

Portfolio Budget Statements 2020­21

**Budget Related Paper No. 1.9**

Industry, Science, Energy and Resources Portfolio

Budget Initiatives and Explanations of

Appropriations Specified by Outcomes

and Programs by Entity

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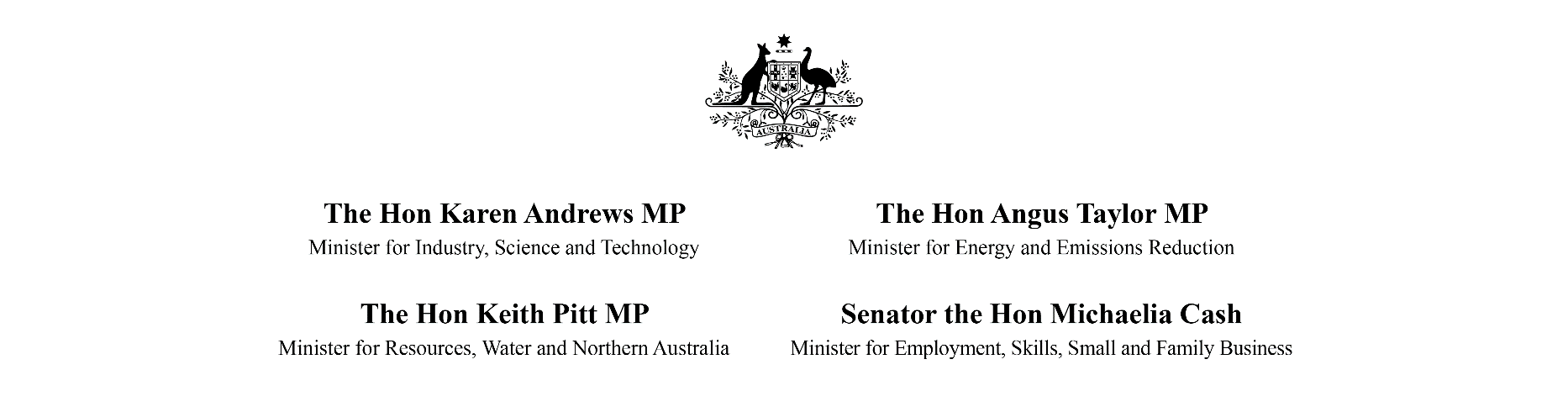
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President of the Senate

Australian Senate

Parliament House

CANBERRA ACT 2600

Speaker

House of Representatives

Parliament House

CANBERRA ACT 2600

Dear Mr President

Dear Mr Speaker

We hereby submit Portfolio Budget Statements in support of the 2020­21 Budget for the Industry, Science, Energy and Resources 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

The Hon Karen Andrews MP The Hon Angus Taylor MP

The Hon Keith Pitt MP Senator the Hon Michaelia Cash

#### Abbreviations and conventions

The following notations 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nfp not for publication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

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the Chief Finance Officer, Department of Industry, Science, Energy and Resources on (02) 6213 6000.

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

User guide

to the

Portfolio Budget Statements

# User guide

The purpose of the *2020­21 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) 2020­21 (or Appropriation (Parliamentary Departments) Bill *(*No. 1) 2020­21 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.



Contents

USER GUIDE VII

Industry, Science, Energy and Resources Portfolio Overview 3

Entity resources and planned performance 9

Department of Industry, Science, Energy and Resources 15

Australian Institute of Marine Science 103

Australian Nuclear Science and Technology Organisation 127

Australian Renewable Energy Agency 157

Clean Energy Finance Corporation 177

Clean Energy Regulator 207

Climate Change Authority 235

Commonwealth Scientific and Industrial Research Organisation 253

Geoscience Australia 283

IP Australia 309

National Offshore Petroleum Safety and Environmental Management Authority 333

Northern Australia Infrastructure Facility 353

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Portfolio Overview

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# Industry, Science, Energy and Resources Portfolio overview

## Ministers and portfolio responsibilities

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 Hon Angus Taylor MP is responsible for Energy and Emissions Reduction. Minister Taylor is charged with supporting affordable, reliable and secure energy for the long term benefit of the Australian community. He is also charged with contributing to effective global action on climate change.

The Hon Keith Pitt MP is responsible for Resources, Water and Northern Australia. Minister Pitt 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. Minister Pitt is supported by the Hon Michelle Landry MP as Assistant Minister for Northern Australia.

Senator the Hon Michaelia Cash is responsible for Employment, Skills, Small and Family Business. Minister Cash’s responsibility for facilitating the growth of small and family business is supported by the Department of Industry, Science, Energy and Resources.

The Industry, Science, Energy and Resources Portfolio was established by the Administrative Arrangements Orders made on 5 December 2019 and comprises:

* **Department of Industry, Science, Energy and Resources**

The Department of Industry, Science, Energy and Resources (the department) supports economic growth and job creation for all Australians. In 2019-20 the energy, climate change and small and family business functions were brought into the portfolio, creating new opportunities for the department to support business competitiveness, export growth and job creation.

The department facilitates economic recovery and growth by supporting manufacturing, business capability, technology, science and innovation. It supports affordable, reliable and secure energy and Australia’s transition to a lower emissions future, including by encouraging the commercialisation and uptake of clean technologies. It also backs Australia’s strong resources sector, supporting the safe and sustainable development of Australia’s mineral and energy resources for the benefit of the nation.

* **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, including the provision of life-saving nuclear medicines for Australians.

* **Australian Renewable Energy Agency (ARENA)**

ARENA is responsible for providing financial assistance for the research, development, demonstration, deployment and commercialisation of renewable energy and related technologies, and the storage and sharing of knowledge and information about renewable energy technologies.

* **Clean Energy Finance Corporation (CEFC)**

CEFC seeks to mobilise capital investment in clean energy, low-emissions technology and energy efficiency in Australia through commercial loans, equity investments and in limited circumstances, loan guarantees.

* **Clean Energy Regulator (CER)**

CER provides data and information to Commonwealth organisations for policy development and to meet international reporting obligations. In addition, this information and data is provided to state and territory organisations to reduce their need to duplicate emissions and energy reporting.

* **Climate Change Authority (CCA)**

CCA provides expert advice to the Australian Government on climate change mitigation initiatives, including through conducting regular and specifically commissioned reviews and through undertaking climate change research.

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

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

* **Geoscience Australia**

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

* **IP Australia**

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

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

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

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

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

* **Snowy Hydro Limited**

Snowy Hydro Limited is a wholly-owned Commonwealth Company and Government Business Enterprise operating under the *Corporations Act 2001* and the *Public Governance, Performance and Accountability Act 2013*. As such, financial reporting information for Snowy Hydro Limited is not disclosed in the Portfolio Budget Statements. Snowy Hydro Limited published financial statements in its annual reports.

Snowy Hydro Limited owns and operates 16 power stations with a combined generation capacity of 5,500 megawatts, including the Snowy Mountains Hydro Electricity Scheme, and has more than one million retail customers in the National Electricity Market.

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, Science, Energy and Resources Portfolio structure and outcomes

Minister for Industry, Science and Technology

**The Hon Karen Andrews MP**

Minister for Energy and Emissions Reduction

**The Hon Angus Taylor MP**

Minister for Resources, Water and Northern Australia

**The Hon Keith Pitt MP**

Minister for Employment, Skills, Small and Family Business

**Senator the Hon Michaelia Cash**

Assistant Minister for Northern Australia

**The Hon Michelle Landry MP**

**Department of Industry, Science, Energy and Resources**

Portfolio Secretary: Mr David Fredericks PSM

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

Outcome 2: Reduce Australia’s greenhouse gas emissions, contribute to effective global action on climate change, and support technological innovation in clean and renewable energy, through developing and implementing a national response to climate change

Outcome 3: Support the affordable, reliable, secure and competitive operation of energy markets for the long term benefit of the Australian community through improving Australia’s energy supply, efficiency, quality, performance and productivity

Outcome 4: Facilitating the growth of small and family business

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

Chief Executive Officer: Dr Paul Hardisty

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

**Australian Renewable Energy Agency (ARENA)**

Chief Executive Officer: Mr Darren Miller

Outcome: Support improvements in the competitiveness of renewable energy and related technologies and the supply of renewable energy by administering financial assistance, developing analysis and advice about, and sharing information and knowledge with regard to, renewable energy and related technologies

**Clean Energy Finance Corporation (CEFC)**

Chief Executive Officer: Mr Ian Learmonth

Outcome: Facilitate increased flows of finance into Australia's clean energy sector, applying commercial rigour to investing in renewable energy, low-emissions and energy efficiency technologies, building industry capacity, and disseminating information to industry stakeholders

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

Chief Executive Officer: Mr Shaun Jenkinson (A/g)

Outcome: 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

Figure 1: Industry, Science, Energy and Resources Portfolio structure and outcomes (continued)

**Geoscience Australia**

Chief Executive Officer: Dr James Johnson

Outcome: 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

**IP Australia**

Director General: Mr Michael Schwager

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

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

Chief Executive Officer: Mr Stuart Smith

Outcome: 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

**Clean Energy Regulator (CER)**

Chair: Mr David Parker AM

Outcome: Contribute to a reduction in Australia's net greenhouse gas emissions, including through   
the administration of market based mechanisms that incentivise reduction in emissions and the promotion   
of additional renewable electricity generation

**Northern Australia Infrastructure Facility (NAIF)**

Chief Executive Officer: Mr Chris Wade

Outcome: 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

**Climate Change Authority (CCA)**

Chief Executive Officer: Mr Brad Archer

Outcome: Provide expert advice to the Australian Government on climate change mitigation initiatives, including through conducting regular and specifically commissioned reviews and through undertaking climate change research

**Snowy Hydro Limited**

Chief Executive Officer: Mr Paul Broad

Objective: To operate as a commercial integrated energy business producing, supplying, trading and retailing energy in the National Electricity Market to create value for and provide returns to its shareholders and to manage the water resources of the Snowy Hydro Scheme in compliance with the Snowy Water Licence

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

Chief Executive: Dr Larry Marshall

Outcome: 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

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Entity resources and

planned performance

**Department of Industry, Science, Energy and Resources 11**

**Australian Institute of Marine Science 99**

**Australian Nuclear Science and Technology Organisation 123**

**Australian Renewable Energy Agency 153**

**Clean Energy Finance Corporation 173**

**Clean Energy Regulator 203**

**Climate Change Authority 231**

**Commonwealth Scientific and Industrial Research Organisation 249**

**Geoscience Australia 279**

**IP Australia 305**

**National Offshore Petroleum Safety and Environmental Management Authority 329**

**Northern Australia Infrastructure Facility 349**

Department o

Department of Industry, Science, Energy and Resources

Entity resources and planned performance

Department of Industry, Science, Energy and Resources

Section 1: Entity overview and resources 15

1.1 Strategic direction statement 15

1.2 Entity resource statement 18

1.3 Budget measures 21

Section 2: Outcomes and planned performance 24

2.1 Budgeted expenses and performance for Outcome 1 25

2.2 Budgeted expenses and performance for Outcome 2 58

2.3 Budgeted expenses and performance for Outcome 3 67

2.4 Budgeted expenses and performance for Outcome 4 76

Section 3: Budgeted financial statements 81

3.1 Budgeted financial statements 81

3.2 Budgeted financial statements tables 83

# Department of Industry, Science, Energy and Resources

## Section 1: Entity overview and resources

### 1.1 Strategic direction statement

The Department of Industry, Science, Energy and Resources (the department) supports economic growth and job creation for all Australians. This work has a critical part to play in the context of a recovery from the economic consequences of the COVID‑19 pandemic and continued global economic uncertainty.

The Australian Government’s JobMaker plan is supporting economic recovery and job growth by fostering a stronger, more competitive and resilient economy. In support of the plan, and economic recovery more generally, the department is implementing the Modern Manufacturing Strategy (MMS) to drive investment in Australian manufacturers focusing on competitiveness, scale and resilience. The department will also assist in providing a supportive economic growth environment for businesses by locking in secure, affordable and reliable energy, backing Australia’s strong resources sector, investing in digital uptake and supporting small and family business. The department’s work is also focused on reducing emissions with strong jobs growth and a strong economy, including by implementing a technology investment roadmap which focuses investment on priority technologies.

Manufacturing is critical to a modern Australian economy and to economic recovery following COVID‑19. It has an important role in many supply chains and adds significant value to all sectors. The MMS will harness Australia’s manufacturing capability, boost competitiveness, deliver transformation at scale and secure jobs for the future. The Modern Manufacturing Initiative ($1.3 billion) and the Manufacturing Modernisation Fund ($52.8 million) will help accelerate market led investment, encourage collaboration between businesses, researchers and investors, and provide opportunities for innovation, growth and investment in new technologies. The Supply Chain Resilience Initiative ($107.2 million) forms part of the Government’s work to ensure access to essential goods and services in times of crisis by working with industry to identify potential vulnerabilities, improve supply chain resilience and build national manufacturing capability in areas of need.

To enable businesses to lead the way out of this crisis, the Australian Government is focused on getting business conditions right. For example, investments in lowering energy costs will stimulate job creation and boost industry competitiveness. The Government will help lock in lower energy prices by accelerating critical transmission projects with up to $250 million in support, underpinning investment in new dispatchable generation, improving energy efficiency in the building sector ($52.2 million), and boosting cyber capability to secure our energy system into the future ($4.9 million). The Government will also provide $3.7 million for State Energy and Emissions Reduction Deals to improve energy affordability and security outcomes while reducing emissions and stimulating job creation.

The $52.9 million Gas-Fired Recovery will support gas exports whilst delivering sustainable, low gas prices for Australian manufacturers, electricity generators, businesses and households. The National Gas Infrastructure Plan aims to ensure the lowest costs across the supply chain by identifying priority infrastructure investments, supporting efficient transportation and empowering consumers. Strategic basin plans will identify ways to accelerate gas to market, reduce field production costs, strengthen community support for development, and gather additional data that can accelerate regulatory approvals.

To strengthen our national security and economic resilience, the Australian Government is capitalising on lessons learnt from COVID-19. The delivery of the Securing Australia’s Liquid Fuel Stocks package ($250 million over 10 years) will increase Australia’s fuel security by supporting new diesel fuel storage facilities, working with stakeholders to reform and boost the resilience of fuel supply and domestic refining capability, and progressing international measures to help Australia return to compliance with its International Energy Agency obligations.

The Australian Government is building on Australia’s comparative advantage in clean energy and low emissions technologies through a substantial package to implement the Government’s Technology Investment Roadmap and support ways to unlock low cost carbon abatement across the economy. This includes extending funding for the Australian Renewable Energy Agency (ARENA) by $1.4 billion over 10 years to support the commercialisation of low emissions technologies and development of substantial new export markets in the global low emissions economy. Consistent with the findings of the King Review, part of the Climate Solutions Fund will now focus on abatement opportunities that could not be unlocked through methods under the Emissions Reduction Fund ($95.4 million). This will be done by addressing barriers to technology adoption, simplifying regulation and supporting investment in the agriculture, transport, construction and industry sectors. Additional funding of $144.7 million will support the adoption of transformational low emission technologies such as hydrogen and future fuels.

The $48.9 million Digital Business Plan will accelerate the digital capability of Australian businesses by supporting strategic investments in digital technology, skills and infrastructure, and finding digital solutions to reduce the regulatory burden on businesses. The Plan includes measures to enable Australia’s technology future, creating jobs in high growth potential sectors and supporting Australia’s longer-term goal of becoming a leading digital economy by 2030. This complements the Government’s focus on supporting a secure digital economy by building the cyber security resilience and capability of small and medium-sized enterprises (SMEs).

In addition to the digital measures above to support SMEs, the Australian Government is also investing in improving the mental health of small business owners and the financial wellbeing of their businesses, through the BusinessBalance measure ($7 million).

The Government’s focus on job creation and recovery will also be strengthened by initiatives to support Australia’s strong science, technology, engineering and mathematics (STEM) capabilities and marshalling the expertise in our science and research agencies, such as CSIRO. For example, in the 2020-21 Budget the Australian Government is supporting industry and business through investment in women in STEM professions, providing economic benefit for Australia through greater workforce participation. This includes measures in the Second Women’s Economic Security Statement Package to address the drivers of inequality in STEM and support skills development.

The Australian Government has established the Australian Radioactive Waste Agency (ARWA) to lead the development of Australia’s radioactive waste management capabilities. This includes developing the National Radioactive Waste Management Facility. The Facility will support Australia’s nuclear medicine industry to continue production of nuclear medicine that, on average, 2 in 3 Australians will access in their lifetime. The new agency will be based in Adelaide, South Australia, enhancing the Australian Government’s decentralisation agenda by delivering jobs and economic benefits to Adelaide and the regional host community.

The Australian Government is committed to developing northern Australia and ensuring our rural and regional communities are supported in their economic growth as they live with and recover from the COVID-19 pandemic. This includes continuing to drive a forward-looking agenda to unlock northern Australia’s untapped economic potential, including reforms to the Northern Australia Infrastructure Facility to encourage and attract additional investment and infrastructure development. The Australian Government is also investing $3.5 million to support shovel-ready environmental remediation works at the former Rum Jungle mine site in the Northern Territory.

### 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.

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 for Outcome’ tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: Department of Industry, Science, Energy and Resources resource statement – Budget estimates for 2020­21 as at Budget October 2020

|  |  |  |
| --- | --- | --- |
|  | *2019­20* | 2020­21 |
|  | *Estimated* | Estimate |
|  | *actual* |  |
|  | *$'000* | $'000 |
| **Departmental** |  |  |
| Annual appropriations - ordinary annual services (a) |  |  |
| Prior year appropriations available (b) | *88,239* | 106,581 |
| Departmental appropriation | *474,430* | 592,928 |
| s74 external revenue (c) | *94,725* | 83,927 |
| Departmental capital budget (d) | *29,298* | 29,119 |
| Annual appropriations - other services - non-operating (e) |  |  |
| Prior year appropriation available (b) | *12,107* | 7,452 |
| Equity injection | *2,796* | 10,321 |
| Total departmental annual appropriations | *701,595* | 830,328 |
| Special accounts (f) |  |  |
| Opening balance | *27,162* | 27,400 |
| Appropriation receipts | *5,000* | 10,466 |
| Non-appropriation receipts | *11,992* | 7,170 |
| Total special accounts | *44,154* | 45,036 |
| *less department appropriations drawn from annual appropriations and credited to special accounts* | *5,000* | 10,466 |
| ***Total departmental resourcing*** | ***740,749*** | **864,898** |

Table 1.1: Department of Industry, Science, Energy and Resources resource statement – Budget estimates for 2020­21 as at Budget October 2020 (continued)

|  |  |  |
| --- | --- | --- |
|  | *2019­20* | 2020­21 |
|  | *Estimated* | Estimate |
|  | *actual* |  |
|  | *$'000* | $'000 |
| **Administered** |  |  |
| Annual appropriations - ordinary annual services |  |  |
| Prior year appropriations available (b) | *189,017* | 322,530 |
| Outcome 1 | *557,931* | 834,103 |
| Outcome 2 | *550* | 13,623 |
| Outcome 3 | *32,273* | 113,415 |
| Outcome 4 | *7,802* | 32,463 |
| Payments to corporate entities (g) | *1,176,820* | 1,318,564 |
| Annual appropriations - other services - non-operating |  |  |
| Prior year appropriation available (b) | *11,460* | 152,139 |
| Administered assets and liabilities | *152,139* | 896,754 |
| Payments to corporate entities (g) | *91,194* | 35,645 |
| *Total administered annual appropriations* | *2,219,186* | 3,719,236 |
| *Total administered special appropriations* (h) | *284,275* | 533,202 |
| Special accounts (f) |  |  |
| Opening balance | *121,061* | 5,966,292 |
| Adjustments | *5,391,179* | (8,835) |
| Non-appropriated receipts | *474,205* | 867,997 |
| *Total special accounts receipts* | *5,986,445* | 6,825,454 |
| *less payments to corporate entities from annual/special appropriations and special accounts* | *1,386,454* | 2,270,221 |
| *less special account balances for corporate entities* | *5,419,000* | 5,719,000 |
| ***Total administered resourcing*** | ***1,684,452*** | **3,088,671** |
| **Total resourcing for the Department of Industry, Science, Energy and Resources** | ***2,425,201*** | **3,953,569** |
|  |  |  |
|  | *2019­20* | 2020­21 |
| **Average staffing levels (number)** | *2,704* | 3,083 |

Table 1.1: Department of Industry, Science, Energy and Resources resource statement – Budget estimates for 2020­21 as at Budget October 2020 (continued)

Third-party payments from and on behalf of other entities

|  |  |  |
| --- | --- | --- |
|  | *2019­20* | 2020­21 |
|  | *Estimated* | Estimate |
|  | *actual* |  |
|  | *$'000* | $'000 |
| **Payments made to corporate entities within the Portfolio** (g) |  |  |
| **Ordinary Annual Services** |  |  |
| Australian Institute of Marine Science | *44,773* | 45,218 |
| Australian Nuclear Science and Technology Organisation | *281,909* | 278,819 |
| Australian Renewable Energy Agency | *–* | 17,625 |
| Clean Energy Finance Corporation | *1,925* | 4,270 |
| Commonwealth Scientific and Industrial Research Organisation | *837,873* | 960,670 |
| Northern Australia Infrastructure Facility | *10,340* | 11,962 |
| **Total ordinary annual services** | ***1,176,820*** | **1,318,564** |
|  |  |  |
| **Other Services** |  |  |
| Australian Nuclear Science and Technology Organisation | *81,194* | 20,465 |
| Commonwealth Scientific and Industrial Research Organisation | *10,000* | 15,180 |
| **Total other services** | ***91,194*** | **35,645** |
|  |  |  |
| **Special appropriations** |  |  |
| Australian Renewable Energy Agency | *82,500* | 327,182 |
| National Offshore Petroleum Safety Environmental Management Authority | *35,940* | 38,830 |
| **Total special appropriations** | ***118,440*** | **366,012** |
|  |  |  |
| **Special accounts** |  |  |
| Clean Energy Finance Corporation | *–* | 550,000 |
| **Total special accounts** | ***–*** | **550,000** |
|  |  |  |
| **Total payments to corporate entities within the Portfolio** | ***1,386,454*** | **2,270,221** |

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

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

1. Appropriation Bill (No.1) 2020-21 and *Supply Act (No.1) 2020-21.*
2. Total prior year appropriations available excludes $118 million withheld under section 51 of the Public Governance, Performance and Accountability Act 2013 (PGPA Act).
3. Estimated external revenue receipts under section 74 of the PGPA Act.
4. Departmental capital budgets are not separately identified in Appropriation Bill (No.1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details.
5. Appropriation Bill (No.2) 2020-21 and Supply Act (No.2) 2020-21.
6. For further information on special accounts, please refer to Budget Paper No. 4 - Agency Resourcing.
7. 'Corporate entities' are corporate Commonwealth entities as defined under the PGPA Act.
8. For further information on special appropriations, please refer to Budget Paper No. 4 - Agency Resourcing.

