,144,250 | 1,166,371 | 1,147,073 | 1,156,901 | 1,171,114 |
| Other | 1,348 | 4,164 | - | - | - |
| ***Total cash used*** | ***1,819,226*** | ***1,823,696*** | ***1,721,994*** | ***1,731,009*** | ***1,690,871*** |
| **Net cash from/(used by)  operating activities** | **(280,181)** | **(625,712)** | **(681,249)** | **(764,068)** | **(822,449)** |
| **INVESTING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Repayments of advances   and loans | 22,891 | - | 900 | 2,100 | 22,153 |
| ***Total cash received*** | ***22,891*** | ***-*** | ***900*** | ***2,100*** | ***22,153*** |

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2018-19 Estimated actual $'000 | 2019-20 Budget  $'000 | 2020-21 Forward estimate $'000 | 2021-22 Forward estimate $'000 | 2022-23 Forward estimate $'000 |
| **Cash used** |  |  |  |  |  |
| Advances and loans made | 73,500 | 1,289,000 | 2,023,000 | 1,394,000 | 228,000 |
| Investments | 27,092 | 6,240 | 6,240 | 1,240 | 600 |
| Purchase of property, plant   and equipment and   intangibles | 2,900 | 1,500 | 1,500 | 1,500 | 1,500 |
| Corporate entity  investments | 38,611 | 133,800 | 81,268 | 6,826 | 4,000 |
| ***Total cash used*** | ***142,103*** | ***1,430,540*** | ***2,112,008*** | ***1,403,566*** | ***234,100*** |
| **Net cash from/(used by)  investing activities** | **(119,212)** | **(1,430,540)** | **(2,111,108)** | **(1,401,466)** | **(211,947)** |
| ***Net increase/(decrease) in   cash held*** | ***(399,393)*** | ***(2,056,252)*** | ***(2,792,357)*** | ***(2,165,534)*** | ***(1,034,396)*** |
| Cash and cash equivalents   at beginning of reporting   period | 58,852 | 46,471 | 40,910 | 40,910 | 41,010 |
| **Cash from Official**  **Public Account for:** |  |  |  |  |  |
| Appropriations | 1,795,390 | 3,031,229 | 3,680,762 | 3,058,008 | 1,856,256 |
| Appropriation -   Administered assets   and liabilities | 31,592 | 12,240 | 6,240 | 1,240 | 600 |
| Equity appropriation -   corporate entities | 38,611 | 133,800 | 81,268 | 6,826 | 4,000 |
| Special accounts | 9,900 | - | - | - | - |
| GST appropriations | 56,455 | 54,406 | 48,732 | 51,101 | 46,515 |
| ***Total cash from   Official Public   Account*** | ***1,931,948*** | ***3,231,675*** | ***3,817,002*** | ***3,117,175*** | ***1,907,371*** |
| **Cash to Official Public  Account for:** |  |  |  |  |  |
| Appropriations | (1,488,481) | (1,126,578) | (975,913) | (900,440) | (826,060) |
| GST appropriations | (56,455) | (54,406) | (48,732) | (51,101) | (46,515) |
| ***Total cash to Official***  ***Public Account*** | ***(1,544,936)*** | ***(1,180,984)*** | ***(1,024,645)*** | ***(951,541)*** | ***(872,575)*** |
| **Cash and cash   equivalents at end of   reporting period** | **46,471** | **40,910** | **40,910** | **41,010** | **41,410** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2018-19 Estimated actual $'000 | 2019-20 Budget  $'000 | 2020-21 Forward estimate $'000 | 2021-22 Forward estimate $'000 | 2022-23 Forward estimate $'000 |
| **NEW CAPITAL APPROPRIATIONS** |  |  |  |  |  |
| Administered Assets and Liabilities   - Bill 2 | 9,500 | 11,000 | 5,000 | - | - |
| **Total new capital appropriations** | **9,500** | **11,000** | **5,000** | **-** | **-** |
| ***Provided for:*** |  |  |  |  |  |
| *Other Items* | *9,500* | *11,000* | *5,000* | *-* | *-* |
| ***Total items*** | ***9,500*** | ***11,000*** | ***5,000*** | ***-*** | ***-*** |

Prepared on Australian Accounting Standards basis.

Table 3.11: Statement of administered asset movements (Budget year 2019-20)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Buildings    $'000 | Other property, plant and equipment $'000 | Computer software and intangibles $'000 | Total    $'000 |
| **As at 1 July 2019** |  |  |  |  |
| Gross book value | 3,105 | 1,745 | 10,759 | 15,609 |
| Accumulated depreciation/amortisation  and impairment | (422) | (593) | (6,126) | (7,141) |
| **Opening net book balance** | **2,683** | **1,152** | **4,633** | **8,468** |
| **CAPITAL ASSET ADDITIONS** |  |  |  |  |
| **Estimated expenditure on new or  replacement assets** |  |  |  |  |
| By purchase - other | - | 500 | 1,000 | 1,500 |
| **Total additions** | **-** | **500** | **1,000** | **1,500** |
| **Other movements** |  |  |  |  |
| Depreciation/amortisation expense | (284) | (265) | (1,254) | (1,803) |
| **Total other movements** | **(284)** | **(265)** | **(1,254)** | **(1,803)** |
| **As at 30 June 2020** |  |  |  |  |
| Gross book value | 3,105 | 2,245 | 11,759 | 17,109 |
| Accumulated depreciation/amortisation  and impairment | (706) | (858) | (7,380) | (8,944) |
| **Closing net book balance** | **2,399** | **1,387** | **4,379** | **8,165** |

Prepared on Australian Accounting Standards basis.

Australian Institute of Marine Science

Entity resources and planned performance

Australian Institute of Marine Science

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# Australian Institute of Marine Science

## Section 1: Entity overview and resources

### 1.1 Strategic direction statement

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

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

In pursuing its mission, AIMS deploys its core research capabilities and infrastructure, and establishes strategic collaborative partnerships with government, industry, research and traditional owner stakeholders to deliver three key long-term impacts for the nation:

* improved health and resilience of marine and coastal ecosystems across northern Australia
* economic, social and environmental net benefits for marine industries and coastal communities
* protection of coral reefs and other tropical marine environments from the effects of climate change.

In 2019-20, AIMS focuses on delivering nine research outcomes:

* comprehensive baseline, status and trends reporting systems for tropical marine ecosystems
* efficient, cost-effective delivery of information through the application of innovative autonomous and automated marine observing technologies and assessment methods
* recovery of key threatened and endangered marine species achieved through effective conservation and management of critical habitats and populations
* enhanced management of tropical marine ecosystems informed by regional models of environmental condition and function
* improved health of tropical marine ecosystems through the development of effective solutions for the management of local, regional and cumulative pressures
* improved forecasting ability of future coral reef status based on information on the scope and rates of recovery, acclimatisation and adaptation of coral reef taxa to climate change
* new tools for coral reef restoration that enhance resistance and resilience of key coral reef taxa to environmental change, particularly climate change
* enhanced understanding of tropical marine ecosystems among industry, government and the public delivered through improved data analysis workflows and knowledge delivery systems
* strengthened management and policies delivered through the development of structured decision-support tools that link risk, monitoring, modelling and adaptive management.

In addition, AIMS will:

* deliver, in conjunction with CSIRO and consortium partners, the Reef Restoration and Adaptation Program (RRAP), which rigorously examines the feasibility of options for developing and deploying coral reef recovery, restoration and adaptation technologies for coral reefs threatened by climate change and will inform future approaches and investment in reef restoration and adaptation
* expand a growing body of publicly available data and information
* establish and maintain national and international research collaborations with government, industry, research and traditional owner partners to leverage investment, ensure uptake of research, and promote outcomes enhancing Australia’s role in supporting regional blue economies and the sustainable use, management and protection of marine ecosystems
* optimise the use of its world-class research infrastructure (vessels, aquaria, ocean monitoring equipment and laboratories) to support research conducted by AIMS and research collaborators.

These activities will help Australia achieve:

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

### 1.2 Entity resource statement

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

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

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

Table 1.1: AIMS resource statement — Budget estimates for 2019-20 as at Budget April 2019

|  |  |  |
| --- | --- | --- |
|  | *2018-19 Estimated actual $'000* | 2019-20 Estimate  $'000 |
| **Opening balance/cash reserves at 1 July** | *37,591* | 35,490 |
| **Funds from Government** |  |  |
| Annual appropriations - ordinary annual services (a) |  |  |
| Outcome 1 | *47,377* | 44,800 |
| Annual appropriations - other services (b) |  |  |
| Equity injection | *150* | - |
| Total annual appropriations | *47,527* | *44,800* |
| **Total funds from Government** | ***47,527*** | **44,800** |
| **Funds from other sources** |  |  |
| Interest | *1,357* | 1,200 |
| Sale of goods and services | *24,785* | 25,752 |
| Other | *679* | 179 |
| **Total funds from other sources** | ***26,821*** | **27,131** |
| **Total net resourcing for AIMS** | ***111,939*** | **107,421** |
|  |  |  |
|  | *2018-19* | 2019-20 |
| **Average staffing level (number)** | 223 | 263 |

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

Prepared on a resourcing (that is, appropriations available) basis.

1. Appropriation Bill (No. 1) 2019-20.
2. Appropriation Bill (No. 2) 2019-20.

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

### 1.3 Budget measures

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

## Section 2: Outcomes and planned performance

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

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

**Note:**

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

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

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

### 2.1 Budgeted expenses and performance for Outcome 1

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

#### Linked programs

| **Department of Industry, Innovation and Science** |
| --- |
| **Programs**   * Program 1 – Supporting Science and Commercialisation |
| **Contribution to Outcome 1 made by linked programs**  The Department of Industry, Innovation and Science contributes to Outcome 1 through its policies and programs supporting science and commercialisation including the Australia-China Science Research Fund, which facilitates an AIMS international collaboration (a). |
| **Department of Education and Training** |
| **Programs**   * Program 2.6 - Research Capacity |
| **Contribution to Outcome 1 made by linked programs**  The Department of Education and Training contributes to Outcome 1 through its policies and programs to invest in Australia’s research capacity, including the National Collaborative Research Infrastructure Strategy. |
| **Department of the Environment and Energy** |
| **Programs**   * Program 1.1 - Sustainable Management of Natural Resources and the Environment |
| **Contribution to Outcome 1 made by linked programs**  The Department of the Environment and Energy, Great Barrier Reef Marine Park Authority and AIMS are partners in the implementation of the Reef 2050 Plan to protect and conserve the Great Barrier Reef. |

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

##### Budgeted expenses for Outcome 1

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

Table 2.1.1: Budgeted expenses for Outcome 1

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Outcome 1:** Growth of knowledge to support protection and sustainable development of Australia's marine resources through innovative marine science and technology. | | | | | |
|  | 2018-19 Estimated actual $'000 | 2019-20 Budget  $'000 | 2020-21 Forward estimate $'000 | 2021-22 Forward estimate $'000 | 2022-23 Forward estimate $'000 |
| **Program 1: Marine Research** | | | | | |
| Revenue from Government |  |  |  |  |  |
| Ordinary annual services  (Appropriation Bill No. 1) | 47,377 | 44,800 | 45,372 | 45,950 | 46,527 |
| Expenses not requiring  appropriation in the budget year (a) | 6,050 | 7,132 | 7,165 | 5,740 | 6,029 |
| Revenues from industry sources | 27,061 | 26,793 | 28,725 | 28,803 | 28,891 |
| **Total expenses for Program 1.1** | **80,488** | **78,725** | **81,262** | **80,493** | **81,447** |
| **Outcome 1 totals by resource type** | | | | | |
| Revenue from Government |  |  |  |  |  |
| Ordinary annual services  (Appropriation Bill No. 1) | 47,377 | 44,800 | 45,372 | 45,950 | 46,527 |
| Expenses not requiring  appropriation in the budget year (a) | 6,050 | 7,132 | 7,165 | 5,740 | 6,029 |
| Revenues from industry sources | 27,061 | 26,793 | 28,725 | 28,803 | 28,891 |
| **Total expenses for Outcome 1** | **80,488** | **78,725** | **81,262** | **80,493** | **81,447** |
|  |  |  |  |  |  |
|  | 2018-19 | 2019-20 |  |  |  |
| **Average staffing level (number)** | 223 | 263 |  |  |  |

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

Table 2.1.2: Program components of Outcome 1

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

Table 2.1.3: Performance criteria for Outcome 1

Table 2.1.3 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2019-20 Budget measures have created new programs or materially changed existing programs.

|  |  |  |
| --- | --- | --- |
| Outcome 1 – Growth of knowledge to support protection and sustainable development of Australia’s marine resources through innovative marine science and technology. | | |
| **Program 1** – **Marine Research**  This program contributes to the outcome by providing research services focussed on supporting the sustainable development of Australia’s marine estate by industry, while ensuring the protection of high value marine and coastal ecosystems through effective environmental management. The program delivers knowledge to a broad range of stakeholders including relevant Commonwealth and State government ministers, departments and agencies, marine industries particularly within the oil and gas, port and tourism sectors, domestic and international science communities, traditional owners and the public. | | |
| **Delivery** | AIMS delivers Program 1 by providing:   * comprehensive baseline, status and trends reporting systems for tropical marine ecosystems * efficient, cost-effective delivery of information through the application of innovative autonomous and automated marine observing technologies and assessment methods * recovery of key threatened and endangered marine species achieved through effective conservation and management of critical habitats and populations * enhanced management of tropical marine ecosystems informed by regional models of environmental condition and function * improved health of tropical marine ecosystems through the development of effective solutions for the management of local, regional and cumulative pressures * improved forecasting ability of future coral reef status based on information on the scope and rates of recovery, acclimatisation and adaptation of coral reef taxa to climate change * new tools for coral reef restoration that enhance resistance and resilience of key coral reef taxa to environmental change, particularly climate change * enhanced understanding of tropical marine ecosystems among industry, government and the public delivered through improved data analysis workflows and knowledge delivery systems * strengthened management and policies delivered through the development of structured decision-support tools that link risk, monitoring, modelling and adaptive management | |
| **Performance information** | | |
| **Year** | **Performance criteria** (a) | **Targets** |
| 2018-19 | Scientific excellence, innovation and impact is maintained or increased. | On track to achieve performance target. |
| Successful delivery of strategic and applied research and monitoring that addresses national research priorities and stakeholder needs. | On track to achieve performance target. |
| Research advice and data/knowledge products are used by stakeholders to assess the impacts of natural and human pressures on sensitive marine ecosystems. | On track to achieve performance target. |
| Increased research capability, capacity, impact and science diplomacy through participation in formal national and international collaborations, joint ventures, partnerships and strategic alliances. | On track to achieve performance target. |
| Optimal utilisation of research infrastructure assets. | On track to achieve performance target. |
| 2019-20 | Demonstrate the outcomes and impact of AIMS’ work through case study impact narratives and evaluations. | Minimum of two case studies. |
| Deliver strategic and applied research and monitoring that addresses national research priorities and stakeholder needs. | Maintain or increase the amount of stakeholder commissioned research |
| Maintain or increase current standings for scientific excellence, innovation and impact. | Maintain acknowledged domestic and global high standing in relevant fields of research and confidence of key stakeholders in research outputs. |
| Deliver research advice and scientific products that are critical for stakeholders to assess the impacts of natural and human pressures on sensitive marine ecosystems. | Maintain or increase the number of peer reviewed publications, data sets and derived knowledge products that are used by stakeholders and are publicly available. |
| Increase research capability, capacity, impact and science diplomacy through participation in formal national and international collaborations, joint ventures, partnerships and strategic alliances. | Maintain or increase number and scale of domestic and international research partnerships, collaborations, joint ventures and strategic alliances.  Maintain or increase participation by AIMS on advisory panels and committees. |
| Improve research outcomes and impact through increased traditional owner engagement in the planning and delivery of coastal research and development. | Increase the percentage of projects with indigenous engagement in the planning and delivery phases. |
| Reduce AIMS’ environmental footprint. | 10 per cent reduction in AIMS’ carbon emissions compared with 2017-18.  Develop an environmental management plan to reduce carbon emission by a total of 25 per cent by 2025. |
| Optimal utilisation of research infrastructure assets. | Maintain or increase usage of research infrastructure. |
| 2020-21 and beyond | As per 2019-20. | As per 2019-20. |
| **Purposes** | To provide the research and knowledge of Australia’s tropical marine estate required to support growth in its use, effective environmental management and protection of its unique ecosystems. | |
| **Material changes to Program 1 resulting from the following measures:** Nil | | |

## Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2019-20 budget year, including the impact of budget measures and resourcing on financial statements.

### 3.1 Budgeted financial statements

#### 3.1.1 Differences between entity resourcing and financial statements

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

#### 3.1.2 Explanatory notes and analysis of budgeted financial statements

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

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

##### Budgeted Departmental Income Statement

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

AIMS is projecting losses of $7.1 million in 2019-20, $7.2 million in 2020-21, $5.7 million in 2021-22 and $6.0 million in 2022-23. The operating losses are predominantly due to unfunded depreciation expenses relating to assets for which capital was previously provided by the Government plus additional operational costs relating to strategic projects. The operating losses have been approved by the Government for the forward years to 2022-23.

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

##### Budgeted Departmental Balance Sheet

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

An equity injection of $0.2 million for 2018-19 has been received as a result of the Public Service Modernisation Fund measure, which commenced in 2017-18 with $1.6 million of equity funding and was applied to the installation of a Solar Photovoltaic System. Equity is expected to decrease across the remainder of the forward estimates, reflecting the change in the accumulated deficits in relation to the approved operating losses.

##### Budgeted Departmental Statement of Cash Flows

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

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

##### Budgeted Departmental Capital Expenditure Statement

The budgeted internal funded capital expenditure relates to expenditure occurring in construction of new buildings, infrastructure, and purchase of plant and equipment, including information technology related assets.

### 3.2 Budgeted financial statements tables

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2018-19 Estimated actual $'000 | 2019-20 Budget  $'000 | 2020-21 Forward estimate $'000 | 2021-22 Forward estimate $'000 | 2022-23 Forward estimate $'000 |
| **EXPENSES** |  |  |  |  |  |
| Employee benefits | 30,429 | 33,899 | 34,406 | 33,426 | 34,422 |
| Suppliers | 37,404 | 31,847 | 33,594 | 33,306 | 32,975 |
| Depreciation and amortisation | 12,655 | 12,979 | 13,262 | 13,761 | 14,050 |
| **Total expenses** | **80,488** | **78,725** | **81,262** | **80,493** | **81,447** |
| **LESS:** |  |  |  |  |  |
| **OWN-SOURCE INCOME** |  |  |  |  |  |
| **Own-source revenue** |  |  |  |  |  |
| Sale of goods and rendering of  services | 25,711 | 25,443 | 27,375 | 27,403 | 27,491 |
| Interest | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 |
| Other | 150 | 150 | 150 | 200 | 200 |
| **Total own-source revenue** | **27,061** | **26,793** | **28,725** | **28,803** | **28,891** |
| **Total own-source income** | **27,061** | **26,793** | **28,725** | **28,803** | **28,891** |
| **Net (cost of)/contribution by  services** | **(53,427)** | **(51,932)** | **(52,537)** | **(51,690)** | **(52,556)** |
| Revenue from Government | 47,377 | 44,800 | 45,372 | 45,950 | 46,527 |
| **Surplus/(deficit) attributable to the  Australian Government** | **(6,050)** | **(7,132)** | **(7,165)** | **(5,740)** | **(6,029)** |
| **OTHER COMPREHENSIVE INCOME** |  |  |  |  |  |
| Changes in asset revaluation surplus | 21,531 | - | - | - | - |
| **Total other comprehensive income** | **21,531** | **-** | **-** | **-** | **-** |
| **Total comprehensive income/(loss)** | **15,481** | **(7,132)** | **(7,165)** | **(5,740)** | **(6,029)** |
| **Total comprehensive income/(loss)  attributable to the Australian  Government** | **15,481** | **(7,132)** | **(7,165)** | **(5,740)** | **(6,029)** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2018-19 Estimated actual $'000 | 2019-20 Budget  $'000 | 2020-21 Forward estimate $'000 | 2021-22 Forward estimate $'000 | 2022-23 Forward estimate $'000 |
| **ASSETS** |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |
| Cash and cash equivalents | 250 | 250 | 250 | 250 | 250 |
| Trade and other receivables | 7,834 | 7,525 | 8,070 | 8,080 | 8,103 |
| Other investments | 35,240 | 31,695 | 33,177 | 35,836 | 34,302 |
| ***Total financial assets*** | ***43,324*** | ***39,470*** | ***41,497*** | ***44,166*** | ***42,655*** |
| **Non-financial assets** |  |  |  |  |  |
| Land and buildings | 97,985 | 97,500 | 93,604 | 89,847 | 89,921 |
| Property, plant and equipment | 52,168 | 48,485 | 44,999 | 41,684 | 38,559 |
| Intangibles | 4,647 | 4,326 | 3,970 | 3,650 | 3,395 |
| Inventories | 293 | 249 | 264 | 262 | 259 |
| Other non-financial assets | 3,501 | 3,391 | 3,323 | 3,194 | 3,065 |
| ***Total non-financial assets*** | ***158,594*** | ***153,951*** | ***146,160*** | ***138,637*** | ***135,199*** |
| **Total assets** | **201,918** | **193,421** | **187,657** | **182,803** | **177,854** |
| **LIABILITIES** |  |  |  |  |  |
| **Payables** |  |  |  |  |  |
| Suppliers | 4,583 | 3,070 | 3,239 | 3,211 | 3,179 |
| Other payables | 5,732 | 4,889 | 5,235 | 5,229 | 5,256 |
| ***Total payables*** | ***10,315*** | ***7,959*** | ***8,474*** | ***8,440*** | ***8,435*** |
| **Provisions** |  |  |  |  |  |
| Employee provisions | 11,731 | 12,722 | 13,608 | 14,528 | 15,613 |
| ***Total provisions*** | ***11,731*** | ***12,722*** | ***13,608*** | ***14,528*** | ***15,613*** |
| **Total liabilities** | **22,046** | **20,681** | **22,082** | **22,968** | **24,048** |
| **Net assets** | **179,872** | **172,740** | **165,575** | **159,835** | **153,806** |
| **EQUITY\*** |  |  |  |  |  |
| **Parent entity interest** |  |  |  |  |  |
| Contributed equity | 88,357 | 88,357 | 88,357 | 88,357 | 88,357 |
| Reserves | 99,388 | 99,388 | 99,388 | 99,388 | 99,388 |
| Retained surplus (accumulated  deficit) | (7,873) | (15,005) | (22,170) | (27,910) | (33,939) |
| ***Total parent entity interest*** | ***179,872*** | ***172,740*** | ***165,575*** | ***159,835*** | ***153,806*** |
| **Total equity** | **179,872** | **172,740** | **165,575** | **159,835** | **153,806** |

Prepared on Australian Accounting Standards basis.

