



Budget 2019-20

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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ISSN 978-1-76044-330-6

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Senator the Hon Matthew Canavan
Minister for Resources and Northern Australia

The Hon Karen Andrews MP
Minister for Industry, Science and Technology

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

A stylized, handwritten signature in black ink, consisting of a large 'M' followed by a horizontal line.

Senator the Hon Matthew Canavan

A handwritten signature in black ink, appearing to read 'Karen Andrews' in a cursive style.

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nfp	not for publication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.

**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.

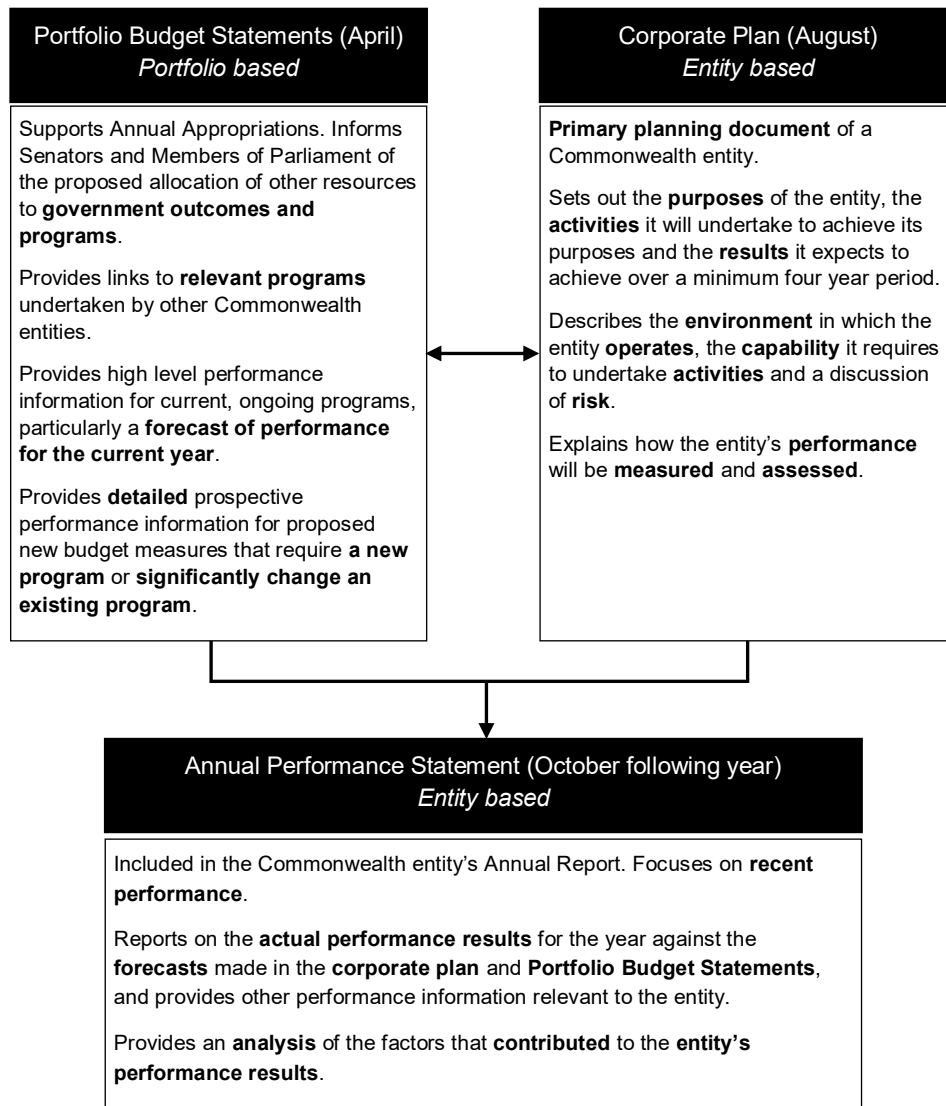
As required under section 12 of the *Charter of Budget Honesty Act 1998*, only entities within the general government sector are included as part of the Commonwealth general government sector fiscal estimates and produce PB Statements where they receive funding (either directly or via portfolio departments)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



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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.