### 1.3 Budget measures

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

Table 1.2: Entity 2020­21 Budget measures

Measures announced after the Economic and Fiscal Update July 2020

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Program | 2020-21  $'000 | 2021-22  $'000 | 2022-23  $'000 | 2023-24  $'000 |
| **Receipt measures** |  |  |  |  |  |
| COVID-19 Response Package - Australian space industry - deferral of regulatory charging arrangements | 1.2 |  |  |  |  |
| Administered receipts |  | (304) | - | - | - |
| Departmental receipts |  | - | - | - | - |
| **Total** |  | **(304)** | **-** | **-** | **-** |
| JobMaker Plan - securing Australia's liquid fuel stocks | 3.1 |  |  |  |  |
| Administered receipts |  | - | (48) | (6) | (15) |
| Departmental receipts |  | - | - | - | - |
| **Total** |  | **-** | **(48)** | **(6)** | **(15)** |
| Northern Australia Infrastructure Facility - extension and enhancements | 1.4 |  |  |  |  |
| Administered receipts |  | - | 3,200 | 6,130 | 28,055 |
| Departmental receipts |  | - | - | - | - |
| **Total** |  | **-** | **3,200** | **6,130** | **28,055** |
| **Total receipt measures** |  |  |  |  |  |
| Administered |  | (304) | 3,152 | 6,124 | 28,040 |
| Departmental |  | - | - | - | - |
| **Total** |  | **(304)** | **3,152** | **6,124** | **28,040** |
| **Payment measures** |  |  |  |  |  |
| Advanced Manufacturing Facility and Vehicle to Grid Trial | 1.2 |  |  |  |  |
| Administered payment |  | 5,000 | - | - | - |
| Departmental payment |  | - | - | - | - |
| **Total** |  | **5,000** | **-** | **-** | **-** |
| Australia's Cyber Security Strategy 2020 (a) | 1.2 |  |  |  |  |
| Administered payment |  | 1,963 | 7,000 | 8,000 | 7,000 |
| Departmental payment |  | 4,664 | 5,115 | 1,867 | 2,105 |
| **Total** |  | **6,627** | **12,115** | **9,867** | **9,105** |
| COVID-19 Response Package - Australian space industry - deferral of regulatory charging arrangements | 1.2 |  |  |  |  |
| Administered payment |  | (304) | - | - | - |
| Departmental payment |  | - | - | - | - |
| **Total** |  | **(304)** | **-** | **-** | **-** |
| COVID-19 Response Package - BusinessBalance - supporting the mental health of Australians in small businesses | 4.1 |  |  |  |  |
| Administered payment |  | 6,495 | - | - | - |
| Departmental payment |  | 504 | - | - | - |
| **Total** |  | **6,999** | **-** | **-** | **-** |

Table 1.2: Entity 2020­21 Budget measures (continued)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Program | 2020-21  $'000 | 2021-22  $'000 | 2022-23  $'000 | 2023-24  $'000 |
| Engagement with State and Territory Governments on Energy Reforms | 3.1 |  |  |  |  |
| Administered payment |  | - | - | - | - |
| Departmental payment |  | 5,393 | - | - | - |
| **Total** |  | **5,393** | **-** | **-** | **-** |
| Growing Australia's Waste and Recycling Capability Through Cooperative Research Centres Projects (b) | 1.1 |  |  |  |  |
| Administered payment |  | - | - | - | - |
| Departmental payment |  | - | - | - | - |
| **Total** |  | **-** | **-** | **-** | **-** |
| JobMaker Plan - Digital Business Plan (c) | 1.1, 1.2, 4.1 |  |  |  |  |
| Administered payment |  | 21,520 | 12,225 | 4,125 | - |
| Departmental payment |  | 4,076 | 4,047 | 2,242 | 672 |
| **Total** |  | **25,596** | **16,272** | **6,367** | **672** |
| JobMaker Plan - gas-fired recovery | 1.3, 3.1 |  |  |  |  |
| Administered payment |  | 9,952 | 18,609 | 9,913 | 2,913 |
| Departmental payment |  | 10,968 | 9 | 506 | 9 |
| **Total** |  | **20,920** | **18,618** | **10,419** | **2,922** |
| JobMaker Plan - improving energy affordability and reliability | 3.1 |  |  |  |  |
| Administered payment |  | 19,700 | - | - | - |
| Departmental payment |  | 35 | - | - | - |
| **Total** |  | **19,735** | **-** | **-** | **-** |
| JobMaker Plan - investment in new energy technologies | 1.3, 2.1, 2.2, 3.1 |  |  |  |  |
| Administered payment |  | 24,289 | 38,769 | 39,350 | 30,100 |
| Departmental payment |  | 26,405 | 34,084 | 23,467 | 18,174 |
| **Total** |  | **50,694** | **72,853** | **62,817** | **48,274** |
| JobMaker Plan - Modern Manufacturing Strategy | 1.2 |  |  |  |  |
| Administered payment |  | 72,000 | 447,000 | 580,000 | 385,000 |
| Departmental payment |  | 7,129 | 7,191 | 7,408 | 4,077 |
| **Total** |  | **79,129** | **454,191** | **587,408** | **389,077** |
| JobMaker Plan - Second Women's Economic Security Package | 1.1 |  |  |  |  |
| Administered payment |  | 6,230 | 6,251 | 12,321 | 12,211 |
| Departmental payment |  | 1,430 | 1,756 | 2,280 | 1,404 |
| **Total** |  | **7,660** | **8,007** | **14,601** | **13,615** |
| JobMaker Plan - securing Australia's liquid fuel stocks | 3.1 |  |  |  |  |
| Administered payment |  | 11,228 | 52,481 | 92,560 | 62,631 |
| Departmental payment |  | 6,570 | 2,911 | 1,747 | 1,819 |
| **Total** |  | **17,798** | **55,392** | **94,307** | **64,450** |
| National Radioactive Waste Management Facility program - continuation | 1.3 |  |  |  |  |
| Administered payment |  | 21,817 | 19,152 | 15,406 | 8,655 |
| Departmental payment |  | 8,804 | 9,933 | 10,052 | 9,791 |
| **Total** |  | **30,621** | **29,085** | **25,458** | **18,446** |

Table 1.2: Entity 2020­21 Budget measures (continued)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Program | 2020-21  $'000 | 2021-22  $'000 | 2022-23  $'000 | 2023-24  $'000 |
| New Initiatives for a Comprehensive Strategic Partnership with India (d) | 1.1 |  |  |  |  |
| Administered payment |  | - | - | - | - |
| Departmental payment |  | - | - | - | - |
| **Total** |  | **-** | **-** | **-** | **-** |
| Northern Australia Infrastructure Facility - extension and enhancements | 1.4 |  |  |  |  |
| Administered payment |  | - | - | - | - |
| Departmental payment |  | 297 | 465 | 341 | 442 |
| **Total** |  | **297** | **465** | **341** | **442** |
| Payment Times Procurement Connected Policy (e) | 4.1 |  |  |  |  |
| Administered payment |  | - | - | - | - |
| Departmental payment |  | - | - | - | - |
| **Total** |  | **-** | **-** | **-** | **-** |
| Rum Jungle Rehabilitation Project - additional funding (f) | 1.3 |  |  |  |  |
| Administered payment |  | - | - | - | - |
| Departmental payment |  | - | - | - | - |
| **Total** |  | **-** | **-** | **-** | **-** |
| Steel Processing and Galvanising Plant in Whyalla - upgrade | 1.2 |  |  |  |  |
| Administered payment |  | 15,000 | - | - | - |
| Departmental payment |  | - | - | - | - |
| **Total** |  | **15,000** | **-** | **-** | **-** |
| **Total payment measures** |  |  |  |  |  |
| Administered |  | 214,890 | 601,487 | 761,675 | 508,510 |
| Departmental |  | 76,275 | 65,511 | 49,910 | 38,493 |
| **Total** |  | **291,165** | **666,998** | **811,585** | **547,003** |

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

1. This measure provides an additional $8.3 million of funding in 2020-21, which is offset from the contingency reserve.
2. This measure provides $10.0 million for administered payments over four years from 2020-21 from existing resources of the department.
3. This measure includes funding of $0.5 million in 2022-23 and $0.9 million in 2023-24 for modernising business registers and directors identification numbers, which is offset from the contingency reserve.
4. This measure provides funding of $1.4 million in 2020-21, $3.3 million in 2021-22, $5.2 million in 2022‑23 and $5.1 million in 2023-24. The funding is offset from the contingency reserve.
5. This measure provides funding of $0.8 million in 2020-21, $1.2 million in 2021-22, $1.3 million in 2022‑23 and $1.3 million in 2023-24. The funding is offset from the contingency reserve.
6. This measure will be delivered through a National Partnership Agreement through the Department of the Treasury (Treasury). The financial impact is reflected in Treasury's Portfolio Budget Statements.

## 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, Science, Energy and Resources 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**  **Australian Renewable Energy Agency**  **Clean Energy Finance Corporation**  **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   Australian Renewable Energy Agency   * Program 1.1 – Australian Renewable Energy Agency   Clean Energy Finance Corporation   * Program 1.1 – Clean Energy Finance Corporation   Commonwealth Scientific and Industrial Research Organisation   * Program 1 – Research – Science, Services and Innovation Fund * Program 2 – National Research Infrastructure – National Facilities and Collections * Program 3 – Science and Industry Endowment Fund   Geoscience Australia   * Program 1 – Geoscientific and Spatial Information Services   IP Australia   * Program 1 – IP Rights Administration and Professional Registration * Program 2 – Education and Awareness * Program 3 – Advice to Government and International Engagement   National Offshore Petroleum Safety and Environmental Management Authority   * Program 1 – Regulatory oversight of Safety Cases, Well Operations Management Plans and Environment Plans coupled with effective monitoring, investigation and enforcement   Northern Australia Infrastructure Facility   * Program 1 – Northern Australia Infrastructure Facility |
| **Contribution to Outcome 1 made by linked programs**  The portfolio agencies’ programs contribute to enabling growth and productivity for globally competitive industries through supporting science and commercialisation, growing business investment and improving business capability and streamlining regulation.  Further information on the linked programs is available in the agencies’ chapters. |
| **Department of Agriculture, Water and the Environment** |
| **Programs**   * Program 1.1 – Sustainable Management of Natural Resources and the Environment * Program 1.3 – Commonwealth Environmental Water * Program 2.1 – Antarctica: Science, Policy and Presence * Program 3.2 – Sustainable Management - Natural Resources * Program 3.10 – Agricultural Resources |
| **Contribution to Outcome 1 made by linked programs**  The Department of Agriculture, Water and the Environment works collaboratively with the Department of Industry, Science, Energy and Resources in the planning phase of the Antarctic Science Collaboration Initiative and the Reef Restoration and Adaptation Program, and the ongoing protection of the Alligator Rivers Region from impacts of mining uranium at Ranger mine. |
| **Regional Investment Corporation** |
| **Programs**   * Program 1.1 – Regional Investment Corporation |
| **Contribution to Outcome 1 made by linked programs**  The Regional Investment Corporation works collaboratively with the Department of Industry, Science, Energy and Resources to enhance Australia's water security and agricultural productivity through identification and funding of new water infrastructure through the National Water Infrastructure Loan Facility. |
| **Department of Defence** |
| **Programs**   * Program 2.1 – Strategic Policy and Intelligence * Program 2.9 – Capability, Acquisition and Sustainment * Program 2.13 – Defence Science and Technology |
| **Contribution to Outcome 1 made by linked programs**  The Department of Defence works collaboratively with the Department of Industry, Science, Energy and Resources 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 investment in defence capability over the next decade. The CDIC provides advice, assistance and grants to eligible businesses to better position them to support the Department of Defence. It also facilitates access to Defence’s innovation programs for Australian industry, academia and research organisations, working closely with the Defence Innovation Hub and Next Generation Technologies Fund.  The CDIC also focuses on maximising Australian industry involvement in major capital acquisition programs. |
| **Department of Education, Skills and Employment** |
| **Programs**   * Program 4.1 – Employment Services |
| **Contribution to Outcome 1 made by linked programs**  The Department of Education, Skills and Employment works collaboratively with the Department of Industry, Science, Energy and Resources to create policies that help Australians participate in education, training and the workforce and meet employer needs for skilled workers. Like the Department of Industry, Science, Energy and Resources, the Department of Education, Skills and Employment works to assist employees in structurally transitioning industries. The departments work together to help support a whole of government response to structural adjustment. |
| **Department of Foreign Affairs and Trade** |
| **Programs**   * Program 1.1 – Foreign Affairs and Trade Operations |
| **Contribution to Outcome 1 made by linked programs**  The Department of Foreign Affairs and Trade works collaboratively with the Department of Industry, Science, Energy and Resources through its role in science diplomacy, collaboration on the Global Innovation Strategy, and advancement of Australia’s trade and investment interests. |
| **Australian Trade and Investment Commission** |
| **Programs**   * Program 1.1 – Promotion of Australia’s export and other international economic interests * Program 1.2 – Programs to promote Australia’s exports and other international economic interests |
| **Contribution to Outcome 1 made by linked programs**  The Australian Trade and Investment Commission promotes Australia’s exports and other international economic interests through the provision of information, advice and services to businesses, associations, institutions and government. It works collaboratively with the Department of Industry, Science, Energy and Resources on the Global Innovation Strategy, to help businesses build their global networks, and identify and capitalise on opportunities in the global marketplace. |
| **Department of Health** |
| **Programs**   * Program 1.1 – Health Policy Research and Analysis |
| **Contribution to Outcome 1 made by linked programs**  The Department of Health works collaboratively with the Department of Industry, Science, Energy and Resources to implement the Biomedical Translation Fund, the Medical Research Future Fund and strategies to make Australia a preferred destination for clinical trials.  Through the National Measurement Institute, the Department of Industry, Science, Energy and Resources contributes to reducing smoking prevalence in Australia by conducting tobacco plain packaging compliance and enforcement activities. |
| **Department of Home Affairs** |
| **Programs**   * Program 2.2 – Migration * Program 3.1 – Border Revenue * Program 3.2 – Trade Facilitation and Industry Engagement |
| **Contribution to Outcome 1 made by linked programs**  The Department of Home Affairs contributes to 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, Science, Energy and Resources 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, Science, Energy and Resources will continue to work with the Department of Home Affairs regarding employer sponsored permanent skilled migration. |
| **Department of Infrastructure, Transport, Regional Development and Communications** |
| **Programs**   * Program 1.1 – Infrastructure Investment * Program 3.1 – Regional Development |
| **Contribution to Outcome 1 made by linked programs**  The Department of Infrastructure, Transport, Regional Development and Communications works collaboratively with the Department of Industry, Science, Energy and Resources on developing northern Australia through land transport infrastructure investment programs including the Northern Australia Roads and Beef Roads programs, and Roads of Strategic Importance initiative. |
| **National Indigenous Australians Agency** |
| **Programs**   * Program 1.1 – Jobs, Land and the Economy |
| **Contribution to Outcome 1 made by linked programs**  The National Indigenous Australians Agency is implementing initiatives that enable Indigenous Australians to benefit economically from their land. This includes capacity building of native title corporations under the White Paper on Developing Northern Australia. The Department of Industry, Science, Energy and Resources oversees implementation of the White Paper. |
| **Department of the Treasury** |
| **Programs**   * Program 1.1 – Department of the Treasury * Program 1.4 – General Revenue Assistance * Program 1.9 – National Partnership Payments to the States |
| **Contribution to Outcome 1 made by linked programs**  The Department of the Treasury shares policy responsibility in respect to incentives and concessions delivered through the tax system, including the Research and Development (R&D) Tax Incentive, the Early Stage Venture Capital Limited Partnerships tax concessions, Venture Capital Limited Partnerships tax concessions, Pooled Development Funds tax concessions and tax incentives for early stage investors (‘angel investors’). The Treasury continues to provide general revenue assistance through royalty payments collected from offshore oil and gas projects in Western Australia and a uranium project in the Northern Territory. A range of specific purpose payments are made to the states, including a pilot hydrogen energy supply chain project in Victoria, and for the environmental management of the former Rum Jungle mine site in the Northern Territory. |
| **Australian Competition and Consumer Commission** |
| **Programs**   * Program 1.1 – Australian Competition and Consumer Commission |
| **Contribution to Outcome 1 made by linked programs**  The Australian Competition and Consumer Commission is responsible for achieving compliance with the Competition and Consumer Act 2010 and associated legislation in order to protect, strengthen and supplement the way competition works in Australian markets and industries to improve the efficiency of the economy and the welfare of Australians. |
| **Australian Taxation Office** |
| **Programs**   * Program 1.1 – Australian Taxation Office * Program 1.7 – Fuel Tax Credit Scheme * Program 1.10 – Research and Development Tax Incentive |
| **Contribution to Outcome 1 made by linked programs**  The Australian Taxation Office works collaboratively with the Department of Industry, Science, Energy and Resources on a number of taxation benefits initiatives. These include 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 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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019­20 | 2020­21 | 2021­22 | 2022­23 | 2023­24 |
| Estimated | Budget | Forward | Forward | Forward |
| actual |  | estimate | estimate | estimate |
| $'000 | $'000 | $'000 | $'000 | $'000 |
| **Program 1.1: Investing in science, technology and commercialisation** | | | | | |
| Administered expenses |  |  |  |  |  |
| Ordinary annual services (Appropriation Bill No. 1) | 193,342 | 366,819 | 332,345 | 307,871 | 315,407 |
| Expenses not requiring appropriation in the Budget year | 201 | 298 | – | – | – |
| **Administered Total** | **193,543** | **367,117** | **332,345** | **307,871** | **315,407** |
| Departmental expenses |  |  |  |  |  |
| Departmental appropriation | 152,012 | 136,590 | 116,947 | 108,194 | 105,188 |
| s74 external revenue (a) | 35,790 | 45,848 | 46,238 | 46,274 | 46,569 |
| Special accounts | 2,246 | 154 | 167 | 429 | 1 |
| Expenses not requiring appropriation in the Budget year (b) | 14,780 | 13,916 | 12,099 | 12,101 | 12,103 |
| **Departmental Total** | **204,828** | **196,508** | **175,451** | **166,998** | **163,861** |
| **Total expenses for Program 1.1** | **398,371** | **563,625** | **507,796** | **474,869** | **479,268** |
| **Program 1.2: Growing innovative and competitive businesses, industries and regions** | | | | | |
| Administered expenses |  |  |  |  |  |
| Ordinary annual services (Appropriation Bill No. 1) | 214,774 | 378,844 | 677,450 | 795,778 | 606,230 |
| Special accounts | 5,408 | 435 | – | – | – |
| Special appropriations | 42,930 | 20,187 | – | – | – |
| Expenses not requiring appropriation in the Budget year (c) | – | 113 | – | – | – |
| **Administered Total** | **263,112** | **399,579** | **677,450** | **795,778** | **606,230** |
| Departmental expenses |  |  |  |  |  |
| Departmental appropriation | 197,476 | 212,110 | 216,044 | 213,291 | 211,685 |
| s74 external revenue (a) | 58,912 | 38,068 | 26,748 | 23,322 | 17,989 |
| Special accounts | 10,621 | 11,640 | 9,640 | 9,640 | 8,872 |
| Expenses not requiring appropriation in the Budget year (b) | 19,200 | 19,083 | 16,635 | 16,638 | 16,640 |
| **Departmental Total** | **286,209** | **280,901** | **269,066** | **262,891** | **255,186** |
| **Total expenses for Program 1.2** | **549,321** | **680,480** | **946,516** | **1,058,669** | **861,416** |