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

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2019-20)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Retained earnings  $'000 | Asset revaluation reserve $'000 | Contributed equity/ capital $'000 | Total equity   $'000 |
| **Opening balance as at 1 July 2019** |  |  |  |  |
| Balance carried forward from  previous period | (7,873) | 99,388 | 88,357 | 179,872 |
| ***Adjusted opening balance*** | ***(7,873)*** | ***99,388*** | ***88,357*** | ***179,872*** |
| **Comprehensive income** |  |  |  |  |
| Surplus/(deficit) for the period | (7,132) | - | - | (7,132) |
| ***Total comprehensive income*** | ***(7,132)*** | ***-*** | ***-*** | ***(7,132)*** |
| of which: |  |  |  |  |
| Attributable to the Australian  Government | (7,132) | - | - | (7,132) |
| **Estimated closing balance as at  30 June 2020** | **(15,005)** | **99,388** | **88,357** | **172,740** |
| **Closing balance attributable to  the Australian Government** | **(15,005)** | **99,388** | **88,357** | **172,740** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2018-19 Estimated actual $'000 | 2019-20 Budget  $'000 | 2020-21 Forward estimate $'000 | 2021-22 Forward estimate $'000 | 2022-23 Forward estimate $'000 |
| **OPERATING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Appropriations | 47,377 | 44,800 | 45,372 | 45,950 | 46,527 |
| Sale of goods and rendering of  services | 24,785 | 25,752 | 26,830 | 27,393 | 27,468 |
| Interest | 1,357 | 1,200 | 1,200 | 1,200 | 1,200 |
| Net GST received | 212 | - | - | - | - |
| Other | 150 | 150 | 150 | 200 | 200 |
| ***Total cash received*** | ***73,881*** | ***71,902*** | ***73,552*** | ***74,743*** | ***75,395*** |
| **Cash used** |  |  |  |  |  |
| Employees | 29,500 | 32,908 | 33,520 | 32,506 | 33,337 |
| Suppliers | 33,456 | 34,049 | 33,026 | 33,209 | 32,848 |
| ***Total cash used*** | ***62,956*** | ***66,957*** | ***66,546*** | ***65,715*** | ***66,185*** |
| **Net cash from/(used by)  operating activities** | **10,925** | **4,945** | **7,006** | **9,028** | **9,210** |
| **INVESTING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Proceeds from sales of property,  plant and equipment | 317 | 29 | 129 | 180 | 93 |
| Investments | 473 | 3,545 | 3,204 | 9,094 | 1,534 |
| ***Total cash received*** | ***790*** | ***3,574*** | ***3,333*** | ***9,274*** | ***1,627*** |
| **Cash used** |  |  |  |  |  |
| Purchase of property, plant and  equipment and intangibles | 13,493 | 8,519 | 5,653 | 6,549 | 10,837 |
| Investments | 9,613 | - | 4,686 | 11,753 | - |
| ***Total cash used*** | ***23,106*** | ***8,519*** | ***10,339*** | ***18,302*** | ***10,837*** |
| **Net cash from/(used by)  investing activities** | **(22,316)** | **(4,945)** | **(7,006)** | **(9,028)** | **(9,210)** |
| **FINANCING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Contributed equity | 150 | - | - | - | - |
| ***Total cash received*** | ***150*** | ***-*** | ***-*** | ***-*** | ***-*** |
| **Net cash from/(used by)  financing activities** | **150** | **-** | **-** | **-** | **-** |
| **Net increase/(decrease) in cash  held** | **(11,241)** | **-** | **-** | **-** | **-** |
| Cash and cash equivalents at the  beginning of the reporting period | 11,491 | 250 | 250 | 250 | 250 |
| **Cash and cash equivalents at  the end of the reporting period** | 250 | 250 | 250 | 250 | 250 |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2018-19 Estimated actual $'000 | 2019-20 Budget  $'000 | 2020-21 Forward estimate $'000 | 2021-22 Forward estimate $'000 | 2022-23 Forward estimate $'000 |
| **NEW CAPITAL APPROPRIATIONS** |  |  |  |  |  |
| Equity injections - Bill 2 | 150 | - | - | - | - |
| **Total new capital appropriations** | **150** | **-** | **-** | **-** | **-** |
| ***Provided for:*** |  |  |  |  |  |
| *Purchase of non-financial assets* | *150* | - | - | - | - |
| ***Total items*** | ***150*** | ***-*** | ***-*** | ***-*** | ***-*** |
| **PURCHASE OF NON-FINANCIAL  ASSETS** |  |  |  |  |  |
| Funded by capital appropriations (a) | 150 | - | - | - | - |
| Funded internally from departmental  resources (b) | 13,343 | 8,519 | 5,653 | 6,549 | 10,837 |
| **TOTAL** | **13,493** | **8,519** | **5,653** | **6,549** | **10,837** |
| **RECONCILIATION OF CASH USED  TO ACQUIRE ASSETS TO ASSET  MOVEMENT TABLE** |  |  |  |  |  |
| Total purchases | 13,493 | 8,519 | 5,653 | 6,549 | 10,837 |
| **Total cash used to acquire assets** | **13,493** | **8,519** | **5,653** | **6,549** | **10,837** |

Prepared on Australian Accounting Standards basis.

1. Includes both current Bill 2 and prior Act 2/4/6 appropriations.
2. Includes the following sources of funding:

* current Bill 1 and prior year Act 1/3/5 appropriations
* internally developed assets
* proceeds from the sale of assets.

Table 3.6: Statement of asset movements (Budget year 2019‑20)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Buildings    $'000 | Other property, plant and equipment $'000 | Computer software and intangibles $'000 | Total    $'000 |
| **As at 1 July 2019** |  |  |  |  |
| Gross book value | 102,924 | 61,516 | 8,522 | 172,962 |
| Accumulated depreciation/  amortisation and impairment | (4,940) | (9,346) | (3,876) | (18,162) |
| **Opening net book balance** | **97,984** | **52,170** | **4,646** | **154,800** |
| **Capital asset additions** |  |  |  |  |
| **Estimated expenditure on new  or replacement assets** |  |  |  |  |
| By purchase - other | 4,204 | 3,840 | 475 | 8,519 |
| **Total additions** | **4,204** | **3,840** | **475** | **8,519** |
| **Other movements** |  |  |  |  |
| Depreciation/amortisation expense | (4,688) | (7,496) | (795) | (12,979) |
| Disposals (a) | - | (29) | - | (29) |
| **Total other movements** | **(4,688)** | **(7,525)** | **(795)** | **(13,008)** |
| **As at 30 June 2020** |  |  |  |  |
| Gross book value | 107,128 | 65,050 | 8,997 | 181,175 |
| Accumulated depreciation/  amortisation and impairment | (9,628) | (16,565) | (4,671) | (30,864) |
| **Closing net book balance** | **97,500** | **48,485** | **4,326** | **150,311** |

Prepared on Australian Accounting Standards basis.

1. Net proceeds may be returned to the Official Public Account.

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

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

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

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

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

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

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

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

Table 3.11: Statement of administered asset movements (Budget year 2019-20)

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

Australian Nuclear Science and Technology Organisation

Entity resources and planned performance

Australian Nuclear Science and Technology Organisation

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# Australian Nuclear Science and Technology Organisation

## Section 1: Entity overview and resources

### 1.1 Strategic direction statement

The Australian Nuclear Science and Technology Organisation (ANSTO) is a corporate Commonwealth entity. It is the custodian of significant landmark and national research infrastructure and operates that infrastructure for the benefit of industry, the national and international research communities and all Australians.

Consistent with the functions mandated by the *Australian Nuclear Science and Technology Organisation Act 1987*, ANSTO applies its capabilities and expertise to:

* radiopharmaceutical production and supply
* research into areas of national priority including human health, the environment, the nuclear fuel cycle, food security, national security and water resource management
* helping Australian industries solve complex problems in areas such as materials engineering
* providing expert advice to Government and other stakeholders on all matters relating to nuclear science, technology and engineering.

ANSTO manufactures and supplies a range of radiopharmaceuticals for use in research, industry and the health sector. On average, two in three Australians will benefit from nuclear medicine during their lifetime. ANSTO takes seriously its responsibility to provide a reliable supply of nuclear medicines to Australian patients. In the second half of 2018, ANSTO’s nuclear medicine production facility experienced supply disruptions following a mechanical breakdown. ANSTO is undertaking significant work in the short and medium term to help prevent further disruptions to production. This includes the implementation of a range of actions identified by a comprehensive internal review of the facility.

Separately, an independent safety review of ANSTO’s nuclear medicine production facility was undertaken at the direction of the Chief Executive Officer of the Australian Radiation Protection and Nuclear Safety Agency (ARPANSA). The final report contains 85 recommendations for safety improvements, everyday practice, risk management, and the need for a replacement facility. The report acknowledged the safety improvements that had already been implemented to help mitigate risks. The report and ANSTO’s comprehensive action plan are valuable opportunities to further strengthen ANSTO’s safety systems and ANSTO’s continued ability to make a positive contribution to the health outcomes of all Australians. ANSTO has begun implementing the action plan and remains committed to continuous improvement.

This Budget includes $112.4 million to support ANSTO operations and help ensure ANSTO can continue to deliver safe and reliable nuclear medicine to Australians, maintain its processing and distribution facility and ensure responsible management of the by-products of nuclear medicine production and research.

ANSTO’s strategic objectives, as set out in its Corporate Plan, are:

* putting people first: equipping and empowering our people to respond to the growing nuclear science and technology needs of Australia and the world
* world class science and technology outcomes: creating innovative solutions to complex problems and providing new insights into our world
* strategic management of landmark and national infrastructure: serving users, enabling world-class research and creating economic impact and benefit
* nuclear expertise and advice: providing expert advice, education and services to support Australian policy and strengthen Australia’s nuclear knowledge base
* nuclear business and innovation: providing services and products to our customers that benefit the broader community.

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

### 1.2 Entity resource statement

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

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

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

Table 1.1: ANSTO resource statement — Budget estimates for 2019-20 as at Budget April 2019

|  |  |  |
| --- | --- | --- |
|  | *2018-19 Estimated actual $'000* | 2019-20 Estimate  $'000 |
| **Opening balance/cash reserves at 1 July** | *7,878* | 10,075 |
| **Funds from Government** |  |  |
| Annual appropriations - ordinary annual services (a) |  |  |
| Outcome 1 | *214,072* | 235,018 |
| Annual appropriations - other services (b) |  |  |
| Equity injection | *28,461* | 78,800 |
| Total annual appropriations | *242,533* | *313,818* |
| **Total funds from Government** | ***242,533*** | **313,818** |
| **Funds from other sources** |  |  |
| Interest | *2,500* | 2,500 |
| Sale of goods and services | *119,815* | 101,203 |
| Other | *15,171* | 16,932 |
| **Total funds from other sources** | ***137,486*** | **120,635** |
| **Total net resourcing for ANSTO** | ***387,897*** | **444,528** |
|  |  |  |
|  | *2018-19* | 2019-20 |
| **Average staffing level (number)** | *1,275* | 1,356 |

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

Prepared on a resourcing (that is, appropriations available) basis.

1. Appropriation Bill (No. 1) 2019-20.
2. Appropriation Bill (No. 2) 2019-20.

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

### 1.3 Budget measures

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

Table 1.2: Entity 2019-20 Budget measures

Part 1: Measures announced since the 2018‑19 Mid-Year Economic and Fiscal Outlook (MYEFO)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Program | 2018-19 $'000 | 2019-20 $'000 | 2020-21 $'000 | 2021-22 $'000 | 2022-23 $'000 |
| **Expense measures** |  |  |  |  |  |  |
| Strengthening the Australian Nuclear   Science and Technology   Organisation | 1 |  |  |  |  |  |
| Departmental expenses |  | - | 23,454 | 936 | 134 | - |
| **Total** |  | **-** | **23,454** | **936** | **134** | **-** |
| **Total expense measures** |  |  |  |  |  |  |
| Departmental |  | - | 23,454 | 936 | 134 | - |
| **Total** |  | **-** | **23,454** | **936** | **134** | **-** |
| **Capital measures** |  |  |  |  |  |  |
| Strengthening the Australian Nuclear  Science and Technology   Organisation (a) | 1 |  |  |  |  |  |
| Departmental capital |  | - | 22,800 | 6,268 | 2,826 | - |
| **Total** |  | **-** | **22,800** | **6,268** | **2,826** | **-** |
| **Total capital measures** |  |  |  |  |  |  |
| Departmental |  | - | 22,800 | 6,268 | 2,826 | - |
| **Total** |  | **-** | **22,800** | **6,268** | **2,826** | **-** |

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

1. The measure Strengthening the Australian Nuclear Science and Technology Organisation also includes a $56.0 million equity injection to ANSTO.

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

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

## Section 2: Outcomes and planned performance

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

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

**Note:**

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

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

<https://www.ansto.gov.au/corporate-publications>.

The most recent annual performance statement can be found at:

https://www.ansto.gov.au/corporate-publications#annual-report.

### 2.1 Budgeted expenses and performance for Outcome 1

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

#### Linked programs

| **Department of Industry, Innovation and Science** |
| --- |
| **Programs**   * Program 1: Science and Technology Solution |
| **Contribution to Outcome 1 made by linked programs**  The Department of Industry, Innovation and Science contributes to Outcome 1 through its policies and programs supporting science and commercialisation and through the operation of the Office of the Chief Scientist and the Office of Innovation and Science Australia. |
| **Department of Education and Training** |
| **Programs**   * Program 2.6: Research Capacity |
| **Contribution to Outcome 1 made by linked programs**  The Department of Education and Training contributes to Outcome 1 through its policies and programs to invest in Australia’s research capacity, including the National Collaborative Research Infrastructure Strategy. |

##### Budgeted expenses for Outcome 1

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

Table 2.1.1: Budgeted expenses for Outcome 1

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Outcome 1:** Improved knowledge, innovative capacity and healthcare through nuclear-based facilities, research, training, products, services and advice to Government, industry, the education sector and the Australian population. | | | | | |
|  | 2018-19 Estimated actual $'000 | 2019-20 Budget  $'000 | 2020-21 Forward estimate $'000 | 2021-22 Forward estimate $'000 | 2022-23 Forward estimate $'000 |
| **Program 1: Science and Technology Solutions** | | | | | |
| Revenue from Government |  |  |  |  |  |
| Ordinary annual services  (Appropriation Bill No. 1) | 214,072 | 235,018 | 219,750 | 225,835 | 229,390 |
| Expenses not requiring  appropriation in the budget year (a) | 167,055 | 38,010 | 45,315 | 44,260 | 44,028 |
| Revenues from industry sources | 145,183 | 134,866 | 122,323 | 152,416 | 144,735 |
| **Total expenses for Program 1** | **526,310** | **407,894** | **387,388** | **422,511** | **418,153** |
| **Outcome 1 totals by resource type** | | | | | |
| Revenue from Government |  |  |  |  |  |
| Ordinary annual services  (Appropriation Bill No. 1) | 214,072 | 235,018 | 219,750 | 225,835 | 229,390 |
| Expenses not requiring  appropriation in the budget year (a) | 167,055 | 38,010 | 45,315 | 44,260 | 44,028 |
| Revenues from industry sources | 145,183 | 134,866 | 122,323 | 152,416 | 144,735 |
| **Total expenses for Outcome 1** | **526,310** | **407,894** | **387,388** | **422,511** | **418,153** |
|  |  |  |  |  |  |
|  | 2018-19 | 2019-20 |  |  |  |
| **Average staffing level (number)** | 1,275 | 1,356 |  |  |  |

1. Expenses not requiring appropriation in the budget year reflects approved operating losses due to the accounting treatment of non-cash items including ANSTO's ongoing decommissioning program, and depreciation costs for new facilities and asset revaluations.

Table 2.1.2: Program components of Outcome 1

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

Table 2.1.3: Performance criteria for Outcome 1

Table 2.1.3 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2019-20 Budget measures have created new programs or materially changed existing programs.

|  |  |  |
| --- | --- | --- |
| Outcome 1 – Improved knowledge, innovative capacity and healthcare through nuclear-based facilities, research, training, products, services and advice to Government, industry, the education sector and the Australian population. | | |
| **Program 1** – **Science and Technology Solutions**  Contributes to the outcome through the operation and strategic management of landmark and national research infrastructure. ANSTO provides nuclear products and services, and applies its unique expertise for nuclear research, specialised advice, and education and training. | | |
| **Delivery** | ANSTO delivers Program 1 by:   * engaging in innovative research, through strategic partnerships and collaborations, that have scientific and commercial impact and align with Australia’s Science and Research Priorities * managing landmark and national research infrastructure for the benefit of industry, and the Australian and international research communities * providing products and services, including radiopharmaceuticals, to the health sector and industry that benefit the broader community * providing expert trusted science and technology based advice and services to government, the education and academic communities, and the Australian public. | |
| **Performance information** | | |
| **Year** | **Performance criteria** (a) | **Targets** |
| 2018-19 | **Full utilisation of landmark infrastructure**  Continue to achieve a high standard of operational efficiency and effectiveness for ANSTO’s landmark and national research infrastructure.  ANSTO is currently on track to achieve its performance targets. | OPAL Research Reactor: days at power  Target: 300 days  Australian Synchrotron average utilisation  Target: 95 per cent of scheduled operating time  Neutron beam instruments: average utilisation  Target: 85 per cent of scheduled operating time  Accelerators: average utilisation  Target: 65 per cent of available operational time |
| **Human health products**  Supply vital medicines and diagnostics that enhance human health.  ANSTO is currently on track to achieve its performance target. | Radiopharmaceutical doses: potential doses  Target: 3,231,659 (a) |
| 2019-20 | **Full utilisation of landmark infrastructure**  Continue to achieve a high standard of operational efficiency and effectiveness for ANSTO’s landmark and national research infrastructure. | OPAL Research Reactor: days at power  Target: 287 days (b)  Australian Synchrotron: average utilisation  Target: 95 per cent of scheduled operating time  Neutron beam instruments: average utilisation  Target: 85 per cent of scheduled operating time  Accelerators: average utilisation  Target: 65 per cent of available operational time |
| **Human health products**  Supply vital medicines and diagnostics that enhance human health. | Radiopharmaceutical doses: potential doses.  Target: 3,391,917 |
| 2020-21 | **Full utilisation of landmark infrastructure**  Continue to achieve a high standard of operational efficiency and effectiveness for ANSTO’s landmark and national research infrastructure. | OPAL Research Reactor: days at power  Target: 300 days  Australian Synchrotron: average utilisation  Target: 95 per cent of scheduled operating time  Neutron beam instruments: average utilisation  Target: 85 per cent of scheduled operating time  Accelerators: average utilisation  Target: 65 per cent of available operational time |
| **Human health products**  Supply vital medicines and diagnostics that enhance human health. | Radiopharmaceutical doses: potential doses  Target: 4,050,103 |
| 2021-22 | **Full utilisation of landmark infrastructure**  Continue to achieve a high standard of operational efficiency and effectiveness for ANSTO’s landmark and national research infrastructure. | OPAL Research Reactor: days at power  Target: 300 days  Australian Synchrotron: average utilisation  Target: 95 per cent of scheduled operating time  Neutron beam instruments: average utilisation  Target: 85 per cent of scheduled operating time  Accelerators: average utilisation  Target: 65 per cent of available operational time |
| **Human health products**  Supply vital medicines and diagnostics that enhance human health. | Radiopharmaceutical doses: potential doses  Target: 4,997,453 |
| 2022-23 | **Full utilisation of landmark infrastructure**  Continue to achieve a high standard of operational efficiency and effectiveness for ANSTO’s landmark and national research infrastructure. | OPAL Research Reactor: days at power  Target: 300 days  Australian Synchrotron: average utilisation  Target: 95 per cent of scheduled operating time  Neutron beam instruments: average utilisation  Target: 85 per cent of scheduled operating time  Accelerators: average utilisation  Target: 65 per cent of available operational time |
| **Human health products**  Supply vital medicines and diagnostics that enhance human health. | Radiopharmaceutical doses: potential doses  Target: 5,178,404 |
| **Purposes** | ANSTO’s purpose is set by the following core functions, as provided in the *Australian Nuclear Science and Technology Organisation Act 1987*.   * Conduct research and development in relation to nuclear science and technology * Produce and use radioisotopes, isotopic techniques and nuclear radiation for medicine, science, industry, commerce and agriculture * Encourage and facilitate the application and use of the results from research and development * Manage radioactive materials and waste arising from various prescribed activities * Provide goods and services related to core activities * Provide advice to government and undertake international liaison in nuclear-related matters * Make available (on a commercial basis where appropriate) facilities, equipment and expertise for research in nuclear science and technology * Publish scientific and technical reports, periodicals and papers, and provide public information and advice * Facilitate education and training in nuclear science and technology, including through granting scientific research studentships and fellowships, in cooperation with universities, professional bodies and other education and research institutions. | |
| **Material changes to Program 1 resulting from the following measures:**  Strengthening the Australian Nuclear Science and Technology Organisation | | |

1. The potential patient doses reported in last year’s PBS included forecast doses for the ANM facility. ANSTO has reviewed the method used to estimate doses based on internal and external developments, including changes in utilisation in clinical practice.
2. OPAL has a reduced target due to a scheduled maintenance shutdown.

## Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2019-20 budget year, including the impact of budget measures and resourcing on financial statements.

### 3.1 Budgeted financial statements

#### 3.1.1 Differences between entity resourcing and financial statements

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

#### 3.1.2 Explanatory notes and analysis of budgeted financial statements

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

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

##### Budgeted Departmental Income Statement

The statement shows the estimated net cost of services for the organisation. Total expenses in 2019-20 are estimated at $407.9 million compared to the estimate for 2018‑19 of $526.3 million. Total revenue in 2019-20 is estimated to be $369.9 million (including appropriation) compared to the estimate of $359.3 million for 2018-19, an increase of $10.6 million.

ANSTO has an approved operating loss of $167.1 million for 2018-19. The projected loss is largely due to the accounting treatment of non-cash items including ANSTO’s ongoing decommissioning program, and depreciation costs for new facilities and asset revaluations.

##### Budgeted Departmental Balance Sheet

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

Financial assets increased from $147.2 million in 2018-19 to $149.3 million in 2019-20. The ANSTO Nuclear Medicine project is reflected in other investments.