Portfolio overview

- **Geoscience Australia**

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

- **IP Australia**

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

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

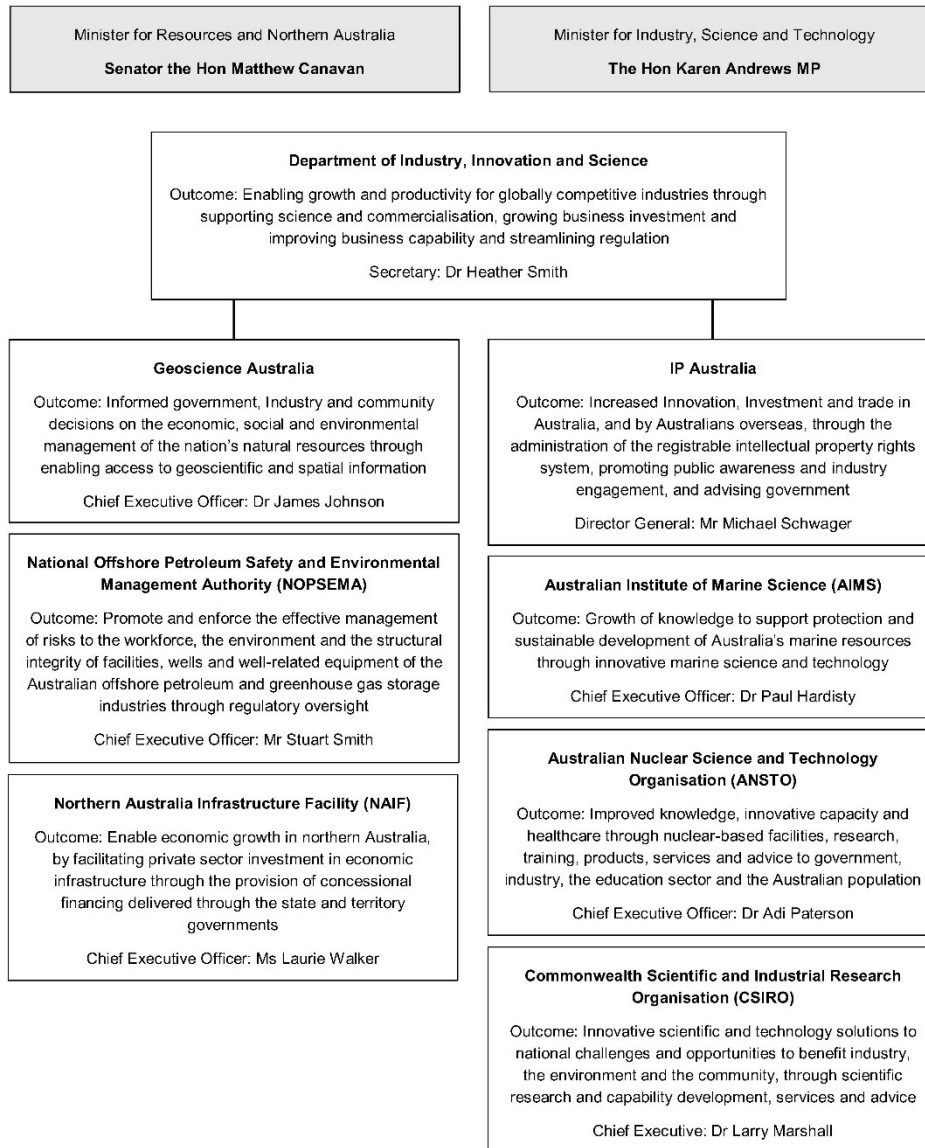
NOPSEMA is responsible for regulating the workplace health and safety, well integrity and environmental management of petroleum and greenhouse gas storage operations in Commonwealth waters.

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

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

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

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



**ENTITY RESOURCES AND
PLANNED PERFORMANCE**

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**DEPARTMENT OF INDUSTRY,
INNOVATION AND SCIENCE**

**ENTITY RESOURCES AND PLANNED
PERFORMANCE**

DEPARTMENT OF INDUSTRY, INNOVATION AND SCIENCE

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DEPARTMENT OF INDUSTRY, INNOVATION AND SCIENCE

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Department of Industry, Innovation and Science (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
<i>less departmental appropriations drawn from annual appropriations and credited to special accounts</i>	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) <i>Estimated actual</i> \$'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
<i>less administered appropriations drawn from annual appropriations and credited to special accounts</i>	9,900	-
<i>less payments to corporate entities from annual appropriations</i>	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 <i>Estimated actual</i> \$'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.

- (a) 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.
- (b) Estimated adjusted balance carried forward from previous year.
- (c) Estimated external revenue receipts under section 74 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).
- (d) Departmental capital budgets are not separately identified in Appropriation Bill (No.1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details.
- (e) For further information on special accounts, please refer to Budget Paper No. 4 - Agency Resourcing.
- (f) 'Corporate entities' are corporate Commonwealth entities as defined under the PGPA Act.
- (g) Excludes special appropriation payments to the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA).
- (h) 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.

- (a) 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.
- (b) 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.
- (c) 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.
- (d) 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.
- (e) The financial impact for this measure is not for publication (nfp) due to commercial-in-confidence considerations.

DIIS Budget Statements

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

<p>Contribution to Outcome 1 made by linked programs</p> <p>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.</p>
<p>Department of Agriculture and Water Resources</p>
<p>Programs</p> <ul style="list-style-type: none"> • Program 1.2 - Sustainable Management – Natural Resources • Program 1.10 - Agricultural Resources
<p>Contribution to Outcome 1 made by linked programs</p> <p>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.</p>
<p>Regional Investment Corporation</p>
<p>Programs</p> <ul style="list-style-type: none"> • Program 1.1 - Regional Investment Corporation
<p>Contribution to Outcome 1 made by linked programs</p> <p>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.</p>
<p>Department of Defence</p>
<p>Programs</p> <ul style="list-style-type: none"> • Program 2.1 - Strategic Policy and Intelligence • Program 2.9 - Capability, Acquisition and Sustainment • Program 2.13 - Defence Science and Technology
<p>Contribution to Outcome 1 made by linked programs</p> <p>The Department of Defence contributes to growing business investment and improving business capability by collaborating with the Department of Industry, Innovation and Science through the Centre for Defence Industry Capability (CDIC). The CDIC is helping to grow the capability and capacity of Australia's defence industry, particularly small to medium enterprises, to support the delivery of the Australian Government's \$200 billion investment in defence capability over the next decade. The CDIC provides advice, assistance and grants to eligible businesses to be</p>