Table 2.1.1: Budgeted expenses for Outcome 1 (continued)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019­20 | 2020­21 | 2021­22 | 2022­23 | 2023­24 |
| Estimated | Budget | Forward | Forward | Forward |
| actual |  | estimate | estimate | estimate |
| $'000 | $'000 | $'000 | $'000 | $'000 |
| **Program 1.3: Supporting a strong resources sector** | | | | | |
| Administered expenses |  |  |  |  |  |
| Ordinary annual services (Appropriation Bill No. 1) | 44,253 | 88,440 | 43,482 | 29,618 | 35,125 |
| Special accounts | 14,955 | 13,941 | 14,471 | 15,201 | 15,371 |
| Special appropriations | – | 60 | 60 | 60 | 60 |
| Expenses not requiring appropriation in the Budget year (c) | 3,492 | 3,036 | 1,829 | 2,339 | 2,230 |
| **Administered Total** | **62,700** | **105,477** | **59,842** | **47,218** | **52,786** |
| Departmental expenses |  |  |  |  |  |
| Departmental appropriation | 29,456 | 37,309 | 31,968 | 31,797 | 30,477 |
| s74 external revenue (a) | 14 | 8 | 9 | 9 | 10 |
| Expenses not requiring appropriation in the Budget year (b) | 2,864 | 2,847 | 2,465 | 2,466 | 2,466 |
| **Departmental Total** | **32,334** | **40,163** | **34,442** | **34,272** | **32,953** |
| **Total expenses for Program 1.3** | **95,034** | **145,640** | **94,284** | **81,490** | **85,739** |
| **Program 1.4: Growing a stronger Northern Australian economy** | | | | | |
| Expenses not requiring appropriation in the Budget year (c) | 84,189 | 158,545 | 288,273 | 372,971 | 403,435 |
| **Administered Total** | **84,189** | **158,545** | **288,273** | **372,971** | **403,435** |
| Departmental expenses |  |  |  |  |  |
| Departmental appropriation | 23,383 | 29,619 | 32,135 | 32,553 | 31,506 |
| s74 external revenue (a) | 9 | 4 | 6 | 6 | 6 |
| Expenses not requiring appropriation in the Budget year (b) | 2,274 | 2,260 | 2,251 | 2,252 | 2,252 |
| **Departmental Total** | **25,666** | **31,883** | **34,392** | **34,810** | **33,764** |
| **Total expenses for Program 1.4** | **109,855** | **190,428** | **322,665** | **407,781** | **437,199** |
| **Outcome 1 Totals by appropriation type** | | | | | |
| Administered expenses |  |  |  |  |  |
| Ordinary annual services (Appropriation Bill No. 1) | 1,627,264 | 2,130,772 | 2,339,828 | 2,423,035 | 2,239,173 |
| *Less payments to corporate entities* | *(1,174,895)* | *(1,296,669)* | *(1,286,551)* | *(1,289,768)* | *(1,282,411)* |
| Special Accounts | 20,363 | 14,376 | 14,471 | 15,201 | 15,371 |
| Special appropriations | 78,870 | 59,077 | 37,789 | 37,122 | 37,122 |
| *Less payments to corporate entities* | *(35,940)* | *(38,830)* | *(37,729)* | *(37,062)* | *(37,062)* |
| Expenses not requiring appropriation in the Budget year (c) | 87,882 | 161,992 | 290,102 | 375,310 | 405,665 |
| Payments to corporate entities | 1,210,835 | 1,335,499 | 1,324,280 | 1,326,830 | 1,319,473 |
| **Administered Total** | **1,814,379** | **2,366,217** | **2,682,190** | **2,850,668** | **2,697,331** |
| Departmental expenses |  |  |  |  |  |
| Departmental appropriation | 402,327 | 415,628 | 397,093 | 385,834 | 378,857 |
| s74 external revenue (a) | 94,725 | 83,927 | 73,001 | 69,611 | 64,573 |
| Special accounts | 12,867 | 11,794 | 9,807 | 10,069 | 8,873 |
| Expenses not requiring appropriation in the Budget year (b) | 39,118 | 38,106 | 33,451 | 33,456 | 33,461 |
| **Departmental Total** | **549,037** | **549,455** | **513,352** | **498,970** | **485,764** |
| **Total expenses for Outcome 1** | **2,363,416** | **2,915,672** | **3,195,542** | **3,349,638** | **3,183,095** |

Table 2.1.1: Budgeted expenses for Outcome 1 (continued)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019­20 | 2020­21 | 2021­22 | 2022­23 | 2023­24 |
| Estimated | Budget | Forward | Forward | Forward |
| actual |  | estimate | estimate | estimate |
| $'000 | $'000 | $'000 | $'000 | $'000 |
| **Movement of administered funds between years (d)** |  |  |  |  |  |
| **Outcome 1:** |  |  |  |  |  |
| **Program 1.1** |  |  |  |  |  |
| Australia-China Science and Research Fund | (1,482) | (48) | (530) | 1,600 | 460 |
| Australia-India Strategic Research Fund | (1,601) | (1,500) | (400) | 801 | 2,700 |
| Business Research and Innovation Initiative | (2,700) | 2,700 | – | – | – |
| Cooperative Research Centres Program | (45,364) | 45,364 | – | – | – |
| Square Kilometre Array Radio Telescope Project | (30,000) | 25,000 | – | – | 5,000 |
| **Program 1.2** |  |  |  |  |  |
| Advanced Manufacturing Growth Fund | (7,835) | 7,835 | – | – | – |
| Encouraging Innovation In Advanced Manufacturing | (848) | 848 | – | – | – |
| Entrepreneurs' Programme | (14,300) | 11,200 | 3,100 | – | – |
| Industry Growth Centres | (148) | 148 | – | – | – |
| Manufacturing Modernisation Fund | 2,609 | 10,311 | (12,920) | – | – |
| Next Generation Manufacturing Investment Programme | (435) | 435 | – | – | – |
| Thermochemical Conversion Technology Trial Facility | (5,000) | 5,000 | – | – | – |
| **Program 1.3** |  |  |  |  |  |
| Advancing Research and Development for Critical Minerals Program | (500) | 250 | 250 | – | – |
| Northern Endeavour Temporary Operations Program | (11,376) | 11,376 | – | – | – |
| Radioactive Waste Management | (6,516) | 1,510 | 2,000 | 750 | 2,256 |
| **Total movement of administered funds** | **(125,496)** | **120,429** | **(8,500)** | **3,151** | **10,416** |
|  |  |  |  |  |  |
|  | 2019­20 | 2020­21 |  |  |  |
| **Average staffing level (number)** | 2,287 | 2,511 |  |  |  |

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

1. Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act 2013.
2. Expenses not requiring appropriation in the budget year are made up of depreciation / amortisation expenses, audit fees, and approved operating losses.
3. Expenses not requiring appropriation relate to depreciation and amortisation expenses for the National Offshore Petroleum Titles Administrator, the expenses associated with the concessional loans to PSMA Australia Limited and proposed under the Northern Australia Infrastructure Facility.
4. Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

Table 2.1.2: Program components of Outcome 1

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Program 1.1: Investing in science, technology and commercialisation** | | | | | |
|  | 2019­20 | 2020­21 | 2021­22 | 2022­23 | 2023­24 |
| Estimated | Budget | Forward | Forward | Forward |
| actual |  | estimate | estimate | estimate |
| $'000 | $'000 | $'000 | $'000 | $'000 |
| *Program 1.1: Investing in science, technology and commercialisation* | | | | | |
| **Annual administered expenses:** |  |  |  |  |  |
| Access to World-leading Astronomy Infrastructure | 13,082 | 12,538 | 12,789 | 13,044 | 13,305 |
| Antarctic Science Collaboration Initiative | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 |
| Australia-China Science and Research Fund | 700 | 2,756 | 2,054 | 3,804 | 2,664 |
| Australia-India Strategic Research Fund | 309 | 3,280 | 7,180 | 5,201 | 7,100 |
| Boosting Female Founders Initiative | 28 | 12,277 | 12,089 | 12,100 | 12,202 |
| Business Research and Innovation Initiative | 3,647 | 7,076 | 16,022 | 6,675 | 9,330 |
| Cooperative Research Centres Program | 130,812 | 234,168 | 189,040 | 186,378 | 188,599 |
| COVID-19 Response Package - PPE Material | 176 | 2,358 | – | – | – |
| Digital Productivity | 1,425 | 1,500 | 1,500 | 1,500 | 1,500 |
| Global Innovation Strategy | 7,571 | 8,376 | 8,726 | 6,536 | 6,536 |
| Innovation Investment Fund | 94 | 134 | 140 | 147 | 155 |
| Inspiring All Australians in STEM | 10,967 | 11,355 | 11,666 | 15,716 | 15,716 |
| National Carp Control Plan | – | 1,838 | 1,839 | – | – |
| National Research Centre for Disaster Resilience | – | – | 8,000 | 8,000 | 8,000 |
| Research and Development Tax Incentive | 4,104 | 5,363 | 5,700 | 5,700 | 5,700 |
| Square Kilometre Array Radio Telescope Project | 15,427 | 58,800 | 50,600 | 38,070 | 39,600 |
| **Total annual administered expenses** | **193,342** | **366,819** | **332,345** | **307,871** | **315,407** |
| **Expenses not requiring appropriation in the Budget year:** |  |  |  |  |  |
| Quantum Computing | 201 | 298 | – | – | – |
| **Total expenses not requiring appropriation in the Budget year** | **201** | **298** | **–** | **–** | **–** |
| **Total expenses for Program 1.1** | **193,543** | **367,117** | **332,345** | **307,871** | **315,407** |

Table 2.1.2: Program components of Outcome 1 (continued)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Program 1.2: Growing innovative and competitive businesses, industries and regions** | | | | | |
|  | 2019­20 | 2020­21 | 2021­22 | 2022­23 | 2023­24 |
| Estimated | Budget | Forward | Forward | Forward |
| actual |  | estimate | estimate | estimate |
| $'000 | $'000 | $'000 | $'000 | $'000 |
| *Program 1.2: Growing innovative and competitive businesses, industries and regions* | | | | | |
| **Annual administered expenses:** |  |  |  |  |  |
| ACE EV Group Advanced Manufacturing Facility and Vehicle to the Grid Trial | – | 5,000 | – | – | – |
| Advanced Manufacturing Growth Fund | 3,919 | 7,835 | – | – | – |
| Artificial Intelligence Capability Fund | 50 | – | 300 | – | – |
| Asialink Business | 3,138 | 3,250 | 2,997 | 2,899 | – |
| Australian Business Number and Business Names Registration System - expansion | – | 50 | 50 | 50 | 50 |
| Australian Made Export Campaign | 1,000 | 1,500 | 1,500 | 1,000 | – |
| Bait Industry Support | 1,340 | 2,100 | – | – | – |
| COVID-19 Response Package - PPE | 5,194 | 2,300 | – | – | – |
| Delivering Cyber Security Skills for a Digital Economy | – | 3,307 | 7,000 | 8,000 | 7,000 |
| Digital Skills Finder Platform | – | 2,500 | – | – | – |
| Empowering Businesses to Go Digital | 1,000 | 1,196 | 500 | – | – |
| Encouraging Innovation in Advanced Manufacturing | 4,331 | 4,548 | – | – | – |
| Entrepreneurs' Programme | 100,203 | 128,772 | 121,220 | 113,047 | 112,827 |
| Ferretti International - Upgrade | – | 15,000 | – | – | – |
| Ferretti International Whyalla Feasibility Study | 598 | – | – | – | – |
| Geocoded National Address File | 6,200 | 6,324 | 6,451 | 6,580 | 6,711 |
| Growing Australia's Space Industry | – | 3,400 | 8,500 | 33,500 | 49,000 |
| Improving Digital Capability of SMEs | – | 500 | – | – | – |
| Industry Growth Centres | 48,623 | 66,245 | 76,800 | 45,700 | 41,500 |
| International Space Investment | 3,000 | 5,000 | 7,000 | – | – |
| Manufacturing Modernisation Fund | 11,081 | 40,311 | 32,080 | 15,000 | – |
| Modern Manufacturing Initiative | – | 40,000 | 380,000 | 520,000 | 340,000 |
| Mossman Mill Transition Program | 12,000 | 4,000 | 4,000 | – | – |
| National Innovation Games | 1,608 | 1,616 | – | – | – |
| Next Generation Manufacturing Investment Program | – | 100 | – | – | – |

Table 2.1.2: Program components of Outcome 1 (continued)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Program 1.2: Growing innovative and competitive businesses, industries and regions** | | | | | |
|  | 2019­20 | 2020­21 | 2021­22 | 2022­23 | 2023­24 |
| Estimated | Budget | Forward | Forward | Forward |
| actual |  | estimate | estimate | estimate |
| $'000 | $'000 | $'000 | $'000 | $'000 |
| *Program 1.2: Growing innovative and competitive businesses, industries and regions* | | | | | |
| SME Export Hubs | 2,333 | 4,489 | 2,700 | – | – |
| Space Infrastructure Fund | 5,100 | 6,800 | 4,900 | – | – |
| Supply Chain Resilience Initiative | – | 2,000 | 12,000 | 45,000 | 45,000 |
| Support for Industry Service Organisations program | 4,056 | 4,295 | 4,952 | 5,002 | 4,142 |
| Supporting SMEs to Build Cyber Security Resilience | – | 6,906 | – | – | – |
| Thermochemical Conversion Technology Trial Facility(a) | – | 8,000 | nfp | nfp | nfp |
| Using Blockchain Technology to Reduce Business Compliance Costs | – | 1,500 | 4,500 | – | – |
| **Total annual administered expenses** | **214,774** | **378,844** | **677,450** | **795,778** | **606,230** |
| **Expenses not requiring appropriation:** |  |  |  |  |  |
| PSMA Australia Loan(b) | – | 113 | – | – | – |
| **Total expenses not requiring appropriation in the Budget year** | **–** | **113** | **–** | **–** | **–** |
| **Special appropriation:** |  |  |  |  |  |
| *Automotive Transformation Scheme Act 2009* | 42,930 | 20,187 | – | – | – |
| **Total special appropriation expenses** | **42,930** | **20,187** | **–** | **–** | **–** |
| **Special account expenses:** |  |  |  |  |  |
| Services for Other Entities and Trust Moneys | 5,408 | 435 | – | – | – |
| **Total special account expenses** | **5,408** | **435** | **–** | **–** | **–** |
| **Total expenses for Program 1.2** | **263,112** | **399,579** | **677,450** | **795,778** | **606,230** |

Table 2.1.2: Program components of Outcome 1 (continued)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Program 1.3: Supporting a strong resources sector** | | | | | |
|  | 2019­20 | 2020­21 | 2021­22 | 2022­23 | 2023­24 |
| Estimated | Budget | Forward | Forward | Forward |
| actual |  | estimate | estimate | estimate |
| $'000 | $'000 | $'000 | $'000 | $'000 |
| *Program 1.3: Supporting a strong resources sector* | | | | | |
| **Annual administered expenses:** |  |  |  |  |  |
| Advancing Research and Development for Critical Minerals Program(c) | – | 1,250 | 1,250 | 1,000 | 1,000 |
| Maralinga Maintenance | 239 | 1,082 | 251 | 253 | 261 |
| Northern Endeavour Temporary Operations | 27,968 | 47,376 | – | – | – |
| Offshore Renewable Energy - Registrar | – | 539 | 141 | – | – |
| Onshore Gas Social and Economic Research Fund | 1,000 | 2,952 | 4,609 | 2,913 | 2,913 |
| Petroleum Royalties Administration | 40 | 40 | 40 | 40 | 40 |
| Radioactive Waste Management | 8,740 | 27,894 | 23,191 | 18,412 | 30,911 |
| Rum Jungle Mine Site - Environmental Rehabilitation | 66 | – | – | – | – |
| Strategic Basin Plans | – | 7,000 | 14,000 | 7,000 | – |
| Supporting the Development of New Onshore Gas Supply | 6,200 | 307 | – | – | – |
| **Total annual administered expenses** | **44,253** | **88,440** | **43,482** | **29,618** | **35,125** |
| **Special appropriation:** |  |  |  |  |  |
| *Offshore Minerals Act 1994* | – | 60 | 60 | 60 | 60 |
| **Total special appropriation expenses** | **–** | **60** | **60** | **60** | **60** |
| **Special account expenses:** |  |  |  |  |  |
| National Offshore Petroleum Titles Administrator | 14,955 | 13,941 | 14,471 | 15,201 | 15,371 |
| **Total special account expenses** | **14,955** | **13,941** | **14,471** | **15,201** | **15,371** |
| **Expenses not requiring appropriation:** |  |  |  |  |  |
| National Offshore Petroleum Titles Administrator (d) | 3,492 | 3,036 | 1,829 | 2,339 | 2,230 |
| **Total expenses not requiring appropriation in the Budget year** | **3,492** | **3,036** | **1,829** | **2,339** | **2,230** |
| **Total expenses for Program 1.3** | **62,700** | **105,477** | **59,842** | **47,218** | **52,786** |

Table 2.1.2: Program components of Outcome 1 (continued)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Program 1.4: Growing a stronger northern Australian economy** | | | | | |
|  | 2019­20 | 2020­21 | 2021­22 | 2022­23 | 2023­24 |
| Estimated | Budget | Forward | Forward | Forward |
| actual |  | estimate | estimate | estimate |
| $'000 | $'000 | $'000 | $'000 | $'000 |
| *Program 1.4: Growing a stronger northern Australian economy* | | | | | |
| **Expenses not requiring appropriation in the Budget year:** |  |  |  |  |  |
| Northern Australia Infrastructure Facility (b) | 84,189 | 158,545 | 288,273 | 372,971 | 403,435 |
| **Total expenses not requiring appropriation in the Budget year** | **84,189** | **158,545** | **288,273** | **372,971** | **403,435** |
| **Total program 1.4 expenses** | **84,189** | **158,545** | **288,273** | **372,971** | **403,435** |

1. The financial impact is not for publication (nfp) due to commercial-in-confidence considerations.
2. Expenses not requiring appropriation relate to the expenses associated with the concessional loans to PSMA Australia Limited and proposed under the Northern Australia Infrastructure Facility.
3. Previously published in the 2019-20 Portfolio Additional Estimates Statements as the Critical Minerals Facilitation Office program*.*
4. Expenses not requiring appropriation relate to depreciation and amortisation expenses for the National Offshore Petroleum Titles Administrator.