##### Budgeted Departmental Statement of Cash Flows

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

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

### 3.2 Budgeted financial statements tables

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2018-19 Estimated actual $'000 | 2019-20 Budget  $'000 | 2020-21 Forward estimate $'000 | 2021-22 Forward estimate $'000 | 2022-23 Forward estimate $'000 |
| **EXPENSES** |  |  |  |  |  |
| Employee benefits | 156,695 | 158,240 | 159,552 | 163,479 | 168,221 |
| Suppliers | 102,258 | 140,018 | 120,073 | 141,772 | 122,508 |
| Grants | 2,988 | 2,767 | 2,767 | 2,767 | - |
| Depreciation and amortisation | 85,591 | 85,189 | 82,865 | 92,362 | 104,155 |
| Finance costs | 22,456 | 21,680 | 22,131 | 22,131 | 23,269 |
| Revision of decommissioning provision | 156,322 | - | - | - | - |
| **Total expenses** | **526,310** | **407,894** | **387,388** | **422,511** | **418,153** |
| **LESS:** |  |  |  |  |  |
| **OWN-SOURCE INCOME** |  |  |  |  |  |
| **Own-source revenue** |  |  |  |  |  |
| Sale of goods and rendering of  services | 126,737 | 101,925 | 101,925 | 111,922 | 118,866 |
| Interest | 2,500 | 2,500 | 1,000 | 1,000 | 1,915 |
| Other | 15,946 | 30,441 | 19,398 | 39,494 | 23,954 |
| **Total own-source revenue** | **145,183** | **134,866** | **122,323** | **152,416** | **144,735** |
| **Total own-source income** | **145,183** | **134,866** | **122,323** | **152,416** | **144,735** |
| **Net (cost of)/contribution by  services** | **(381,127)** | **(273,028)** | **(265,065)** | **(270,095)** | **(273,418)** |
| Revenue from Government | 214,072 | 235,018 | 219,750 | 225,835 | 229,390 |
| **Surplus/(deficit) attributable to the  Australian Government** | **(167,055)** | **(38,010)** | **(45,315)** | **(44,260)** | **(44,028)** |
| **Total comprehensive income/(loss)** | **(167,055)** | **(38,010)** | **(45,315)** | **(44,260)** | **(44,028)** |
| **Total comprehensive income/(loss)  attributable to the Australian  Government** | **(167,055)** | **(38,010)** | **(45,315)** | **(44,260)** | **(44,028)** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2018-19 Estimated actual $'000 | 2019-20 Budget  $'000 | 2020-21 Forward estimate $'000 | 2021-22 Forward estimate $'000 | 2022-23 Forward estimate $'000 |
| **ASSETS** |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |
| Cash and cash equivalents | 10,075 | 10,531 | 10,059 | 10,060 | 10,192 |
| Trade and other receivables | 38,862 | 39,584 | 23,784 | 33,385 | 33,385 |
| Other investments | 98,064 | 99,007 | 141,807 | 121,678 | 137,789 |
| Other financial assets | 213 | 213 | 213 | 213 | 213 |
| ***Total financial assets*** | ***147,214*** | ***149,335*** | ***175,863*** | ***165,336*** | ***181,579*** |
| **Non-financial assets** |  |  |  |  |  |
| Land and buildings | 264,958 | 265,904 | 267,050 | 268,196 | 263,287 |
| Property, plant and equipment | 885,089 | 916,838 | 868,810 | 857,724 | 829,076 |
| Intangibles | 68,848 | 76,248 | 74,648 | 76,048 | 72,603 |
| Inventories | 32,795 | 35,821 | 35,821 | 35,821 | 35,821 |
| Tax assets | 1,197 | 1,197 | 1,197 | 1,197 | 1,197 |
| Other non-financial assets | 10,678 | 8,766 | 8,766 | 8,766 | 8,766 |
| ***Total non-financial assets*** | ***1,263,565*** | ***1,304,774*** | ***1,256,292*** | ***1,247,752*** | ***1,210,750*** |
| **Total assets** | **1,410,779** | **1,454,109** | **1,432,155** | **1,413,088** | **1,392,329** |
| **LIABILITIES** |  |  |  |  |  |
| **Payables** |  |  |  |  |  |
| Suppliers | 17,169 | 17,538 | 17,538 | 17,538 | 17,538 |
| Other payables | 20,456 | 6,947 | 5,309 | 5,545 | 5,545 |
| ***Total payables*** | ***37,625*** | ***24,485*** | ***22,847*** | ***23,083*** | ***23,083*** |
| **Provisions** |  |  |  |  |  |
| Employee provisions | 48,607 | 48,607 | 48,607 | 48,607 | 48,607 |
| Other provisions | 637,325 | 653,005 | 671,736 | 693,867 | 717,136 |
| ***Total provisions*** | ***685,932*** | ***701,612*** | ***720,343*** | ***742,474*** | ***765,743*** |
| **Total liabilities** | **723,557** | **726,097** | **743,190** | **765,557** | **788,826** |
| **Net assets** | **687,222** | **728,012** | **688,965** | **647,531** | **603,503** |
| **EQUITY\*** |  |  |  |  |  |
| **Parent entity interest** |  |  |  |  |  |
| Contributed equity | 819,675 | 898,475 | 904,743 | 907,569 | 907,569 |
| Reserves | 399,098 | 399,098 | 399,098 | 399,098 | 399,098 |
| Retained surplus (accumulated  deficit) | (531,551) | (569,561) | (614,876) | (659,136) | (703,164) |
| ***Total parent entity interest*** | ***687,222*** | ***728,012*** | ***688,965*** | ***647,531*** | ***603,503*** |
| **Total equity** | **687,222** | **728,012** | **688,965** | **647,531** | **603,503** |

Prepared on Australian Accounting Standards basis.

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

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2019-20)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Retained earnings  $'000 | Asset revaluation reserve $'000 | Other reserves  $'000 | Contributed equity/ capital $'000 | Total equity   $'000 |
| **Opening balance as at 1 July 2019** |  |  |  |  |  |
| Balance carried forward from  previous period | (531,551) | 389,087 | 10,011 | 819,675 | 687,222 |
| ***Adjusted opening balance*** | ***(531,551)*** | ***389,087*** | ***10,011*** | ***819,675*** | ***687,222*** |
| **Comprehensive income** |  |  |  |  |  |
| Surplus/(deficit) for the period | (38,010) | - | - | - | (38,010) |
| ***Total comprehensive income*** | ***(38,010)*** | ***-*** | ***-*** | ***-*** | ***(38,010)*** |
| of which: |  |  |  |  |  |
| Attributable to the Australian  Government | (38,010) | - | - | - | (38,010) |
| ***Contributions by owners*** |  |  |  |  |  |
| Equity injection - Appropriation | - | - | - | 78,800 | 78,800 |
| ***Sub-total transactions with  owners*** | ***-*** | ***-*** | ***-*** | ***78,800*** | ***78,800*** |
| **Estimated closing balance as at  30 June 2020** | **(569,561)** | **389,087** | **10,011** | **898,475** | **728,012** |
| **Closing balance attributable to  the Australian Government** | **(569,561)** | **389,087** | **10,011** | **898,475** | **728,012** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2018-19 Estimated actual $'000 | 2019-20 Budget  $'000 | 2020-21 Forward estimate $'000 | 2021-22 Forward estimate $'000 | 2022-23 Forward estimate $'000 |
| **OPERATING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Receipts from Government | 214,072 | 235,018 | 219,750 | 225,835 | 229,390 |
| Sale of goods and rendering of  services | 119,815 | 101,203 | 101,925 | 111,922 | 118,866 |
| Interest | 2,500 | 2,500 | 1,000 | 1,000 | 1,915 |
| Other | 15,171 | 16,932 | 43,760 | 30,129 | 23,954 |
| ***Total cash received*** | ***351,558*** | ***355,653*** | ***366,435*** | ***368,886*** | ***374,125*** |
| **Cash used** |  |  |  |  |  |
| Employees | 156,695 | 158,240 | 159,552 | 163,479 | 168,221 |
| Suppliers | 134,897 | 140,763 | 120,073 | 141,772 | 122,508 |
| Other | 9,737 | 8,767 | 2,767 | 2,767 | - |
| ***Total cash used*** | ***301,329*** | ***307,770*** | ***282,392*** | ***308,018*** | ***290,729*** |
| **Net cash from/(used by)  operating activities** | **50,229** | **47,883** | **84,043** | **60,868** | **83,396** |
| **INVESTING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Proceeds from sales of financial  instruments | 208,775 | 194,988 | 168,432 | 136,343 | 136,343 |
| Other | - | - | 15,000 | - | - |
| ***Total cash received*** | ***208,775*** | ***194,988*** | ***183,432*** | ***136,343*** | ***136,343*** |
| **Cash used** |  |  |  |  |  |
| Purchase of property, plant and  equipment and intangibles | 110,745 | 125,284 | 89,183 | 83,822 | 67,153 |
| Purchase of financial instruments | 162,770 | 195,931 | 181,632 | 116,214 | 152,454 |
| Investments | 11,753 | - | - | - | - |
| Other | - | - | 3,400 | - | - |
| ***Total cash used*** | ***285,268*** | ***321,215*** | ***274,215*** | ***200,036*** | ***219,607*** |
| **Net cash from/(used by)  investing activities** | **(76,493)** | **(126,227)** | **(90,783)** | **(63,693)** | **(83,264)** |
| **FINANCING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Contributed equity | 28,461 | 78,800 | 6,268 | 2,826 | - |
| ***Total cash received*** | ***28,461*** | ***78,800*** | ***6,268*** | ***2,826*** | ***-*** |
| **Net cash from/(used by)  financing activities** | 28,461 | **78,800** | 6,268 | 2,826 | **-** |
| **Net increase/(decrease) in cash  held** | **2,197** | **456** | **(472)** | **1** | **132** |
| Cash and cash equivalents at the  beginning of the reporting period | 7,878 | 10,075 | 10,531 | 10,059 | 10,060 |
| **Cash and cash equivalents at  the end of the reporting period** | **10,075** | **10,531** | **10,059** | **10,060** | **10,192** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2018-19 Estimated actual $'000 | 2019-20 Budget  $'000 | 2020-21 Forward estimate $'000 | 2021-22 Forward estimate $'000 | 2022-23 Forward estimate $'000 |
| **NEW CAPITAL APPROPRIATIONS** |  |  |  |  |  |
| Equity injections - Bill 2 | 28,461 | 78,800 | 6,268 | 2,826 | - |
| **Total new capital appropriations** | **28,461** | **78,800** | **6,268** | **2,826** | **-** |
| ***Provided for:*** |  |  |  |  |  |
| *Purchase of non-financial assets* | 6,421 | 22,800 | 6,268 | 2,826 |  |
| *Other Items* | 22,040 | 56,000 | *-* | *-* | *-* |
| ***Total items*** | ***28,461*** | ***78,800*** | ***6,268*** | ***2,826*** | ***-*** |
| **PURCHASE OF NON-FINANCIAL  ASSETS** |  |  |  |  |  |
| Funded by capital appropriations (a) | 6,421 | 22,800 | 6,268 | 2,826 | - |
| Funded internally from departmental  resources (b) | 104,324 | 102,484 | 82,915 | 80,996 | 67,153 |
| **TOTAL** | **110,745** | **125,284** | **89,183** | **83,822** | **67,153** |
| **RECONCILIATION OF CASH USED  TO ACQUIRE ASSETS TO ASSET  MOVEMENT TABLE** |  |  |  |  |  |
| Total purchases | 110,745 | 125,284 | 89,183 | 83,822 | 67,153 |
| **Total cash used to acquire assets** | **110,745** | **125,284** | **89,183** | **83,822** | **67,153** |

Prepared on Australian Accounting Standards basis.

1. Includes both current Bill 2 and prior Act 2/4/6 appropriations.
2. Includes the following sources of funding:

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

**Table 3.6: Statement of asset movements (Budget year 2019‑20)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Land    $'000 | Buildings    $'000 | Other property, plant and equipment $'000 | Computer software and intangibles $'000 | Total    $'000 |
| **As at 1 July 2019** |  |  |  |  |  |
| Gross book value | 117,574 | 190,148 | 1,181,669 | 96,585 | 1,585,976 |
| Accumulated depreciation/  amortisation and impairment | - | (42,764) | (296,580) | (27,737) | (367,081) |
| **Opening net book balance** | **117,574** | **147,384** | **885,089** | **68,848** | **1,218,895** |
| **Capital asset additions** |  |  |  |  |  |
| **Estimated expenditure on new  or replacement assets** |  |  |  |  |  |
| By purchase - appropriation equity (a) | - | - | 22,800 | - | 22,800 |
| By purchase - appropriation  ordinary annual services (b) | - | 14,800 | 76,684 | 11,000 | 102,484 |
| **Total additions** | **-** | **14,800** | **99,484** | **11,000** | **125,284** |
| **Other movements** |  |  |  |  |  |
| Depreciation/amortisation expense | - | (13,854) | (67,735) | (3,600) | (85,189) |
| **Total other movements** | **-** | **(13,854)** | **(67,735)** | **(3,600)** | **(85,189)** |
| **As at 30 June 2020** |  |  |  |  |  |
| Gross book value | 117,574 | 204,948 | 1,281,153 | 107,585 | 1,711,260 |
| Accumulated depreciation/  amortisation and impairment | - | (56,618) | (364,315) | (31,337) | (452,270) |
| **Closing net book balance** | **117,574** | **148,330** | **916,838** | **76,248** | **1,258,990** |

Prepared on Australian Accounting Standards basis.

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1. ‘Appropriation equity’ refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2019-20.
2. ‘Appropriation ordinary annual services’ refers to funding provided through Appropriation Bill (No. 1) 2019-20 for depreciation/amortisation expenses, or other operational expenses.

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

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

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

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

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

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

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

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

Table 3.11: Statement of administered asset movements (Budget year 2019-20)

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

Commonwealth Scientific and Industrial Research Organisation

Entity resources and planned performance

Commonwealth Scientific and Industrial Research Organisation

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# Commonwealth Scientific and Industrial Research Organisation

## Section 1: Entity overview and resources

### 1.1 Strategic direction statement

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

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

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

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

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

Fundamental to CSIRO’s impact is:

* strengthening existing industry alliances to actively encourage the application and adoption of CSIRO research, creating new industries and expanding collaborations with small and medium enterprises
* examining opportunities for increasing collaboration with other parts of the national innovation system, including other publicly funded research agencies, universities, industry, and other innovators
* maximising use of national research infrastructure by Australian and international researchers, including by encouraging industry access to relevant facilities and maintaining collections of national importance
* establishing stronger connections with top global research and technology peers
* maintaining science excellence in CSIRO research to deliver future impact
* promoting careers in science, investing in quality research training, and improving science, technology, engineering and maths (STEM) education, to ensure that Australia has robust scientific education programs, career opportunities and research endeavours, as well as school students and teachers who understand how STEM is applied in the real world
* providing the Australian Government with independent scientific and technical advice as required, and informing the policy making process to assist the Australian Government to decide how to best meet the challenges Australia faces
* delivering the CSIRO Innovation Fund, a National Innovation and Science Agenda initiative to commercialise breakthroughs from CSIRO, universities and publicly funded research for the national interest, by investing in start-up and spin-off companies, existing Small and Medium Enterprises engaged in translation of research, and company formation opportunities.

### 1.2 Entity Resource Statement

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

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

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

Table 1.1: CSIRO resource statement — Budget estimates for 2019-20 as at Budget April 2019

|  |  |  |
| --- | --- | --- |
|  | *2018-19 (a) Estimated actual  $'000* | 2019-20 Estimate  $'000 |
| **Opening balance/cash reserves at 1 July** | *290,963* | 250,319 |
| **Funds from Government** |  |  |
| Annual appropriations - ordinary annual services (b) |  |  |
| Outcome 1 | *833,661* | 839,151 |
| Annual appropriations - other services (c) |  |  |
| Equity injection | *10,000* | 10,000 |
| Other | *-* | 45,000 |
| Total annual appropriations | *843,661* | *894,151* |
| **Total funds from Government** | ***843,661*** | **894,151** |
| **Funds from other sources** |  |  |
| Interest | *8,115* | 7,985 |
| Royalties | *40,290* | 38,611 |
| Sale of goods and services | *451,304* | 476,662 |
| Rental income | *6,000* | 6,100 |
| Proceeds from asset sales | *-* | 67,300 |
| Other | *23,824* | 17,217 |
| **Total funds from other sources** | ***529,533*** | **613,875** |
| **Total net resourcing for CSIRO** | ***1,664,157*** | **1,758,345** |
|  |  |  |
|  | *2018-19* | 2019-20 |
| **Average staffing level (number)** | *5,190* | 5,193 |

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

Prepared on a resourcing (that is, appropriations available) basis.

1. Annual appropriation amounts appearing for 2018-19 do not include the Appropriation Bills (No. 3) and (No. 4) 2018-19, as they had not been enacted at the time of publication.
2. Appropriation Bill (No. 1) 2019-20.
3. Appropriation Bill (No. 2) 2019-20.

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

### 1.3 Budget measures

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

## Section 2: Outcomes and planned performance

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

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

**Note:**

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

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

<https://www.csiro.au/en/About/Strategy-structure/Corporate-plan>.

The most recent annual performance statement can be found at:

<https://www.csiro.au/en/About/Our-impact/Reporting-our-impact>.

### 2.1 Budgeted expenses and performance for Outcome 1

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

#### Linked programs

|  |
| --- |
| **Department of Industry, Innovation and Science** |
| **Programs**   * Program 1 - Supporting Science and Commercialisation * Program 2 - Growing Business Investment and Improving Business Capability * Program 3 - Program Support |
| **Contribution to Outcome 1 made by linked program**  The Department of Industry, Innovation and Science contributes to Outcome 1 through its policies and programs supporting science and commercialisation and through the operation of the Australian Space Agency, the Office of the Chief Scientist and the Office of Innovation and Science Australia. |
| **Department of Agriculture and Water Resources** |
| **Program**   * Program 2.2 - Plant and Animal Health |
| **Contribution to Outcome 1 made by linked program**  The Department of Agriculture and Water Resources contributes to Outcome 1 through contributions to the operating costs of the Australian Animal Health Laboratory. |
| **Department of Education and Training** |
| **Program**   * Program 2.6 - Research Capacity |
| **Contribution to Outcome 1 made by linked program**  The Department of Education and Training contributes to Outcome 1 through its policies and programs to invest in Australia's research capacity, including the National Collaborative Research Infrastructure Strategy. |
| **Department of the Environment and Energy** |
| **Programs**   * Program 1.1 - Sustainable Management of Natural Resources and the Environment * Program 1.2 - Environmental Information and Research * Program 2.2 - Adapting to Climate Change * Program 3.1 - Antarctica: Science, Policy and Presence |
| **Contribution to Outcome 1 made by linked programs**  The Department of the Environment and Energy contributes to Outcome 1 through the provision of funding to support science and research in the areas of marine science, climate science, ecology, ecotoxicology, hydrology, hydrogeology, informatics and risk analysis.  The Department of the Environment and Energy also supports the Earth Systems and Climate Change Hub and other CSIRO partner Hubs, by providing funding through the National Environmental Science Program. |
| **Bureau of Meteorology** |
| **Program**   * Program 1.1 - Bureau of Meteorology |
| **Contribution to Outcome 1 made by linked program**  The Bureau of Meteorology contributes to Outcome 1 as a Hub partner, and co-research organisation, for the Earth Systems and Climate Change Hub to which CSIRO is the host organisation. |

##### Budgeted expenses for Outcome 1

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

Table 2.1.1: Budgeted expenses for Outcome 1

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Outcome 1:** Innovative scientific and technology solutions to national challenges and opportunities to benefit industry, the environment and the community, through scientific research and capability development, services and advice. | | | | | |
|  | 2018-19 Estimated actual $'000 | 2019-20 Budget  $'000 | 2020-21 Forward estimate $'000 | 2021-22 Forward estimate $'000 | 2022-23 Forward estimate $'000 |
| **Program 1: Research - Science, Services and Innovation Fund** | | | | | |
| Revenue from Government |  |  |  |  |  |
| Ordinary annual services  (Appropriation Bill No. 1) | 701,175 | 691,498 | 687,469 | 695,066 | 703,579 |
| Expenses not requiring  appropriation in the budget year (a) | 25,140 | 5,490 | 8,786 | 9,407 | 9,245 |
| Revenues from other independent  sources | 469,451 | 483,786 | 505,598 | 520,583 | 532,968 |
| **Total expenses for Program 1** | **1,195,766** | **1,180,774** | **1,201,853** | **1,225,056** | **1,245,792** |
| **Program 2: National Research Infrastructure - National Facilities and Collections** | | | | | |
| Revenue from Government |  |  |  |  |  |
| Ordinary annual services  (Appropriation Bill No. 1) | 133,386 | 147,653 | 146,534 | 148,555 | 150,160 |
| Expenses not requiring  appropriation in the budget year (a) | 10,521 | 16,683 | 18,935 | 18,278 | 18,149 |
| Revenues from other  independent sources | 63,621 | 68,109 | 63,338 | 65,099 | 64,997 |
| **Total expenses for Program 2** | **207,528** | **232,445** | **228,807** | **231,932** | **233,306** |
| **Program 3: Science and Industry Endowment Fund** | | | | | |
| Revenue from Government |  |  |  |  |  |
| Ordinary annual services  (Appropriation Bill No. 1) | - | - | - | - | - |
| Expenses not requiring  appropriation in the budget year (a) | 23,012 | 22,863 | 12,995 | 7,952 | 3,446 |
| Revenues from other  independent sources | 1,125 | 1,531 | 873 | 647 | 530 |
| **Total expenses for Program 3** | **24,137** | **24,394** | **13,868** | **8,599** | **3,976** |

Table 2.1.1: Budgeted expenses for Outcome 1 (continued)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2018-19 Estimated actual $'000 | 2019-20 Budget  $'000 | 2020-21 Forward estimate $'000 | 2021-22 Forward estimate $'000 | 2022-23 Forward estimate $'000 |
| **Outcome 1 totals by resource type** | | | | | |
| Revenue from Government |  |  |  |  |  |
| Ordinary annual services  (Appropriation Bill No. 1) | 834,561 | 839,151 | 834,003 | 843,621 | 853,739 |
| Expenses not requiring appropriation  in the budget year (a) | 58,673 | 45,036 | 40,716 | 35,637 | 30,840 |
| Revenues from other independent  sources | 534,197 | 553,426 | 569,809 | 586,329 | 598,495 |
| **Total expenses for Outcome 1** | **1,427,431** | **1,437,613** | **1,444,528** | **1,465,587** | **1,483,074** |
|  |  |  |  |  |  |
| **Average staffing level (number)** | 2018-19 | 2019-20 |  |  |  |
|  | 5,190 | 5,193 |  |  |  |

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.