<p>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.</p> <p>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.</p>
Department of Foreign Affairs and Trade
<p>Programs</p> <ul style="list-style-type: none"> • Program 1.1 - Foreign Affairs and Trade Operations
<p>Contribution to Outcome 1 made by linked programs</p> <p>The Department of Foreign Affairs and Trade contributes to supporting science and commercialisation, growing business investment and improving business capability through its role in science diplomacy, collaboration on the Global Innovation Strategy with the Department of Industry, Innovation and Science, advancement of Australia's trade and investment interests, and as the lead in the conciliation process between Australia and Timor-Leste on maritime boundaries in the Timor Sea.</p>
Austrade
<p>Programs</p> <ul style="list-style-type: none"> • Program 1.1 - Promotion of Australia's export and other international economic interests • Program 1.2 - Programs to promote Australia's exports and other international economic interests
<p>Contribution to Outcome 1 made by linked programs</p> <p>Austrade contributes to growing business investment and improving business capability by promoting Australia's exports and other international economic interests through the provision of information, advice and services to businesses, associations, institutions and government. 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.</p>
Department of Health
<p>Programs</p> <ul style="list-style-type: none"> • Program 1.1 - Health Policy Research and Analysis
<p>Contribution to Outcome 1 made by linked programs</p> <p>The Department of Health contributes to supporting science and commercialisation and growing business investment and improving business capability, including through the Biomedical Translation Fund—a Health portfolio measure under the</p>

National Innovation and Science Agenda, administered by the Department of Industry, Innovation and Science.
Department of Home Affairs
Programs <ul style="list-style-type: none"> • Program 2.2 - Migration • Program 3.1 - Border Revenue • Program 3.2 - Trade Facilitation and Industry Engagement
Contribution to Outcome 1 made by linked programs <p>The Department of Home Affairs contributes to growing business investment and improving business capability through its contribution to Australia's anti-dumping system in coordination with the Anti-Dumping Commission and provision of tariff and duty credits and concessions. The Department of Home Affairs is also working with the Department of Industry, Innovation and Science on the Significant Investor Visa Complying Investment Framework that encourages the expansion of Australia's venture capital fund capacity, attracting investment into innovative early stage companies, particularly from new sources of foreign investment. The Department of Industry, Innovation and Science will continue to work with the Department of Home Affairs regarding employer sponsored permanent skilled migration.</p>
Department of Infrastructure, Regional Development and Cities
Programs <ul style="list-style-type: none"> • Program 1.1 - Infrastructure Investment • Program 3.1 - Regional Development
Contribution to Outcome 1 made by linked programs <p>The Department of Infrastructure, Regional Development and Cities contributes to supporting science and commercialisation, growing business investment and improving business capability by collaborating with the Department of Industry, Innovation and Science on the implementation of the White Paper on Developing Northern Australia through the Northern Roads and Beef Roads programs, the Roads of Strategic Importance program and the National Water Infrastructure Development Fund.</p>
Department of Jobs and Small Business
Programs <ul style="list-style-type: none"> • Program 1.1 - Employment Services • Program 2.3 - Small Business Support
Contribution to Outcome 1 made by linked programs <p>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</p>

<p>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.</p>
<p>Department of the Environment and Energy</p>
<p>Programs</p> <ul style="list-style-type: none"> • Program 1.1 - Sustainable Management of Natural Resources and the Environment • Program 1.3 - Commonwealth Environmental Water • Program 2.2 - Adapting to Climate Change • Program 3.1 - Antarctica: Science, Policy and Presence • Program 4.1 - Energy
<p>Contribution to Outcome 1 made by linked programs</p> <p>The Department of the Environment and Energy contributes to supporting science and commercialisation, growing business investment and improving business capability through its role in facilitating the delivery of reliable and affordable energy to underpin a productive and growing economy. The Department of the Environment and Energy works collaboratively with the Department of Industry, Innovation and Science in the planning phase of the National Carp Control Plan, Antarctic Science Collaboration Initiative, Reef Restoration and Adaptation Program, the implementation of the Australian Government's Domestic Gas Strategy, the implementation of the Australian Domestic Gas Security Mechanism, through its support for the COAG Energy Council, and international engagement with Australia's key energy resource markets.</p> <p>The Department of the Environment and Energy also provides joint secretariat for the National Climate Science Advisory Committee. The Committee advises the Australian Government on a nationally integrated approach to climate change impacts and informs the direction and sustainability of Australia's climate science capacity and research priorities.</p>
<p>Department of the Treasury</p>
<p>Programs</p> <ul style="list-style-type: none"> • Program 1.4 - General Revenue Assistance • Program 1.9 - National Partnership Payments to the States
<p>Contribution to Outcome 1 made by linked programs</p> <p>The 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</p>

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 <ul style="list-style-type: none"> • Program 1.1 - Australian Competition and Consumer Commission
Contribution to Outcome 1 made by linked programs The Australian Competition and Consumer Commission contributes to growing business investment and improving business capability by achieving compliance with the <i>Competition and Consumer Act 2010</i> and associated legislation in order to protect, strengthen and supplement the way competition works in Australian markets and industries to improve the efficiency of the economy and the welfare of Australians.
Australian Taxation Office
Programs <ul style="list-style-type: none"> • Program 1.1 - Australian Taxation Office • Program 1.7 - Fuel Tax Credit Scheme • Program 1.10 - Research and Development Tax Incentive
Contribution to Outcome 1 made by linked programs The Australian Taxation Office contributes to supporting science and commercialisation, growing business investment and improving business capability through taxation benefits including the Research and Development (R&D) Tax Incentive, tax incentives for 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 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard 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
Average staffing level (number)					
	2,303	2,456			

Figures in brackets represent a decrease in funds.