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 2020­21 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 1.1** – **Investing in science, technology and commercialisation** | | |
| **Delivery** | Program 1.1 The objective of this program is to facilitate the development and uptake of new ideas and technology and translate them into commercial outcomes and enhanced productivity. This will be delivered by:   * supporting and capitalising on our national science expertise to drive innovation, enhance productivity and generate globally competitive solutions across the economy to improve our response to COVID-19 as well as addressing national and international challenges, such as in space, cyber, health, energy, climate change, resources, agriculture, disaster management and Artificial Intelligence (AI) * promoting the growth of a highly skilled workforce through greater understanding, awareness and participation in science, technology, engineering and mathematics (STEM), particularly for women, Aboriginal and Torres Strait Islander Peoples and other underrepresented groups * supporting basic research, business research and development and commercialisation, and translation of research, and encouraging collaboration between industry and the research sector, including through our world class science agencies and infrastructure * enabling Australia’s participation in world-leading science, supporting access to domestic and international science facilities and deepening international science engagement to drive Australia’s national interests | |
| **Performance information** | | |
| **Year** | **Performance criteria** **(a)** | **2019-20 Actual Achievement/Targets** |
| 2019-20 | Proportion of Australian science, technology, engineering and mathematics (STEM) publications with international co-authorship | Target:  Year-on-year increase.  Result:  Increase of 2.2 per cent.  Data is for the calendar year: the international co-authorship rate of 62.8 per cent in 2018 increased to 65 per cent in 2019. |
| Proportion of Australian patent applications with international co-inventors | Target:  Year-on-year increase.  Result:  In 2019, 2.3 per cent of standard patent applications filed in Australia by Australian applicants had international co‑applicants.  Data is for the calendar year. This number is stable, with a variation between 1.5 per cent and 2.3 per cent (with low absolute numbers: 37-62 patent filings per year) over the 10-year period to 2019. |
| Proportion of innovation-active businesses collaborating on innovation with publicly funded research institutions | Target:  Year-on-year increase.  Result:  Australian Bureau of Statistics (ABS) data (cat. no. 8167.0) released in June 2020 shows 9.8 per cent of innovation–active businesses collaborated on innovation with Australian universities or other higher education institutions, and 4.2 per cent with other Australian public research institutions in 2018-19.  The most recent data points to an increase in research-industry collaboration in 2018-19. The previous ABS data release showed 4.8 per cent of innovation-active businesses collaborated on innovation with universities or other higher education institutions and 1.7 per cent with other public research institutions in 2016‑17. |
| Proportion of higher education R&D financed by industry | Target:  Year-on-year increase.  Result:  ABS data (cat. no. 8111.0) released in May 2020 shows that 4.3 per cent of higher education R&D was financed by business in 2018.  The most recent data indicates that the proportion of higher education financed by the business sector remained broadly unchanged in 2018. Nonetheless, the value of businesses’ investment in higher education R&D increased from ~$476 million in 2016 to ~$522 million in 2018.  The previous ABS data release showed 4.4 per cent of higher education R&D was financed by business in 2016. |
| Effective delivery of Global Innovation Strategy initiatives, the Australia–China Science and Research Fund (ACSRF) and the Australia–India Strategic Research Fund (AISRF) | Result:  Significant achievements in 2019-20 included:   * announcing outcomes of AISRF Round 11 in July 2019 and Global Connections Fund Bridging Grants Round 4 in November 2019 * launching AISRF Round 12 in August 2019 and Round 13 (COVID‑19 special round) in June 2020 * 48 completed projects, reporting strengthened international relationships. |
| Maintaining the number of institutions participating in the Science in Australia Gender Equity (SAGE) initiative | Target:  Maintain SAGE participation for 44 or more institutions.  Result: 42  Two participating organisations have withdrawn from the SAGE initiative. |
| Target:  Maintaining SAGE accreditation for 15 or more institutions.  Result:  39 institutions have Bronze SAGE accreditation. |
| Effective delivery of initiatives to encourage more women and girls to pursue science education and careers | Result:  Significant achievements in 2019-20 included:   * awarding a grant to the University of New South Wales for the development and delivery of a national awareness raising initiative for girls and women in STEM, led by the Women in STEM Ambassador * awarding a grant to SAGE to continue improving gender equity in the higher education and research sector * launching the Australian Government’s Advancing Women in STEM 2020 Action Plan and inaugural STEM Equity Monitor * supporting the completion of 31 Women in STEM and Entrepreneurship grant projects. |
| Total visitation to the Questacon Centre | Target: 500,000  Result: 364,057  The 2019-20 result is below target as Questacon was closed due to bushfire smoke in January 2020 and due to COVID-19 from 21 March 2020 for the remainder of the financial year. |
| Number of participants to Questacon programs in-school or in their communities | Target: 93,000  Result: 48,090  The 2019-20 result is below target due to the impact of COVID-19 on Questacon touring programs. This impact was offset by delivering a digital program. |
| Percentage of National Measurement Institute reports, certificates and services delivered on time | Target: ≥ 85 per cent  Result: 84 per cent  High demand and the COVID-19 response caused delays in some areas. |
| Percentage of (trade measurement) trader audit target met | Target: ≥ 90 per cent  Result: 112 per cent  The number of inspections of businesses, trade measurement instruments and pre-packaged goods significantly exceeded targets. |
| Australia’s national system of measurement is trusted nationally and internationally | Result:  National Measurement Institute (NMI) maintained recognition of Australian measurement capabilities, including through key comparisons under the international Metre Convention and accreditation of NMI capabilities, in Australia and internationally.  In 2019-20, NMI:   * undertook more than 82,600 chemical and biological sample analyses for industry and government clients * provided more than 1,300 instrument test and calibration reports, promoting accuracy across Australian industry   Trade measurement compliance activities ensured fairness for consumers and businesses when they bought or sold goods by measurement. These included visiting more than 8,000 businesses, testing 12,900 measuring instruments, and inspecting more than 74,000 lines of packaged goods. |
| **Year** | **Performance criteria** **(a)(b)** | **2020-21 Targets** |
| 2020-21 | R&D expenditure registered by entities with the department in order to claim the R&D Tax Incentive through their annual tax returns | The R&D Tax Incentive is a demand-driven program, therefore the department does not have forward estimates.  Note: R&D is reported against the financial year in which it is registered. This is the year following the year in which the companies undertake the R&D activity. |
| *Proportion of Australians who consider STEM skills important for employment* | *≥ 87 per cent* |
| *Number of business-research collaborations facilitated by departmental programs* | Year-on-year increase. |
| Australia’s national system of measurement is trusted nationally and internationally | |
| 2021-22 and beyond | As per 2020-21 | As per 2020-21 |
| **Purposes (c)** | **Purpose 1: Science and Industry**  Support economic growth, productivity and job creation for all Australians by investing in science, technology and commercialisation and growing innovative and competitive businesses, industries and regions | |
| **Material changes to Program 1.1 resulting from the following measures:** Nil | | |
| **Program 1.2 - Growing innovative and competitive businesses, industries and regions** | | |
| **Delivery** | Program 1.2 The objective of this program is to support the growth of innovative and competitive businesses, industries and regions, and build a diversified, flexible, resilient and dynamic economic base that can identify and adapt to new markets and emerging opportunities. This will be delivered by:   * empowering Australian businesses to strengthen, grow, innovate, digitise and commercialise, supported by a competitive business environment that enables our recovery from COVID-19 * developing a modern, competitive and advanced manufacturing sector, investing in areas of competitive strength to create jobs, support economic growth and improve our economic resilience * driving export growth and strengthen and diversify supply chains and markets, attract private sector investment and capture new and emerging opportunities * encouraging the adoption of digital technologies by Australian businesses to underpin productivity gains, growth, and resilience * supporting Australia becoming a leading digital nation by 2030 including by enabling the development of emerging technologies and initiatives such as the National Block Chain Roadmap, the AI Ethics Framework * supporting the growth and transformation of the Australian space industry as outlined in the Advancing Space: Australian Civil Space Strategy 2019-2028 | |
| **Performance information** | | |
| **Year** | **Performance criteria (a)** | **2019-20 Actual Achievement/Targets** |
| 2019-20 | R&D expenditure registered by entities with the department in order to claim the R&D Tax Incentive through their annual tax returns ($’000) | Target:  The R&D Tax Incentive is a demand-driven program, therefore the department does not have forward estimates.  Note: The R&D is reported against the financial year in which it is registered. This is the year following the year in which the companies undertake the R&D activity.  Result:  $10,788,935  This result includes R&D expenditure that was registered for the income period 2018-19 (at 30 June 2020).  Registrations for the income period will continue until 30 September 2020.  Note: Extensions have automatically been granted to standard income year balances to assist businesses in managing the impact of COVID-19. Registrations normally close on 30 April. |
| Number of Cooperative Research Centres (CRC) grants/ Cooperative Research Centres Projects (CRC-P) grants supported | Target: 129  Result: 139 |
| Number of commercialisation agreements reported by CRC/CRC-P recipients | Target: 3,643  Result:  2019-20 data will be available after 31 October 2020, when final CRC and CRC-P reports are received.  This result will be commercialisation agreements reported for the 2018-19 period. A large part of the reported number reflects software licensing agreements by the Autism CRC in relation to a computer game product. |
| Number of applications for patents filed by CRC recipients | Target: 72  Result:  2019-20 data will be available after 31 October 2020, when final CRC and CRC-P reports are received.  This result will be patents filed for the 2018-19 period based on the increase in patents reported held by CRCs and the number reported filed by CRC-Ps. The value is significantly more than the target due to much higher than expected reported patents filed by CRC-Ps. |
| Australia’s ranking in the Global Entrepreneurship Monitor indicator of total early-stage entrepreneurship activity (TEA) | Target:  Maintain or improve Australia’s top 10 TEA ranking.  Result:  At 10.52 per cent, Australia ranked 12th out of 25 OECD countries. Our ranking has dropped from 10th in 2017-18 (12.21 per cent).  The latest data indicates a slight decline in the proportion of new businesses founded by a member of the adult Australian population (aged 18-64). On this indicator, Australia is behind the US (18.16 per cent), Canada (17.42 per cent) and South Korea (14.94 per cent). But, Australia is performing better than Switzerland (9.77 per cent), the UK (9.34 per cent) and Sweden (8.25 per cent). |
| Australia’s ranking in the Global Innovation Index | Target:  Maintain or improve Australia’s 22nd ranking in the Global Innovation Index.  Result:  Australia ranked 23rdin 2020*.* |
| Proportion of anti-dumping Preliminary Affirmative Determination (PAD) reports, or status reports explaining that there are insufficient grounds to issue a PAD, made on or before day 60 of an anti-dumping/countervailing investigation | Target: 100 per cent  Result: 100 per cent |
| Proportion of anti-dumping inquiries to the business.gov.au hotline and the client support area responded to within client service standards | Target: ≥ 95 per cent  Result: 99.3 per cent |
| Influential participation in Free Trade Agreement negotiations support Australian interests to increase and deliver better outcomes for market access and trade | Result:  The department actively engaged in free trade agreement (FTA) negotiations with the European Union and the multi-party Regional Comprehensive Economic Partnership to secure facilitated trade and fair outcomes for Australian manufacturers and resource companies. The department also provided support to Australian leads for the ongoing Pacific Alliance FTA negotiations. Similarly, the department negotiated industrial outcomes under the Indonesia-Australia Comprehensive Economic Partnership Agreement, which entered into force in July 2020. |
| Australian memberships of key international standardisation and accreditation bodies are maintained | Result:  Standards Australia maintained membership of the International Organization for Standardization and the International Electrotechnical Commission.  The National Association of Testing Authorities maintained membership of the International Laboratory Accreditation Cooperation and the Asia Pacific Accreditation Cooperation. |
| Number of small to medium enterprises (SMEs) participating in the SME Export Hub reporting increased revenue/export sales | Target: 50  Result: 105  While the target number of participating SMEs has been exceeded, there has not been a confirmed increase in revenue/export sales. The hubs have been impeded by severe drought conditions, bushfires and COVID-19. |
| Exports Hubs deliver against their objectives through helping collaborative networks of SMEs to identify their competitive strengths and innovation potential and develop export plans, including activities to:   * increase business engagement with supply chains and international markets * identify and improve management and workforce skills | Result:  Nearly 500 SMEs attended the 174 activities conducted by the hubs. Hubs have been impeded by severe drought, bushfires and COVID-19. These were moved to digital delivery of services and support, where possible. Hubs are reviewing their services to ensure they provide targeted support to help participating SMEs access markets when they reopen. |
| Number of services provided by the Entrepreneurs’ Programme that strengthen business management and networks, develop start-up capabilities, enhance research collaborations, and facilitate commercialisation of novel products, processes and services | Target: 6,832  Result: 10,770  The Entrepreneurs’ Programme provided additional advisory services to customers to support them in responding to the impacts of COVID-19. |
| Number of Growth Centre activities against key objectives | Target: 170  Result: 662  This number refers to activities the Industry Growth Centres organised or hosted. The actual number exceeds the target due to them delivering various collaborative activities with a network of industry partners. |
| Number of participants in Growth Centre activities | Target: 2,500  Result: 32,798  This number refers to individual participants in Industry Growth Centres activities. The actual number exceeds the target due to them delivering various collaborative activities with a network of industry partners. |
| Established Growth Centres deliver against the objectives of Sector Competitiveness Plans including activities to:   * identify and pursue opportunities for regulatory reform including improving industry standards * increase collaboration between business and researchers * increase business engagement with supply chains and international markets * identify sector skills needs and improve management and workforce skills | Result:  The Industry Growth Centres have engaged broadly across industry bodies and associations, research organisations and universities, and Australian Government and state and territory governments to progress priorities against the four objectives.  They have worked to:   * increase the technical leadership of different sectors to improve value differentiation, and lift scale and management quality to improve cost competitiveness * enhance industry skills and capability * actively progress industry research collaboration and commercialisation opportunities and projects * where applicable, identify opportunities to address regulatory barriers in their sectors.   The Industry Growth Centres have also supported the response to recent major challenges Australia has faced (drought, bushfires and COVID-19), including through emergency funding programs, networking and information support. They have provided advice to government on industry conditions and contributed to cross-sectoral responses to COVID-19 through government taskforces. |
| Australia’s ranking on the World Bank’s ‘ease of doing business’ scorecard | Target:  Maintain or improve Australia’s top 20 ranking.  Result:  Australia improved four places to reach 14th position in the world for ease of doing business in 2020. |
| Australia’s ranking on the World Economic Forum’s ‘business dynamism’ | Target:  Maintain or improve Australia’s top 20 ranking.  Result:  Australia achieved a global ranking of 16 out of 127 countries for 2019. |
| Induced private sector investment in new or expanded business activity from, for example, Advanced Manufacturing Growth Fund, Next Generation Manufacturing Investment Programme, and Manufacturing Modernisation Fund ($’000) | Target: $56,294  Result: $27,797  COVID-19 has contributed to the reduced level of induced investment in 2019-20, with around $16.2 million of Advanced Manufacturing Growth Fund–induced investment being deferred to next financial year. In addition, $34 million of planned Manufacturing Modernisation Fund–induced investment will occur in 2020-21, due to projects commencing late in the financial year. |
| Implement the Australian Civil Space Strategy:   * establish the Australian Space Agency headquarters at Lot Fourteen in Adelaide * deliver the Space Infrastructure Fund and International Space Investment initiative * develop and implement regulatory reform to support the *Space (Launches and Returns) Act 2018* and administer the Act to ensure safe space activities * achieve year-on-year growth exceeding 8.5 per cent per annum of the Australian space sector * achieve year-on-year growth of direct and indirect jobs to meet a target of 20,000 additional jobs and growth to $12 billion per annum of the Australian space sector by 2030 | Result:  Significant achievements in 2019-20 included:   * establishing the Australian Space Agency headquarters at Lot Fourteen in Adelaide in February 2020. * Space Infrastructure Fund (SIF) projects announced and on schedule in 2020, including: * the University of Tasmania space tracking upgrade * the Mission Control Centre in South Australia * space data analysis facilities in Western Australia * the Robotics, Automation and AI Command and Control Centre in Western Australia. * delivering an International Space Investment initiative on 17 June 2020, with 10 projects awarded funding under the Expand Capability program. * introducing regulatory reform to support the *Space (Launches and Returns) Act 2018* and administer the Act to ensure safe space activities developed and implemented. Notably: * the *Space (Launches and Returns) Act 2018* commenced on 31 August 2019 * the Space (Launches and Returns) (General) Rules and the Space (Launches and Returns) (Insurance) Rules commenced on 31 August 2019 * the Space (Launches and Returns) (High Power Rocket) Rules commenced on 30 June 2020.   IBISWorld’s independent report estimated Australian civil space economy revenue grew by an average annual rate of 8 per cent over the five years from 2015-16 to 2019-20. |
| 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 | Result:  The department continues to engage with state and territory governments and the Deregulation Taskforce to simplify the process of doing business in Australia. Initiatives implemented by the department over the past 12 months to reduce burden include the following:   * legislation was passed by Parliament to allow effective title administration and regulation of greenhouse gas storage that is located across the boundary between state or territory coastal waters and Commonwealth waters. This will reduce the complexity and legislative barriers for new projects. * legislation was passed in February 2020 to phase out the innovation patent system, which was not effective in stimulating small business innovation. * the business.gov.au website was upgraded on 14 November 2019 to improve user experience, through better navigation simplified content and a cleaner page design. A further upgrade to the website was released on 26 June 2020 to allow more personalisation of content. This enables specific content for users based on their browsing behaviour, which makes business interaction with the website more efficient and productive.   The department will deliver two solutions of the first tranche from Taskforce activities (making it easier for sole traders and microbusinesses to employ their first person and reducing export burden for food manufacturers). |
| Number of regulatory and administrative improvements identified and implemented | Result:  On track.  On 24 March 2020, the Productivity Commission released its draft report into regulation affecting the resources sector and highlighted best practice. The department will support the Australian Government’s response to the final report.  The House of Representatives has passed legislation, which has been introduced to the Senate, that will allow effective title administration and regulation of greenhouse gas storage that is located across boundaries between state or territory coastal and Commonwealth waters. |
| Phone calls and webchats received by the Contact Centre continue to be answered within 10 seconds | Target: ≥ 90 per cent  Result: 82 per cent  Due to COVID-19, the Contact Centre experienced a fourfold increase in demand between 20 March and 30 April 2020, which resulted in longer wait times. The Contact Centre redirected and recruited agents quickly to meet demand and reduce wait times.  Overall service levels would be at 94 per cent if the department took out the peak COVID-19 period of 20 March to 30 April 2020. |
| Reduce the number of businesses that waste time submitting ineligible applications for business services programs | Target: ≤ 4 per cent year on year.  Result: 13 per cent  While overall eligibility for the majority of programs was low, the presence of three large grants with high rates of ineligibility pushed the total percentage that were ineligible much higher. Excluding data for these three outliers from the calculation reduced the percentage of ineligible applications to 7 per cent.  The department is considering enhancing its new grants management system to help businesses identify early on in their application process whether or not they are eligible for a grant, and stopping them from progressing where they are not. |
| Increase the number of applicants experiencing a digital end-to-end business services application process | Target: 55 per cent  Result: 55 per cent  The Business Grants Management (BGM) system is an end-to-end platform used to on-board all grant opportunities into the Business Grants Hub. Around 55 per cent of grant applicants applied through the BGM platform in 2019-20.  In 2020-21, it is expected that 95 per cent of applicants will apply for grants through the BGM platform. |
| Applications for registration of R&D activities are processed within:   * 40 business days for first time registrants * 20 business days for registrants that have applied within 6 months after the end of the income period * 80 business days for registrations submitted from 6 to 10 months after the end of the income period. | Target:  95 per cent of applications for registration of R&D activities are processed within timeframes.  Result:  99 per cent of applications for registration of R&D activities were processed within the timeframes. |
| Total number of program opportunities on-boarded through the Business Grants Hub | Target: 80  Result: 108  A total of 112 were launched in the financial year, although four were expressions of interest and were not included in the figure. Any programs migrated from the previous Strategic Grants Management System (SGMS) are also excluded from this figure. |
| Make it easier for businesses to access government services by improving the efficiency and business experience of program delivery | Result:  From late 2019, the department has been migrating programs from the SGMS. This activity is due to be completed by early 2021. It will mean that the department is operating via a single IT system that allows all applicants to manage their grants through one digital end-to-end portal.  The Business Grants Hub has also formalised its benefits management framework, which will provide key metrics relating to efficiency and business experience from next financial year. |
| **Year** | **Performance criteria** **(a)(b)** | **2020-21 Targets** |
| 2020-21 | *Instances of assistance delivered to businesses in priority sectors* | Year-on-year increase. |
| *Number of regional areas where businesses have received assistance* | Year-on-year maintenance. |
| *The median time to complete a grant application for a merit, eligibility or competitive grant* | Year-on-year decrease. |
| Proportion of anti-dumping Preliminary Affirmative Determination (PAD) reports, or status reports explaining that there are insufficient grounds to issue a PAD, made on or before day 60 of an anti-dumping/countervailing investigation | 100 per cent |
| *Total number of jobs created by the digitally intensive industries* | Year-on-year increase. |
| 2021-22 and beyond | As per 2020-21 | As per 2020-21 |
| **Purposes (c)** | **Purpose 1: Science and Industry**  Support economic growth, productivity and job creation for all Australians by investing in science, technology and commercialisation and growing innovative and competitive businesses, industries and regions | |
| **Material changes to Program 1.2 resulting from the following measures:** Nil | | |
| **Program 1.3 - Supporting a strong resources sector** | | |
| **Delivery** | Program 1.3 The objective of this program is to support the sustainable development of the resources sector, attract private-sector investment and encourage innovative technologies. This will be delivered by:   * supporting investment and further exploration in the resources sector * growing Australia’s resource development potential and, in particular, growing the critical minerals sector and supporting the development of downstream supply-chain capabilities * removing regulatory and administrative barriers that impose unnecessary costs and delays to resources projects * safeguarding Australians and our environment, including by developing an enduring, safe and efficient national radioactive waste management capability and a national facility for the disposal of low level radioactive waste and temporary storage of intermediate level waste | |
| **Performance information** | | |
| **Year** | **Performance criteria (a)** | **2019-20 Actual Achievement/Targets** |
| 2019-20 | Implement the National Resources Strategy with state and territory counterparts through the COAG Energy Council | Target:  National Resources Strategy delivered by mid-2020  Result:  The department is on track to implement the National Resources Strategy with state and territory counterparts. In 2019-20, the department supported regulatory reviews, launched the National Hydrogen Strategy, established the Critical Minerals Facilitation Office and undertook the largest acreage release for offshore exploration since 2000. |
| Grow the resources sector to create new jobs in regional Australia | Target:  Year-on-year maintenance or increase in relevant new jobs created.  Result:  The number of employed persons in the mining industry in Australia in May 2020 was 238,052, down 8,976 (3.7 per cent) since May 2019 (original fourth-quarter average).  The number of employed persons in the mining industry (non-metro) in May 2020 was 126,597, down 4,657 (3.5 per cent) since May 2019 (original fourth-quarter average).  In May 2020, non-metro mining employment made up 52.4 per cent of all mining employment, down 2 per cent since May 2019, when non-metro mining employment was 54.4 per cent.  The department has supported growth in the resources sector through support for exploration, R&D, international partnerships and pursuing new opportunities such as critical minerals and hydrogen through the release of respective strategies.  Source: ABS, Labour Force, Australia, Detailed, Quarterly, May 2020, cat. no. 6291.0.55.003. |
| Deliver a national resources brand (with Austrade) and a Global Resources Strategy | Target:  Strategy and brand delivered by mid-2020.  Result:  Delayed 6-12 months.  COVID-19 interrupted the consultation required to complete these products. It was also important to delay the release of the products until after the pandemic. |
| Finalise the National Hydrogen Strategy | Target:  National Hydrogen Strategy finalised.  Result  Completed.  The National Hydrogen Strategy was released by COAG Energy Council Ministers on 22 November 2019. |
| Identify and remove regulatory and administrative barriers that impose unnecessary costs and delays to resource projects | Result:  On track.  In August 2019, the former Minister for Resources and Northern Australia referred the terms of reference for a Productivity Commission study into regulation of the sector. This study will run into 2020-21 and will identify regulatory best practice from Australian and international examples.  The National Critical Minerals Development Roadmap was agreed by the Australian Government and the state and territory resources ministers on 16 April 2020. The Roadmap aims to boost critical mineral exploration, open up new basins, and promote downstream value-adding activity. |
| Determining a suitable site to host a radioactive waste management facility, and progress site-specific design | Target:  Site Selection: A decision is made in relation to a site, including resolving any acquisition and compensation issues.  Result:  A preferred site at Napandee, near Kimba in South Australia, was identified following assessment of technical and community sentiment information.  The National Radioactive Waste Management Amendment (Site Specification, Community Fund and Other Measures) Bill 2020 passed the House of Representatives on 11 June 2020, allowing the site to be acquired. The Senate will consider the Bill following a report from the Senate Economics Legislation Committee. |
| **Year** | **Performance criteria** **(a)(b)** | **2020-21 Targets** |
| 2020-21 | *Total expenditure on resources exploration* | Year-on-year increase. |
| *Grow Australia’s critical minerals potential, including by supporting development of downstream capacity* | Year-on-year increase. |
| Identify and remove regulatory and administrative barriers that impose unnecessary costs and delays to resources projects | |
| 2021-22 and beyond | As per 2020-21 | As per 2020-21 |
| **Purposes (c)** | **Purpose 2: Resources and northern Australia**  Support economic growth, productivity and job creation for all Australians by supporting a strong resources sector and growing a stronger northern Australian economy | |
| **Material changes to Program 1.3 resulting from the following measures:** Nil | | |
| **Program 1.4 - Growing a stronger northern Australian economy** | | |
| **Delivery** | Program 1.4 The objective of this program is to drive economic growth and investment in northern Australia. This will be delivered by supporting northern Australia to capture new opportunities and create jobs, including through a refresh of the Government’s northern Australia development agenda. | |
| **Performance information** | | |
| **Year** | **Performance criteria** **(a)** | **2019-20 Actual Achievement/Targets** |
| 2019-20 | Number of new jobs created through federally financed infrastructure projects | Target:  Year-on-year maintenance or increase in relevant new jobs created.  Result:  An estimated 1,900 jobs have been supported through Northern Australia Infrastructure Facility (NAIF) projects that accessed federal finance. These include Voyages Indigenous Tourism Australia, Humpty Doo Barramundi, NT Airports, Townsville Airport, Onslow Marine Support Base, and Kalium Lakes. |
| Number of businesses contracted to assist with construction of federally funded infrastructure projects, and contract dollar value | Target:  Year-on-year maintenance or increase.  Result:  These two northern programs (Northern Australia Roads Programme and Beef Roads Programme) have approved 38 projects, with 25 of these projects completed, 11 underway and the remaining two to commence throughout 2020 and not scheduled to be completed until 2022. Current estimates indicate that over 2,000 direct local jobs will be created.  In 2019-20, 14 roads were completed at the total CAPEX value of $232.68 million, with an Australian Government investment of $184.15 million (Department of Infrastructure, Transport, Regional Development and Communications data). State and territory governments are responsible for facilitating contracts with local businesses to undertake construction. Some 14 businesses were contracted to deliver on these works with additional sub-contracts engaged by jurisdictions as necessary. Noting that in some instances, the same business may have been contracted for multiple projects. |
| Number of new Indigenous jobs created through federally financed infrastructure projects | Target:  Year-on-year maintenance or increase in relevant new jobs created.  Result:  Each NAIF financed project is required to prepare an Indigenous Engagement Strategy (IES), setting out objectives for Indigenous participation, procurement and employment that reflects the Indigenous population in the region of the proposed project.  Once construction activity and IES reporting obligations commence, proponents will report to the NAIF on the number of Indigenous full-time equivalent employees (across construction and operations) as well as the number of contracts and the value of contracts with Indigenous businesses, as a percentage of all contracts. NAIF will be able to provide this data in future reports as it becomes available. |
| Number of Indigenous businesses contracted to assist with construction of federally funded projects, and contract dollar value | Target:  Year-on-year maintenance or increase.  Result:  The inclusion of Indigenous employment and business use targets is providing Indigenous Australians with greater opportunities to access employment or to start or expand businesses as road-upgrade projects begin across the north. |
| Indigenous businesses accessing departmental programs | Target:  Year-on-year increase.  Result:  As at 17 June 2020, 23 out of 2,127 (1.1 per cent) successful grant applications to the department belonged to businesses that identified as either Indigenous owned or Indigenous controlled.  From 2019-20, the department’s grant application forms were modified to include two questions that allow businesses to identify as 50 per cent or more Indigenous owned, or 50 per cent or more Indigenous controlled.  The department will not be able to see a year-on-year increase until 2020-21, as this is the first year that data has been available. |
| **Year** | **Performance criteria** **(a)(b)** | **2020-21 Targets** |
| 2020-21 | *Number of Northern Australia White Paper measures delivered and progress to refresh the broader northern agenda* | Year-on-year increase. |
| Total number of jobs created by federally-financed Northern Australia Infrastructure Facility projects | Year-on-year increase. |
| 2021-22 and beyond | As per 2020-21 | As per 2020-21 |
| **Purposes (c)** | **Purpose 2: Resources and northern Australia**  Support economic growth, productivity and job creation for all Australians by supporting a strong resources sector and growing a stronger northern Australian economy. | |
| **Material changes to Program 1.4 resulting from the following measures:** Nil | | |