1. Expenses not requiring appropriation in the Budget year consists of approved operating losses and audit fees.

Table 2.1.2: Program components of Outcome 1

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

**Table 2.1.3: Performance criteria for Outcome 1**

Table 2.1.3 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2019-20 Budget measures have created new programs or materially changed existing programs.

|  |  |  |
| --- | --- | --- |
| Outcome 1 – Innovative scientific and technology solutions to national challenges and opportunities to benefit industry, the environment and the community, through scientific research and capability development, services and advice. | | |
| **Program 1 – Research – Science, Services and Innovation Fund**  This program contributes to the outcome by providing scientific solutions, information and advice to industry and government with a focus on identifying pathways for adoption. Research programs provide science in areas of complex challenges and support students and researchers at various career stages to boost the calibre of researchers working in the Australian community. Education and Outreach programs contribute to the maintenance of Australia’s science capacity, which helps Australia to remain innovative and competitive in science. CSIRO Publishing operates as an independent science and technology publisher with a global reputation for quality products and services covering a wide range of scientific disciplines. | | |
| **Delivery** | CSIRO delivers Program 1 by:   * providing advice and solutions that inform and protect society and the environment, help industry competitiveness, and improve the quality of goods and services for industry and consumers * providing products, technical and advisory services to industry and government * collaborating with businesses, public sector organisations and other publicly funded research agencies (PFRAs), universities and schools to undertake research, fund eligible investment proposals and provide education programs * investing in proposals from universities, PFRAs and their partners to bring forward the commercialisation of research-based solutions aligned with the Government’s Science and Research Priorities, and priority industry sectors as currently articulated via Industry Growth Centres * education and outreach activities to develop increased knowledge of science and its application to students, parents, teachers and the Australian community * administering the Innovation Fund to support start-up businesses and a culture of innovation and entrepreneurship in Australia. | |
| **Performance information** | | |
| **Year** | **Performance criteria** | **Targets** |
| 2018-19 (a) | Demonstrate triple-bottom-line impacts through:   * assessment of the quality of impact from independent Business Unit Reviews * externally validated case studies. | * 80 per cent of impact assessments either benchmark or strong * minimum of 6 case studies per year |
| 2019-20 | Demonstrate triple-bottom-line impacts through externally validated case studies. | *Minimum of externally validated 25 case studies per year* |
| 2020-21 and beyond | As per 2019-20. | *2020-21: 30 case studies*  *2021-22: 35 case studies*  *2022-23: 40 case studies* |
| **Purposes** (b) | We solve Australia’s greatest challenges through innovative science and technology. | |
| **Material changes to Program 1 resulting from the following measures:** Nil | | |
| **Program 2 – National Research Infrastructure – National Facilities and Collections**  This program contributes to the outcome by CSIRO hosting National Research Infrastructure and the Australian National Research Collections on behalf of the scientific community to assist with the delivery of research. These facilities and collections are available for use by the Australian and international research communities and are increasingly publicly accessible. | | |
| **Delivery** | CSIRO delivers Program 2 by:   * managing and operating the National Facilities including the Australian Animal Health Laboratory, Australia Telescope National Facility, Marine National Facility and Pawsey Supercomputing Centre * managing and operating the Australian National Research Collections including the Australian National Fish Collection, Australian National Insect Collection, Australian National Herbarium, Australian National Wildlife Collection, National Tree Seed Collection, National Algae Culture Collection, and the Atlas of Living Australia, the portal to the collections, providing free online access * the identification of facility needs, and the design and creation of new facilities * ensuring access, both nationally and internationally, to the National Facilities and Australian National Research Collections for the Australian and international research community. | |
| **Performance information** | | |
| **Year** | **Performance criteria** | **Targets** |
| 2018-19 (a) | Use of the facilities and collections as measured through: successful astronomical observations (c), time lost during astronomical observations and operations, supercomputer core-hour use, outward loans of collections, and successful marine research days delivered (d). | * Minimum of 70 per cent successful astronomical observations * Maximum 5 per cent time lost during scheduled astronomical observation * 90 per cent core hours on Pawsey supercomputer facility * 70 per cent outward loans of collections (averaged over 5 years) * Minimum of 90 per cent successful research days delivered on Marine National Facilities * Maximum of 10 per cent time lost during scheduled Marine National Facilities operations |
| 2019-20 | Use of the facilities and collections as measured through: successful astronomical observations (c), time lost during astronomical observations and operations, supercomputer core-hour use, outward loans of collections and successful marine research days delivered (d). | Maintain or exceed previous years targets |
| 2020-21 and beyond | As per 2019-20 | As per 2019-20 |
| **Purposes** (b) | We solve Australia’s greatest challenges through innovative science and technology. | |
| **Material changes to Program 2 resulting from the following measures:** Nil | | |

|  |  |  |
| --- | --- | --- |
| **Program 3 – Science and Industry Endowment Fund**  This program contributes to the outcome by making strategic investments in scientific research that addresses issues of national priority for Australia. The Science and Industry Endowment Fund (SIEF) is established by Commonwealth legislation, the *Science and Industry Endowment Act 1926*, for the purpose of supporting scientific and industrial research for the benefit of Australia and its people. Currently SIEF expenditure is funded from gifts of $160 million received from CSIRO since 2010, the New South Wales Department of Industry Endowment of $25 million received in 2017, and an anticipated $30 million from National ICT Australia Ltd since 2018 (e). | | |
| **Delivery** | The program is delivered through the awarding of funds by the Trustee for:   * investing in science that contributes to Australia’s sustainable future such as fundamental research for sustainable resource use, environmental protection and community health, collaborative research that brings together organisations capable of working together on solutions to national challenges, and scholarships that create and sustain young researchers capable of addressing national challenges * the Experimental Development Program, which funds the progression of experimental research and technology development to a stage where it attracts commercial investment and market uptake * the NSW Generation STEM program (new program), which will develop or partner with programs to attract students into STEM at school, higher and vocational education, and retain talent in NSW STEM industries * the Future National ICT Industry Platform Program (new program) which supports substantial scale research activities (Challenges), in the field of information and communications technology with the intention that the outcomes from the Program will benefit Australia by helping create new Australian technology‐based industries and/or applied technology platforms that can reach global scale. | |
| **Performance information** | | |
| **Year** | **Performance criteria** | **Targets** |
| 2018-19 (a) | Evidence of outcomes and impacts of funded projects as demonstrated by case study impact narratives and evaluations. | Minimum of 2 case studies |
| Proportion of research projects involving more than one organisation. | >94 per cent of research projects |
| Use of the research infrastructure as measured through time allocations. | >60 per cent of operational time is used  20 per cent usage in collaborative projects |
| Technologies receiving ongoing commercialisation support from venture capital or industry sources after one year of completing the Experimental Development Program. | Minimum of 1 case study |
| Number of projects where additional STEM+ business funds are spent on research between the company and the STEM + Fellow’s host research team or with others. | 12 projects |
| 2019-20 | Technologies receiving ongoing commercialisation support from venture capital or industry sources after one year of completing the Experimental Development Program. | Minimum of 1 case study |
| *Participant awareness of STEM careers and pathways in NSW.* | *7 per cent increase on the 2018-19 baseline* |
| *Impact narratives and evaluations demonstrating funded challenges are creating new Australian technology‐based industries and/or applied technology platforms that can reach global scale.* | *Minimum of 1 case study per funded challenge* |
| 2020-21 and beyond | Technologies receiving ongoing commercialisation support from venture capital or industry sources after one year of completing the Experimental Development Program. | Minimum of 1 case study |
| *Participant awareness of STEM careers and pathways in NSW.* | *8 per cent increase in 2020-21 on the 2018-19 baseline*  *Minimum 1 per cent annual increment on the 2018-19 baseline for the outward years* |
| *Impact narratives and evaluations demonstrating funded challenges are creating new Australian technology‐based industries and/or applied technology platforms that can reach global scale.* | *Minimum of 1 case study per funded challenge* |
| **Purposes** (b) | We solve Australia’s greatest challenges through innovative science and technology. | |
| **Material changes to Program 3 resulting from the following measures:** Nil | | |

Note: New or modified performance criteria that reflect new or materially changed programs are shown in italics.

1. CSIRO is currently on track to achieve its 2018-19 performance targets.
2. Refers to updated purposes that will be reflected in the 2019-20 Corporate Plan.
3. Success measures observations that were able to be completed.
4. Success means that the research was able to be completed consistent with voyage objectives.
5. The funding available from the CSIRO Gift is almost exhausted, with only the Experimental Development Program actively funding new proposals.

## Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2019-20 budget year, including the impact of budget measures and resourcing on financial statements.

### 3.1 Budgeted financial statements

#### 3.1.1 Differences between entity resourcing and financial statements

The entity resource statement is prepared on a cash basis and provides a view of cash/appropriations resources available to CSIRO whilst the financial statements are prepared on an accrual basis.

#### 3.1.2 Explanatory notes and analysis of budgeted financial statements

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

The budgeted consolidated financial statements comprise the financial statements of the CSIRO and its subsidiaries. CSIRO has a number of subsidiaries, including the Science and Industry Endowment Fund (SIEF), the CSIRO Chile Research Fundación (Fundación), National ICT Australia (NICTA), the Innovation Fund entities and the US Office entities. An application to deregister WLAN Services Pty Ltd (WLAN) has been submitted to ASIC, with an expected deregistration date of 8 April 2019.

##### Budgeted Departmental Income Statement

The Revenue from Government estimate for 2019-20 is $839.2 million. This has decreased from $839.9 million as reported in the 2018-19 Portfolio Additional Estimates Statements due to a movement in the indexation parameters.

The total expense estimate for 2019-20 of $1.4 billion is a decrease of $21.6 million from that reported in the 2018-19 Portfolio Additional Estimates Statements. This reduction is primarily due to a downward revaluation of CSIRO’s non-financial assets resulting in lower depreciation expense estimates. This is also the primary factor in the lower total expenses in each of the forward estimate years.

CSIRO is budgeting for an operating loss in 2019-20 and in the forward estimates years predominantly due to the distribution of funds by the Science and Industry Endowment Fund and unfunded depreciation expenses relating to assets for which capital was previously provided by the Government.

##### Budgeted Departmental Balance Sheet

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

##### Departmental Capital Budget Statement

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

The total capital budget estimate for 2019-20 of $179.3 million is a $31.2 million decrease from the $210.5 million reported in the 2018-19 Portfolio Additional Estimates Statements. This decrease relates to a realignment of the ACT site consolidation project, for CSIRO to continue within the approved funding envelope over the project’s life.

### 3.2 Budgeted financial statements tables

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2018-19 Estimated actual $'000 | 2019-20 Budget  $'000 | 2020-21 Forward estimate $'000 | 2021-22 Forward estimate $'000 | 2022-23 Forward estimate $'000 |
| **EXPENSES** |  |  |  |  |  |
| Employee benefits | 756,041 | 778,993 | 786,327 | 809,739 | 825,834 |
| Suppliers | 509,594 | 495,889 | 493,736 | 490,948 | 492,531 |
| Depreciation and amortisation | 159,421 | 159,351 | 159,350 | 159,185 | 158,894 |
| Finance costs | 2,366 | 3,380 | 5,115 | 5,715 | 5,815 |
| Write-down and impairment of  assets | 5 | - | - | - | - |
| Other expenses | 4 | - | - | - | - |
| **Total expenses** | **1,427,431** | **1,437,613** | **1,444,528** | **1,465,587** | **1,483,074** |
| **LESS:** |  |  |  |  |  |
| **OWN-SOURCE INCOME** |  |  |  |  |  |
| **Own-source revenue** |  |  |  |  |  |
| Sale of goods and rendering of  services | 456,043 | 478,248 | 495,199 | 505,680 | 514,778 |
| Interest | 8,040 | 8,131 | 8,173 | 8,247 | 8,330 |
| Rental income | 6,000 | 6,100 | 6,200 | 6,300 | 6,300 |
| Royalties and licence fees | 40,290 | 38,611 | 44,675 | 50,645 | 53,510 |
| Other revenue | 23,824 | 17,936 | 44,162 | 32,057 | 45,177 |
| **Total own-source revenue** | **534,197** | **549,026** | **598,409** | **602,929** | **628,095** |
| **Gains** |  |  |  |  |  |
| Sale of assets | - | 6,000 | - | - | - |
| **Total gains** | **-** | **6,000** | **-** | **-** | **-** |
| **Total own-source income** | **534,197** | **555,026** | **598,409** | **602,929** | **628,095** |
| **Net (cost of)/contribution by  services** | **(893,234)** | **(882,587)** | **(846,119)** | **(862,658)** | **(854,979)** |
| Revenue from Government | 834,561 | 839,151 | 834,003 | 843,621 | 853,739 |
| **Surplus/(deficit) attributable to  the Australian Government** | **(58,673)** | **(43,436)** | **(12,116)** | **(19,037)** | **(1,240)** |
| **Total comprehensive income/  (loss)** | **(58,673)** | **(43,436)** | **(12,116)** | **(19,037)** | **(1,240)** |
| **Total comprehensive income/  (loss) attributable to the  Australian Government** | **(58,673)** | **(43,436)** | **(12,116)** | **(19,037)** | **(1,240)** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2018-19 Estimated actual $'000 | 2019-20 Budget  $'000 | 2020-21 Forward estimate $'000 | 2021-22 Forward estimate $'000 | 2022-23 Forward estimate $'000 |
| **ASSETS** |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |
| Cash and equivalents | 250,319 | 283,420 | 325,741 | 396,433 | 423,104 |
| Trade and other receivables | 88,700 | 91,151 | 89,904 | 89,791 | 89,732 |
| Other investments | 117,495 | 127,495 | 137,495 | 141,495 | 145,495 |
| ***Total financial assets*** | ***456,514*** | ***502,066*** | ***553,140*** | ***627,719*** | ***658,331*** |
| **Non-financial assets** |  |  |  |  |  |
| Land and buildings | 1,619,248 | 1,601,934 | 1,631,403 | 1,558,801 | 1,501,499 |
| Property, plant and  equipment | 533,738 | 514,092 | 494,373 | 474,690 | 483,298 |
| Heritage and cultural assets | 4,463 | 4,463 | 4,463 | 4,463 | 4,463 |
| Investment property | 49,697 | 49,697 | 49,697 | 49,697 | 49,697 |
| Intangibles | 17,373 | 18,173 | 18,973 | 19,773 | 20,573 |
| Inventories | 1,440 | 1,440 | 1,440 | 1,440 | 1,440 |
| Other non-financial assets | 44,295 | 44,295 | 44,295 | 44,295 | 44,295 |
| ***Total non-financial assets*** | ***2,270,254*** | ***2,234,094*** | ***2,244,644*** | ***2,153,159*** | ***2,105,265*** |
| Assets held for sale | 5,200 | - | - | - | - |
| **Total assets** | **2,731,968** | **2,736,160** | **2,797,784** | **2,780,878** | **2,763,596** |
| **LIABILITIES** |  |  |  |  |  |
| **Payables** |  |  |  |  |  |
| Suppliers | 90,141 | 89,578 | 89,716 | 89,796 | 89,754 |
| Other payables | 142,332 | 143,032 | 145,332 | 148,232 | 151,232 |
| ***Total payables*** | ***232,473*** | ***232,610*** | ***235,048*** | ***238,028*** | ***240,986*** |
| **Interest bearing liabilities** |  |  |  |  |  |
| Interest bearing liabilities | 40,149 | 80,664 | 142,974 | 137,054 | 117,054 |
| ***Total Interest bearing  liabilities*** | ***40,149*** | ***80,664*** | ***142,974*** | ***137,054*** | ***117,054*** |
| **Provisions** |  |  |  |  |  |
| Employee provisions | 222,831 | 224,807 | 228,799 | 232,870 | 232,870 |
| Other provisions | 26,000 | 21,000 | 16,000 | 13,000 | 10,000 |
| ***Total provisions*** | ***248,831*** | ***245,807*** | ***244,799*** | ***245,870*** | ***242,870*** |
| **Total liabilities** | **521,453** | **559,081** | **622,821** | **620,952** | **600,910** |
| **Net assets** | **2,210,515** | **2,177,079** | **2,174,963** | **2,159,926** | **2,162,686** |
| **EQUITY\*** |  |  |  |  |  |
| Contributed equity | 300,954 | 310,954 | 320,954 | 324,954 | 328,954 |
| Reserves | 1,492,334 | 1,492,334 | 1,492,334 | 1,492,334 | 1,492,334 |
| Retained surplus  (accumulated deficit) | 417,227 | 373,791 | 361,675 | 342,638 | 341,398 |
| **Total equity** | **2,210,515** | **2,177,079** | **2,174,963** | **2,159,926** | **2,162,686** |

Prepared on Australian Accounting Standards basis.

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

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2019-20)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Retained earnings  $'000 | Asset revaluation reserve $'000 | Other reserves  $'000 | Contributed equity/ capital $'000 | Total equity   $'000 |
| **Opening balance as at 1 July   2019** |  |  |  |  |  |
| Balance carried forward from  previous period | 417,227 | 1,492,286 | 48 | 300,954 | 2,210,515 |
| ***Adjusted opening balance*** | ***417,227*** | ***1,492,286*** | ***48*** | ***300,954*** | ***2,210,515*** |
| **Comprehensive income** |  |  |  |  |  |
| Surplus/(deficit) for the period | (43,436) | - | - | - | (43,436) |
| ***Total comprehensive  income*** | ***(43,436)*** | ***-*** | ***-*** | ***-*** | ***(43,436)*** |
| of which: |  |  |  |  |  |
| Attributable to the Australian  Government | ***(43,436)*** | ***-*** | ***-*** | ***-*** | ***(43,436)*** |
| **Transactions with owners** |  |  |  |  |  |
| ***Contributions by owners*** |  |  |  |  |  |
| Equity Injection | - | - | - | 10,000 | 10,000 |
| ***Sub-total transactions with  owners*** | ***-*** | ***-*** | ***-*** | ***10,000*** | ***10,000*** |
| **Estimated closing balance as   at 30 June 2020** | **373,791** | **1,492,286** | **48** | **310,954** | **2,177,079** |
| **Closing Balance attributable   to the Australian   Government** | **373,791** | **1,492,286** | **48** | **310,954** | **2,177,079** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2018-19 Estimated actual $'000 | 2019-20 Budget  $'000 | 2020-21 Forward estimate $'000 | 2021-22 Forward estimate $'000 | 2022-23 Forward estimate $'000 |
| **OPERATING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Receipts from Government | 834,561 | 839,151 | 834,003 | 843,621 | 853,739 |
| Sale of goods and  rendering of services | 497,594 | 521,373 | 546,074 | 562,625 | 574,588 |
| Interest | 8,115 | 7,985 | 8,502 | 8,360 | 8,389 |
| Net GST received | - | (719) | 918 | - | - |
| Other | 23,824 | 17,936 | 44,162 | 32,057 | 45,177 |
| ***Total cash received*** | ***1,364,094*** | ***1,385,726*** | ***1,433,659*** | ***1,446,663*** | ***1,481,893*** |
| **Cash used** |  |  |  |  |  |
| Employees | 752,166 | 777,017 | 782,335 | 805,668 | 825,834 |
| Suppliers | 503,285 | 496,452 | 493,598 | 490,868 | 492,573 |
| Borrowing costs | 2,366 | 2,680 | 2,815 | 2,815 | 2,815 |
| Other | 3,819 | 5,000 | 5,000 | 3,000 | 3,000 |
| ***Total cash used*** | ***1,261,636*** | ***1,281,149*** | ***1,283,748*** | ***1,302,351*** | ***1,324,222*** |
| **Net cash from/(used by)  operating activities** | **102,458** | **104,577** | **149,911** | **144,312** | **157,671** |
| **INVESTING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Proceeds from sales of  property, plant  and equipment | - | 67,300 | - | 74,100 | 30,000 |
| ***Total cash received*** | ***-*** | ***67,300*** | ***-*** | ***74,100*** | ***30,000*** |
| **Cash used** |  |  |  |  |  |
| Purchase of property,  plant and equipment and  intangibles | 138,968 | 179,291 | 169,900 | 141,800 | 141,000 |
| Purchase of investments | 10,000 | 10,000 | 10,000 | 4,000 | 4,000 |
| ***Total cash used*** | ***148,968*** | ***189,291*** | ***179,900*** | ***145,800*** | ***145,000*** |
| **Net cash from/(used by)  investing activities** | **(148,968)** | **(121,991)** | **(179,900)** | **(71,700)** | **(115,000)** |

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2018-19 Estimated actual $'000 | 2019-20 Budget  $'000 | 2020-21 Forward estimate $'000 | 2021-22 Forward estimate $'000 | 2022-23 Forward estimate $'000 |
| **FINANCING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Contributed equity | 10,000 | 10,000 | 10,000 | 4,000 | 4,000 |
| Other | - | 45,000 | 65,000 | - | - |
| ***Total cash received*** | ***10,000*** | ***55,000*** | ***75,000*** | ***4,000*** | ***4,000*** |
| **Cash used** |  |  |  |  |  |
| Finance lease payments | 4,134 | 4,485 | 2,690 | 5,920 | - |
| Other | - | - | - | - | 20,000 |
| ***Total cash used*** | ***4,134*** | ***4,485*** | ***2,690*** | ***5,920*** | ***20,000*** |
| **Net cash from/(used by)  financing activities** | **5,866** | **50,515** | **72,310** | **(1,920)** | **(16,000)** |
| **Net increase/(decrease)  in cash held** | **(40,644)** | **33,101** | **42,321** | **70,692** | **26,671** |
| Cash and cash  equivalents  at the beginning of the  reporting period | 290,963 | 250,319 | 283,420 | 325,741 | 396,433 |
| **Cash and cash   equivalents at the end of   the reporting period** | **250,319** | **283,420** | **325,741** | **396,433** | **423,104** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2018-19 Estimated actual $'000 | 2019-20 Budget  $'000 | 2020-21 Forward estimate $'000 | 2021-22 Forward estimate $'000 | 2022-23 Forward estimate $'000 |
| **NEW CAPITAL APPROPRIATIONS** |  |  |  |  |  |
| Equity injections - Bill 2 | 10,000 | 10,000 | 10,000 | 4,000 | 4,000 |
| Other - Bill 2 | - | 45,000 | 65,000 | - | - |
| **Total new capital appropriations** | **10,000** | **55,000** | **75,000** | **4,000** | **4,000** |
| **Provided for:** |  |  |  |  |  |
| *Purchase of non-financial assets* | *-* | *45,000* | *65,000* | *-* | *-* |
| *Other Items* | *10,000* | *10,000* | *10,000* | *4,000* | *4,000* |
| ***Total Items*** | ***10,000*** | ***55,000*** | ***75,000*** | ***4,000*** | ***4,000*** |
| **PURCHASE OF NON-FINANCIAL   ASSETS** |  |  |  |  |  |
| Funded by capital appropriations (a) | - | 43,700 | 31,500 | 34,800 | - |
| Funded internally from departmental  resources (b) | 138,968 | 135,591 | 138,400 | 107,000 | 141,000 |
| **TOTAL** | **138,968** | **179,291** | **169,900** | **141,800** | **141,000** |
| **RECONCILIATION OF CASH USED**  **TO ACQUIRE ASSETS TO ASSET  MOVEMENT TABLE** |  |  |  |  |  |
| Total purchases | 138,968 | 179,291 | 169,900 | 141,800 | 141,000 |
| **Total cash used to acquire assets** | **138,968** | **179,291** | **169,900** | **141,800** | **141,000** |

Prepared on Australian Accounting Standards basis.

1. Includes both current Bill 2 and prior Act 2/4/6 appropriations.
2. Includes the following sources of funding:

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

Table 3.6: Statement of asset movements (Budget year 2019‑20)

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Land    $'000 | Buildings    $'000 | Property, plant and equipment  $'000 | Heritage and cultural  $'000 | Investment property   $'000 | Intangibles     $'000 | L&B, IP&E held for sale   $'000 | Total    $'000 |
| **As at 1 July 2019** |  |  |  |  |  |  |  |  |
| Gross book value | 440,600 | 2,688,249 | 1,209,776 | 13,997 | 49,697 | 57,585 | 5,200 | 4,465,104 |
| Accumulated depreciation/  amortisation and impairment | - | (1,509,601) | (676,038) | (9,534) | - | (40,212) | - | (2,235,385) |
| **Opening net book balance** | **440,600** | **1,178,648** | **533,738** | **4,463** | **49,697** | **17,373** | **5,200** | **2,229,719** |
| **Capital asset additions** |  |  |  |  |  |  |  |  |
| **Estimated expenditure on new  or replacement assets** |  |  |  |  |  |  |  |  |
| By purchase - other | - | 120,691 | 54,600 | - | - | 4,000 | - | 179,291 |
| **Total additions** | **-** | **120,691** | **54,600** | **-** | **-** | **4,000** | **-** | **179,291** |
| **Other movements** |  |  |  |  |  |  |  |  |
| Depreciation/amortisation expense | - | (81,905) | (74,246) | - | - | (3,200) | - | (159,351) |
| Disposals | (56,100) | - | - | - | - | - | (5,200) | (61,300) |
| **Total other movements** | **(56,100)** | **(81,905)** | **(74,246)** | **-** | **-** | **(3,200)** | **(5,200)** | **(220,651)** |
| **As at 30 June 2020** |  |  |  |  |  |  |  |  |
| Gross book value | 384,500 | 2,808,940 | 1,264,376 | 13,997 | 49,697 | 61,585 | - | 4,583,095 |
| Accumulated depreciation/  amortisation and impairment | - | (1,591,506) | (750,284) | (9,534) | - | (43,412) | - | (2,394,736) |
| **Closing net book balance** | **384,500** | **1,217,434** | **514,092** | **4,463** | **49,697** | **18,173** | **-** | **2,188,359** |

Prepared on Australian Accounting Standards basis.