- (a) Further information on payments to corporate entities can be found in the 'Third Party Payments' section of Table 1.1 Entity Resource Statement.
- (b) Expenses not requiring appropriation relate to depreciation and amortisation expenses for the National Offshore Petroleum Titles Administrator, 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.
- (c) Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act.
- (d) Excludes expenditure funded via Ordinary Annual Services (Appropriation Bill No.1).
- (e) 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
<i>Sub-program 1.1: Science awareness, infrastructure and international engagement</i>					
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
<i>Sub-program 1.2: Business research, development and commercialisation</i>					
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
<i>Sub-program 2.1: Competitive marketplace</i>					
Annual administered expenses:					
Australian Business Number and Business Names Registration System - expansion	50	50	50	50	50
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
<i>Sub-program 2.2: Business and market development</i>					
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
<i>Sub-program 2.3: Economic transition</i>					
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	2019-20	2020-21	2021-22	2022-23
	Estimated	Budget	Forward	Forward	Forward
	actual		estimate	estimate	estimate
	\$'000	\$'000	\$'000	\$'000	\$'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	2019-20	2020-21	2021-22	2022-23
	Estimated	Budget	Forward	Forward	Forward
	actual		estimate	estimate	estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Sub-program 2.5: Northern Australia Development					
Expenses not requiring appropriation in the Budget year:					
Northern Australia Infrastructure Facility (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
(a) Expenses not requiring appropriation relate to unwinding of the present value discount associated with the obligation for Quantum Computing partly paid shares.					
(b) 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.					
(c) The financial impact is not for publication (nfp) due to commercial-in-confidence considerations.					
(d) Expenses not requiring appropriation relate to depreciation and amortisation expenses for the National Offshore Petroleum Titles Administrator.					
(e) Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act.					
(f) Excludes expenditure funded via Ordinary Annual Services (Appropriation Bill No.1).					
(g) 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:		
<ul style="list-style-type: none">• Sub-program 1.1 - Science awareness, infrastructure and international engagement – this sub program is designed to improve science awareness, infrastructure and international engagement to support the creation and dissemination of scientific and technical information as an input to the economic process.• Sub-program 1.2 - Business research, development and commercialisation – this sub-program is designed to provide incentives for business research, development and commercialisation, facilitate 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: <ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• Share of world’s top ten per cent of highly cited publications
Enhanced international engagement in science and technology	Sub-program 1.1	<ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• Business expenditure on research and development (BERD) as a percentage of GDP• BERD in real terms
Increased commercialisation	Sub-program 1.2	<ul style="list-style-type: none">• Number of Patent Cooperation Treaty patents
Growth in the proportion of firms engaging in innovative activity	Sub-program 1.2	<ul style="list-style-type: none">• Proportion of Australian businesses that are innovation active

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		<ul style="list-style-type: none">Proportion of Australian businesses introducing new to the world innovation				
Increased collaboration between researchers and businesses	Sub-program 1.1 Sub-program 1.2	<ul style="list-style-type: none">Proportion of innovation active businesses collaborating on innovation with higher education institutionsProportion 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	<ul style="list-style-type: none">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	<ul style="list-style-type: none">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-	Number of collaborative research projects completed that reported	11	14	0	13	12

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India Strategic Research Fund	strengthened international relationships					
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

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	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: <ul style="list-style-type: none">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: <ul style="list-style-type: none">Sub-program 2.1: Competitive marketplace – this sub-program is designed to create a more competitive marketplace to achieve profitable and sustainable industry futuresSub-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 businessesSub-program 2.3: Economic transition – this sub-program is designed to encourage innovation and investment to underpin industry transformationSub-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 technologiesSub-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: <ul style="list-style-type: none">creating a more competitive marketplace to achieve profitable and sustainable industryworking with industry to support businesses to build the capability (including management, entrepreneurial and digital) to be globally competitivesupporting the growth of emerging sectors and sectors where Australia has a strong competitive advantage					

	<ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• Goods market efficiency in the World Economic Forum's Global Competitiveness Index
Improved management and organisational capabilities in Australian businesses	Sub-program 2.2	<ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• Share of total employment in services and knowledge intensive industries
Increased national benefits from Australia's natural resources	Sub-program 2.4	<ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• Annual private business investment growth

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	Sub-program 2.3 Sub-program 2.4 Sub-program 2.5					
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					<ul style="list-style-type: none"> 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

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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: <ul style="list-style-type: none">• identify and pursue opportunities for regulatory reform including improving industry standards• increase collaboration between business and researchers• increase business engagement with supply chains and international markets• identify sector skills needs and improve management and workforce skills.					
SME Export Hubs	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: <ul style="list-style-type: none">• 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