1. New or modified performance criteria that reflect new or materially changed programs are shown in *italics.*
2. In line with the Department of Finance guidelines, the department’s performance measures relate directly to its purposes and key activities, representing a mix of qualitative and quantitative measures that provide a basis for an assessment of our outputs, efficiency and effectiveness over time. As a leader in national policy for complex and multi-faceted areas such as the promotion of science, technology, engineering and mathematics (STEM); Australia’s resource development potential; supporting a secure, reliable and affordable energy sector; and supporting innovative and competitive businesses, industries and regions, the department has included measures which highlight where Australia, as a nation, stands. While the department contributes significantly to these measures, there are often many other factors at play which may affect the achievement of some of these measures. However, the department believes the measures above are important to track as a means to continually develop and improve its policies for the benefit of all Australians.
3. The purposes have been updated since the *2019-20 Corporate Plan* and will be reflected in the *2020-21 Corporate Plan*.

**2.2 Budgeted expenses and performance for Outcome 2**

|  |
| --- |
| **Outcome 2: Reduce Australia’s greenhouse gas emissions, contribute to effective global action on climate change, and support technological innovation in clean and renewable energy, through developing and implementing a national response to climate change** |

#### Linked programs

|  |
| --- |
| **Portfolio agencies**  **Australian Renewable Energy Agency**  **Clean Energy Finance Corporation**  **Clean Energy Regulator**  **Climate Change Authority**  **Commonwealth Scientific and Industrial Research Organisation**  **National Offshore Petroleum Safety and Environmental Management Authority**  **Northern Australia Infrastructure Facility** |
| **Programs**  Australian Renewable Energy Agency   * Program 1.1 – Australian Renewable Energy Agency   Clean Energy Finance Corporation   * Program 1.1 – Clean Energy Finance Corporation   Clean Energy Regulator   * Program 1.1 – Clean Energy Regulator   Climate Change Authority   * Program 1.1 – Reviewing Climate Change Mitigation Policies   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   National Offshore Petroleum Safety and Environmental Management Authority   * Program 1 – Regulatory oversight of Safety Cases, Well Operations Management Plans and Environment Plans coupled with effective monitoring, investigation and enforcement   Northern Australia Infrastructure Facility   * Program 1 – Northern Australia Infrastructure Facility |
| **Contribution to Outcome 2 made by linked programs**  The portfolio agencies’ programs contribute to reducing Australia’s greenhouse gas emissions and effective global action on climate change, and supporting technological innovation in clean and renewable energy through developing and implementing a national response to climate change. |
| **Australian Taxation Office** |
| **Program**   * Program 1.1 – Australian Taxation Office |
| **Contribution to Outcome 2 made by linked programs**  The Department of Industry, Science, Energy and Resources shares information on Emissions Reduction Fund tree planting projects with the Australian Taxation Office which administers the Carbon Sink Forest Tax measure, a tax deduction available to these projects. |
| **Bureau of Meteorology** |
| **Program**   * Program 1.1 – Bureau of Meteorology |
| **Contribution to Outcome 2 made by linked programs**  The Bureau of Meteorology works collaboratively with the Department of Industry, Science, Energy and Resources to provide weather and climate information, and to engage with other climate science providers to identify priority investment areas and research needs. |
| **Department of Agriculture, Water and the Environment** |
| **Program**   * Program 1.11 – Drought Programs |
| **Contribution to Outcome 2 made by linked programs**  The Department of Agriculture, Water and the Environment is responsible for drought policies and programs. Drought is a recurring part of the Australian landscape and farmers have learned to manage for and adapt to a variable climate. Drought will continue to be one of the biggest challenges regional communities and farmers face with impacts on agricultural output, productivity and on-farm incomes. The Department of Industry, Science, Energy and Resources works with the Department of Agriculture, Water and the Environment and the Department of the Prime Minister and Cabinet to provide input on policies and programs including the Joint Agency Drought Taskforce’s national drought strategy. |
| **Department of Foreign Affairs and Trade** |
| **Program**   * Program 1.1 – Foreign Affairs and Trade Operations |
| **Contribution to Outcome 2 made by linked programs**  The Department of Foreign Affairs and Trade leads international climate change negotiations for the government under the United Nations Framework Convention on Climate Change. The Department of Industry, Science, Energy and Resources works collaboratively with the Department of Foreign Affairs and Trade in formulating advice to Government on these matters and representing Australia at United Nations Framework Convention on Climate Change meetings. The Department of Industry, Science, Energy and Resources also delivers a number of Australian Government funded projects that support climate change capacity development projects in developing countries. |
| **Department of Home Affairs** |
| **Program**   * Program 1.2 – National Security and Criminal Justice |
| **Contribution to Outcome 2 made by linked programs**  The Department of Home Affairs provides joint secretariat with the Department of Industry, Science, Energy and Resources for the Australian Government Disaster and Climate Resilience Reference Group. The Group is a senior forum to progress policy on disaster and climate resilience. |
| **Department of Infrastructure, Transport, Regional Development and Communications** |
| **Programs**   * Program 2.2 – Surface Transport * Program 2.4 – Air Transport |
| **Contribution to Outcome 2 made by linked programs**  The Department of Infrastructure, Transport, Regional Development and Communications and the Department of Industry, Science, Energy and Resources work collaboratively to support the Ministerial Forum on Vehicle Emissions. The Department of Infrastructure, Transport, Regional Development and Communications leads participation and negotiations in the International Civil Aviation Organization's Carbon Offsetting and Reduction Scheme for International Aviation assessing measures and the frameworks for reducing aviation emissions. This work includes linkages to carbon markets and standards for carbon unit eligibility. |
| **Great Barrier Reef Marine Park Authority** |
| **Program**   * Program 1.1 – Improving the outlook for the Great Barrier Reef |
| **Contribution to Outcome 2 made by linked programs**  Climate change is the most significant threat to the Great Barrier Reef. The Department of Industry, Science, Energy and Resources is responsible for policy to support an effective global response to climate change. |

##### **Budgeted expenses for Outcome 2**

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 2.2.1: Budgeted expenses for Outcome 2

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019­20 | 2020­21 | 2021­22 | 2022­23 | 2023­24 |
| Estimated | Budget | Forward | Forward | Forward |
| actual |  | estimate | estimate | estimate |
| $'000 | $'000 | $'000 | $'000 | $'000 |
| **Program 2.1: Reducing Australia's greenhouse gas emissions** | | | | | |
| Administered expenses |  |  |  |  |  |
| Ordinary annual services (Appropriation Bill No. 1) |  |  |  |  |  |
| Activating Regional Hydrogen Export Hubs | – | 1,250 | 3,500 | 16,750 | 28,000 |
| Biofuels - Monitoring, Compliance and Enforcement for Fuel Quality | 23 | 177 | 100 | 100 | 100 |
| Carbon Capture, Use and Storage Development Fund | – | 10,000 | 20,000 | 20,000 | – |
| Hydrogen Strategy and Implementation | 350 | 1,496 | 603 | 521 | – |
| Soil Carbon and Livestock Methane | – | 700 | 4,300 | 2,600 | 2,100 |
| **Administered Total** | **373** | **13,623** | **28,503** | **39,971** | **30,200** |
| Departmental expenses |  |  |  |  |  |
| Departmental appropriation | 19,146 | 56,205 | 50,318 | 46,958 | 43,104 |
| Expenses not requiring appropriation in the budget year (a) | 81 | 816 | 325 | 89 | 89 |
| **Departmental Total** | **19,227** | **57,021** | **50,643** | **47,047** | **43,193** |
| **Total expenses for Program 2.1** | **19,600** | **70,644** | **79,146** | **87,018** | **73,393** |
| **Program 2.2: Developing clean energy technology** | | | | | |
| Administered expenses |  |  |  |  |  |
| Ordinary annual services (Appropriation Bill No. 1) | 1,925 | 21,895 | 58,870 | 174,372 | 148,662 |
| *Less payments to corporate entities* | (1,925) | (21,895) | (58,870) | (174,372) | (148,662) |
| Special appropriations |  |  |  |  |  |
| *Australian Renewable Energy Agency Act 2011* | 82,500 | 134,035 | 132,474 | – | – |
| Expenses not requiring appropriation in the budget year (b) | – | 193,147 | 55,090 | – | – |
| *Less payments to corporate entities* | (82,500) | (327,182) | (187,564) | – | – |
| Payments to corporate entities | 84,425 | 349,077 | 246,434 | 174,372 | 148,662 |
| **Administered Total** | **84,425** | **349,077** | **246,434** | **174,372** | **148,662** |
| Departmental expenses |  |  |  |  |  |
| Departmental appropriation | 2,753 | 5,168 | 5,440 | 5,745 | 5,843 |
| **Departmental Total** | **2,753** | **5,168** | **5,440** | **5,745** | **5,843** |
| **Total expenses for Program 2.2** | **87,178** | **354,245** | **251,874** | **180,117** | **154,505** |

Table 2.2.1: Budgeted expenses for Outcome 2 (continued)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019­20 | 2020­21 | 2021­22 | 2022­23 | 2023­24 |
| Estimated | Budget | Forward | Forward | Forward |
| actual |  | estimate | estimate | estimate |
| $'000 | $'000 | $'000 | $'000 | $'000 |
| **Outcome 2 Totals by appropriation type** | | | | | |
| Administered expenses |  |  |  |  |  |
| Ordinary annual services (Appropriation Bill No. 1) | 373 | 13,623 | 28,503 | 39,971 | 30,200 |
| Payments to corporate entities | 84,425 | 349,077 | 246,434 | 174,372 | 148,662 |
| **Administered Total** | **84,798** | **362,700** | **274,937** | **214,343** | **178,862** |
| Departmental expenses |  |  |  |  |  |
| Departmental appropriation | 21,899 | 61,373 | 55,758 | 52,703 | 48,947 |
| Expenses not requiring appropriation in the budget year (a) | 81 | 816 | 325 | 89 | 89 |
| **Departmental Total** | **21,980** | **62,189** | **56,083** | **52,792** | **49,036** |
| **Total expenses for**  **Outcome 2** | **106,778** | **424,889** | **331,020** | **267,135** | **227,898** |
|  |  |  |  |  |  |
| **Movement of administered funds between years (c)** | 2019­20 | 2020­21 | 2021­22 | 2022­23 | 2023­24 |
| Estimated | Budget | Forward | Forward | Forward |
| actual |  | estimate | estimate | estimate |
| $'000 | $'000 | $'000 | $'000 | $'000 |
| Outcome 2: |  |  |  |  |  |
| Biofuels - Monitoring, Compliance and Enforcement for Fuel Quality | (77) | 77 | – | – | – |
| Hydrogen Strategy and Implementation | (100) | 100 | – | – | – |
| **Total movement of administered funds** | **(177)** | **177** | **–** | **–** | **–** |
|  |  |  |  |  |  |
|  | 2019­20 | 2020­21 |  |  |  |
| **Average staffing level (number)** | 142 | 222 |  |  |  |

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

1. Expenses not requiring appropriation in the Budget year are made up of audit fees and approved operating losses.
2. Expenses not requiring appropriation in the Budget year reflect expenses funded by appropriations in previous budget years under the *Australian Renewable Energy Agency Act 2011*.
3. Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

##### **Table 2.2.3: Performance criteria for Outcome 2**

Table 2.2.3 below details the performance criteria for each program associated with Outcome 2. It also summarises how each program is delivered and where 2020‑21 Budget measures have created new programs or materially changed existing programs.

|  |  |  |  |
| --- | --- | --- | --- |
| Outcome 2: Reduce Australia’s greenhouse gas emissions, contribute to effective global action on climate change, and support technological innovation in clean and renewable energy, through developing and implementing a national response to climate change | | | |
| **Program 2.1** – **Reducing Australia’s greenhouse gas emissions** | | | |
| **Delivery** | Program 2.1 The objective of this program is to shape the global response to climate change and achieve Australia’s greenhouse gas emissions reduction targets. This will be delivered by:   * developing Australia’s long-term emissions reduction strategy ahead of the UN climate summit in Glasgow at the end of 2021, framed around technology pathways for key sectors * implementing the recommendations of the King Review to deliver cost effective emissions reduction opportunities in hard-to-abate sectors of the economy. | | |
| **Performance information** | | | |
| **Year** | **Performance criteria** **(a)** | | **2019-20 Actual Achievement/Targets** |
| 2019-20 | Australia contributes to an effective global response to climate change | | Target:  Australia’s national interests are well represented in the Paris Rulebook and frameworks for international markets  Yearly measures against the target:  Australia’s domestic policy priorities are reflected in agreed elements of the Paris Rulebook  Result:  Australia was a lead country in supporting robust frameworks for increased transparency and reporting under the Paris Agreement. |
| Australia is on track to meet its 2020 Kyoto Protocol target and Paris Agreement targets, and the economy is well positioned to deliver on climate commitments for 2030 and beyond | | Target:  The department tracks Australia’s emissions profile and implements policies and programs that contribute to reducing Australia’s greenhouse gas emissions  Yearly measures against the target:  Trends in Australia’s emissions and projected emissions are on track to meet commitments  Result:  The most recent published data shows total emissions for the year to December 2019 are estimated to be 532.5 Mt CO2-e, down 0.9 per cent or 5.0 Mt  CO2-e on the year to December 2018.  Australia’s emissions for the year to December 2019 have declined 16.1 per cent since peaking in the year to June 2007, and were 2.4 per cent below emissions for the same period in 2000.  30 June 2020 marked the end of Australia’s Kyoto-era targets and the start of our Paris Agreement target. While figures are yet to be finalised, Australia is estimated to have beaten its Kyoto-era target by up to 430 million tonnes of carbon dioxide equivalent (Mt CO2-e).  Australia is also on track to overachieve on its 2030 emissions reduction target. |
| Target:  The department tracks Australia’s emissions profile and implements policies and programs that contribute to reducing Australia’s greenhouse gas emissions  Yearly measures against the target:  Tracking against legislated large-scale renewable energy target of 33,000 gigawatt hours (GWh) of eligible electricity generation in 2020.  Result:  On track.  The Clean Energy Regulator reported to parliament in July 2019 that enough utility-scale renewables capacity will be built to meet the Large-scale Renewable Energy Target in 2020. |
| Target:  The department tracks Australia’s emissions profile and implements policies and programs that contribute to reducing Australia’s greenhouse gas emissions  Yearly measures against the target:  Tracking of Australian Government expenditure on clean energy research and development against 2015 levels (target: $216 million by 2020)  Result:  Australia is making progress towards achieving its Mission Innovation pledge to double clean energy R&D spending to $216 million by 2020.  In 2017-18 (the latest year for which data is available), Australian public investment in clean energy R&D totalled $136.9 million, a 27 per cent increase on our 2015-16 Mission Innovation baseline.  Progress towards our 2020 R&D commitment is not expected to be linear. Growth in clean energy R&D expenditure to 2020 is expected to be primarily driven by increased investments through the Australian Renewables Energy Agency (ARENA). |
| **Year** | **Performance criteria** **(a)(b)** | | **2020-21 Targets** |
| 2020-21 | Australia’s emissions and projected emissions are on track to meet international commitments | | Australia meets its international emission reduction commitment targets. |
| *Number of businesses participating in carbon neutral certification* | | Year-on-year increase. |
| *Legislated Large-scale Renewable Energy Target of 33,000 GWh of eligible renewable electricity generation in 2020 is met* | | 33,000 GWh of eligible renewable electricity generation in 2020. |
| 2021-22 and beyond | As per 2020-21 | | As per 2020-21 |
| **Purposes (c)** | **Purpose 3: Emissions Reduction and Clean Energy**  Reduce Australia’s greenhouse gas emissions, contribute to effective global action on climate change, and support technological innovation in clean and renewable energy, through developing and implementing a national response to climate change. | | |
| **Material changes to Program 2.1 resulting from the following measures:** Nil | | | |
| **Program 2.2** – **Developing clean energy technology** | | | |
| **Delivery** | **Program 2.2** The objective of this program is to support technological innovation in clean and renewable energy to reduce Australia’s greenhouse gas emissions. This will support the uptake of priority low emission technologies, including hydrogen, by implementing the Technology Investment Roadmap and reforming the Clean Energy Finance Corporation and Australian Renewable Energy Agency. | | |
| **Performance information 2019-20** | | | |
| **Year** | **Performance measure/criteria (a)** | **Target** | |
| 2019-20 | Refer to Program 2.1 | Refer to Program 2.1 | |
| **Performance information 2020-21** | | | |
| **Year** | **Performance measure/criteria (a)(b)** | **Target** | |
| 2020-21 | Australian Government expenditure on clean energy research and development | $216 million by 2020-21 | |
| 2021-22 and beyond | As per 2020-21 | As per 2020-21 | |
| **Purposes (c)** | **Purpose 3: Emissions Reduction and Clean Energy**  Reduce Australia’s greenhouse gas emissions, contribute to effective global action on climate change, and support technological innovation in clean and renewable energy, through developing and implementing a national response to climate change. | | |
| **Material changes to Program 2.2 resulting from the following measures:** Nil | | | |

1. New or modified performance criteria that reflect new or materially changed programs are shown in *italics.*
2. In line with the Department of Finance guidelines, the department’s performance measures relate directly to its purposes and key activities, representing a mix of qualitative and quantitative measures that provide a basis for an assessment of our outputs, efficiency and effectiveness over time. As a leader in national policy for complex and multi-faceted areas such as the promotion of science, technology, engineering and mathematics (STEM); Australia’s resource development potential; supporting a secure, reliable and affordable energy sector; and supporting innovative and competitive businesses, industries and regions, the department has included measures which highlight where Australia, as a nation, stands. While the department contributes significantly to these measures, there are often many other factors at play which may affect the achievement of some of these measures. However, the department believes the measures above are important to track as a means to continually develop and improve its policies for the benefit of all Australians.
3. The purposes have been updated since the *2019-20 Corporate Plan* and will be reflected in the *2020‑21 Corporate Plan*.