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

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

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

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

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

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

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

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

Table 3.11: Statement of administered asset movements (Budget year 2019-20)

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

Geoscience Australia

Entity resources and planned performance

Geoscience Australia

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# Geoscience Australia

## Section 1: Entity overview and resources

### 1.1 Strategic direction statement

Geoscience Australia is Australia's pre-eminent public sector geoscience organisation and the nation's trusted advisor on the geology and geography of Australia. Geoscience Australia’s work covers the Australian continent, the Australian marine jurisdiction and responsible jurisdictions in Antarctica.

Geoscience Australia applies geoscientific capabilities to the opportunities and challenges that face the nation, to inform and support government, industry, decision-makers and the public.

Geoscience Australia contributes to Australian Government priorities through six key 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: to increase resilience to natural hazards in Australian communities.
* Securing Australia's water resources: to help drive optimal and sustainable use of Australia's groundwater resources.
* Managing Australia's marine jurisdictions: to maximise benefits from the sustainable use of Australia's marine environment.
* 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.

Whilst these key areas form the foundation of the organisation’s ongoing program of work, Geoscience Australia has a particular focus in supporting the Australian Government’s national agendas for jobs and growth, and innovation and science.

Geoscience Australia’s Digital Earth Australia program delivers a world-class digital infrastructure that uses satellite data to detect physical changes across Australia in unprecedented detail. In 2019-20 work will continue to support industry productivity and innovation and the development of new digital products and services. These capabilities will improve decision-making, increase business efficiency, bolster profits and create jobs.

The National Water Infrastructure Development Fund – Expansion, providing $6.5 million over three years from 2019-20, will improve understanding of the groundwater systems in the Great Artesian Basin, using the Surat Basin as a case study. The project will utilise geoscientific data to support responsible management of basin water resources and provide timely information for better decision-making in the Basin.

In 2018-19 the Australian Government announced an ongoing investment, with initial funding of $224.9 million over four years towards developing a world-leading satellite positioning capability for Australia. This work will continue with the development of an Australian [Satellite-Based Augmentation System](http://www.ga.gov.au/scientific-topics/positioning-navigation/positioning-for-the-future/satellite-based-augmentation-system) and the upgrading of Australia's ground Global Navigation Satellite System through the [National Positioning Infrastructure](http://www.ga.gov.au/scientific-topics/positioning-navigation/positioning-for-the-future/national-positioning-infrastructure).

Together these projects aim to build an integrated Australian positioning capability to accelerate the adoption and development of location-based technology and applications. This will enable innovation and efficiency across a range of areas including precision agriculture, transport, emergency management, mining, engineering and logistics.

The Exploring for the Future program, dedicated to boosting investment in resource exploration in northern Australia, will conclude in 2019-20. Geoscience Australia will deliver a resource prospectus for minerals, energy and groundwater that will attract industry investment and support for a vibrant mining, equipment and services industry.

### 1.2 Entity resource statement

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

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

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

Table 1.1: Geoscience Australia resource statement — Budget estimates for 2019-20 as at Budget April 2019

|  |  |  |
| --- | --- | --- |
|  | *2018-19 Estimated actual  $'000* | 2019-20 Estimate  $'000 |
| **Departmental** |  |  |
| Annual appropriations - ordinary annual services (a) |  |  |
| Prior year appropriations available | *50,959* | 40,359 |
| Departmental appropriation (b) | *184,381* | 192,322 |
| s74 External Revenue (c) | *43,399* | 40,673 |
| Departmental capital budget (d) | *4,645* | 4,648 |
| Annual appropriations - other services - non-operating (e) |  |  |
| Equity injection | *10,435* | 19,326 |
| Total departmental annual appropriations | *293,819* | 297,328 |
| ***Total departmental resourcing*** | ***293,819*** | **297,328** |
| **Administered** |  |  |
| Annual appropriations - ordinary annual services (a) |  |  |
| Grant | *19* | 19 |
| Total administered annual appropriations | *19* | 19 |
| **Total administered resourcing** | ***19*** | **19** |
| **Total resourcing for Geoscience Australia** | ***293,838*** | **297,347** |
|  |  |  |
|  | *2018-19* | 2019-20 |
| **Average staffing level (number)** | *600* | 600 |

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

Prepared on a resourcing (that is, appropriations available) basis.

1. Appropriation Bill (No. 1) 2019-20.
2. Excludes Departmental Capital Budget.
3. Estimated external revenue receipts under section 74 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).
4. Departmental capital budgets are not separately identified in Appropriation Bill (No.1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.
5. Appropriation Bill (No. 2) 2019-20.

### 1.3 Budget measures

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

Table 1.2: Entity 2019-20 Budget measures

Part 1: Measures announced since the 2018‑19 Mid-Year Economic and Fiscal Outlook (MYEFO)

Geoscience Australia does not have any measures announced since the the 2018-19 Mid‑Year Economic and Fiscal Outlook (MYEFO); therefore no table is presented.

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

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Program | 2018-19 $'000 | 2019-20 $'000 | 2020-21 $'000 | 2021-22 $'000 | 2022-23 $'000 |
| **Expense Measures** |  |  |  |  |  |  |
| National Water Infrastructure   Package (a) | 1 |  |  |  |  |  |
| Administered expenses |  | - | - | - | - | - |
| Departmental expenses |  | - | 1,000 | 2,900 | 2,600 | - |
| **Total** |  | **-** | **1,000** | **2,900** | **2,600** | **-** |
| **Total measures** |  |  |  |  |  |  |
| Administered |  | - | - | - | - | - |
| Departmental |  | - | 1,000 | 2,900 | 2,600 | - |
| **Total** |  | **-** | **1,000** | **2,900** | **2,600** | **-** |

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

1. The lead entity for the measure National Water Infrastructure Package is the Department of Infrastructure, Regional Development and Cities. The full measure description and package details appeared in MYEFO 2018-19 under the Infrastructure, Regional Development and Cities portfolio.

## Section 2: Outcomes and planned performance

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

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

**Note:**

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

The most recent corporate plan for Geoscience Australia can be found at:

[http://www.ga.gov.au/about/corporate-plan](file:///C:/Users/MM3264/AppData/Local/Microsoft/Windows/INetCache/Content.Outlook/4KS26D8L/Attachment%20F%20-%202019-20%20PBS%20Word%20GA%20Chapter.DOCX).

The most recent annual performance statement can be found at:

[https://www.industry.gov.au/about-us/what-we-do/annual-report](file:///C:/Users/MM3264/AppData/Local/Microsoft/Windows/INetCache/Content.Outlook/4KS26D8L/Attachment%20F%20-%202019-20%20PBS%20Word%20GA%20Chapter.DOCX).

### 2.1 Budgeted expenses and performance for Outcome 1

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

#### Linked programs

| **Department of Industry, Innovation and Science** |
| --- |
| **Programs**   * Program 1 – Supporting Science and Commercialisation * Program 2 – Growing Business Investment and Improving Business Capability * Program 3 – Program Support |
| **Contribution to Outcome 1 made by linked programs**  The Department of Industry, Innovation and Science contributes to Outcome 1 through its policies and programs supporting science, commercialisation, the sustainable development of the resources sector, and encouraging innovative technologies. |
| **Bureau of Meteorology** |
| **Programs**   * Program 1 – Bureau of Meteorology |
| **Contribution to Outcome 1 made by linked programs**  The Bureau of Meteorology partners with Geoscience Australia to provide the Joint Australian Tsunami Warning Centre. |

##### Budgeted expenses for Outcome 1

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

Table 2.1.1: Budgeted expenses for Outcome 1

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Outcome 1:** Informed government, industry and community decisions on the economic, social and environmental management of the nation's natural resources through enabling access to geoscientific and spatial information. | | | | | |
|  | 2018-19 Estimated actual $'000 | 2019-20 Budget  $'000 | 2020-21 Forward estimate $'000 | 2021-22 Forward estimate $'000 | 2022-23 Forward estimate $'000 |
| **Program 1: Geoscientific and Spatial Information Services** | | | | | |
| Administered expenses |  |  |  |  |  |
| Ordinary annual services  (Appropriation Bill No. 1) | 19 | 19 | 19 | 19 | 19 |
| **Administered total** | 19 | 19 | 19 | 19 | 19 |
| Departmental expenses |  |  |  |  |  |
| Departmental appropriation | 184,381 | 192,322 | 186,272 | 187,610 | 181,064 |
| s74 External Revenue (a) | 43,757 | 40,743 | 40,745 | 40,711 | 40,713 |
| Expenses not requiring  appropriation in the Budget  year (b) | 11,272 | 11,953 | 12,074 | 11,997 | 10,752 |
| **Departmental total** | 239,410 | 245,018 | 239,091 | 240,318 | 232,529 |
| **Total expenses for program 1.1** | **239,429** | **245,037** | **239,110** | **240,337** | **232,548** |
| **Outcome 1 Totals by appropriation type** | | | | | |
| Administered expenses |  |  |  |  |  |
| Ordinary annual services  (Appropriation Bill No. 1) | 19 | 19 | 19 | 19 | 19 |
| **Administered total** | 19 | 19 | 19 | 19 | 19 |
| Departmental expenses |  |  |  |  |  |
| Departmental appropriation | 184,381 | 192,322 | 186,272 | 187,610 | 181,064 |
| s74 External Revenue (a) | 43,757 | 40,743 | 40,745 | 40,711 | 40,713 |
| Expenses not requiring  appropriation in the Budget  year (b) | 11,272 | 11,953 | 12,074 | 11,997 | 10,752 |
| **Departmental total** | 239,410 | 245,018 | 239,091 | 240,318 | 232,529 |
| **Total expenses for Outcome 1** | **239,429** | **245,037** | **239,110** | **240,337** | **232,548** |
|  |  |  |  |  |  |
|  | 2018-19 | 2019-20 |  |  |  |
| **Average staffing level (number)** | 600 | 600 |  |  |  |

1. Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act.
2. Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, make good expenses, audit fees and accounting treatment of accommodation lease expenses.

Table 2.1.2: Program components of Outcome 1

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

Table 2.1.3: Performance criteria for Outcome 1

Table 2.1.3 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2019-20 Budget measures have created new programs or materially changed existing programs.

|  |  |  |
| --- | --- | --- |
| Outcome 1 – Informed government, industry and community decisions on the economic, social and environmental management of the nation’s natural resources through enabling access to geoscientific and spatial information. | | |
| **Program 1** – **Geoscientific and Spatial Information Services**  This program contributes to the outcome by providing a wide range of products and services to enable the Australian Government and the community to make informed decisions about the use of natural resources, the management of the environment, and community safety. | | |
| **Delivery** | Geoscience Australia delivers Program 1 by:   * attracting exploration investment to Australia by building a prospectus of minerals and energy resource potential * supporting Australia's capability to manage the impact of natural hazards * informing the understanding of the location, quantity, quality and sustainable use of Australia's groundwater resources and surface water systems * informing marine planning and the sustainable development, management and use of Australia's marine assets * providing reliable national fundamental information about the geographies of the nation * ensuring geoscientific and geospatial data, information and collections are gathered, managed and made accessible for the use of all Australians both now and into the future. | |
| **Performance information** | | |
| **Year** | **Performance criteria** | **Targets** |
| 2018-19 | **Program Performance**  Geoscience Australia’s products and services are fit for purpose, meet stakeholder needs and are underpinned by quality science. | Geoscience Australia continues to be well regarded by its stakeholders with feedback confirming that products and services are fit-for-purpose and are underpinned by quality science. |
| **Products and Services – Stakeholder Satisfaction**   * Overall level of stakeholder satisfaction with Geoscience Australia * The level of stakeholder satisfaction with the quality of Geoscience Australia’s products and services * The level of stakeholder satisfaction with the timeliness of Geoscience Australia in delivering its products and services. | Results of Geoscience Australia’s most recent biennial stakeholder survey, completed in 2017, shows the overall level of stakeholder satisfaction with Geoscience Australia was 91 per cent against a target of 80 per cent. |
| 2019-20 | An increasing reliance by government, industry and the public on Geoscience Australia’s datasets, information and knowledge to inform decision-making. | * A net increase in the discoverability and use of natural resource inventory data * A net increase in the discoverability and use of disaster risk data |
| 2020-21 and beyond | As per 2019-20 | As per 2019-20 |
| **Purposes** | Geoscience Australia is the nation's trusted advisor on the geology and geography of Australia. We apply science and technology to the opportunities and challenges that face the nation.  Our purpose is to provide information and capabilities to support government, industry and the community to make decisions and improve economic, environmental and social outcomes for the nation. | |
| **Material changes to Program 1 resulting from the following measures:** Nil | | |

## Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2019-20 budget year, including the impact of budget measures and resourcing on financial statements.

### 3.1 Budgeted financial statements

#### 3.1.1 Differences between entity resourcing and financial statements

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

#### 3.1.2 Explanatory notes and analysis of budgeted financial statements

##### Budgeted Departmental Income Statement

Total revenues for 2019­­-20 are budgeted at $233.1 million, an increase of $4.9 million from estimated actual revenue from 2018-19, comprising $7.9 million appropriation revenue from the Australian Government (which includes an increase relating to the 2018-19 Mid-Year Economic and Fiscal Outlook measure National Water Infrastructure Development Fund – Expansion), offset by a $3.0 million reduction in own-source revenue. Total expenses for 2019-20 are budgeted at $245.0 million.

Total budgeted deficit for 2019-20 is $12.0 million. This amount represents depreciation and amortisation of $9.3 million, which is no longer funded following the implementation of the Commonwealth’s net cash appropriation framework, and $2.6 million for straight lining the organisation’s accommodation lease.

##### Budgeted Departmental Balance Sheet

Geoscience Australia’s budgeted total asset position of $138.9 million and total liabilities of $107.7 million in 2019-20 are an increase of $14.8 million and $2.8 million respectively from 2018-19. This change predominantly reflects an expected increase in property, plant and equipment for the renewal and expansion of the passive seismic network and an annual increase in the accommodation rental straight lining.

##### Budgeted Capital Budget Statement

Planned capital expenditure for Geoscience Australia for 2019-20 is $24.0 million. This comprises capital expenditure funded from equity injections of $19.3 million and the departmental capital budget of $4.6 million.

##### Budgeted Administered Income Statement

Geoscience Australia will make one payment on behalf of the Australian Government in 2019-20, being a grant of $0.02 million to the Australian International Geological Correlation Program.

##### Budgeted Administered Balance Sheet

Geoscience Australia does not expect to hold any administered assets or liabilities in 2018-19 and 2019-20.

### 3.2 Budgeted financial statements tables

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2018-19 Estimated actual $'000 | 2019-20 Budget  $'000 | 2020-21 Forward estimate $'000 | 2021-22 Forward estimate $'000 | 2022-23 Forward estimate $'000 |
| **EXPENSES** |  |  |  |  |  |
| Employee benefits | 79,027 | 78,289 | 77,996 | 77,996 | 77,996 |
| Suppliers | 152,396 | 157,347 | 150,857 | 151,402 | 144,075 |
| Depreciation and amortisation (b) | 7,938 | 9,333 | 10,189 | 10,871 | 10,409 |
| Other expenses | 49 | 49 | 49 | 49 | 49 |
| **Total expenses** | **239,410** | **245,018** | **239,091** | **240,318** | **232,529** |
| **LESS:** |  |  |  |  |  |
| **OWN-SOURCE INCOME** |  |  |  |  |  |
| **Own-source revenue** |  |  |  |  |  |
| Sale of goods and rendering of  services | 43,105 | 40,089 | 40,089 | 40,053 | 40,053 |
| Other | 652 | 654 | 656 | 658 | 660 |
| **Total own-source revenue** | **43,757** | **40,743** | **40,745** | **40,711** | **40,713** |
| **Total own-source income** | **43,757** | **40,743** | **40,745** | **40,711** | **40,713** |
| **Net (cost of)/contribution by  services** | **(195,653)** | **(204,275)** | **(198,346)** | **(199,607)** | **(191,816)** |
| Revenue from Government | 184,381 | 192,322 | 186,272 | 187,610 | 181,064 |
| **Surplus/(deficit) attributable to the  Australian Government** | **(11,272)** | **(11,953)** | **(12,074)** | **(11,997)** | **(10,752)** |
| **Total comprehensive income/(loss)** | **(11,272)** | **(11,953)** | **(12,074)** | **(11,997)** | **(10,752)** |
| **Total comprehensive income/(loss)  attributable to the Australian  Government** | **(11,272)** | **(11,953)** | **(12,074)** | **(11,997)** | **(10,752)** |
|  |  |  |  |  |  |
| **Note: Impact of net cash appropriation arrangements** | | |  |  |  |
|  | 2018-19 $'000 | 2019-20 $'000 | 2020-21 $'000 | 2021-22 $'000 | 2022-23 $'000 |
| **Total comprehensive income/(loss)  excluding depreciation/  amortisation expenses previously  funded through revenue  appropriations (a)** | **(3,334)** | **(2,620)** | **(1,885)** | **(1,126)** | **(343)** |
| less depreciation/amortisation  expenses previously funded through  revenue appropriations (b) | 7,938 | 9,333 | 10,189 | 10,871 | 10,409 |
| **Total comprehensive income/(loss)  - as per the statement of  comprehensive income** | **(11,272)** | **(11,953)** | **(12,074)** | **(11,997)** | **(10,752)** |

Prepared on Australian Accounting Standards basis.

1. This approved loss relates to straight lining of the Geoscience Australia Symonston accommodation lease in accordance with Australian Accounting Standards.
2. From 2010-11, the Government introduced net cash appropriation arrangements. Bill 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations. For information regarding DCBs, please refer to Table 3.5 Departmental Capital Budget Statement.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2018-19 Estimated actual $'000 | 2019-20 Budget  $'000 | 2020-21 Forward estimate $'000 | 2021-22 Forward estimate $'000 | 2022-23 Forward estimate $'000 |
| **ASSETS** |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |
| Cash and cash equivalents | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 |
| Trade and other receivables | 50,122 | 50,280 | 50,142 | 50,004 | 49,866 |
| Other financial assets | 2,094 | 2,094 | 2,094 | 2,094 | 2,094 |
| ***Total financial assets*** | ***54,716*** | ***54,874*** | ***54,736*** | ***54,598*** | ***54,460*** |
| **Non-financial assets** |  |  |  |  |  |
| Land and buildings | 23,472 | 21,533 | 19,591 | 17,903 | 16,312 |
| Property, plant and equipment | 38,487 | 55,427 | 69,871 | 70,220 | 69,326 |
| Heritage and cultural assets | 2,254 | 2,254 | 2,254 | 2,254 | 2,254 |
| Intangibles | 1,343 | 983 | 571 | 337 | 317 |
| Other non-financial assets | 3,833 | 3,833 | 3,833 | 3,833 | 3,833 |
| ***Total non-financial assets*** | ***69,389*** | ***84,030*** | ***96,120*** | ***94,547*** | ***92,042*** |
| **Total assets** | **124,105** | **138,904** | **150,856** | **149,145** | **146,502** |
| **LIABILITIES** |  |  |  |  |  |
| **Payables** |  |  |  |  |  |
| Suppliers | 39,451 | 42,074 | 43,959 | 45,085 | 45,428 |
| Other payables | 38,808 | 38,331 | 37,561 | 36,791 | 36,021 |
| ***Total payables*** | ***78,259*** | ***80,405*** | ***81,520*** | ***81,876*** | ***81,449*** |
| **Provisions** |  |  |  |  |  |
| Employee provisions | 24,428 | 24,913 | 25,398 | 25,883 | 26,368 |
| Other provisions | 2,262 | 2,409 | 2,556 | 2,703 | 2,850 |
| ***Total provisions*** | ***26,690*** | ***27,322*** | ***27,954*** | ***28,586*** | ***29,218*** |
| **Total liabilities** | **104,949** | **107,727** | **109,474** | **110,462** | **110,667** |
| ***Net assets*** | ***19,156*** | ***31,177*** | ***41,382*** | ***38,683*** | ***35,835*** |
| **EQUITY\*** |  |  |  |  |  |
| **Parent entity interest** |  |  |  |  |  |
| Contributed equity | 65,473 | 89,447 | 111,726 | 121,024 | 128,928 |
| Reserves | 12,292 | 12,292 | 12,292 | 12,292 | 12,292 |
| Retained surplus (accumulated  deficit) | (58,609) | (70,562) | (82,636) | (94,633) | (105,385) |
| ***Total parent entity interest*** | ***19,156*** | ***31,177*** | ***41,382*** | ***38,683*** | ***35,835*** |
| **Total equity** | **19,156** | **31,177** | **41,382** | **38,683** | **35,835** |

Prepared on Australian Accounting Standards basis.