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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:						
<ul style="list-style-type: none">• 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:						
<ul style="list-style-type: none">• Sub-program 3.1: Simplifying doing business – this sub-program aims to facilitate competition and innovation by making it easier for business to interact with government and reducing the cost of doing business in Australia. It is achieved through:<ul style="list-style-type: none">○ Regulatory reform and functions – the department will reduce the burden on industry of inefficient regulation by the implementation of regulatory reform across all levels of government, ensuring that the regulatory environment strikes the right balance between efficient markets and community expectations○ Better services and information for business – the department will improve the delivery of our services and programs by streamlining and simplifying business services and programs, as well as providing information to assist businesses to grow and improving the ways in which it is delivered.• Sub-program 3.2: Building a high performance organisation – this sub-program aims to provide effective and efficient operational and administrative support and specific services to the department, government, industry and other stakeholders.						
Delivery	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: <ul style="list-style-type: none">• 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.					

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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						

(a) 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

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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 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard 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 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard 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					
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.

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

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

(c) Includes the following sources of funding:

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

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

	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'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.

(a) 'Appropriation equity' refers to equity injection appropriation provided through Appropriation Bill (No. 2) 2019-20.

(b) '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 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard 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

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- 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.

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

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

(a) 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
Average staffing level (number)					
	223	263			

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

Table 2.1.2: Program components of Outcome 1

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

Table 2.1.3: Performance criteria for Outcome 1

Table 2.1.3 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 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: <ul style="list-style-type: none">comprehensive baseline, status and trends reporting systems for tropical marine ecosystemsefficient, cost-effective delivery of information through the application of innovative autonomous and automated marine observing technologies and assessment methodsrecovery of key threatened and endangered marine species achieved through effective conservation and management of critical habitats and populationsenhanced management of tropical marine ecosystems informed by regional models of environmental condition and functionimproved health of tropical marine ecosystems through the development of effective solutions for the management of local, regional and cumulative pressuresimproved 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 changenew tools for coral reef restoration that enhance resistance and resilience of key coral reef taxa to environmental change, particularly climate changeenhanced understanding of tropical marine ecosystems among industry, government and the public delivered through improved data analysis workflows and knowledge delivery systemsstrengthened 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	On track to achieve performance target.

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	international collaborations, joint ventures, partnerships and strategic alliances.	
	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 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard 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	Asset revaluation reserve	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'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 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard 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					
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.

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

(b) 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	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'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.

(a) 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

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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
<hr/>		
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.

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

(b) 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.

(a) 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 <ul style="list-style-type: none"> • 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 <ul style="list-style-type: none"> • Program 2.6: Research Capacity
Contribution to Outcome 1 made by linked programs The Department of Education and Training contributes to Outcome 1 through its policies and programs to invest in Australia's research capacity, including the National Collaborative Research Infrastructure Strategy.

Budgeted expenses for Outcome 1

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

Table 2.1.1: Budgeted expenses for Outcome 1

Outcome 1: Improved know ledge, 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 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard 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			

(a) 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: <ul style="list-style-type: none">engaging in innovative research, through strategic partnerships and collaborations, that have scientific and commercial impact and align with Australia’s Science and Research Prioritiesmanaging landmark and national research infrastructure for the benefit of industry, and the Australian and international research communitiesproviding products and services, including radiopharmaceuticals, to the health sector and industry that benefit the broader communityproviding expert trusted science and technology based advice and services to government, the education and academic communities, and the Australian public.	
Performance information		
Year	Performance criteria (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	OPAL Research Reactor: days at power Target: 287 days (b)

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	ANSTO's landmark and national research infrastructure.	<p>Australian Synchrotron: average utilisation Target: 95 per cent of scheduled operating time</p> <p>Neutron beam instruments: average utilisation Target: 85 per cent of scheduled operating time</p> <p>Accelerators: average utilisation Target: 65 per cent of available operational time</p>
	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.	<p>OPAL Research Reactor: days at power Target: 300 days</p> <p>Australian Synchrotron: average utilisation Target: 95 per cent of scheduled operating time</p> <p>Neutron beam instruments: average utilisation Target: 85 per cent of scheduled operating time</p> <p>Accelerators: average utilisation Target: 65 per cent of available operational time</p>
	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.	<p>OPAL Research Reactor: days at power Target: 300 days</p> <p>Australian Synchrotron: average utilisation Target: 95 per cent of scheduled operating time</p> <p>Neutron beam instruments: average utilisation Target: 85 per cent of scheduled operating time</p>

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		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 <i>Australian Nuclear Science and Technology Organisation Act 1987</i> . <ul style="list-style-type: none">• Conduct research and development in relation to nuclear science and technology• Produce and use radioisotopes, isotopic techniques and nuclear radiation for medicine, science, industry, commerce and agriculture• Encourage and facilitate the application and use of the results from research and development• Manage radioactive materials and waste arising from various prescribed activities• Provide goods and services related to core activities• Provide advice to government and undertake international liaison in nuclear-related matters• Make available (on a commercial basis where appropriate) facilities, equipment and expertise for research in nuclear science and technology• Publish scientific and technical reports, periodicals and papers, and provide public information and advice• Facilitate education and training in nuclear science and technology, including through granting scientific research studentships and fellowships, in cooperation with universities, professional bodies and other education and research institutions.	
Material changes to Program 1 resulting from the following measures: Strengthening the Australian Nuclear Science and Technology Organisation		

- (a) 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.
- (b) 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 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard 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 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard 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.