**2.3 Budgeted expenses and performance for Outcome 3**

|  |
| --- |
| **Outcome 3: Support the affordable, reliable, secure and competitive operation of energy markets for the long term benefit of the Australian community through improving Australia’s energy supply, efficiency, quality, performance and productivity** |

#### Linked programs

|  |
| --- |
| **Portfolio agencies**  **Australian Renewable Energy Agency**  **Clean Energy Finance Corporation**  **Clean Energy Regulator**  **Climate Change Authority**  **National Offshore Petroleum Safety and Environmental Management Authority** |
| **Programs**  Australian Renewable Energy Agency   * Program 1.1 – Australian Renewable Energy Agency   Clean Energy Finance Corporation   * Program 1.1 – Clean Energy Finance Corporation   Clean Energy Regulator   * Program 1.1 – Clean Energy Regulator   Climate Change Authority   * Program 1.1 – Reviewing Climate Change Mitigation Policies   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 |
| **Contribution to Outcome 3 made by linked programs**  The portfolio agencies’ programs contribute to supporting the affordable, reliable, secure and competitive operation of energy markets for the long term benefit of the Australian community through improving Australia’s energy supply, efficiency, quality, performance and productivity. |
| **Australian Competition and Consumer Commission** |
| **Program**   * Program 1.1 – Australian Competition and Consumer Commission * Program 1.2 – Australian Energy Regulator |
| **Contribution to Outcome 3 made by linked programs**  The Department of Industry, Science, Energy and Resources works collaboratively with the Australian Energy Regulator by promoting efficient investment in, and efficient operation and use of, energy services for the long-term interests of consumers of energy with respect to price, quality, safety, reliability and security. This includes through the development of consumer services such as the Australian Government energy comparator website, Energy Made Easy. The Department of Industry, Science, Energy and Resources facilitates the work streams of the Council of Australian Government Energy Council in developing electricity gas and retail rules which the Australian Energy Regulator is responsible for enforcing. The Australian Competition and Consumer Commission contributes to affordable, reliable, secure and competitive operations of energy markets by monitoring electricity, gas and fuel prices though public reporting. |
| **Department of Foreign Affairs and Trade** |
| **Program**   * Program 1.1 – Foreign Affairs and Trade Operations |
| **Contribution to Outcome 3 made by linked programs**  Department of Foreign Affairs and Trade provides diplomatic support to the Department of Industry, Science, Energy and Resources on matters relating to compliance with the International Energy Agency treaty. |
| **Department of Home Affairs** |
| **Programs**   * Program 1.2 – Border Management * Program 1.7 – National Security and Criminal Justice |
| **Contribution to Outcome 3 made by linked programs**  The Department of Industry, Science, Energy and Resources and the Department of Home Affairs work collaboratively on the operation of energy markets through the implementation and enforcement of the Australian Domestic Gas Security Mechanism. The Department of Home Affairs hosts sector group meetings, contributing to the operations of energy markets by helping manage the risks to Australia’s critical energy infrastructure. |
| **Department of Infrastructure, Transport, Regional Development and Communications** |
| **Program**   * Program 3.1 – Regional Development |
| **Contribution to Outcome 3 made by linked programs**  The Department of Industry, Science, Energy and Resources works collaboratively with the Department of Infrastructure, Transport, Regional Development and Communications to ensure that accelerated gas exploration and development in the Beetaloo sub-basin in the Northern Territory includes economic opportunities for local Indigenous communities. |

| **Department of the Treasury** |
| --- |
| **Program**   * Program 1.1 – Department of the Treasury |
| **Contribution to Outcome 3 made by linked programs**  In response to the Productivity Commission’s Inquiry into Data Availability and Use, the Treasury supports the operations of energy markets through the development and implementation of a consumer data right, creating legal and governance frameworks to support consumer access to energy data, which will promote new energy services, competition and innovation. |

##### **Budgeted expenses for Outcome 3**

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 2.3.1: Budgeted expenses for Outcome 3

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019­20 | 2020­21 | 2021­22 | 2022­23 | 2023­24 |
| Estimated | Budget | Forward | Forward | Forward |
| actual |  | estimate | estimate | estimate |
| $'000 | $'000 | $'000 | $'000 | $'000 |
| **Program 3.1: Supporting reliable, secure and affordable energy** | | | | | |
| Administered expenses |  |  |  |  |  |
| Ordinary annual services (Appropriation Bill No. 1) |  |  |  |  |  |
| Boosting Australia's Fuel Security | – | – | 50,000 | 90,000 | 60,000 |
| Business Electricity Advice and Support | 2,083 | 3,729 | 3,671 | – | – |
| Energy Efficiency Programs | 409 | 620 | 620 | 620 | 620 |
| Energy Efficient Communities Program | 244 | 31,216 | 8,529 | – | – |
| Energy Use Data Model for Better Forecasting | 2,177 | 2,661 | 2,662 | – | – |
| Further Support for CopperString 2.0 Project | – | nfp | – | – | – |
| GEMS National Legislative Framework | 2,104 | 5,832 | 5,832 | 5,832 | 5,832 |
| Hotel Energy Uplift Program | – | 10,205 | – | – | – |
| Implementing the Finkel Review | 1,310 | 2,026 | – | – | – |
| Improving Cyber Security in the Energy Sector | – | 800 | 600 | – | – |
| International Energy Agency Compliance - Collective Action Response | 3,500 | 12,769 | nfp | nfp | nfp |
| Micro-grids - Regional and Remote Communities | 1,798 | 16,138 | 15,450 | 8,202 | 4,297 |
| Powering Communities Program | – | – | 10,228 | – | – |
| Supporting Reliable Energy Infrastructure | 1,716 | 7,719 | 400 | – | – |
| UNGI Support for the Upgrade of Vales Point Power Station | – | nfp | – | – | – |
| Expenses not requiring appropriation in the budget year |  |  |  |  |  |
| Interconnector Funding - delivering reliable and affordable energy | – | nfp | 189 | – | – |
| International Energy Agency Compliance - Collective Action Response | 634 | – | – | – | – |
| **Administered Total** | **15,975** | **93,715** | **98,181** | **104,654** | **70,749** |

Table 2.3.1: Budgeted expenses for Outcome 3 (continued)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019­20 | 2020­21 | 2021­22 | 2022­23 | 2023­24 |
| Estimated | Budget | Forward | Forward | Forward |
| actual |  | estimate | estimate | estimate |
| $'000 | $'000 | $'000 | $'000 | $'000 |
| Departmental expenses |  |  |  |  |  |
| Departmental appropriation | 40,750 | 81,419 | 61,942 | 53,961 | 47,591 |
| Special accounts | 3,888 | 12,415 | – | – | – |
| Expenses not requiring appropriation in the budget year (a) | 72 | 6,652 | 79 | 79 | 79 |
| **Departmental Total** | **44,710** | **100,486** | **62,021** | **54,040** | **47,670** |
| **Total expenses for Program 3.1** | **60,685** | **194,201** | **160,202** | **158,694** | **118,419** |
| **Outcome 3 Totals by appropriation type** | | | | | |
| Administered expenses |  |  |  |  |  |
| Ordinary annual services (Appropriation Bill No. 1) | 15,341 | 93,715 | 97,992 | 104,654 | 70,749 |
| Expenses not requiring appropriation in the budget year | 634 | – | 189 | – | – |
| **Administered Total** | **15,975** | **93,715** | **98,181** | **104,654** | **70,749** |
| Departmental expenses |  |  |  |  |  |
| Departmental appropriation | 40,750 | 81,419 | 61,942 | 53,961 | 47,591 |
| Special accounts | 3,888 | 12,415 | – | – | – |
| Expenses not requiring appropriation in the budget year (a) | 72 | 6,652 | 79 | 79 | 79 |
| **Departmental Total** | **44,710** | **100,486** | **62,021** | **54,040** | **47,670** |
| **Total expenses for**  **Outcome 3** | **60,685** | **194,201** | **160,202** | **158,694** | **118,419** |
| **Movement of administered funds between years (b)** | 2019­20 | 2020­21 | 2021­22 | 2022­23 | 2023­24 |
| Estimated | Budget | Forward | Forward | Forward |
| actual |  | estimate | estimate | estimate |
| $'000 | $'000 | $'000 | $'000 | $'000 |
| Outcome 3: |  |  |  |  |  |
| Business Electricity Advice and Support | (549) | 549 | – | – | – |
| Energy Efficiency Communities Program | (4,756) | (1,853) | 6,609 | – | – |
| Energy Use Data Model for Better Forecasting | (323) | 161 | 162 | – | – |
| Implementing the Finkel Review | (76) | 76 | – | – | – |
| Micro-grids - Regional and Remote Communities | (4,149) | 3,255 | (2,586) | 1,760 | 1,720 |
| Supporting Reliable Energy Infrastructure | (4,119) | 3,719 | 400 | – | – |
| **Total movement of administered funds** | **(13,972)** | **5,907** | **4,585** | **1,760** | **1,720** |
|  |  |  |  |  |  |
|  | 2019­20 | 2020­21 |  |  |  |
| **Average staffing level (number)** | 211 | 275 |  |  |  |

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

1. Expenses not requiring appropriation in the Budget year comprise audit fees and approved operating losses.
2. Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

##### **Table 2.3.3: Performance criteria for Outcome 3**

Table 2.3.3 below details the performance criteria for each program associated with Outcome 3. It also summarises how each program is delivered and where 2020‑21 Budget measures have created new programs or materially changed existing programs.

|  |  |  |
| --- | --- | --- |
| Outcome 3: Support the affordable, reliable, secure and competitive operation of energy markets for the long term benefit of the Australian community through improving Australia’s energy supply, efficiency, quality, performance and productivity | | |
| **Program 3.1 – Supporting reliable, secure and affordable energy** | | |
| **Delivery** | Program 3.1 The objective of this program is to lead energy market reform to support investment and market outcomes in the long term interests of consumers, increase national energy efficiency, and support the security of domestic and international supply chains for electricity, gas and liquid fuel. This will be delivered by:   * working with states, territories and industry, to ensure energy reliability, affordability, security and efficiency, including by:   + increasing competition and consumer empowerment in the energy sector   + focusing energy efficiency investment – by governments, business and households – under a set of clearly articulated national principles   + improving the stability of the energy system through support for existing generation, investment in energy infrastructure, reforms to National Energy Laws and effective responses to energy emergencies   + encouraging private sector investment in new electricity generation, storage and technology, including new growth opportunities * strengthening Australia’s liquid fuel security through a market and regulatory framework that increases domestic diesel stocks and supports local refineries * accelerating the development of the wholesale gas market to ensure the affordability of gas | |
| **Performance information** | | |
| **Year** | **Performance criteria (a)** | **2019-20 Actual Achievement/Targets** |
| 2019-20 | Wholesale electricity price in the National Energy Market | Target:  Progress towards wholesale price < $70 per MWh.  Result:  The National Electricity Market (NEM)-wide average spot price for the 2019-20 financial year was $63 per MWh, which is 34 per cent lower compared to the same period in 2018-19.  Falling wholesale costs are a result of lower demand, falling prices for fuel inputs for gas and coal generators, and increased amounts of low-priced solar generation. Government initiatives, such as the *Treasury Laws Amendment (Prohibiting Energy Market Misconduct) Act 2019* also play a role. |
| Domestic market gas prices | Target:  Domestic gas market prices lower than liquefied natural gas (LNG) netback price.  Result:  As reported in the Australian Energy Regulator’s wholesale markets quarterly report (released on 18 May 2020), domestic gas spot prices and LNG netback prices were more closely aligned from the end of 2019.  At the end of the 2018-19 financial year, the simple average of east coast domestic spot prices was 52 per cent higher than the Asian netback price. Over the current reporting period, the difference has been trending down, with east coast domestic spot prices only 8 per cent higher at the end of the first quarter of 2020.  Note: The LNG netback price is a measure of an export parity price that a gas supplier can expect to receive for exporting its gas. It is calculated by taking the price that could be received for LNG and subtracting or ‘netting back’ the costs incurred by the supplier to convert the gas to LNG and ship it to the destination port. The Australian Competition Consumer Commission publishes an LNG netback data series every two weeks. |
| Retailers’ standing offer prices do not exceed default market offer | Target:  Retailers’ compliance.  Result:  The government’s Default Market Offer, implemented on 1 July 2019, placed a cap on the most expensive electricity standing offers in New South Wales, South Australia and Southeast Queensland.  The highest priced standing offers have been removed from the market, with average residential customers on standing offers in 2019-20 saving 25 per cent or $590 in South Australia; up to 38 per cent or $664 in New South Wales; and 42 per cent or $663 in Southeast Queensland. |
| National energy intensity | Target:  Improvement in national energy intensity relative to 2015-16.  Result:  Between 2017-18 and 2018-19, Australia’s energy intensity improved by 2 per cent.  Energy intensity for 2019-20 will be reported in the Australian Energy Statistics later this year. |
| National Electricity Market Reliability Standard | Target:  The reliability standard is met.  Result:  All regions of the NEM met the reliability standard for 2019-20. |
| Domestic gas market is in supply-demand balance | Target:  Australian Domestic Gas Security Mechanism (ADGSM) is not triggered.  Result:  The ADGSM was not triggered.  The Minister for Resources, Water and Northern Australia did not issue a notification of a shortfall year for 2020. |
| Liquid fuel market is in supply-demand balance | Target:  *Liquid Fuel Emergency Act 1984* is not triggered.  Result:  The *Liquid Fuel Emergency Act* *1984* was not triggered. |
| Timely delivery of Integrated System Plan (ISP) transmission projects | Target:  Projects delivered in line with ISP timetable.  Result:  A number of ISP priority grid projects identified by the Australian Energy Market Operator in its ISP have been committed to and are likely to be delivered within recommended ISP timeframes. These include the South Australian power system strength remediation project, system augmentations in northern and western Victoria, and a minor upgrade of the Queensland-NSW Interconnector.  Other priority projects are undergoing regulatory assessment. |
| Australia’s International Energy Agency (IEA) stockholding obligation | Target:  IEA members accept Australia’s strategy for returning to compliance.  Result:  Australia presented a return to compliance update to the IEA Governing Board on 18 June 2020.  The Board acknowledged Australia’s compliance efforts. A further update is required in 2021. |
| **Year** | **Performance criteria** **(a)(b)** | **2020-21 Targets** |
| 2020-21 | *Lower energy prices* | Progress towards wholesale price < $70/MWh in the National Electricity Market. |
| Domestic gas market prices lower than liquefied natural gas (LNG) netback price. |
| The liquid fuel market is in supply-demand balance | The *Liquid Fuel Emergency Act 1984* is not triggered. |
| 2021-22 and beyond | As per 2020-21 | As per 2020-21 |
| **Purposes (c)** | **Purpose 4: Energy Market**  Support the affordable, reliable, secure and competitive operation of energy markets for the long-term benefit of the Australian community through improving Australia’s energy supply, efficiency, quality, performance and productivity. | |
| **Material changes to Program 3.1 resulting from the following measures:** Nil | | |

1. New or modified performance criteria that reflect new or materially changed programs are shown in *italics.*
2. In line with the Department of Finance guidelines, the department’s performance measures relate directly to its purposes and key activities, representing a mix of qualitative and quantitative measures that provide a basis for an assessment of our outputs, efficiency and effectiveness over time. As a leader in national policy for complex and multi-faceted areas such as the promotion of science, technology, engineering and mathematics (STEM); Australia’s resource development potential; supporting a secure, reliable and affordable energy sector; and supporting innovative and competitive businesses, industries and regions, the department has included measures which highlight where Australia, as a nation, stands. While the department contributes significantly to these measures, there are often many other factors at play which may affect the achievement of some of these measures. However, the department believes the measures above are important to track as a means to continually develop and improve its policies for the benefit of all Australians.
3. The purposes have been updated since the *2019-20 Corporate Plan* and will be reflected in the *2020‑21 Corporate Plan*.

**2.4 Budgeted expenses and performance for Outcome 4**

|  |
| --- |
| **Outcome 4: Facilitating the growth of small and family business** |

##### **Budgeted expenses for Outcome 4**

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 2.4.1: Budgeted expenses for Outcome 4

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019­20 | 2020­21 | 2021­22 | 2022­23 | 2023­24 |
| Estimated | Budget | Forward | Forward | Forward |
| actual |  | estimate | estimate | estimate |
| $'000 | $'000 | $'000 | $'000 | $'000 |
| **Program 4.1: Supporting Small Business** | | | | | |
| Administered expenses |  |  |  |  |  |
| Ordinary annual services (Appropriation Bill No. 1) |  |  |  |  |  |
| Small Business Support | 7,579 | 32,463 | 7,691 | 7,691 | 7,691 |
| Expenses not requiring appropriation in the budget year (a) |  |  |  |  |  |
| Small Business Support | 1,000 | 4,000 | – | – | – |
| **Administered Total** | **8,579** | **36,463** | **7,691** | **7,691** | **7,691** |
| Departmental expenses |  |  |  |  |  |
| Departmental appropriation | 8,984 | 21,337 | 18,197 | 18,716 | 18,613 |
| **Departmental Total** | **8,984** | **21,337** | **18,197** | **18,716** | **18,613** |
| **Total expenses for Program 4.1** | **17,563** | **57,800** | **25,888** | **26,407** | **26,304** |
| **Outcome 4 Totals by appropriation type** | | | | | |
| Administered expenses |  |  |  |  |  |
| Ordinary annual services (Appropriation Bill No. 1) | 7,579 | 32,463 | 7,691 | 7,691 | 7,691 |
| Expenses not requiring appropriation in the budget year (a) | 1,000 | 4,000 | – | – | – |
| **Administered Total** | **8,579** | **36,463** | **7,691** | **7,691** | **7,691** |
| Departmental expenses |  |  |  |  |  |
| Departmental appropriation | 8,984 | 21,337 | 18,197 | 18,716 | 18,613 |
| **Departmental Total** | **8,984** | **21,337** | **18,197** | **18,716** | **18,613** |
| **Total expenses for**  **Outcome 4** | **17,563** | **57,800** | **25,888** | **26,407** | **26,304** |

Table 2.4.1: Budgeted expenses for Outcome 4 (continued)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Movement of administered funds between years (b)** | 2019­20 | 2020­21 | 2021­22 | 2022­23 | 2023­24 |
| Estimated | Budget | Forward | Forward | Forward |
| actual |  | estimate | estimate | estimate |
| $'000 | $'000 | $'000 | $'000 | $'000 |
| Outcome 4 |  |  |  |  |  |
| Small Business Support | (415) | 415 | – | – | – |
| **Total movement of administered funds** | **(415)** | **415** | **–** | **–** | **–** |
|  |  |  |  |  |  |
|  | 2019­20 | 2020­21 |  |  |  |
| **Average staffing level (number)** | 64 | 75 |  |  |  |

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

1. Expenses not requiring appropriation in the Budget year reflect expenses funded by appropriations in previous budget years under ordinary annual services (Appropriation Bill No. 1).
2. Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

##### **Table 2.4.3: Performance criteria for Outcome 4**

Table 2.4.3 below details the performance criteria for each program associated with Outcome 4. It also summarises how each program is delivered and where 2020‑21 Budget measures have created new programs or materially changed existing programs.