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

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2019-20)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Retained earnings  $'000 | Asset revaluation reserve $'000 | Contributed equity/ capital $'000 | Total equity   $'000 |
| **Opening balance as at 1 July 2019** |  |  |  |  |
| Balance carried forward from  previous period | (58,609) | 12,292 | 65,473 | 19,156 |
| ***Adjusted opening balance*** | ***(58,609)*** | ***12,292*** | ***65,473*** | ***19,156*** |
| **Comprehensive income** |  |  |  |  |
| Surplus/(deficit) for the period | (11,953) | - | - | (11,953) |
| ***Total comprehensive income*** | ***(11,953)*** | ***-*** | ***-*** | ***(11,953)*** |
| of which: |  |  |  |  |
| Attributable to the Australian  Government | (11,953) | - | - | (11,953) |
| **Transactions with owners** |  |  |  |  |
| ***Contributions by owners*** |  |  |  |  |
| Equity injection - Appropriation | - | - | 19,326 | 19,326 |
| Departmental Capital Budget (DCB) |  |  | 4,648 | 4,648 |
| ***Sub-total transactions with  owners*** | ***-*** | ***-*** | ***23,974*** | ***23,974*** |
| **Estimated closing balance as at  30 June 2020** | **(70,562)** | **12,292** | **89,447** | **31,177** |
| **Closing balance attributable to  the Australian Government** | **(70,562)** | **12,292** | **89,447** | **31,177** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2018-19 Estimated actual $'000 | 2019-20 Budget  $'000 | 2020-21 Forward estimate $'000 | 2021-22 Forward estimate $'000 | 2022-23 Forward estimate $'000 |
| **OPERATING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Appropriations | 237,689 | 232,254 | 226,498 | 227,800 | 221,255 |
| Sale of goods and rendering of  services | 42,708 | 40,121 | 40,124 | 40,091 | 40,082 |
| Net GST received | 12,328 | 12,523 | 11,851 | 11,904 | 11,402 |
| Other | 554 | 554 | 554 | 553 | 554 |
| ***Total cash received*** | ***293,279*** | ***285,452*** | ***279,027*** | ***280,348*** | ***273,293*** |
| **Cash used** |  |  |  |  |  |
| Employees | 80,057 | 77,218 | 77,218 | 77,218 | 77,219 |
| Suppliers | 151,179 | 155,591 | 149,834 | 151,136 | 144,590 |
| Net GST paid | 12,191 | 12,523 | 11,851 | 11,904 | 11,402 |
| s74 External Revenue  transferred to the OPA | 42,708 | 40,120 | 40,124 | 40,090 | 40,082 |
| ***Total cash used*** | ***286,135*** | ***285,452*** | ***279,027*** | ***280,348*** | ***273,293*** |
| **Net cash from/(used by)  operating activities** | **7,144** | **-** | **-** | **-** | **-** |
| **INVESTING ACTIVITIES** |  |  |  |  |  |
| **Cash used** |  |  |  |  |  |
| Purchase of property, plant and  equipment and intangibles | 22,130 | 23,974 | 22,279 | 9,298 | 7,904 |
| ***Total cash used*** | ***22,130*** | ***23,974*** | ***22,279*** | ***9,298*** | ***7,904*** |
| ***Net cash from/(used by)  investing activities*** | ***(22,130)*** | ***(23,974)*** | ***(22,279)*** | ***(9,298)*** | ***(7,904)*** |
| **FINANCING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Contributed equity | 15,080 | 23,974 | 22,279 | 9,298 | 7,904 |
| ***Total cash received*** | ***15,080*** | ***23,974*** | ***22,279*** | ***9,298*** | ***7,904*** |
| **Net cash from/(used by)  financing activities** | **15,080** | **23,974** | **22,279** | **9,298** | **7,904** |
| **Net increase/(decrease) in cash  held** | **94** | **-** | **-** | **-** | **-** |
| Cash and cash equivalents at the  beginning of the reporting period | 2,406 | 2,500 | 2,500 | 2,500 | 2,500 |
| **Cash and cash equivalents at  the end of the reporting period** | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2018-19 Estimated actual $'000 | 2019-20 Budget  $'000 | 2020-21 Forward estimate $'000 | 2021-22 Forward estimate $'000 | 2022-23 Forward estimate $'000 |
| **NEW CAPITAL APPROPRIATIONS** |  |  |  |  |  |
| Capital budget - Bill 1 (DCB) | 4,645 | 4,648 | 4,690 | 4,732 | 7,904 |
| Equity injections - Bill 2 | 10,435 | 19,326 | 17,589 | 4,566 | - |
| **Total new capital appropriations** | **15,080** | **23,974** | **22,279** | **9,298** | **7,904** |
| ***Provided for:*** |  |  |  |  |  |
| *Purchase of non-financial assets* | *15,080* | *23,974* | *22,279* | *9,298* | *7,904* |
| ***Total items*** | ***15,080*** | ***23,974*** | ***22,279*** | ***9,298*** | ***7,904*** |
| **PURCHASE OF NON-FINANCIAL  ASSETS** |  |  |  |  |  |
| Funded by capital appropriations (a) | 10,435 | 19,326 | 17,589 | 4,566 | - |
| Funded by capital appropriation -  DCB (b) | 4,645 | 4,648 | 4,690 | 4,732 | 7,904 |
| Funded internally from departmental  resources (c) | 7,049 | - | - | - | - |
| **TOTAL** | **22,129** | **23,974** | **22,279** | **9,298** | **7,904** |
| **RECONCILIATION OF CASH USED  TO ACQUIRE ASSETS TO ASSET  MOVEMENT TABLE** |  |  |  |  |  |
| Total purchases | 22,129 | 23,974 | 22,279 | 9,298 | 7,904 |
| **Total cash used to acquire assets** | **22,129** | **23,974** | **22,279** | **9,298** | **7,904** |

Prepared on Australian Accounting Standards basis.

1. Includes both current Bill 2 and prior Act 2/4/6 appropriations.
2. Does not include annual finance lease costs. Includes purchases from current and previous years’ Departmental Capital Budgets (DCBs).
3. Includes the following sources of funding:

* current Bill 1 and prior year Act 1/3/5 appropriations (excluding amounts from the DCB)
* donations and contributions
* gifts
* internally developed assets
* s74 external revenue
* proceeds from the sale of assets.

Table 3.6: Statement of asset movements (Budget year 2019‑20)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Land    $'000 | Buildings    $'000 | Other property, plant and equipment $'000 | Heritage and cultural  $'000 | Computer software and intangibles $'000 | Total    $'000 |
| **As at 1 July 2019** |  |  |  |  |  |  |
| Gross book value | 1,255 | 24,812 | 47,766 | 2,254 | 9,287 | 85,374 |
| Accumulated depreciation/  amortisation and impairment | - | (2,595) | (9,279) | - | (7,944) | (19,818) |
| **Opening net book balance** | **1,255** | **22,217** | **38,487** | **2,254** | **1,343** | **65,556** |
| **Capital asset additions** |  |  |  |  |  |  |
| **Estimated expenditure on new  or replacement assets** |  |  |  |  |  |  |
| By purchase - appropriation equity (a) | - | - | 19,326 | - | - | 19,326 |
| By purchase - appropriation  ordinary annual services (b) | - | 250 | 4,198 | - | 200 | 4,648 |
| **Total additions** | **-** | **250** | **23,524** | **-** | **200** | **23,974** |
| **Other movements** |  |  |  |  |  |  |
| Depreciation/amortisation expense | - | (2,189) | (6,584) | - | (560) | (9,333) |
| **Total other movements** | **-** | **(2,189)** | **(6,584)** | **-** | **(560)** | **(9,333)** |
| **As at 30 June 2020** |  |  |  |  |  |  |
| Gross book value | 1,255 | 25,062 | 71,290 | 2,254 | 9,487 | 109,348 |
| Accumulated depreciation/  amortisation and impairment | - | (4,784) | (15,863) | - | (8,504) | (29,151) |
| **Closing net book balance** | **1,255** | **20,278** | **55,427** | **2,254** | **983** | **80,197** |
|  |  |  |  |  |  |  |
| **Estimated operating expenditure in income statement for heritage and cultural assets** | | | | | |  |
| Operations and Maintenance |  |  |  | 208 |  |  |
| **Total operating expenditure on heritage and cultural assets** | | | | **208** |  |  |

Prepared on Australian Accounting Standards basis.

1. ‘Appropriation equity’ refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2019-20.

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1. Appropriation ordinary annual services’ refers to funding provided through Appropriation Bill (No. 1) 2019-20 for depreciation/amortisation expenses, Departmental Capital Budgets or other operational expenses

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2018-19 Estimated actual $'000 | 2019-20 Budget  $'000 | 2020-21 Forward estimate $'000 | 2021-22 Forward estimate $'000 | 2022-23 Forward estimate $'000 |
| **EXPENSES** |  |  |  |  |  |
| Grants | 19 | 19 | 19 | 19 | 19 |
| **Total expenses administered on  behalf of Government** | **19** | **19** | **19** | **19** | **19** |
| **Net (cost of)/contribution by  services** | **19** | **19** | **19** | **19** | **19** |
| **Surplus/(deficit) before income tax** | **19** | **19** | **19** | **19** | **19** |
| **Surplus/(deficit) after income tax** | 19 | 19 | 19 | 19 | 19 |
| **Total comprehensive income/(loss)** | **19** | **19** | **19** | **19** | **19** |

Prepared on Australian Accounting Standards basis.

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

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

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2018-19 Estimated actual $'000 | 2019-20 Budget  $'000 | 2020-21 Forward estimate $'000 | 2021-22 Forward estimate $'000 | 2022-23 Forward estimate $'000 |
| **OPERATING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Other | 19 | 19 | 19 | 19 | 19 |
| ***Total cash received*** | ***19*** | ***19*** | ***19*** | ***19*** | ***19*** |
| **Cash used** |  |  |  |  |  |
| Grant | 19 | 19 | 19 | 19 | 19 |
| ***Total cash used*** | ***19*** | ***19*** | ***19*** | ***19*** | ***19*** |
| **Net cash from/(used by)  operating activities** | **-** | **-** | **-** | **-** | **-** |
| ***Net increase/(decrease) in cash  held*** | ***-*** | ***-*** | ***-*** | ***-*** | ***-*** |
| Cash and cash equivalents at  beginning of reporting period | - | - | - | - | - |
| **Cash and cash equivalents at  end of reporting period** | **-** | **-** | **-** | **-** | **-** |

Prepared on Australian Accounting Standards basis.

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

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

Table 3.11: Statement of administered asset movements (Budget year 2019-20)

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

IP Australia

Entity resources and planned performance

IP Australia

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# IP Australia

## Section 1: Entity overview and resources

### 1.1 Strategic direction statement

IP Australia is the entity responsible for administering Australia’s intellectual property (IP) rights system, specifically trademarks, patents, designs and plant breeder’s rights. It operates as a non-corporate Commonwealth entity within the portfolio and recovers more than 99 per cent of its costs by charging fees for its IP rights services.

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

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

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

The IP Australia Corporate Plan guides the organisation’s future direction in pursuit of its goal to deliver a world leading IP system and building prosperity for Australia. This plan provides an overview of IP Australia’s priorities for the next four years to ensure Australians benefit from great ideas, and the key strategies used to deliver them.

The priority areas can be summarised as follows:

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

IP Australia’s key initiatives and challenges for 2019-20 are to:

* Continue to deliver high quality and timely patents, trademarks, designs and plant breeder’s rights.
* Deliver new and improved customer-centric services using digital delivery solutions.
* Continue delivering our legislative change program to improve the IP system, including delivering the government’s response to the Productivity Commission’s inquiry into Australia’s intellectual property arrangements.
* Target education and awareness products to facilitate understanding and value of IP to key customers and stakeholders.
* Better understand stakeholder needs for the Australian Designs System and develop a future strategy.
* Implement our International Engagement Strategy to support Australians to export and invest.
* Progress our data strategy to better use IP Australia’s data and business intelligence and analytics capabilities.
* Continue IP Australia’s ongoing evaluation of performance standards, to ensure measures and targets continue to drive outcomes that meet customer needs.
* Continue further development of the replacement of IP Australia’s IP rights administrative systems with a single platform.
* Ensure our 2019-20 fee review is robust, evidence based and aligned to IP Australia’s long-term investment and cost recovery strategies.

### 1.2 Entity resource statement

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

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

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

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

Table 1.1: IP Australia resource statement — Budget estimates for 2019-20 as at Budget April 2019

|  |  |  |
| --- | --- | --- |
|  | *2018-19 Estimated actual  $'000* | 2019-20 Estimate  $'000 |
| **Departmental** |  |  |
| Annual appropriations - ordinary annual services (a) |  |  |
| Departmental appropriation | *368* | 362 |
| Total departmental annual appropriations | *368* | 362 |
| Special accounts (b) |  |  |
| Opening balance | *84,568* | 64,721 |
| Appropriation receipts (c) | *368* | 362 |
| Non-appropriation receipts | *212,290* | 208,878 |
| Total special accounts | *297,226* | 273,961 |
| *less departmental appropriations drawn from annual/special  appropriations and credited to special accounts* | *368* | 362 |
| ***Total departmental resourcing*** | ***297,226*** | **273,961** |
| **Total resourcing for IP Australia** | ***297,226*** | **273,961** |
|  |  |  |
|  | *2018-19* | 2019-20 |
| **Average staffing level (number)** | *1,046* | 1,054 |

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

Prepared on a resourcing (that is, appropriations available) basis.

1. Appropriation Bill (No. 1) 2019-20.
2. Excludes trust moneys held in Services for Other Entities and Trust Moneys (SOETM) and other special accounts. For further information on special accounts, please refer to Budget Paper No. 4 - Agency Resourcing. Please also see Table 2.1 for further information on outcome and program expenses broken down by various funding sources, e.g. annual appropriations, special appropriations and special accounts.
3. Amounts credited to the special account from IP Australia's annual appropriations.

### 1.3 Budget measures

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

## Section 2: Outcomes and planned performance

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

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

**Note:**

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

The most recent corporate plan for IP Australia can be found at:

https://www.ipaustralia.gov.au/about-us/agency-overview.

The most recent annual performance statement can be found at:

https://www.industry.gov.au/data-and-publications/annual-report-2017-18.

### 2.1 Budgeted expenses and performance for Outcome 1

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

#### Linked programs

| **Department of Industry, Innovation and Science** |
| --- |
| * Program 1 – Supporting Science and Commercialisation * Program 2 - Growing Business investment and Improving Business Capability * Program 3 - Program Support |
| **Contribution to Outcome 1 made by linked programs**  The Department of Industry, Innovation and Science contributes to Outcome 1 through its policies and programs supporting science and commercialisation and through the operation of the Office of the Chief Scientist and the Office of Innovation and Science Australia. |

##### Budgeted expenses for Outcome 1

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

Table 2.1.1: Budgeted expenses for Outcome 1

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Outcome 1:** Increased innovation, investment and trade in Australia, and by Australians overseas, through the administration of the registrable intellectual property rights system, promoting public awareness and industry engagement, and advising government. | | | | | |
|  | 2018-19 Estimated actual $'000 | 2019-20 Budget  $'000 | 2020-21 Forward estimate $'000 | 2021-22 Forward estimate $'000 | 2022-23 Forward estimate $'000 |
| **Program 1: IP Rights Administration and Professional Registration** | | | | | |
| Departmental expenses |  |  |  |  |  |
| Special accounts | 193,540 | 198,579 | 205,619 | 212,269 | 217,706 |
| Expenses not requiring  appropriation in the Budget  year (a) | 155 | 160 | 165 | 170 | 175 |
| **Departmental total** | 193,695 | 198,739 | 205,784 | 212,439 | 217,881 |
| **Total expenses for program 1** | **193,695** | **198,739** | **205,784** | **212,439** | **217,881** |
| **Program 2: Education and Awareness** | | | | | |
| Departmental expenses |  |  |  |  |  |
| Special accounts | 2,243 | 2,301 | 2,382 | 2,460 | 2,523 |
| **Departmental total** | 2,243 | 2,301 | 2,382 | 2,460 | 2,523 |
| **Total expenses for program 2** | **2,243** | **2,301** | **2,382** | **2,460** | **2,523** |
| **Program 3: Advice to Government and International Engagement** | | | | | |
| Departmental expenses |  |  |  |  |  |
| Departmental appropriation | 368 | 362 | 359 | 359 | 362 |
| Special accounts | 12,350 | 12,688 | 13,153 | 13,590 | 13,944 |
| **Departmental total** | 12,718 | 13,050 | 13,512 | 13,949 | 14,306 |
| **Total expenses for program 3** | **12,718** | **13,050** | **13,512** | **13,949** | **14,306** |
| **Outcome 1 Totals by appropriation type** | | | | | |
| Departmental expenses |  |  |  |  |  |
| Departmental appropriation | 368 | 362 | 359 | 359 | 362 |
| Special accounts | 208,133 | 213,568 | 221,154 | 228,319 | 234,173 |
| Expenses not requiring  appropriation in the Budget  year (a) | 155 | 160 | 165 | 170 | 175 |
| **Departmental total** | 208,656 | 214,090 | 221,678 | 228,848 | 234,710 |
| **Total expenses for Outcome 1** | **208,656** | **214,090** | **221,678** | **228,848** | **234,710** |
|  |  |  |  |  |  |
|  | 2018-19 | 2019-20 |  |  |  |
| **Average staffing level (number)** | 1,046 | 1,054 |  |  |  |

1. Expenses not requiring appropriation in the Budget year are made up of audit fees.

Table 2.1.2: Program components of Outcome 1

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

Table 2.1.3: Performance criteria for Outcome 1

Table 2.1.3 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2019-20 Budget measures have created new programs or materially changed existing programs.

|  |  |  |
| --- | --- | --- |
| Outcome 1 – Increased innovation, investment and trade in Australia, and by Australians overseas, through the administration of the registrable intellectual property rights system, promoting public awareness and industry engagement, and advising government. | | |
| **Program 1** – IP Rights Administration and Professional Registration  This program delivers robust intellectual property (IP) rights that satisfy IP Australia’s customers in terms of timeliness and value for money, and by maintaining the Professional Registration of persons wishing to qualify for registration as Patents and/or Trade Marks Attorneys. IP Australia will be recognised as one of the leading IP offices in the world for the quality (including accuracy and consistency) of the IP rights it grants. | | |
| **Delivery** | IP Australia delivers Program 1 by:   * administering patent, trade mark, design and plant breeder’s rights legislation * administering the Trans-Tasman IP Attorneys Board for Patent and Trade Marks Attorneys and the Patent Attorneys Disciplinary Tribunal * charging customers for the deliverables listed below and also under legislation for the retention of rights once granted (renewal fees). | |
| **Performance information** | | |
| **Year** | **Performance criteria** | **Targets** |
| 2018-19 | Timely processing of IP Rights applications | All IP Rights applications are processed within the undertakings set out in the Customer Service Charter which is reviewed and set in consultation with stakeholders. |
| Processing of IP Rights applications is conducted in accordance with IP Australia’s quality standards | All IP Rights applications are processed in accordance with the Acceptable Quality Levels and Standards which are reviewed and set in consultation with stakeholders. |
| 2019-20 | Timely processing of IP Rights applications | All IP Rights applications are processed within the undertakings set out in the Customer Service Charter which is reviewed and set in consultation with stakeholders. |
| Processing of IP Rights applications is conducted in accordance with IP Australia’s quality standards | All IP Rights applications are processed in accordance with the agreed quality levels and standards which are reviewed and set in consultation with stakeholders. |
| Process applications for trans-Tasman attorney registration within acceptable time frame | Process applications within 15 days from the date that the application complies with all of the registration requirements. |
| 2020-21 and beyond | As per 2019-20 | As per 2019-20 |
| **Purpose** | Ensure Australians benefit from great ideas | |
| **Material changes to Program 1 resulting from the following measures:** Nil | | |
| **Program 2 – 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. | | |
| **Delivery** | IP Australia delivers Program 2 by:   * delivering public education and awareness programs, which promote the importance of IP and provide Australians with the tools they require to make informed decisions regarding IP. | |
| **Performance information** | | |
| **Year** | **Performance criteria** | **Targets** |
| 2018-19 | Customer satisfaction with IP Australia’s education and awareness services. | 90 per cent of customers were satisfied with IP Australia’s education and awareness services. |
| 2019-20 | Customer satisfaction with IP Australia’s education and awareness services | 90 per cent of customers were satisfied with IP Australia’s education and awareness services. |
| 2020-21 and beyond | As per 2019-20 | As per 2019-20 |
| **Purpose** | Ensure Australians benefit from great ideas | |
| **Material changes to Program 2 resulting from the following measures:** Nil | | |
| **Program 3 – Advice to Government and International Engagement**  Supporting policy and legislative change to foster Australian innovation by shaping the development of the IP system both domestically and abroad. IP Australia engages internationally to influence the development of effective intellectual property systems in line with Australia’s interests. | | |
| **Delivery** | IP Australia delivers Program 2 by:   * Providing advice to government on intellectual property matters and supporting research into the current and future use of IP rights, and engaging with key international stakeholders and IP bodies. * Providing policy advice across government and internationally to support policy and legislative objectives. * Proactively managing international engagement activities to support our customers and further Australia’s interests and contribute to capacity building activities focused on our region to support the international engagement objective of this program. | |
| **Performance information** | | |
| **Year** | **Performance criteria** | **Targets** |
| 2018-19 | Advice to the Australian Government on policy, legislation, ministerial correspondence, briefs and speeches. | Provision of high-quality, timely and strategic policy advice to the Minister. |
| Work with regional IP partners to strengthen patent examination competence of participating IP Offices. | 90 per cent of participating patent examiners achieve within the program timeline a standard of competence necessary to produce a quality search and examination using Patent Cooperation Treaty (PCT) examination guidelines. |
| 2019-20 | Advice to the Australian Government on policy, legislation, ministerial correspondence, briefs and speeches. | Provision of high-quality, timely and strategic policy advice to the Minister. |
| Work with regional IP partners to strengthen patent examination competence of participating IP Offices. | 90 per cent of participating patent examiners achieve within the program timeline a standard of competence necessary to produce a quality search and examination using Patent Cooperation Treaty (PCT) examination guidelines. |
| 2020-21 and beyond | As per 2019-20 | As per 2019-20 |
| **Purpose** | Ensure Australians benefit from great ideas | |
| **Material changes to Program 3 resulting from the following measures:** Nil | | |

## Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2019-20 budget year, including the impact of budget measures and resourcing on financial statements.

### 3.1 Budgeted financial statements

#### 3.1.1 Differences between entity resourcing and financial statements

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

#### 3.1.2 Explanatory notes and analysis of budgeted financial statements

IP Australia is budgeting for an operating loss of $5.0 million for 2019-20, which is consistent with the loss reported in the 2018-19 Portfolio Budget Statements. A return to surplus of $3.5 million is forecast in 2020‑21.

##### Budgeted Departmental Income Statement

Departmental revenue from the sale of goods and rendering of services in 2019-20 is estimated to be $208.6 million compared to the estimate of $203.1 million for 2018-19, an increase of $5.4 million.

Revenue from Government for 2019-20 is budgeted at $0.4 million and reflects funding arrangements for non-regulatory charging activities undertaken by IP Australia.

Total departmental expenses budgeted in 2019-20 are $214.1 million, comprising $131.6 million for employee expenses, $62.7 million for suppliers and $19.8 million for depreciation and amortisation.

##### Budgeted Departmental Balance Sheet

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

##### Assets

Total departmental assets budgeted for 2019-20 are $199.1 million, comprising $56.5 million in financial assets and $142.5 million in non-financial assets.

Financial assets consist of $54.0 million for cash and $2.6 million for receivables. Non-financial assets include $92.1 million for intangibles, $34.7 million for land and buildings, $10.3 million for property, plant and equipment and $5.4 million in other non-financial assets.

##### Liabilities

Total departmental liabilities budgeted for in 2019-20 are $93.1 million, comprising $52.9 million in payables and $40.2 million in provisions.

The other payables estimate represents the unearned income attributable to unexamined IP rights.