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

(b) 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	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'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.

(a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2019-20.

(b) '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

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- maximising use of national research infrastructure by Australian and international researchers, including by encouraging industry access to relevant facilities and maintaining collections of national importance
- establishing stronger connections with top global research and technology peers
- maintaining science excellence in CSIRO research to deliver future impact
- promoting careers in science, investing in quality research training, and improving science, technology, engineering and maths (STEM) education, to ensure that Australia has robust scientific education programs, career opportunities 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) <i>Estimated actual</i> \$'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.

(a) 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.

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

(c) 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 <ul style="list-style-type: none"> • Program 1 - Supporting Science and Commercialisation • Program 2 - Growing Business Investment and Improving Business Capability • Program 3 - Program Support
Contribution to Outcome 1 made by linked 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 <ul style="list-style-type: none"> • Program 2.2 - Plant and Animal Health
Contribution to Outcome 1 made by linked program The Department of Agriculture and Water Resources contributes to Outcome 1 through contributions to the operating costs of the Australian Animal Health Laboratory.
Department of Education and Training
Program <ul style="list-style-type: none"> • Program 2.6 - Research Capacity
Contribution to Outcome 1 made by linked program The Department of Education and Training contributes to Outcome 1 through its policies and programs to invest in Australia's research capacity, including the National Collaborative Research Infrastructure Strategy.
Department of the Environment and Energy
Programs <ul style="list-style-type: none"> • Program 1.1 - Sustainable Management of Natural Resources and the Environment • Program 1.2 - Environmental Information and Research

<ul style="list-style-type: none"> • Program 2.2 - Adapting to Climate Change • Program 3.1 - Antarctica: Science, Policy and Presence
<p>Contribution to Outcome 1 made by linked programs</p> <p>The Department of the Environment and Energy contributes to Outcome 1 through the provision of funding to support science and research in the areas of marine science, climate science, ecology, ecotoxicology, hydrology, hydrogeology, informatics and risk analysis.</p> <p>The Department of the Environment and Energy also supports the Earth Systems and Climate Change Hub and other CSIRO partner Hubs, by providing funding through the National Environmental Science Program.</p>
<p>Bureau of Meteorology</p>
<p>Program</p> <ul style="list-style-type: none"> • Program 1.1 - Bureau of Meteorology
<p>Contribution to Outcome 1 made by linked program</p> <p>The Bureau of Meteorology contributes to Outcome 1 as a Hub partner, and co-research organisation, for the Earth Systems and Climate Change Hub to which CSIRO is the host organisation.</p>

Budgeted expenses for Outcome 1

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

(a) 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: <ul style="list-style-type: none">• providing advice and solutions that inform and protect society and the environment, help industry competitiveness, and improve the quality of goods and services for industry and consumers• providing products, technical and advisory services to industry and government• collaborating with businesses, public sector organisations and other publicly funded research agencies (PFRAs), universities and schools to undertake research, fund eligible investment proposals and provide education programs• investing in proposals from universities, PFRAs and their partners to bring forward the commercialisation of research-based solutions aligned with the Government’s Science and Research Priorities, and priority industry sectors as currently articulated via Industry Growth Centres• education and outreach activities to develop increased knowledge of science and its application to students, parents, teachers and the Australian community• administering the Innovation Fund to support start-up businesses and a culture of innovation and entrepreneurship in Australia.	
Performance information		
Year	Performance criteria	Targets
2018-19 (a)	Demonstrate triple-bottom-line impacts through: <ul style="list-style-type: none">• assessment of the quality of impact from independent Business Unit Reviews• externally validated case studies.	<ul style="list-style-type: none">• 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.	<i>Minimum of externally validated 25 case studies per year</i>
2020-21 and beyond	As per 2019-20.	<i>2020-21: 30 case studies 2021-22: 35 case studies 2022-23: 40 case studies</i>
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: <ul style="list-style-type: none">managing and operating the National Facilities including the Australian Animal Health Laboratory, Australia Telescope National Facility, Marine National Facility and Pawsey Supercomputing Centremanaging and operating the Australian National Research Collections including the Australian National Fish Collection, Australian National Insect Collection, Australian National Herbarium, Australian National Wildlife Collection, National Tree Seed Collection, National Algae Culture Collection, and the Atlas of Living Australia, the portal to the collections, providing free online accessthe identification of facility needs, and the design and creation of new facilitiesensuring access, both nationally and internationally, to the National Facilities and Australian National Research Collections for the Australian and international research community.	
Performance information		
Year	Performance criteria	Targets
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).	<ul style="list-style-type: none">Minimum of 70 per cent successful astronomical observationsMaximum 5 per cent time lost during scheduled astronomical observation90 per cent core hours on Pawsey supercomputer facility70 per cent outward loans of collections (averaged over 5 years)Minimum of 90 per cent successful research days delivered on Marine National FacilitiesMaximum 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 <i>Science and Industry Endowment Act 1926</i> , for the purpose of supporting scientific and industrial research for the benefit of Australia and its people. Currently SIEF expenditure is funded from 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: <ul style="list-style-type: none">investing in science that contributes to Australia’s sustainable future such as fundamental research for sustainable resource use, environmental protection and community health, collaborative research that brings together organisations capable of working together on solutions to national challenges, and scholarships that create and sustain young researchers capable of addressing national challengesthe Experimental Development Program, which funds the progression of experimental research and technology development to a stage where it attracts commercial investment and market uptakethe 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 industriesthe 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