|  |  |  |
| --- | --- | --- |
| Outcome 4: Facilitate the growth of small and family business. | | |
| **Program 4.1 - Supporting small business** | | |
| **Delivery** | Program 4.1 The objective of this program is to support the growth of small and family businesses and build a sustainable and productive small business sector to enable them to thrive and continue to create jobs. This will be delivered by:   * providing expert digital and business advice * improving payment practices * promoting mental health and wellbeing services * helping small businesses understand their employment obligations * developing polices for fair and efficient franchises * encouraging Australians to ‘buy local’ to support small businesses affected by the economic impacts of COVID-19. | |
| **Performance information** | | |
| **Year** | **Performance criteria** **(a)** | **2019-20 Actual Achievement/Targets** |
| 2019-20 | Increased access by small businesses to advisory services that support and enhance their digital capabilities | Target:  Digital competency for small businesses increase.  Result:  During 2019-20, the department delivered programs that assisted small businesses to transition to the digital economy:   * Australian Small Business Advisory Services Digital Solutions providers supported 5,734 small businesses over the first three quarters of the 2019‑20 financial year. * the Small Business Digital Champions Project helped 99 small businesses undergo a comprehensive digital transformation, receiving advice and up to $18,500 in goods and services. Case studies are published online to showcase the benefits of technology. * fifteen industry associations provided individual digital advisory services to 5,645 small businesses members between April and October 2019. Milestone Reports due in April 2020 were delayed for six months due to COVID-19’s impact on small businesses. The next Milestone Report is due in October 2020. |
| Increased awareness of the benefits of digital engagement by small business operators | Target:  Business performance improves through implementation of effective digital strategies.  Result:  In 2019-20, the following programs supported small businesses to engage in digital technology:   * the Small Business Digital Champions Project aimed to increase knowledge of technology. An evaluation found that participants increased their confidence and made them more proficient with digital technology, as well as other business benefits, such as increased productivity, profits and resilience during COVID-19. * fifteen industry associations participated in the Small Business Digital Champions Project, providing advice and support to their small business members. The advice is tailored to meet the small business needs and ranges from technology trends, adoption, hardware, software, cyber security, digital training, planning and support. In the first six months of the project, at least 5,645 small businesses received support. |
| Increased awareness of support available to promote good mental health for small business operators | Target:  Regular engagement with stakeholders to maintain and increase the profile of mental health awareness for small business operators.  Result:  During 2019-20, the department raised awareness of support by:   * jointly developing small business mental health resources * delivering formal presentations * hosting an academic workshop in October 2019 for researchers in the small business field * forming working groups in July 2019 to pursue activities identified during roundtable discussions * holding regular meetings with a range of small business stakeholders. |
| **Year** | **Performance criteria** **(a)(b)** | **2020-21 Targets** |
| 2020-21 | Instances of assistance provided to small businesses | Year-on-year increase. |
| Continued advocacy and promotion of mental health support for small business operators | Year-on-year maintenance or increase. |
| 2021-22 and beyond | As per 2020-21 | As per 2020-21 |
| **Purposes (c)** | **Purpose 5: Small and Family Business**  Build a sustainable and productive small business sector by facilitating the growth of small and family business | |
| **Material changes to Program 4.1 resulting from the following measures:** Nil | | |

1. New or modified performance criteria that reflect new or materially changed programs are shown in *italics.*
2. In line with the Department of Finance guidelines, the department’s performance measures relate directly to its purposes and key activities, representing a mix of qualitative and quantitative measures that provide a basis for an assessment of our outputs, efficiency and effectiveness over time. As a leader in national policy for complex and multi-faceted areas such as the promotion of science, technology, engineering and mathematics (STEM); Australia’s resource development potential; supporting a secure, reliable and affordable energy sector; and supporting innovative and competitive businesses, industries and regions, the department has included measures which highlight where Australia, as a nation, stands. While the department contributes significantly to these measures, there are often many other factors at play which may affect the achievement of some of these measures. However, the department believes the measures above are important to track as a means to continually develop and improve its policies for the benefit of all Australians.
3. The purposes have been updated since the *2019-20 Corporate Plan* and will be reflected in the *2020‑21 Corporate Plan*.

## Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2020­21 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 to the department for delivering its programs in 2020-21 is $641.5 million.

###### Expenses

Total departmental expenses budgeted for in 2020-21 are $733.5 million, comprising $370.4 million for employee expenses, $284.5 million for suppliers, $67.8 million for depreciation and amortisation, $6.9 million for grants and $3.7 million for finance costs.

###### Income

Total departmental own‑source income budgeted for in 2020‑21 is $91.1 million, comprising $83.9 million from sales of goods and rendering of services and $7.2 million from other independent sources.

Revenue from government for 2020-21 is budgeted at $592.9 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 2020‑21 are $666.7 million, comprising $516.4 million non‑financial assets and $150.3 million financial assets.

Non­‑financial assets include $383.1 million for land and buildings, $74.8 million for intangibles, $51.1 million for property, plant and equipment, $2.2 million for inventories, and $5.3 million in other assets. Financial assets consist of $123.3 million for receivables, $26.8 million for cash, and $0.2 million in other financial assets.

###### Liabilities

Total departmental liabilities budgeted for in 2020‑21 are $473.8 million, comprising $285.7 million in interest‑bearing liabilities, $131.7 million in provisions and $56.3 million in payables.

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

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

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

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

##### **Administered Financial Statements**

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

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

###### Expenses

Total administered expenses budgeted for in 2020‑21 are $2.9 billion, represented by $1.7 billion in payments to corporate entities, $800.3 million in grants, $159.0 million in finance costs, $218.4 million in suppliers and depreciation, $20.2 million in subsidies and $7.9 million in employee benefits.

###### Income

Total administered income budgeted for in 2020‑21 is $832.6 million, represented by $612.5 million in royalties, $122.7 million in dividends, $64.8 million in fees, $30.8 million in interest and $1.3 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 government.

Assets

Total administered assets budgeted for in 2020‑21 are $26.2 billion, represented by $19.4 billion in investments, $6.7 billion in cash and receivables, $52.9 million in other financial assets and $105.8 million in non‑financial assets.

Liabilities

Total administered liabilities budgeted for in 2020‑21 are $127.5 million, represented by $60.5 million in provisions, $64.9 million in payables and $2.1 million in interest‑bearing liabilities.

Schedule of Budget Administered Cash Flows

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

### 3.2 Budgeted financial statements tables

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019­20 | 2020­21 | 2021­22 | 2022­23 | 2023­24 |
| Estimated | Budget | Forward | Forward | Forward |
| actual |  | estimate | estimate | estimate |
| $'000 | $'000 | $'000 | $'000 | $'000 |
| **EXPENSES** |  |  |  |  |  |
| Employee benefits | 345,646 | 370,404 | 360,400 | 353,258 | 349,355 |
| Suppliers | 196,093 | 284,506 | 210,903 | 193,376 | 176,035 |
| Grants | 8,591 | 6,937 | 6,807 | 6,807 | 5,507 |
| Depreciation and amortisation | 65,155 | 67,766 | 67,740 | 67,594 | 67,099 |
| Write down and impairment of assets | 4,778 | – | – | – | – |
| Net Foreign Exchange Losses | 7 | – | – | – | – |
| Finance costs | 3,822 | 3,714 | 3,663 | 3,343 | 2,947 |
| Other expenses | 619 | 140 | 140 | 140 | 140 |
| **Total expenses** | **624,711** | **733,467** | **649,653** | **624,518** | **601,083** |
| **LESS:** |  |  |  |  |  |
| **OWN-SOURCE INCOME** |  |  |  |  |  |
| **Own-source revenue** |  |  |  |  |  |
| Sale of goods and rendering  of services | 87,135 | 83,927 | 73,001 | 69,611 | 64,573 |
| Rental Income | 1,620 | – | – | – | – |
| Other revenue | 16,117 | 7,170 | 5,807 | 6,069 | 4,873 |
| Interest income | 8 | – | – | – | – |
| **Total own-source revenue** | **104,880** | **91,097** | **78,808** | **75,680** | **69,446** |
| **Gains** |  |  |  |  |  |
| Other gains | 23 | 833 | 838 | 843 | 848 |
| Net gains from Sale of Assets | 72 | – | – | – | – |
| Reversals of previous asset write-downs and impairments | 80 | – | – | – | – |
| **Total gains** | **175** | **833** | **838** | **843** | **848** |
| **Total own-source income** | **105,055** | **91,930** | **79,646** | **76,523** | **70,294** |
| **Net (cost of)/contribution by services** | **(519,656)** | **(641,537)** | **(570,007)** | **(547,995)** | **(530,789)** |
| Revenue from Government | 473,990 | 592,928 | 533,012 | 511,210 | 495,259 |
| **Surplus/(deficit) attributable**  **to the Australian Government** | **(45,666)** | **(48,609)** | **(36,995)** | **(36,785)** | **(35,530)** |
| **OTHER COMPREHENSIVE INCOME** |  |  |  |  |  |
| Changes in asset revaluation reserves | 8,600 | – | – | – | – |
| **Total other comprehensive income** | **8,600** | **–** | **–** | **–** | **–** |
| **Total comprehensive income/(loss) attributable to the Australian Government** | **(37,066)** | **(48,609)** | **(36,995)** | **(36,785)** | **(35,530)** |

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Note: Impact of Net Cash Appropriation Arrangements** | | | | | |
|  | 2019­20 | 2020­21 | 2021­22 | 2022­23 | 2023­24 |
|  | Estimated | Budget | Forward | Forward | Forward |
|  | actual |  | estimate | estimate | estimate |
|  | $'000 | $'000 | $'000 | $'000 | $'000 |
| **Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations, depreciation on ROU, principal repayments on leased assets** | **1,069** | **(11,960)** | **24** | **200** | **–** |
| less depreciation/amortisation expenses previously funded through revenue appropriations (a) | 33,966 | 32,781 | 32,781 | 32,781 | 32,781 |
| less depreciation/amortisation expenses for ROU assets (b) | 31,189 | 34,985 | 34,959 | 34,813 | 34,318 |
| add Principal repayments on leased assets (b) | 27,020 | 31,117 | 30,721 | 30,609 | 31,569 |
| **Total comprehensive income/(loss) - as per the Statement of Comprehensive Income** | **(37,066)** | **(48,609)** | **(36,995)** | **(36,785)** | **(35,530)** |

Prepared on Australian Accounting Standards basis.

1. From 2010-11, the Government introduced net cash appropriation arrangements where Appropriation Act (No. 1) or Appropriation Bill (No. 3) revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Appropriation Act (No. 1) or Bill (No. 3) equity appropriations. For information regarding DCB, please refer to Table 3.6 Departmental Capital Budget Statement.
2. Applies leases under AASB 16 Leases.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019­20 | 2020­21 | 2021­22 | 2022­23 | 2023­24 |
| Estimated | Budget | Forward | Forward | Forward |
| actual |  | estimate | estimate | estimate |
| $'000 | $'000 | $'000 | $'000 | $'000 |
| **ASSETS** |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |
| Cash and cash equivalents | 33,374 | 26,801 | 26,801 | 26,801 | 26,801 |
| Trade and other receivables | 135,630 | 123,263 | 123,287 | 124,287 | 128,287 |
| Accrued Revenue | 241 | 241 | 241 | 241 | 241 |
| ***Total financial assets*** | ***169,245*** | ***150,305*** | ***150,329*** | ***151,329*** | ***155,329*** |
| **Non-financial assets** |  |  |  |  |  |
| Land and buildings | 416,522 | 383,077 | 367,884 | 337,455 | 302,867 |
| Property, plant and equipment | 51,424 | 51,056 | 46,248 | 44,453 | 43,054 |
| Intangibles | 62,254 | 74,849 | 81,389 | 84,228 | 84,861 |
| Inventories | 2,179 | 2,179 | 2,179 | 2,179 | 2,179 |
| Other non-financial assets | 5,263 | 5,263 | 5,263 | 5,263 | 5,263 |
| ***Total non-financial assets*** | ***537,642*** | ***516,424*** | ***502,963*** | ***473,578*** | ***438,224*** |
| **Total assets** | **706,887** | **666,729** | **653,292** | **624,907** | **593,553** |
| **LIABILITIES** |  |  |  |  |  |
| **Payables** |  |  |  |  |  |
| Suppliers | 30,537 | 30,537 | 30,537 | 30,537 | 30,537 |
| Grants | 587 | 587 | 587 | 587 | 587 |
| Other payables | 25,203 | 25,203 | 25,203 | 25,203 | 25,203 |
| ***Total payables*** | ***56,327*** | ***56,327*** | ***56,327*** | ***56,327*** | ***56,327*** |
| **Interest bearing liabilities** |  |  |  |  |  |
| Leases | 316,702 | 285,713 | 274,105 | 247,836 | 216,299 |
| ***Total interest bearing liabilities*** | ***316,702*** | ***285,713*** | ***274,105*** | ***247,836*** | ***216,299*** |
| **Provisions** |  |  |  |  |  |
| Employee provisions | 128,709 | 128,709 | 128,709 | 128,709 | 128,709 |
| Other provisions | 3,040 | 3,040 | 3,040 | 3,040 | 3,040 |
| ***Total provisions*** | ***131,749*** | ***131,749*** | ***131,749*** | ***131,749*** | ***131,749*** |
| **Total liabilities** | **504,778** | **473,789** | **462,181** | **435,912** | **404,375** |
| **Net assets** | **202,109** | **192,940** | **191,111** | **188,995** | **189,178** |
| **EQUITY\*** |  |  |  |  |  |
| **Parent entity interest** |  |  |  |  |  |
| Contributed equity | 563,318 | 602,758 | 637,924 | 672,593 | 708,306 |
| Reserves | 19,804 | 19,804 | 19,804 | 19,804 | 19,804 |
| Retained surpluses (accumulated deficit) | (381,013) | (429,622) | (466,617) | (503,402) | (538,932) |
| ***Total parent entity interest*** | ***202,109*** | ***192,940*** | ***191,111*** | ***188,995*** | ***189,178*** |
| **Total equity** | **202,109** | **192,940** | **191,111** | **188,995** | **189,178** |

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 2020­21)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Retained | Asset | Other | Contributed | Total |
|  | earnings | revaluation | reserves | equity/ | equity |
|  |  | reserve |  | capital |  |
|  | $'000 | $'000 | $'000 | $'000 | $'000 |
| **Opening balance as**  **at 1 July 2020** |  |  |  |  |  |
| Balance carried forward from previous period | (381,013) | 19,804 | – | 563,318 | 202,109 |
| ***Adjusted opening balance*** | ***(381,013)*** | ***19,804*** | ***–*** | ***563,318*** | ***202,109*** |
| **Comprehensive income** |  |  |  |  |  |
| Surplus/(deficit) for the period | (48,609) | – | – | – | (48,609) |
| ***Total comprehensive income*** | ***(48,609)*** | **–** | **–** | **–** | ***(48,609)*** |
| of which: |  |  |  |  |  |
| Attributable to the Australian  Government | (48,609) | – | – | – | (48,609) |
| **Transactions with owners** |  |  |  |  |  |
| ***Contributions by owners*** |  |  |  |  |  |
| Equity Injection – Appropriation | – | – | – | 10,321 | 10,321 |
| Departmental capital budget | – | – | – | 29,119 | 29,119 |
| ***Subtotal transactions with owners*** | **–** | **–** | ***–*** | ***39,440*** | ***39,440*** |
| **Estimated closing balance as**  **at 30 June 2021** | **(429,622)** | **19,804** | **–** | **602,758** | **192,940** |
| **Closing balance attributable to the Australian Government** | **(429,622)** | **19,804** | **–** | **602,758** | **192,940** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019­20 | 2020­21 | 2021­22 | 2022­23 | 2023­24 |
| Estimated | Budget | Forward | Forward | Forward |
| actual |  | estimate | estimate | estimate |
| $'000 | $'000 | $'000 | $'000 | $'000 |
| **OPERATING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Appropriations | 559,981 | 682,242 | 605,989 | 580,621 | 559,832 |
| Sale of goods and rendering of services | 85,860 | 83,927 | 73,001 | 69,611 | 64,573 |
| Net GST received | 19,844 | 14,369 | 13,599 | 13,386 | 13,235 |
| Other | 19,669 | 7,170 | 5,807 | 6,069 | 4,873 |
| ***Total cash received*** | ***685,354*** | ***787,708*** | ***698,396*** | ***669,687*** | ***642,513*** |
| **Cash used** |  |  |  |  |  |
| Employees | 336,926 | 370,404 | 360,400 | 353,258 | 349,355 |
| Suppliers | 203,712 | 298,042 | 223,664 | 205,919 | 188,422 |
| Grants | 7,850 | 6,937 | 6,807 | 6,807 | 5,507 |
| s74 External Revenue transferred to the OPA | 94,725 | 83,927 | 73,001 | 69,611 | 64,573 |
| Interest payments on lease liability | 3,812 | 3,714 | 3,663 | 3,343 | 2,947 |
| Other | 2,980 | 140 | 140 | 140 | 140 |
| ***Total cash used*** | ***650,005*** | ***763,164*** | ***667,675*** | ***639,078*** | ***610,944*** |
| **Net cash from/(used by)**  **operating activities** | **35,349** | **24,544** | **30,721** | **30,609** | **31,569** |
| **INVESTING ACTIVITIES** |  |  |  |  |  |
| **Cash received** | 1 |  |  |  |  |
| Proceeds from sales of property,  plant and equipment | 72 | – | – | – | – |
| Investment | 312 | – | – | – | – |
| ***Total cash received*** | ***384*** | ***–*** | ***–*** | ***–*** | ***–*** |
| **Cash used** |  |  |  |  |  |
| Purchase of property, plant,  equipment and intangibles | 35,274 | 46,420 | 35,166 | 33,869 | 31,713 |
| ***Total cash used*** | ***35,274*** | ***46,420*** | ***35,166*** | ***33,869*** | ***31,713*** |
| **Net cash from/(used by)**  **investing activities** | **(34,890)** | **(46,420)** | **(35,166)** | **(33,869)** | **(31,713)** |

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019­20 | 2020­21 | 2021­22 | 2022­23 | 2023­24 |
| Estimated | Budget | Forward | Forward | Forward |
| actual |  | estimate | estimate | estimate |
| $'000 | $'000 | $'000 | $'000 | $'000 |
| **FINANCING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Appropriations – contributed equity | 31,031 | 46,420 | 35,166 | 33,869 | 31,713 |
| Restructure | 16,081 | – | – | – | – |
| ***Total cash received*** | ***47,112*** | ***46,420*** | ***35,166*** | ***33,869*** | ***31,713*** |
| **Cash used** |  |  |  |  |  |
| Principal payments on lease liability | 27,020 | 31,117 | 30,721 | 30,609 | 31,569 |
| ***Total cash used*** | ***27,020*** | ***31,117*** | ***30,721*** | ***30,609*** | ***31,569*** |
| **Net cash from/(used by)**  **financing activities** | **20,092** | **15,303** | **4,445** | **3,260** | **144** |
| **Net increase/(decrease)**  **in cash held** | **20,551** | **(6,573)** | **–** | **–** | **–** |
| Cash and cash equivalents at the beginning of the reporting period | 12,823 | 33,374 | 26,801 | 26,801 | 26,801 |
| **Cash and cash equivalents at the end of the reporting period** | **33,374** | **26,801** | **26,801** | **26,801** | **26,801** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019­20 | 2020­21 | 2021­22 | 2022­23 | 2023­24 |
|  | Estimated | Budget | Forward | Forward | Forward |
|  | actual |  | estimate | estimate | estimate |
|  | $'000 | $'000 | $'000 | $'000 | $'000 |
| **NEW CAPITAL APPROPRIATIONS** |  |  |  |  |  |
| Departmental capital budget – Appropriation Bill No. 1 | 29,298 | 29,119 | 27,351 | 30,078 | 27,878 |
| Equity injections – Appropriation Bill No. 2 | 2,796 | 10,321 | 7,815 | 4,591 | 7,835 |
| **Total new capital appropriations** | **32,094** | **39,440** | **35,166** | **34,669** | **35,713** |
| ***Provided for:*** |  |  |  |  |  |
| *Purchase of non-financial assets* | *32,094* | *39,440* | *35,166* | *33,869* | *31,713* |
| ***Total Items*** | ***32,094*** | ***39,440*** | ***35,166*** | ***33,869*** | ***31,713*** |
| **PURCHASE OF NON-FINANCIAL ASSETS** |  |  |  |  |  |
| Funded by capital appropriations (a) | 4,545 | 14,951 | 7,815 | 3,791 | 3,835 |
| Funded by capital appropriations  – departmental capital budget (b) | 29,053 | 31,469 | 27,351 | 30,078 | 27,878 |
| Funded internally from  departmental resources (c) | 2,249 | – | – | – | – |
| **TOTAL** | **35,847** | **46,420** | **35,166** | **33,869** | **31,713** |
| **RECONCILIATION OF CASH**  **USED TO ACQUIRE ASSETS**  **TO ASSET MOVEMENT TABLE** |  |  |  |  |  |
| Total purchases | 35,847 | 46,420 | 35,166 | 33,869 | 31,713 |
| **Total cash used to acquire assets** | **35,847** | **46,420** | **35,166** | **33,869** | **31,713** |

Prepared on Australian Accounting Standards basis.

1. Includes both current Appropriation Bill (No. 2) and prior Act 2/4/6 appropriations.
2. Does not include annual finance lease costs. Includes purchases from current and previous years' Departmental Capital Budgets (DCBs).
3. Funded from s74 External Revenue.