##### Budgeted Departmental Statement of Cash Flows

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

### 3.2 Budgeted financial statements tables

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2018-19 Estimated actual $'000 | 2019-20 Budget  $'000 | 2020-21 Forward estimate $'000 | 2021-22 Forward estimate $'000 | 2022-23 Forward estimate $'000 |
| **EXPENSES** |  |  |  |  |  |
| Employee benefits | 128,691 | 131,561 | 133,936 | 137,786 | 143,484 |
| Suppliers | 63,373 | 62,703 | 66,505 | 67,389 | 67,829 |
| Depreciation and amortisation | 16,592 | 19,826 | 21,237 | 23,673 | 23,397 |
| **Total expenses** | **208,656** | **214,090** | **221,678** | **228,848** | **234,710** |
| **LESS:** |  |  |  |  |  |
| **OWN-SOURCE INCOME** |  |  |  |  |  |
| **Own-source revenue** |  |  |  |  |  |
| Sale of goods and rendering of  services | 203,133 | 208,568 | 224,654 | 230,819 | 235,173 |
| **Total own-source revenue** | **203,133** | **208,568** | **224,654** | **230,819** | **235,173** |
| **Gains** |  |  |  |  |  |
| Other | 155 | 160 | 165 | 170 | 175 |
| **Total gains** | **155** | **160** | **165** | **170** | **175** |
| **Total own-source income** | **203,288** | **208,728** | **224,819** | **230,989** | **235,348** |
| **Net (cost of)/contribution by  services** | **(5,368)** | **(5,362)** | **3,141** | **2,141** | **638** |
| Revenue from Government | 368 | 362 | 359 | 359 | 362 |
| **Surplus/(deficit) attributable to the  Australian Government** | **(5,000)** | **(5,000)** | **3,500** | **2,500** | **1,000** |
| **Total comprehensive income/(loss)** | **(5,000)** | **(5,000)** | **3,500** | **2,500** | **1,000** |
| **Total comprehensive income/(loss)  attributable to the Australian  Government** | **(5,000)** | **(5,000)** | **3,500** | **2,500** | **1,000** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2018-19 Estimated actual $'000 | 2019-20 Budget  $'000 | 2020-21 Forward estimate $'000 | 2021-22 Forward estimate $'000 | 2022-23 Forward estimate $'000 |
| **ASSETS** |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |
| Cash and cash equivalents | 64,721 | 53,974 | 55,988 | 64,457 | 64,416 |
| Trade and other receivables | 2,546 | 2,558 | 2,733 | 2,789 | 2,817 |
| ***Total financial assets*** | ***67,267*** | ***56,532*** | ***58,721*** | ***67,246*** | ***67,233*** |
| **Non-financial assets** |  |  |  |  |  |
| Land and buildings | 24,243 | 34,742 | 32,593 | 29,960 | 28,172 |
| Property, plant and equipment | 9,687 | 10,266 | 10,583 | 10,174 | 10,324 |
| Intangibles | 93,043 | 92,139 | 97,734 | 97,103 | 100,344 |
| Other non-financial assets | 5,459 | 5,402 | 5,729 | 5,805 | 5,843 |
| ***Total non-financial assets*** | ***132,432*** | ***142,549*** | ***146,639*** | ***143,042*** | ***144,683*** |
| **Total assets** | **199,699** | 199,081 | **205,360** | **210,288** | **211,916** |
| **LIABILITIES** |  |  |  |  |  |
| **Payables** |  |  |  |  |  |
| Suppliers | 19,215 | 21,120 | 23,660 | 25,170 | 26,194 |
| Other payables | 30,998 | 31,807 | 30,305 | 29,407 | 27,117 |
| ***Total payables*** | ***50,213*** | ***52,927*** | ***53,965*** | ***54,577*** | ***53,311*** |
| **Provisions** |  |  |  |  |  |
| Employee provisions | 38,445 | 40,113 | 41,854 | 43,670 | 45,564 |
| Other provisions | 56 | 56 | 56 | 56 | 56 |
| ***Total provisions*** | ***38,501*** | ***40,169*** | ***41,910*** | ***43,726*** | ***45,620*** |
| **Total liabilities** | **88,714** | **93,096** | **95,875** | **98,303** | **98,931** |
| **Net assets** | **110,985** | **105,985** | **109,485** | **111,985** | **112,985** |
| **EQUITY\*** |  |  |  |  |  |
| **Parent entity interest** |  |  |  |  |  |
| Contributed equity | 5,908 | 5,908 | 5,908 | 5,908 | 5,908 |
| Reserves | 1,946 | 1,946 | 1,946 | 1,946 | 1,946 |
| Retained surplus (accumulated  deficit) | 103,131 | 98,131 | 101,631 | 104,131 | 105,131 |
| ***Total parent entity interest*** | ***110,985*** | ***105,985*** | ***109,485*** | ***111,985*** | ***112,985*** |
| **Total equity** | **110,985** | **105,985** | **109,485** | **111,985** | **112,985** |

Prepared on Australian Accounting Standards basis.

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

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2019-20)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Retained earnings  $'000 | Asset revaluation reserve $'000 | Contributed equity/ capital $'000 | Total equity   $'000 |
| **Opening balance as at 1 July 2019** |  |  |  |  |
| Balance carried forward from  previous period | 103,131 | 1,946 | 5,908 | 110,985 |
| ***Adjusted opening balance*** | ***103,131*** | ***1,946*** | ***5,908*** | ***110,985*** |
| **Comprehensive income** |  |  |  |  |
| Surplus/(deficit) for the period | (5,000) | - | - | (5,000) |
| ***Total comprehensive income*** | ***(5,000)*** | ***-*** | ***-*** | ***(5,000)*** |
| of which: |  |  |  |  |
| Attributable to the Australian  Government | (5,000) | - | - | (5,000) |
| **Estimated closing balance as at  30 June 2020** | **98,131** | **1,946** | **5,908** | **105,985** |
| **Closing balance attributable to  the Australian Government** | **98,131** | **1,946** | **5,908** | **105,985** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2018-19 Estimated actual $'000 | 2019-20 Budget  $'000 | 2020-21 Forward estimate $'000 | 2021-22 Forward estimate $'000 | 2022-23 Forward estimate $'000 |
| **OPERATING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Appropriations | 368 | 362 | 359 | 359 | 362 |
| Sale of goods and rendering of  services | 202,075 | 208,828 | 223,038 | 229,785 | 232,667 |
| Net GST received | 484 | 18 | (105) | (24) | (12) |
| ***Total cash received*** | ***202,927*** | ***209,208*** | ***223,292*** | ***230,120*** | ***233,017*** |
| **Cash used** |  |  |  |  |  |
| Employees | 128,431 | 128,697 | 131,474 | 135,189 | 140,723 |
| Suppliers | 62,922 | 61,290 | 64,836 | 66,494 | 67,335 |
| ***Total cash used*** | ***191,353*** | ***189,987*** | ***196,310*** | ***201,683*** | ***208,058*** |
| **Net cash from/(used by)  operating activities** | **11,574** | **19,221** | **26,982** | **28,437** | **24,959** |
| **INVESTING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Proceeds from sales of property,  plant and equipment | 9,579 | 32 | 32 | 32 | - |
| ***Total cash received*** | ***9,579*** | ***32*** | ***32*** | ***32*** | ***-*** |
| **Cash used** |  |  |  |  |  |
| Purchase of property, plant and  equipment and intangibles | 41,000 | 30,000 | 25,000 | 20,000 | 25,000 |
| ***Total cash used*** | ***41,000*** | ***30,000*** | ***25,000*** | ***20,000*** | ***25,000*** |
| **Net cash from/(used by)  investing activities** | **(31,421)** | **(29,968)** | **(24,968)** | **(19,968)** | **(25,000)** |
| **Net increase/(decrease) in cash  held** | **(19,847)** | **(10,747)** | **2,014** | **8,469** | **(41)** |
| Cash and cash equivalents at the  beginning of the reporting period | 84,568 | 64,721 | 53,974 | 55,988 | 64,457 |
| **Cash and cash equivalents at  the end of the reporting period** | **64,721** | **53,974** | **55,988** | **64,457** | **64,416** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2018-19 Estimated actual $'000 | 2019-20 Budget  $'000 | 2020-21 Forward estimate $'000 | 2021-22 Forward estimate $'000 | 2022-23 Forward estimate $'000 |
| **PURCHASE OF NON-FINANCIAL  ASSETS** |  |  |  |  |  |
| Funded internally from departmental  resources (a) | 41,000 | 30,000 | 25,000 | 20,000 | 25,000 |
| **TOTAL** | **41,000** | **30,000** | **25,000** | **20,000** | **25,000** |
| **RECONCILIATION OF CASH USED  TO ACQUIRE ASSETS TO ASSET  MOVEMENT TABLE** |  |  |  |  |  |
| Total purchases | 41,000 | 30,000 | 25,000 | 20,000 | 25,000 |
| **Total cash used to acquire assets** | **41,000** | **30,000** | **25,000** | **20,000** | **25,000** |

Prepared on Australian Accounting Standards basis.

1. Includes the following sources of funding:

* current Bill 1 and prior year Act 1/3/5 appropriations
* own-source revenue
* proceeds from the sale of assets.

Table 3.6: Statement of asset movements (Budget year 2019‑20)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Buildings    $'000 | Other property, plant and equipment $'000 | Computer software and intangibles $'000 | Total    $'000 |
| **As at 1 July 2019** |  |  |  |  |
| Gross book value | 28,398 | 17,256 | 190,005 | 235,659 |
| Accumulated depreciation/  amortisation and impairment | (4,155) | (7,569) | (96,962) | (108,686) |
| **Opening net book balance** | **24,243** | **9,687** | **93,043** | **126,973** |
| **Capital asset additions** |  |  |  |  |
| **Estimated expenditure on new  or replacement assets** |  |  |  |  |
| By purchase - other | 13,208 | 4,545 | 12,247 | 30,000 |
| **Total additions** | **13,208** | **4,545** | **12,247** | **30,000** |
| **Other movements** |  |  |  |  |
| Depreciation/amortisation expense | (2,709) | (3,966) | (13,151) | (19,826) |
| **Total other movements** | **(2,709)** | **(3,966)** | **(13,151)** | **(19,826)** |
| **As at 30 June 2020** |  |  |  |  |
| Gross book value | 41,606 | 21,801 | 202,252 | 265,659 |
| Accumulated depreciation/  amortisation and impairment | (6,864) | (11,535) | (110,113) | (128,512) |
| **Closing net book balance** | **34,742** | **10,266** | **92,139** | **137,147** |

Prepared on Australian Accounting Standards basis.

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

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

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

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

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

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

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

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

Table 3.11: Statement of administered asset movements (Budget year 2019-20)

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

National Offshore Petroleum Safety and Environmental Management Authority

Entity resources and planned performance

National Offshore Petroleum Safety and Environmental Management Authority

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# National Offshore Petroleum Safety and Environmental Management Authority

## Section 1: Entity overview and resources

### 1.1 Strategic direction statement

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

NOPSEMA’s core functions are detailed in section 646 of the OPGGS Act. NOPSEMA will continue to focus on its core functions to promote improvement in industry performance and to secure duty holder compliance. In 2019-20, NOPSEMA’s key priorities will include:

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

NOPSEMA’s Corporate Plan 2018-23 provides further details on the direction for the organisation. The Corporate Plan is prepared under the OPGGS Act and in compliance with the PGPA Act. It can be accessed at www.nopsema.gov.au, together with information about the history of NOPSEMA.

### 1.2 Entity resource statement

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

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

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

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

Table 1.1: NOPSEMA resource statement — Budget estimates for 2019-20 as at Budget April 2019

|  |  |  |
| --- | --- | --- |
|  | *2018-19 Estimated actual $'000* | 2019-20 Estimate  $'000 |
| **Opening balance/cash reserves at 1 July (a)** | *16,234* | 15,204 |
| **Funds from Government** |  |  |
| Amounts received from related entities |  |  |
| Amounts from portfolio department (a) | *38,735* | 37,062 |
| Total amounts received from related entities | *38,735* | 37,062 |
| **Total funds from Government** | ***38,735*** | **37,062** |
| **Funds from other sources** |  |  |
| Interest | *150* | 150 |
| **Total funds from other sources** | ***150*** | **150** |
| **Total net resourcing for NOPSEMA** | ***55,119*** | **52,416** |
|  |  |  |
|  | *2018-19* | 2019-20 |
| **Average staffing level (number)** | *112* | 135 |

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

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

### 1.3 Budget measures

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

## Section 2: Outcomes and planned performance

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

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

**Note:**

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

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

https://www.nopsema.gov.au/assets/Corporate/A571891.pdf

The most recent annual performance statement can be found at:

<https://www.nopsema.gov.au/assets/Publications/A638600.pdf>, or

https://www.nopsema.gov.au/resources/publications

### 2.1 Budgeted expenses and performance for Outcome 1

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

#### Linked programs

| **Department of Industry, Innovation and Science** |
| --- |
| **Programs**   * Program 2 - Growing Business Investment and Improving Business Capability * Program 3 - Program Support |
| **Contribution to Outcome 1 made by linked programs**  The Department of Industry, Innovation and Science contributes to Outcome 1 through its policies and program relating to the management and administration of the Offshore Petroleum and Greenhouse Gas Storage Act 2006 and associated regulations. |

##### Budgeted expenses for Outcome 1

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

Table 2.1.1: Budgeted expenses for Outcome 1

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Outcome 1:** Promote and enforce the effective manangement of risks to the workforce, the environment and the structural integrity of facilities, wells and well-related equipment of the Australian offshore petroleum and greenhouse gas storage industries through regulatory oversight. | | | | | |
|  | 2018-19 Estimated actual $'000 | 2019-20 Budget  $'000 | 2020-21 Forward estimate $'000 | 2021-22 Forward estimate $'000 | 2022-23 Forward estimate $'000 |
| **Program 1: Regulatory oversight of Safety Cases, Wells Operations Management Plans and Environment Plans coupled with effective monitoring, investigation and enforcement** | | | | | |
| Revenue from Government |  |  |  |  |  |
| Payment from related entities | 38,735 | 37,062 | 37,062 | 37,062 | 37,062 |
| Expenses not requiring  appropriation in the budget year (a) | 1,049 | - | - | - | - |
| Revenues from other independent  sources | 150 | 150 | 150 | 150 | 150 |
| **Total expenses for Program 1** | **39,934** | **37,212** | **37,212** | **37,212** | **37,212** |
| **Outcome 1 totals by resource type** | | | | | |
| Revenue from Government |  |  |  |  |  |
| Payment from related entities | 38,735 | 37,062 | 37,062 | 37,062 | 37,062 |
| Expenses not requiring  appropriation in the budget year (a) | 1,049 | - | - | - | - |
| Revenues from other independent  sources | 150 | 150 | 150 | 150 | 150 |
| **Total expenses for Outcome 1** | **39,934** | **37,212** | **37,212** | **37,212** | **37,212** |
|  |  |  |  |  |  |
|  | 2018-19 | 2019-20 |  |  |  |
| **Average staffing level (number)** | 112 | 135 |  |  |  |

1. Expenses not requiring appropriation in the budget year consist of an approved operating loss.

Table 2.1.2: Program components of Outcome 1

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

Table 2.1.3: Performance criteria for Outcome 1

Table 2.1.3 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2019-20 Budget measures have created new programs or materially changed existing programs.

| Outcome 1 – Promote and enforce the effective management of risks to the workforce, the environment and the structural integrity of facilities, wells and well-related equipment of the Australian offshore petroleum and greenhouse gas storage industries through regulatory oversight. | | |
| --- | --- | --- |
| **Program 1 – Regulatory oversight of Safety Cases, Well Operations Management Plans and Environment Plans coupled with effective monitoring, investigation and enforcement.**  This program contributes to the outcome by fulfilling NOPSEMA’s legislated functions, including assessment, inspection, enforcement, promotion and advisory activities, with its target group being duty holders in the offshore petroleum industry. | | |
| **Delivery** | NOPSEMA delivers Program 1 by:   * implementing risk-based assessment procedures for all legislated submissions * implementing risk-based inspection programs for all offshore petroleum activities * taking proportionate enforcement actions that facilitate duty holder return to compliance * undertaking investigations in response to potential and reported non-compliances. | |
| **Performance information** | | |
| **Year** | **Performance criteria** | **Targets** |
| 2018-19 (a) | Assessments are undertaken in line with risk-based elements as per NOPSEMA policies | 92 per cent |
| Risk-based inspections are conducted to meet policy targets. | 90 per cent |
| Enforcement actions are undertaken in accordance with the Enforcement Management Model (EMM). | 100 per cent |
| Incidents are investigated in accordance with NOPSEMA policies. | 100 per cent |
| 2019-20 | As per 2018-19 | As per 2018-19 |
| 2020-21 and beyond | As per 2018-19 | As per 2018-19 |
| **Purposes** | To independently and professionally regulate offshore safety, integrity and environmental management. | |
| **Material changes to Program 1 resulting from the following measures:** Nil | | |

1. As of 31 December 2018, NOPSEMA is on track to achieve its 2018-19 performance targets.

## Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2019-20 budget year, including the impact of budget measures and resourcing on financial statements.

### 3.1 Budgeted financial statements

#### 3.1.1 Differences between entity resourcing and financial statements

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

#### 3.1.2 Explanatory notes and analysis of budgeted financial statements

NOPSEMA cost recovers under the OPGGS Act and associated legislation. NOPSEMA’s levies and fees are set and managed in accordance with the Australian Government Charging Framework. This framework builds upon the existing Australian Government Cost Recovery Guidelines, which require the preparation and review of a Cost Recovery Implementation Statement (CRIS).

Levies and fees are collected from duty holders planning for, and undertaking, offshore petroleum and greenhouse gas storage operations. These levies and fees allow NOPSEMA to recover its expenditure related to discharging its regulatory responsibilities effectively and achieving the outcomes stated in Section 2.1. The CRIS is maintained to reflect changes to the cost recovery model and is updated regularly with financial and non-financial performance information. NOPSEMA last updated its CRIS in late 2018 to reflect levy increases that commenced on 1 January 2019.

The budgeted revenue of $37.8 million for 2019-20 has decreased by $0.6 million since the 2018-19 Portfolio Budget Statements were prepared.

The budgeted expenditure of $37.8 million for 2019-20 has decreased by $0.6 million since the 2018-19 Portfolio Budget Statements were prepared.

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

### 3.2 Budgeted financial statements tables

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2018-19 Estimated actual $'000 | 2019-20 Budget  $'000 | 2020-21 Forward estimate $'000 | 2021-22 Forward estimate $'000 | 2022-23 Forward estimate $'000 |
| **EXPENSES** |  |  |  |  |  |
| Employee benefits | 30,714 | 28,699 | 28,699 | 28,699 | 28,699 |
| Suppliers | 8,200 | 7,493 | 7,493 | 7,493 | 7,493 |
| Depreciation and amortisation | 1,020 | 1,020 | 1,020 | 1,020 | 1,020 |
| **Total expenses** | **39,934** | **37,212** | **37,212** | **37,212** | **37,212** |
| **LESS:** |  |  |  |  |  |
| **OWN-SOURCE INCOME** |  |  |  |  |  |
| **Own-source revenue** |  |  |  |  |  |
| Interest | 150 | 150 | 150 | 150 | 150 |
| **Total own-source revenue** | **150** | **150** | **150** | **150** | **150** |
| **Total own-source income** | **150** | **150** | **150** | **150** | **150** |
| **Net (cost of)/contribution by  services** | **(39,784)** | **(37,062)** | **(37,062)** | **(37,062)** | **(37,062)** |
| Revenue from Government (a) | 38,735 | 37,062 | 37,062 | 37,062 | 37,062 |
| **Surplus/(deficit) attributable to the  Australian Government** | **(1,049)** | **-** | **-** | **-** | **-** |
| **Total comprehensive income/(loss)** | **(1,049)** | **-** | **-** | **-** | **-** |
| **Total comprehensive income/(loss)  attributable to the Australian  Government** | **(1,049)** | **-** | **-** | **-** | **-** |

Prepared on Australian Accounting Standards basis.

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

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2018-19 Estimated actual $'000 | 2019-20 Budget  $'000 | 2020-21 Forward estimate $'000 | 2021-22 Forward estimate $'000 | 2022-23 Forward estimate $'000 |
| **ASSETS** |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |
| Cash and cash equivalents | 15,204 | 15,223 | 15,202 | 15,222 | 15,242 |
| Trade and other receivables | 3,888 | 3,888 | 3,888 | 3,888 | 3,888 |
| Other financial assets | 1,501 | 1,501 | 1,501 | 1,501 | 1,501 |
| ***Total financial assets*** | ***20,593*** | ***20,612*** | ***20,591*** | ***20,611*** | ***20,631*** |
| **Non-financial assets** |  |  |  |  |  |
| Property, plant and equipment | 1,897 | 1,897 | 1,897 | 1,897 | 1,897 |
| Intangibles | 701 | 681 | 681 | 661 | 641 |
| Other non-financial assets | 412 | 412 | 412 | 412 | 412 |
| ***Total non-financial assets*** | ***3,010*** | ***2,990*** | ***2,990*** | ***2,970*** | ***2,950*** |
| **Total assets** | **23,603** | **23,602** | **23,581** | **23,581** | **23,581** |
| **LIABILITIES** |  |  |  |  |  |
| **Payables** |  |  |  |  |  |
| Suppliers | 578 | 578 | 578 | 578 | 578 |
| Other payables | 771 | 770 | 770 | 770 | 770 |
| ***Total payables*** | ***1,349*** | ***1,348*** | ***1,348*** | ***1,348*** | ***1,348*** |
| **Interest bearing liabilities** |  |  |  |  |  |
| Leases | 1,821 | 1,821 | 1,821 | 1,821 | 1,821 |
| ***Total interest bearing liabilities*** | ***1,821*** | ***1,821*** | ***1,821*** | ***1,821*** | ***1,821*** |
| **Provisions** |  |  |  |  |  |
| Employee provisions | 5,099 | 5,099 | 5,099 | 5,099 | 5,099 |
| Other provisions | 487 | 487 | 487 | 487 | 487 |
| ***Total provisions*** | ***5,586*** | ***5,586*** | ***5,586*** | ***5,586*** | ***5,586*** |
| **Total liabilities** | **8,756** | **8,755** | **8,755** | **8,755** | **8,755** |
| **Net assets** | **14,847** | **14,847** | **14,826** | **14,826** | **14,826** |
| **EQUITY\*** |  |  |  |  |  |
| **Parent entity interest** |  |  |  |  |  |
| Contributed equity | 896 | 896 | 896 | 896 | 896 |
| Retained surplus (accumulated  deficit) | 13,951 | 13,951 | 13,930 | 13,930 | 13,930 |
| ***Total parent entity interest*** | ***14,847*** | ***14,847*** | ***14,826*** | ***14,826*** | ***14,826*** |
| **Total equity** | **14,847** | **14,847** | **14,826** | **14,826** | **14,826** |

Prepared on Australian Accounting Standards basis.