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	<i>Impact narratives and evaluations demonstrating funded challenges are creating new Australian technology-based industries and/or applied technology platforms that can reach global scale.</i>	<i>Minimum of 1 case study per funded challenge</i>
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
	<i>Participant awareness of STEM careers and pathways in NSW.</i>	<i>8 per cent increase in 2020-21 on the 2018-19 baseline</i> <i>Minimum 1 per cent annual increment on the 2018-19 baseline for the outward years</i>
	<i>Impact narratives and evaluations demonstrating funded challenges are creating new Australian technology-based industries and/or applied technology platforms that can reach global scale.</i>	<i>Minimum of 1 case study per funded challenge</i>
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.

- (a) CSIRO is currently on track to achieve its 2018-19 performance targets.
- (b) Refers to updated purposes that will be reflected in the 2019-20 Corporate Plan.
- (c) Success measures observations that were able to be completed.
- (d) Success means that the research was able to be completed consistent with voyage objectives.
- (e) 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 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard 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 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard 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	Asset revaluation reserve	Other reserves	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'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 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard 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 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard 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.

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

(b) 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	Buildings	Property, plant and equipment	Heritage and cultural	Investment property	Intangibles	L&B, IP&E held for sale	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'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.

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 and the upgrading of Australia's ground Global Navigation Satellite System through the 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 <i>Estimated actual</i> \$'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.

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

(b) Excludes Departmental Capital Budget.

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

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

(e) 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

		2018-19	2019-20	2020-21	2021-22	2022-23
	Program	\$'000	\$'000	\$'000	\$'000	\$'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.

(a) 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>.

The most recent annual performance statement can be found at:
<https://www.industry.gov.au/about-us/what-we-do/annual-report>.

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

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

Linked programs

Department of Industry, Innovation and Science
Programs <ul style="list-style-type: none">• Program 1 – Supporting Science and Commercialisation• Program 2 – Growing Business Investment and Improving Business Capability• Program 3 – Program Support
Contribution to Outcome 1 made by linked programs <p>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.</p>
Bureau of Meteorology
Programs <ul style="list-style-type: none">• Program 1 – Bureau of Meteorology
Contribution to Outcome 1 made by linked programs <p>The Bureau of Meteorology partners with Geoscience Australia to provide the Joint Australian Tsunami Warning Centre.</p>

Budgeted expenses for Outcome 1

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

Table 2.1.1: Budgeted expenses for Outcome 1

Outcome 1: Informed government, industry and community decisions on the economic, social and environmental management of the nation's natural 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 appropriations ⁷⁴ External Revenue (a)	184,381	192,322	186,272	187,610	181,064
Expenses not requiring appropriation in the Budget year (b)	43,757	40,743	40,745	40,711	40,713
	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 appropriations ⁷⁴ External Revenue (a)	184,381	192,322	186,272	187,610	181,064
Expenses not requiring appropriation in the Budget year (b)	43,757	40,743	40,745	40,711	40,713
	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
Average staffing level (number)					
	600	600			

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

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

Table 2.1.2: Program components of Outcome 1

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

Table 2.1.3: Performance criteria for Outcome 1

Table 2.1.3 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 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: <ul style="list-style-type: none">• 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	<p>Program Performance</p> <p>Geoscience Australia’s products and services are fit for purpose, meet stakeholder needs and are underpinned by quality science.</p> <p>Products and Services – Stakeholder Satisfaction</p> <ul style="list-style-type: none">• Overall level of stakeholder satisfaction with Geoscience Australia• The level of stakeholder satisfaction with the quality of Geoscience Australia’s products and services• The level of stakeholder satisfaction with the timeliness of Geoscience Australia in delivering its products and services.	<p>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.</p> <p>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.</p>
2019-20	An increasing reliance by government, industry and the public on Geoscience Australia’s datasets, information and knowledge to inform decision-making.	<ul style="list-style-type: none">• 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

Geoscience Australia Budget Statements

2020-21 and beyond	As per 2019-20	As per 2019-20
Purposes	<p>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.</p> <p>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.</p>	
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 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard 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.

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

(b) 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 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	2,500	2,500	2,500	2,500	2,500
Trade and other receivables	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 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard 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 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard 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					
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.

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

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

(c) Includes the following sources of funding:

- current Bill 1 and prior year Act 1/3/5 appropriations (excluding amounts from the DCB)
- 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	Buildings	Other property, plant and equipment	Heritage and cultural	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'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.

(a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2019-20.

(b) 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
<i>less departmental appropriations drawn from annual/special appropriations and credited to special accounts</i>	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.

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

(b) 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.