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

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2019-20)

|  |  |  |  |
| --- | --- | --- | --- |
|  | Retained earnings  $'000 | Contributed equity/ capital $'000 | Total equity   $'000 |
| **Opening balance as at 1 July 2019** |  |  |  |
| Balance carried forward from  previous period | 13,951 | 896 | 14,847 |
| ***Adjusted opening balance*** | ***13,951*** | ***896*** | ***14,847*** |
| **Estimated closing balance as at  30 June 2020** | **13,951** | **896** | **14,847** |
| **Closing balance attributable to  the Australian Government** | **13,951** | **896** | **14,847** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2018-19 Estimated actual $'000 | 2019-20 Budget  $'000 | 2020-21 Forward estimate $'000 | 2021-22 Forward estimate $'000 | 2022-23 Forward estimate $'000 |
| **OPERATING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Receipts from Government | 38,735 | 37,062 | 37,062 | 37,062 | 37,062 |
| Interest | 150 | 150 | 150 | 150 | 150 |
| ***Total cash received*** | ***38,885*** | ***37,212*** | ***37,212*** | ***37,212*** | ***37,212*** |
| **Cash used** |  |  |  |  |  |
| Employees | 30,715 | 28,700 | 28,699 | 28,699 | 28,699 |
| Suppliers | 8,200 | 7,493 | 7,534 | 7,493 | 7,493 |
| ***Total cash used*** | ***38,915*** | ***36,193*** | ***36,233*** | ***36,192*** | ***36,192*** |
| **Net cash from/(used by)  operating activities** | **(30)** | **1,019** | **979** | **1,020** | **1,020** |
| **INVESTING ACTIVITIES** |  |  |  |  |  |
| **Cash used** |  |  |  |  |  |
| Purchase of property, plant and  equipment and intangibles | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| ***Total cash used*** | ***1,000*** | ***1,000*** | ***1,000*** | ***1,000*** | ***1,000*** |
| **Net cash from/(used by)  investing activities** | **(1,000)** | **(1,000)** | **(1,000)** | **(1,000)** | **(1,000)** |
| **FINANCING ACTIVITIES** |  |  |  |  |  |
| **Net increase/(decrease) in cash  held** | **(1,030)** | **19** | **(21)** | **20** | **20** |
| Cash and cash equivalents at the  beginning of the reporting period | 16,234 | 15,204 | 15,223 | 15,202 | 15,222 |
| **Cash and cash equivalents at  the end of the reporting period** | 15,204 | 15,223 | 15,202 | 15,222 | 15,242 |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2018-19 Estimated actual $'000 | 2019-20 Budget  $'000 | 2020-21 Forward estimate $'000 | 2021-22 Forward estimate $'000 | 2022-23 Forward estimate $'000 |
| **PURCHASE OF NON-FINANCIAL  ASSETS** |  |  |  |  |  |
| Funded internally from departmental  resources (a) | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| **TOTAL** | **1,000** | **1,000** | **1,000** | **1,000** | **1,000** |
| **RECONCILIATION OF CASH USED  TO ACQUIRE ASSETS TO ASSET  MOVEMENT TABLE** |  |  |  |  |  |
| Total purchases | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| **Total cash used to acquire assets** | **1,000** | **1,000** | **1,000** | **1,000** | **1,000** |

Prepared on Australian Accounting Standards basis.

1. Includes the following sources of funding:

- revenue from Government\*

- donations and contributions

- gifts

- internally developed assets

- own-source revenue

- proceeds from the sale of assets.

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

Table 3.6: Statement of asset movements (Budget year 2019‑20)

|  |  |  |  |
| --- | --- | --- | --- |
|  | Other property, plant and equipment $'000 | Computer software and intangibles $'000 | Total    $'000 |
| **As at 1 July 2019** |  |  |  |
| Gross book value | 7,356 | 7,612 | 14,968 |
| Accumulated depreciation/  amortisation and impairment | (5,459) | (6,911) | (12,370) |
| **Opening net book balance** | **1,897** | **701** | **2,598** |
| **Capital asset additions** |  |  |  |
| By purchase - other | 600 | 400 | 1,000 |
| **Total additions** | **600** | **400** | **1,000** |
| **Other movements** |  |  |  |
| Depreciation/amortisation expense | (600) | (420) | (1,020) |
| **Total other movements** | **(600)** | **(420)** | **(1,020)** |
| **As at 30 June 2020** |  |  |  |
| Gross book value | 7,956 | 8,012 | 15,968 |
| Accumulated depreciation/  amortisation and impairment | (6,059) | (7,331) | (13,390) |
| **Closing net book balance** | **1,897** | **681** | **2,578** |

Prepared on Australian Accounting Standards basis.

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

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

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

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

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

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

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

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

Table 3.11: Statement of administered asset movements (Budget year 2019-20)

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

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# Northern Australia Infrastructure Facility

## Section 1: Entity overview and resources

### 1.1 Strategic direction statement

The Northern Australia Infrastructure Facility (NAIF) was established on 1 July 2016 as a corporate Commonwealth Entity under the *Northern Australia Infrastructure Facility Act 2016* (NAIF Act). A commercially focused independent board oversees NAIF and is responsible for making Investment Decisions to provide financial assistance by way of loans or alternate financing mechanisms to the Queensland, Western Australia and the Northern Territory Governments to on-lend to proponents. That financing is to be used for the construction or material enhancement of infrastructure in those jurisdictions to achieve growth in the economies and populations of those regions and encourage and complement private sector investment in northern Australia.

The NAIF Investment Mandate, effective 2 May 2018, outlines the mandatory criteria project proponents must meet for their project to be eligible for NAIF financial assistance. The infrastructure that NAIF is able to finance includes assets that facilitate the establishment or enhancement of business activity, or increase economic activity in a region. Examples of the types of projects that may be eligible include, but are not limited to, ports, airports, rail, roads, water, energy and communications networks, social infrastructure (including health, education, research, training and related accommodation facilities), processing facilities (including abattoirs and agricultural processing plants) and transhipment vessels. Eligible projects must bring new capacity online either through the construction of new infrastructure or by materially enhancing existing infrastructure.

NAIF projects must be of public benefit (being broad based and demonstrating benefits to the broader economy and community, beyond those able to be captured by a project proponent). In offering any concessions, NAIF must have regard to the extent of the forecast public benefit.

NAIF is able to provide up to 100 per cent of debt funding for an eligible project provided there is appropriate risk sharing. However, when determining which projects to fund NAIF considers the potential of its investment to encourage private sector participation in financing the project. In contrast to private sector lending, NAIF‘s financing can be concessional, including longer loan periods, or deferral of interest and principal repayments or security subordination. NAIF is only able to offer the minimum concessions necessary for a project to proceed. NAIF moneys are not grant funds and in all cases the loan or other finance must be able to be repaid or refinanced. NAIF is able to accept a higher level of risk than commercial lenders, particularly where the risk relates to factors that are unique to investing in northern Australia, including distance, remoteness and climate. It may use that risk appetite to support project sponsors, producers and others in taking risks such as expanding into new offshore markets, establishing new industries or building scale.

NAIF requires each proponent to provide an Indigenous participation, procurement and employment strategy tailored for the Indigenous population in the region of the proposed project. NAIF works with project proponents to ensure these strategies contain sustainable and achievable actions to support Indigenous advancement, including setting targets across employment, procurement or other areas where suited to the circumstances of the project.

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

More information about NAIF is available at [www.naif.gov.au](http://www.naif.gov.au).

### 1.2 Entity resource statement

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

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

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

Table 1.1: NAIF resource statement — Budget estimates for 2019-20 as at Budget April 2019

|  |  |  |
| --- | --- | --- |
|  | *2018-19 Estimated actual $'000* | 2019-20 Estimate  $'000 |
| **Opening balance/cash reserves at 1 July** | *5,118* | 4,075 |
| **Funds from Government** |  |  |
| Annual appropriations - ordinary annual services (a) |  |  |
| Outcome 1 | *9,505* | 10,340 |
| Total annual appropriations | *9,505* | *10,340* |
| **Total funds from Government** | ***9,505*** | **10,340** |
| **Funds from other sources** |  |  |
| Interest | *40* | 30 |
| **Total funds from other sources** | ***40*** | **30** |
| **Total net resourcing for NAIF** | ***14,663*** | **14,445** |
|  |  |  |
|  | *2018-19* | 2019-20 |
| **Average staffing level (number) (b)** | *1* | 1 |

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

Prepared on a resourcing (that is, appropriations available) basis.

1. Appropriation Bill (No. 1) 2019-20. The $5 billion in special appropriation identified in section 41 of the NAIF Act, for the purposes of NAIF loans is reported in the Department of Industry, Innovation and Science (DIIS) accounts. DIIS is administering loan payments to the relevant jurisdictions, and if directed on to the project proponent.
2. The ASL estimate represents the Chief Executive Officer (CEO) of the NAIF. Total staffing for the NAIF is 25.6 full time equivalents as at Budget 2019, including the CEO. The additional staff supporting the NAIF include specialist staff engaged under contract. Refer to Section 3.1.2 for further information.

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

### 1.3 Budget measures

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

## Section 2: Outcomes and planned performance

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

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

**Note:**

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

The most recent corporate plan for NAIF can be found at: www.naif.gov.au/reporting.

The most recent annual performance statement can be found at:

www.naif.gov.au/reporting.

### 2.1 Budgeted expenses and performance for Outcome 1

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

#### Linked programs

|  |
| --- |
| **Department of Industry, Innovation and Science** |
| **Programs**   * Program 2 – Growing Business Investment and Improving Business Capability |
| **Contribution to Outcome 1 made by linked programs**  The Department of Industry, Innovation and Science contributes through its policies to increase economic growth and investment in northern Australia. The Department of Industry, Innovation and Science has policy responsibility for NAIF. |
| **Austrade** |
| **Programs**   * Program 1.1 - Promotion of Australia’s export and other international economic interests * Program 1.2 - Programs to promote Australia’s export and other international economic interests |
| **Contribution to Outcome 1 made by linked programs**  Austrade contributes to Outcome 1 through its programs to promote Australian export, inwards investment attraction and other international economic interests aligned with infrastructure investment in northern Australia. |
| **Infrastructure Australia** |
| **Programs**   * Program 1.1 – Infrastructure Australia |
| **Contribution to Outcome 1 made by linked programs**  Infrastructure Australia contributes to Outcome 1 through feedback on matters relating to infrastructure and cost benefit analysis to support NAIF’s assessment of its mandatory criterion in regards to a project being of public benefit. NAIF must consult Infrastructure Australia where NAIF’s Investment Decision is for an amount more than $100 million. |

|  |
| --- |
| **Regional Investment Corporation** |
| **Programs**   * Program 1 – Regional Investment Corporation |
| **Contribution to Outcome 1 made by linked programs**  The Regional Investment Corporation contributes to Outcome 1 through its activities to encourage growth, investment and resilience in rural and regional communities including through synergies between the National Water Infrastructure Development Fund, the National Water Infrastructure Loan Facility and NAIF. |
| **Department of the Prime Minister and Cabinet** |
| **Programs**   * Program 2.1 - Jobs, Land and Economy * Program 2.3 - Safety and Wellbeing * Program 2.4 - Culture and Capability * Program 2.5 - Remote Australia Strategies |
| **Contribution to Outcome 1 made by linked programs**  The Department of the Prime Minister and Cabinet contributes to Outcome 1 through engagement with Indigenous-led proponents or those partnering with Indigenous communities on projects related to areas like social infrastructure, ecotourism, agriculture and horticulture, resources and innovative energy solutions for remote communities. NAIF engages with Indigenous stakeholders including for example the Indigenous Reference Group. Furthermore, all NAIF project proponents must develop strategies for Indigenous participation, procurement and employment that is tailored for Indigenous population in the region of the project. |

##### Budgeted expenses for Outcome 1

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

Table 2.1.1: Budgeted expenses for Outcome 1

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Outcome 1: Enable economic growth in northern Australia, by facilitating private sector investment in economic infrastructure through the provision of concessional financing delivered through the state and territory governments.** | | | | | |
|  | 2018-19 Estimated actual $'000 | 2019-20 Budget  $'000 | 2020-21 Forward estimate $'000 | 2021-22 Forward estimate $'000 | 2022-23 Forward estimate $'000 |
| **Program 1: Northern Australia Infrastructure Facility** | | | | | |
| Revenue from Government |  |  |  |  |  |
| Ordinary annual services  (Appropriation Bill No. 1) | 9,505 | 10,340 | 10,886 | 4,433 | 4,396 |
| Expenses not requiring  appropriation in the budget year | 2,109 | - | - | - | - |
| Revenues from other independent  sources | 40 | 30 | 30 | - | - |
| **Total expenses for Program 1** | **11,654** | **10,370** | **10,916** | **4,433** | **4,396** |
| **Outcome 1 totals by resource type** | | | | | |
| Revenue from Government |  |  |  |  |  |
| Ordinary annual services  (Appropriation Bill No. 1) | 9,505 | 10,340 | 10,886 | 4,433 | 4,396 |
| Expenses not requiring  appropriation in the budget year | 2,109 | - | - | - | - |
| Revenues from other independent  sources | 40 | 30 | 30 | - | - |
| **Total expenses for Outcome 1** | **11,654** | **10,370** | **10,916** | **4,433** | **4,396** |
|  |  |  |  |  |  |
|  | 2018-19 | 2019-20 |  |  |  |
| **Average staffing level (number) (a)** | 1 | 1 |  |  |  |

1. The ASL estimate represents the Chief Executive Officer (CEO) of the NAIF. Total staffing for the NAIF is 25.6 full time equivalents as at Budget 2019, including the CEO. The additional staff supporting the NAIF include specialist staff engaged under contract. Refer to Section 3.1.2 for further information.

Table 2.1.2: Program components of Outcome 1

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

Table 2.1.3: Performance criteria for Outcome 1

Table 2.1.3 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2019-20 Budget measures have created new programs or materially changed existing programs.

|  |  |  |
| --- | --- | --- |
| Outcome 1 – Enable economic growth in northern Australia by facilitating private sector investment in economic infrastructure through the provision of concessional financing delivered through the state and territory governments. | | |
| **Program 1** – Northern Australia Infrastructure Facility (NAIF)  This program contributes to the outcome by accelerating and encouraging investment in infrastructure that provides a basis for economic growth and stimulates population growth in northern Australia. | | |
| **Delivery** | NAIF delivers Program 1 by the making of Investment Decisions for financial assistance, which may be concessional, to state and territory governments in Queensland, Western Australia and the Northern Territory to on-lend in their jurisdictions for the benefit of their jurisdictions, for the construction or material enhancement of infrastructure to enable long term economic and population growth to benefit northern Australia. | |
| **Performance information** | | |
| **Year** | **Performance criteria** | **Targets** |
| 2018-19 (a) | Generate public benefit | Public benefit demonstrated on all investments in accordance with the NAIF Public Benefit Guideline |
|  | Indigenous engagement | Indigenous engagement strategy for all investments |
|  | Investment Decisions by NAIF Board (decision to offer finance) (b) | 5 to 10 Investment Decisions, with dollar value of NAIF investments between $500m and $1.5bn and total capital value of projects supported between $750m and $2.5bn |
|  | Effective risk management | Independent annual audit confirms compliance with Risk Appetite Statement |
|  | Encourage private sector contribution to financing projects | Greater than 50 per cent of projects supported have private sector financing |
|  | Raise awareness of NAIF value through dissemination of information to industry stakeholders | Significant communication and stakeholder engagement activity, including direct engagement and targeted participation in northern Australian and industry events.  NAIF website is easy to navigate for stakeholders |
|  | Building diverse pipeline of potential infrastructure projects | Demonstrate industry and geographic spread of potential projects in the pipeline |
|  | Achieve sound financial performance | Operating expenses per annum are within budget  NAIF transaction revenue is greater than operating expenditure and Commonwealth cost of borrowing over a four year horizon, as reflected in the Department of Industry, Innovation and Science accounts |
| 2019-20 | As per 2018-19 | As per 2018-19 except for the performance criterion on Investment Decisions made by NAIF Board (decision to offer finance) Targets for that metric for 2019-20 are 5 to 10 Investment Decisions, with dollar value of NAIF investments between $1bn and $2bn and total capital value of projects supported between $1.25bn and $3.75bn |
| 2020-21 and beyond | As per 2019-20  Under s8(1) of the NAIF Act, the NAIF Board must not make a decision after 30 June 2021 to provide financial assistance.  Section 43 of the NAIF Act requires that the NAIF Minister must cause a review of the operation of the NAIF Act to be undertaken as soon as possible after the period of 3 years beginning when the Act commences. Without limiting the matters to be covered by the review, the review must consider:   * whether the time limit of 30 June 2021 set out in section 8 for making decisions to provide financial assistance should be extended; and * the appropriate governance arrangements for the Facility after that date.   Once NAIF has received direction post that review it will set appropriate performance criteria and targets for the period post 30 June 2021. | As per 2019-20 |
| **Purposes** | NAIF’s primary purpose is to transform northern Australia by financing infrastructure development that generates:   * public benefit outside of what is captured by the project proponent * longer-term growth in the economy and population of northern Australia * greater private sector participation in the financing of northern Australia’s infrastructure needs * sustainable Indigenous participation, procurement and employment. | |
| **Material changes to Program 1 resulting from the following measures:** Nil | | |

1. NAIF is currently on track to achieve its 2018-19 performance targets.
2. The NAIF Board is responsible for making Investment Decisions, being decisions by the Board to offer, or not to offer, a Financing Mechanism. As at publication there is strong potential by 30 June 2019 for the NAIF Board to meet its 2018-19 target for this performance criterion. As at 1 March 2019, the Board has in 2018-19 made a total of 6 Investment Decisions with $478.5m dollar value of NAIF investments with total capital value of approximately $1.4bn.

## Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2019-20 budget year, including the impact of budget measures and resourcing on financial statements.

### 3.1 Budgeted financial statements

#### 3.1.1 Differences between entity resourcing and financial statements

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

#### 3.1.2 Explanatory notes and analysis of budgeted financial statements

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

#### Total budgeted expenses for NAIF in 2019-20 is $10.4 million, represented by $7.3 million in employee benefits and $3.1 million in suppliers. Suppliers include specialist staff engaged under contract; board, travel and overhead costs as well as expenses relating to the Export Finance and Insurance Corporation (Efic), which provides services to NAIF through a service level agreement across two broad categories being: (1) transaction due diligence, environment and technical review, credit assessment, and loan management; and (2) corporate and administrative services (including financial management and reporting, human resources, information technology and communications and property management). NAIF has an approved operating loss of $2.1 million for 2018-19. The forecasted loss is associated with timing related issues.

Section 8(1) of the NAIF Act provides that NAIF must not make a decision after 30 June 2021 to provide financial assistance. A review of the operation of the NAIF Act is scheduled to be undertaken as soon as possible three years after its commencement (being 1 July 2019) as outlined in section 43 of the NAIF Act. This review will consider, among other things, the appropriate governance arrangements for NAIF from 30 June 2021.

### 3.2 Budgeted financial statements tables

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2018-19 Estimated actual $'000 | 2019-20 Budget  $'000 | 2020-21 Forward estimate $'000 | 2021-22 Forward estimate $'000 | 2022-23 Forward estimate $'000 |
| **EXPENSES** |  |  |  |  |  |
| Employee benefits | 7,608 | 7,267 | 7,118 | - | - |
| Suppliers | 4,046 | 3,103 | 3,798 | 4,433 | 4,396 |
| **Total expenses** | **11,654** | **10,370** | **10,916** | **4,433** | **4,396** |
| **LESS:** |  |  |  |  |  |
| **OWN-SOURCE INCOME** |  |  |  |  |  |
| **Own-source revenue** |  |  |  |  |  |
| Interest | 40 | 30 | 30 | **-** | **-** |
| **Total own-source revenue** | **40** | **30** | **30** | **-** | **-** |
| **Total own-source income** | **40** | **30** | **30** | **-** | **-** |
| **Net (cost of)/contribution by  services** | **(11,614)** | **(10,340)** | **(10,886)** | **(4,433)** | **(4,396)** |
| Revenue from Government | 9,505 | 10,340 | 10,886 | 4,433 | 4,396 |
| **Surplus/(deficit) attributable to the  Australian Government** | **(2,109)** | **-** | **-** | **-** | **-** |
| **OTHER COMPREHENSIVE INCOME** |  |  |  |  |  |
| **Total other comprehensive income** | **-** | **-** | **-** | **-** | **-** |
| **Total comprehensive income/(loss)** | **(2,109)** | **-** | **-** | **-** | **-** |
| **Total comprehensive income/(loss)  attributable to the Australian  Government** | **(2,109)** | **-** | **-** | **-** | **-** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2018-19 Estimated actual $'000 | 2019-20 Budget  $'000 | 2020-21 Forward estimate $'000 | 2021-22 Forward estimate $'000 | 2022-23 Forward estimate $'000 |
| **ASSETS** |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |
| Cash and cash equivalents | 4,075 | 4,064 | 3,144 | 3,144 | 3,144 |
| Trade and other receivables | 40 | 40 | 40 | 40 | 40 |
| ***Total financial assets*** | ***4,115*** | ***4,104*** | ***3,184*** | ***3,184*** | ***3,184*** |
| **Total assets** | **4,115** | **4,104** | **3,184** | **3,184** | **3,184** |
| **LIABILITIES** |  |  |  |  |  |
| **Payables** |  |  |  |  |  |
| Suppliers | 2,881 | 2,528 | 3,184 | 3,184 | 3,184 |
| ***Total payables*** | ***2,881*** | ***2,528*** | ***3,184*** | ***3,184*** | ***3,184*** |
| **Provisions** |  |  |  |  |  |
| Employee provisions | 1,234 | 1,576 | - | - | - |
| ***Total provisions*** | ***1,234*** | ***1,576*** | ***-*** | ***-*** | ***-*** |
| **Total liabilities** | **4,115** | **4,104** | **3,184** | **3,184** | **3,184** |
| **Net assets** | **-** | **-** | **-** | **-** | **-** |
| **EQUITY\*** |  |  |  |  |  |
| **Parent entity interest** |  |  |  |  |  |
| Retained surplus (accumulated  deficit) | - | - | - | - | - |
| ***Total parent entity interest*** | ***-*** | ***-*** | ***-*** | ***-*** | ***-*** |
| **Total equity** | **-** | **-** | **-** | **-** | **-** |

Prepared on Australian Accounting Standards basis.

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

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2019-20)

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

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2018-19 Estimated actual $'000 | 2019-20 Budget  $'000 | 2020-21 Forward estimate $'000 | 2021-22 Forward estimate $'000 | 2022-23 Forward estimate $'000 |
| **OPERATING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Receipts from Government | 9,505 | 10,340 | 10,886 | 4,433 | 4,396 |
| Interest | 40 | 30 | 30 | - | - |
| ***Total cash received*** | ***9,545*** | ***10,370*** | ***10,916*** | ***4,433*** | ***4,396*** |
| **Cash used** |  |  |  |  |  |
| Employees | 7,184 | 6,925 | 8,694 | - | - |
| Suppliers | 3,404 | 3,456 | 3,142 | 4,433 | 4,396 |
| ***Total cash used*** | ***10,588*** | ***10,381*** | ***11,836*** | ***4,433*** | ***4,396*** |
| **Net cash from/(used by)  operating activities** | **(1,043)** | **(11)** | **(920)** | **-** | **-** |
| **Net increase/(decrease) in cash  held** | **(1,043)** | **(11)** | **(920)** | **-** | **-** |
| Cash and cash equivalents at the  beginning of the reporting period | 5,118 | 4,075 | 4,064 | 3,144 | 3,144 |
| **Cash and cash equivalents at  the end of the reporting period** | 4,075 | 4,064 | 3,144 | 3,144 | 3,144 |

Prepared on Australian Accounting Standards basis.

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

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

Table 3.6: Statement of asset movements (Budget year 2019‑20)

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

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

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

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

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

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

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

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

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

**Table 3.11: Statement of administered asset movements (Budget year 2019-20)**

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