(c) 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
<ul style="list-style-type: none">• Program 1 – Supporting Science and Commercialisation• Program 2 – Growing Business investment and Improving Business Capability• Program 3 – Program Support
Contribution to Outcome 1 made by linked programs The Department of Industry, Innovation and Science contributes to Outcome 1 through its policies and programs supporting science 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

	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: 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					
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
Average staffing level (number)					
	2018-19 1,046	2019-20 1,054			

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

Table 2.1.2: Program components of Outcome 1

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

Table 2.1.3: Performance criteria for Outcome 1

Table 2.1.3 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 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: <ul style="list-style-type: none">• 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.

IP Australia Budget Statements

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: <ul style="list-style-type: none">delivering public education and awareness programs, which promote the importance of IP and provide Australians with the tools they require to make informed decisions regarding IP.	
Performance information		
Year	Performance criteria	Targets
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: <ul style="list-style-type: none">Providing advice to government on intellectual property matters and supporting research into the current and future use of IP rights, and engaging with key international stakeholders and IP bodies.Providing policy advice across government and internationally to support policy and legislative objectives.Proactively managing international engagement activities to support our customers and further Australia's interests and contribute to capacity building activities focused on our region to support the international engagement objective of this program.	
Performance information		
Year	Performance criteria	Targets
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

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		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 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard 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 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard 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 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard 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.

(a) 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	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'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

NOPSEMA Budget Statements

- 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
<hr/>		
Average staffing level (number)	2018-19 112	2019-20 135

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

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

1.3 BUDGET MEASURES

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

Section 2: Outcomes and planned performance

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

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

Note:

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

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

Budgeted expenses for Outcome 1

This table shows how much NOPSEMA intends to spend (on an accrual basis) on achieving the outcome, broken down by program, 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 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.					
	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard 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			

(a) 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: <ul style="list-style-type: none">• implementing risk-based assessment procedures for all legislated submissions• implementing risk-based inspection programs for all offshore petroleum activities• taking proportionate enforcement actions that facilitate duty holder return to compliance• undertaking investigations in response to potential and reported non-compliances.	
Performance information		
Year	Performance criteria	Targets
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		

(a) 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.

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

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)	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	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'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 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
PURCHASE OF NON-FINANCIAL ASSETS					
Funded internally from departmental resources (a)	1,000	1,000	1,000	1,000	1,000
TOTAL	1,000	1,000	1,000	1,000	1,000
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	1,000	1,000	1,000	1,000	1,000
Total cash used to acquire assets	1,000	1,000	1,000	1,000	1,000

Prepared on Australian Accounting Standards basis.

(a) 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.

NORTHERN AUSTRALIA INFRASTRUCTURE FACILITY

ENTITY RESOURCES AND PLANNED PERFORMANCE

NORTHERN AUSTRALIA INFRASTRUCTURE FACILITY

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NORTHERN AUSTRALIA INFRASTRUCTURE FACILITY

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Northern Australia Infrastructure Facility (NAIF) was established on 1 July 2016 as a corporate Commonwealth Entity under the *Northern Australia Infrastructure Facility Act 2016* (NAIF Act). A commercially focused independent board oversees NAIF and is responsible for making Investment Decisions to provide financial assistance by way of loans or 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 transshipment 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,

NAIF Budget Statements

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.

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
<hr/>		
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.

(a) 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.

(b) 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 <ul style="list-style-type: none"> Program 2 - Growing Business Investment and Improving Business Capability
Contribution to Outcome 1 made by linked programs The Department of Industry, Innovation and Science contributes through its policies to increase economic growth and investment in northern Australia. The Department of Industry, Innovation and Science has policy responsibility for NAIF.
Austrade
Programs <ul style="list-style-type: none"> Program 1.1 - Promotion of Australia's export and other international economic interests Program 1.2 - Programs to promote Australia's export and other international economic interests
Contribution to Outcome 1 made by linked programs Austrade contributes to Outcome 1 through its programs to promote Australian export, inwards investment attraction and other international economic interests aligned with infrastructure investment in northern Australia.
Infrastructure Australia
Programs <ul style="list-style-type: none"> Program 1.1 - Infrastructure Australia
Contribution to Outcome 1 made by linked programs Infrastructure Australia contributes to Outcome 1 through 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 <ul style="list-style-type: none"> • 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 <ul style="list-style-type: none"> • Program 2.1 - Jobs, Land and Economy • Program 2.3 - Safety and Wellbeing • Program 2.4 - Culture and Capability • Program 2.5 - Remote Australia Strategies
Contribution to Outcome 1 made by linked programs 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					
	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			

(a) 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

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		expenditure and Commonwealth cost of borrowing over a four year horizon, as reflected in the Department of Industry, Innovation and Science accounts
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	<p>As per 2019-20</p> <p>Under s8(1) of the NAIF Act, the NAIF Board must not make a decision after 30 June 2021 to provide financial assistance.</p> <p>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:</p> <ul style="list-style-type: none">• 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. <p>Once NAIF has received direction post that review it will set appropriate performance criteria and targets for the period post 30 June 2021.</p>	As per 2019-20
Purposes	<p>NAIF's primary purpose is to transform northern Australia by financing infrastructure development that generates:</p> <ul style="list-style-type: none">• 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		

- (a) NAIF is currently on track to achieve its 2018-19 performance targets.
- (b) The NAIF Board is responsible for making Investment Decisions, being decisions by the Board to offer, or not to offer, a Financing Mechanism. As at 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 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard 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 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard 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.