Table 3.6: Statement of asset movements (Budget year 2020­21)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Land | Buildings | Other | Computer | Total |
|  |  |  | property, | software |  |
|  |  |  | plant & | and |  |
|  |  |  | equipment | Intangibles |  |
|  |  | $'000 | $'000 | $'000 | $'000 |
| **As at 1 July 2020** |  |  |  |  |  |
| Gross book value | – | 106,199 | 68,391 | 154,053 | 328,643 |
| Gross book value - ROU assets | – | 341,597 | 3,515 | – | 345,112 |
| Accumulated depreciation/  amortisation and impairment | – | (825) | (19,742) | (91,799) | (112,366) |
| Accumulated depreciation/  amortisation and impairment - ROU assets | – | (30,449) | (740) | – | (31,189) |
| **Opening net book balance** | **–** | **416,522** | **51,424** | **62,254** | **530,200** |
| **CAPITAL ASSET ADDITIONS** |  |  |  |  |  |
| **Estimated expenditure on new or replacement assets** |  |  |  |  |  |
| By purchase – appropriation equity (a) | – | 7,223 | 10,878 | 28,319 | 46,420 |
| By purchase – other - ROU assets (b) | – | 128 | – | – | 128 |
| **Total additions** | **–** | **7,351** | **10,878** | **28,319** | **46,548** |
| **Other movements** |  |  |  |  |  |
| Depreciation/amortisation  expense | – | (6,706) | (10,351) | (15,724) | (32,781) |
| Depreciation/amortisation on ROU assets | – | (34,090) | (895) | – | (34,985) |
| **Total other movements** | **–** | **(40,796)** | **(11,246)** | **(15,724)** | **(67,766)** |
| **As at 30 June 2021** |  |  |  |  |  |
| Gross book value | – | 113,422 | 79,269 | 182,372 | 375,063 |
| Gross book value - ROU assets | – | 341,725 | 3,515 | – | 345,240 |
| Accumulated depreciation/  amortisation and impairment | – | (7,531) | (30,093) | (107,523) | (145,147) |
| Accumulated depreciation/  amortisation and impairment - ROU assets | – | (64,539) | (1,635) | – | (66,174) |
| **Closing net book balance** | **–** | **383,077** | **51,056** | **74,849** | **508,982** |

Prepared on Australian Accounting Standards basis.

'Appropriation equity' refers to equity injections provided through Appropriation Bill (No. 2) 2020­21.

'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2020­21 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)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019­20 | 2020­21 | 2021­22 | 2022­23 | 2023­24 |
|  | Estimated | Budget | Forward | Forward | Forward |
|  | actual |  | estimate | estimate | estimate |
|  | $'000 | $'000 | $'000 | $'000 | $'000 |
| **EXPENSES** |  |  |  |  |  |
| Employee benefits | 7,407 | 7,873 | 7,668 | 7,784 | 7,823 |
| Suppliers | 146,406 | 215,375 | 153,016 | 132,359 | 121,486 |
| Fees | 40 | 40 | 40 | 40 | 40 |
| Subsidies | 42,930 | 20,187 | – | – | – |
| Finance costs | 80,873 | 158,969 | 288,281 | 372,975 | 403,439 |
| Grants | 340,472 | 800,313 | 1,043,932 | 1,163,217 | 954,111 |
| Depreciation and amortisation | 3,493 | 3,036 | 1,829 | 2,339 | 2,230 |
| Impairment loss on financial instruments | 5,834 | – | – | – | – |
| Write-down and impairment of assets | 634 | – | – | – | – |
| Payments to corporate Commonwealth entities | 1,295,260 | 1,684,576 | 1,570,714 | 1,501,202 | 1,468,135 |
| **Total expenses administered on behalf of Government** | **1,923,349** | **2,890,369** | **3,065,480** | **3,179,916** | **2,957,264** |
| **LESS:** |  |  |  |  |  |
| **OWN-SOURCE INCOME** |  |  |  |  |  |
| **Own-source revenue** |  |  |  |  |  |
| **Taxation revenue** |  |  |  |  |  |
| Indirect tax | 669 | 550 | 550 | 550 | 550 |
| ***Total taxation revenue*** | ***669*** | ***550*** | ***550*** | ***550*** | ***550*** |
| **Non-taxation revenue** |  |  |  |  |  |
| Fees from regulatory services | 50,756 | 56,500 | 55,145 | 54,478 | 54,478 |
| Fees | 6,990 | 8,250 | 9,800 | 9,800 | 9,800 |
| Interest | 11,986 | 30,794 | 59,643 | 98,566 | 142,878 |
| Dividends | 109,300 | 122,677 | 167,000 | 195,000 | 243,000 |
| Royalties | 969,774 | 612,547 | 461,750 | 311,302 | 245,570 |
| Other non­taxation revenue | 1,006 | 1,250 | 12,996 | 1,630 | 1,182 |
| ***Total non-taxation revenue*** | ***1,149,812*** | ***832,018*** | ***766,334*** | ***670,776*** | ***696,908*** |

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019­20 | 2020­21 | 2021­22 | 2022­23 | 2023­24 |
|  | Estimated | Budget | Forward | Forward | Forward |
|  | actual |  | estimate | estimate | estimate |
|  | $'000 | $'000 | $'000 | $'000 | $'000 |
| **Total own-source revenue administered on behalf of Government** | **1,150,481** | **832,568** | **766,884** | **671,326** | **697,458** |
| **Gains** |  |  |  |  |  |
| Gains from sale of assets | 8 | – | – | – | – |
| Foreign exchange gains | 265 | – | – | – | – |
| Additional security funds | 454,000 | – | – | – | – |
| **Total gains administered on** |  |  |  |  |  |
| **behalf of government** | **454,273** | **–** | **–** | **–** | **–** |
| **Total income** | **1,604,754** | **832,568** | **766,884** | **671,326** | **697,458** |
| **Net (cost of)/ contribution by services** | **(318,595)** | **(2,057,801)** | **(2,298,596)** | **(2,508,590)** | **(2,259,806)** |
| **OTHER COMPREHENSIVE INCOME** |  |  |  |  |  |
| Changes in asset revaluation reserve | (219,170) | **–** | – | – | – |
| **Total other comprehensive** |  |  |  |  |  |
| **income** | **(219,170)** | **–** | **–** | **–** | **–** |
| **Total comprehensive**  **income/(loss) attributable to the Australian Government** | **(537,765)** | **(2,057,801)** | **(2,298,596)** | **(2,508,590)** | **(2,259,806)** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019­20 | 2020­21 | 2021­22 | 2022­23 | 2023­24 |
| Estimated | Budget | Forward | Forward | Forward |
| actual |  | estimate | estimate | estimate |
| $'000 | $'000 | $'000 | $'000 | $'000 |
| **ASSETS** |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |
| Cash in special accounts | 5,966,292 | 6,257,363 | 6,206,915 | 6,007,757 | 6,158,472 |
| Receivables | 247,431 | 448,138 | 819,456 | 1,313,369 | 1,846,669 |
| Other investments | 18,901,361 | 19,388,968 | 19,858,507 | 20,269,144 | 20,321,495 |
| Accrued revenue | 37,644 | 52,898 | 38,059 | 25,942 | 20,464 |
| ***Total financial assets*** | ***25,152,728*** | ***26,147,367*** | ***26,922,937*** | ***27,616,212*** | ***28,347,100*** |
| **Non-financial assets** |  |  |  |  |  |
| Land and buildings | 3,062 | 3,861 | 5,400 | 4,429 | 3,477 |
| Property, plant and equipment | 287 | 222 | 207 | 182 | 327 |
| Intangibles | 3,951 | 3,736 | 3,883 | 4,040 | 4,117 |
| Inventories | 86,474 | 97,585 | 97,585 | 97,585 | 97,585 |
| Prepayments | 351 | 351 | 351 | 351 | 351 |
| ***Total non-financial assets*** | ***94,125*** | ***105,755*** | ***107,426*** | ***106,587*** | ***105,857*** |
| **Total assets administered on behalf of Government** | **25,246,853** | **26,253,122** | **27,030,363** | **27,722,799** | **28,452,957** |
| **LIABILITIES** |  |  |  |  |  |
| **Payables** |  |  |  |  |  |
| Suppliers | 114,995 | 23,195 | 23,195 | 23,195 | 23,195 |
| Subsidies | 12,090 | – | – | – | – |
| Grants | 32,098 | 41,687 | 30,302 | 30,113 | 30,113 |
| Other payables | 4,742 | 39 | 39 | 39 | 39 |
| ***Total payables*** | ***163,925*** | ***64,921*** | ***53,536*** | ***53,347*** | ***53,347*** |
| **Interest bearing liabilities** |  |  |  |  |  |
| Leases | 2,318 | 2,087 | 1,852 | 1,612 | 1,389 |
| ***Total interest bearing liabilities*** | ***2,318*** | ***2,087*** | ***1,852*** | ***1,612*** | ***1,389*** |
| **Provisions** |  |  |  |  |  |
| Employee provisions | 2,133 | 2,133 | 2,133 | 2,133 | 2,133 |
| Loan commitment provision | 58,080 | 58,382 | 58,382 | 58,382 | 58,382 |
| ***Total provisions*** | ***60,213*** | ***60,515*** | ***60,515*** | ***60,515*** | ***60,515*** |
| **Total liabilities administered on behalf of Government** | **226,456** | **127,523** | **115,903** | **115,474** | **115,251** |
| **Net assets/(liabilities)** | **25,020,397** | **26,125,599** | **26,914,460** | **27,607,325** | **28,337,706** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019­20 | 2020­21 | 2021­22 | 2022­23 | 2023­24 |
| Estimated | Budget | Forward | Forward | Forward |
| actual |  | estimate | estimate | estimate |
| $'000 | $'000 | $'000 | $'000 | $'000 |
| **OPERATING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Interest | 1,690 | 3,008 | 3,152 | 7,705 | 42,865 |
| Dividends | 109,300 | 122,677 | 167,000 | 195,000 | 243,000 |
| Fees | 7,236 | 11,660 | 13,220 | 13,220 | 13,220 |
| Royalties | 1,033,335 | 597,293 | 476,589 | 323,419 | 251,048 |
| Net GST received | 42,216 | 52,096 | 53,948 | 46,621 | 48,261 |
| Other | 20,166 | 16,060 | 15,968 | 15,987 | 15,728 |
| Levy receipts | 35,355 | 38,830 | 37,729 | 37,062 | 37,062 |
| ***Total cash received*** | ***1,249,298*** | ***841,624*** | ***767,606*** | ***639,014*** | ***651,184*** |
| **Cash used** |  |  |  |  |  |
| Suppliers | 147,884 | 327,316 | 162,652 | 142,142 | 131,420 |
| Grants | 400,426 | 833,529 | 1,088,095 | 1,200,095 | 992,478 |
| Employees | 8,113 | 7,873 | 7,668 | 7,784 | 7,823 |
| Subsidies paid | 43,890 | 32,277 | – | – | – |
| Payments to corporate entities | 1,295,239 | 1,684,576 | 1,570,714 | 1,501,202 | 1,468,135 |
| Interest payments on lease liability | 27 | 13 | 8 | 4 | 4 |
| Other | – | 8,835 | – | – | – |
| ***Total cash used*** | ***1,895,579*** | ***2,894,419*** | ***2,829,137*** | ***2,851,227*** | ***2,599,860*** |
| **Net cash from/(used by) operating activities** | **(646,281)** | **(2,052,795)** | **(2,061,531)** | **(2,212,213)** | **(1,948,676)** |
| **INVESTING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Proceeds from sale of property plant and equipment | 8 | – | – | – | – |
| Repayments of loans and advances | 11,147 | – | 900 | 4,977 | 7,279 |
| Security funds | 454,000 | – | – | – | – |
| Interest | 1,530 | – | – | – | – |
| ***Total cash received*** | ***466,685*** | ***–*** | ***900*** | ***4,977*** | ***7,279*** |
| **Cash used** |  |  |  |  |  |
| Advances and loans made | 121,906 | 332,500 | 604,000 | 781,000 | 844,001 |
| Investments | 11,270 | 785,000 | 400,000 | 150,000 | 50,000 |
| Purchase of property, plant, equipment and intangibles | 729 | 3,555 | 3,500 | 1,500 | 1,500 |
| Investments in Corporate Commonwealth Entities | 91,194 | (140,911) | 147,437 | 319,000 | 69,000 |
| ***Total cash used*** | ***225,099*** | ***980,144*** | ***1,154,937*** | ***1,251,500*** | ***964,501*** |
| **Net cash from/(used**  **by) investing activities** | **241,586** | **(980,144)** | **(1,154,037)** | **(1,246,523)** | **(957,222)** |

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019­20 | 2020­21 | 2021­22 | 2022­23 | 2023­24 |
| Estimated | Budget | Forward | Forward | Forward |
| actual |  | estimate | estimate | estimate |
| $'000 | $'000 | $'000 | $'000 | $'000 |
| **FINANCING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Restructuring | 5,419,000 | – | – | – | – |
| ***Total cash received*** | **5,419,000** | **–** | **–** | **–** | **–** |
| **Cash used** |  |  |  |  |  |
| Principal payments on lease liability | 898 | 231 | 235 | 240 | 223 |
| ***Total cash used*** | **898** | **231** | **235** | **240** | **223** |
| **Net cash from/(used by) financing activities** | **5,418,102** | **(231)** | **(235)** | **(240)** | **(223)** |
| ***Net increase/ (decrease) in cash held*** | ***5,013,407*** | ***(3,033,170)*** | ***(3,215,803)*** | ***(3,458,976)*** | ***(2,906,121)*** |
| Cash and cash equivalents at beginning of reporting period | 45,830 | 5,966,292 | 6,257,363 | 6,206,915 | 6,007,757 |
| Change in accounting policy | 75,231 | – | – | – | – |
| Cash from Official Public Account for: |  |  |  |  |  |
| Appropriations | 1,955,880 | 3,032,517 | 3,360,718 | 3,570,405 | 3,380,229 |
| Appropriation - Administered assets and liabilities | 11,270 | 1,026,710 | 476,900 | 262,900 | 262,900 |
| Equity appropriation - corporate entities | 91,194 | 35,645 | 22,437 | 4,000 | 4,000 |
| GST appropriations | 43,135 | 52,096 | 53,948 | 46,621 | 48,261 |
| ***Total cash from Office Public Account*** | **2,101,479** | **4,146,968** | **3,914,003** | **3,883,926** | **3,695,390** |
| Cash to Official Public Account for: |  |  |  |  |  |
| Appropriations | (1,199,403) | (770,631) | (694,700) | (577,487) | (590,293) |
| GST appropriations | (42,431) | (52,096) | (53,948) | (46,621) | (48,261) |
| Special accounts | (27,821) | – | – | – | – |
| ***Total cash to Official Public Account*** | **(1,269,655)** | **(822,727)** | **(748,648)** | **(624,108)** | **(638,554)** |
| **Cash and cash equivalents at end of reporting period** | **5,966,292** | **6,257,363** | **6,206,915** | **6,007,757** | **6,158,472** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019­20 | 2020­21 | 2021­22 | 2022­23 | 2023­24 |
|  | Estimated | Budget | Forward | Forward | Forward |
|  | actual |  | estimate | estimate | estimate |
|  | $'000 | $'000 | $'000 | $'000 | $'000 |
| **NEW CAPITAL APPROPRIATIONS** |  |  |  |  |  |
| Administered Assets and Liabilities – Act 2 and Bill 4 | 14,139 | 896,754 | 400,000 | 150,000 | 50,000 |
| **Total new capital appropriations** | **14,139** | **896,754** | **400,000** | **150,000** | **50,000** |
| ***Provided for:*** |  |  |  |  |  |
| *Purchase of non-financial assets* | *–* | *102,611* | *–* | *–* | *–* |
| *Other Items* | *14,139* | *794,143* | *400,000* | *150,000* | *50,000* |
| ***Total Items*** | ***14,139*** | ***896,754*** | ***400,000*** | ***150,000*** | ***50,000*** |
| **PURCHASE OF NON-FINANCIAL ASSETS** |  |  |  |  |  |
| Funded by capital appropriations | – | 102,611 | – | – | – |
| **TOTAL** | **–** | **102,611** | **–** | **–** | **–** |
| **RECONCILIATION OF CASH**  **USED TO ACQUIRE ASSETS**  **TO ASSET MOVEMENT TABLE** |  |  |  |  |  |
| Total purchases | – | 102,611 | – | – | – |
| **Total cash used to acquire assets** | **–** | **102,611** | **–** | **–** | **–** |

Prepared on Australian Accounting Standards basis.

Table 3.11: Statement of administered asset movements (2020­21 Budget year)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Land | Buildings | Other | Computer | Total |
|  |  |  | property, | software |  |
|  |  |  | plant & | and |  |
|  |  |  | equipment | Intangibles |  |
|  |  | $'000 | $'000 | $'000 | $'000 |
| **As at 1 July 2020** |  |  |  |  |  |
| Gross book value | – | 1,196 | 1,014 | 12,715 | 14,925 |
| Gross book value - ROU assets | – | 3,216 | – | – | 3,216 |
| Accumulated depreciation/  amortisation and impairment | – | (410) | (728) | (8,764) | (9,902) |
| Accumulated depreciation/  amortisation and impairment - ROU assets | – | (940) | – | – | (940) |
| **Opening net book balance** | **–** | **3,062** | **286** | **3,951** | **8,239** |
| **CAPITAL ASSET ADDITIONS** |  |  |  |  |  |
| **Estimated expenditure on new or replacement assets** |  |  |  |  |  |
| By purchase – appropriation  equity (a) | 1,260 | – | 100 | 2,195 | 3,555 |
| **Total additions** | **1,260** | **–** | **100** | **2,195** | **3,555** |
| **Other movements** |  |  |  |  |  |
| Depreciation/amortisation  expense | – | (226) | (165) | (2,410) | (2,801) |
| Depreciation/amortisation on ROU assets | – | (235) | – | – | (235) |
| **Total other movements** | **–** | **(461)** | **(165)** | **(2,410)** | **(3,036)** |
| **As at 30 June 2021** |  |  |  |  |  |
| Gross book value | 1,260 | 1,196 | 1,114 | 14,910 | 18,480 |
| Gross book value - ROU | – | 3,216 | – | – | 3,216 |
| Accumulated depreciation/  amortisation and impairment | – | (636) | (893) | (11,174) | (12,703) |
| Accumulated depreciation/  amortisation and impairment - ROU assets | – | (1,175) | – | – | (1,175) |
| **Closing net book balance** | **1,260** | **2,601** | **221** | **3,736** | **7,818** |

Prepared on Australian Accounting Standards basis.

(a) ‘Appropriation equity’ refers to Administered Assets and Liabilities appropriations provided through Appropriation Bill (No. 2) 2020-21.

Department o

Australian Institute of Marine Science

Entity resources and planned performance

Australian Institute of Marine Science

Section 1: Entity overview and resources 103

1.1 Strategic direction statement 103

1.2 Entity resource statement 105

1.3 Budget measures 106

Section 2: Outcomes and planned performance 107

2.1 Budgeted expenses and performance for Outcome 1 108

Section 3: Budgeted financial statements 113

3.1 Budgeted financial statements 113

3.2 Budgeted financial statements tables 115

# 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 2020-21, AIMS will focus on delivering nine research outcomes:

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

In addition, AIMS will:

* commence, in conjunction with consortium partners, the Reef Restoration and Adaptation Program (RRAP), which is focused on developing and deploying options for 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 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: AIMS resource statement – Budget estimates for 2020­21 as at Budget October 2020

|  |  |  |
| --- | --- | --- |
|  | *2019­20 Estimated actual*  *$'000* | 2020­21 Estimate  $'000 |
| **Opening balance/cash reserves at 1 July** | *38,823* | 40,228 |
| **Funds from Government** |  |  |
| Annual appropriations - ordinary annual services (a) |  |  |
| Outcome 1 | *44,773* | 45,218 |
| Total annual appropriations | *44,773* | *45,218* |
| **Total funds from Government** | ***44,773*** | **45,218** |
| **Funds from other sources** |  |  |
| Interest | *675* | 650 |
| Sale of goods and services | *15,291* | 23,802 |
| Other | *924* | 550 |
| **Total funds from other sources** | ***16,890*** | **28,575** |
| **Total net resourcing for AIMS** | ***100,486*** | **114,021** |
|  |  |  |
|  | *2019­20* | 2020­21 |
| **Average staffing level (number)** | 229 | 283 |

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

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

1. Appropriation Bill (No. 1) 2020­21.

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

### 1.3 Budget measures

There are no new 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 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 a complete picture of an entity’s planned and actual performance.

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

https://www.aims.gov.au/publications.html

The most recent annual performance statement can be found at:

https://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, Science, Energy and Resources** |
| --- |
| **Programs**   * Program 1.1 – Investing in science, technology and commercialisation |
| **Contribution to Outcome 1 made by linked programs**  The Department of Industry, Science, Energy and Resources 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, Skills and Employment** |
| **Programs**   * Program 2.6 – Research Capacity |
| **Contribution to Outcome 1 made by linked programs**  The Department of Education, Skills and Employment 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 Agriculture, Water and the Environment** |
| **Programs**   * Program 1.1 – Sustainable Management of Natural Resources and the  Environment |
| **Contribution to Outcome 1 made by linked programs**  The Department of Agriculture, Water and the Environment, Great Barrier Reef Marine Park Authority and AIMS are partners in the implementation of the Reef 2050 Plan to protect and conserve the Great Barrier Reef. |

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

**Budgeted expenses for Outcome 1**

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

**Table 2.1.1: Budgeted expenses for Outcome 1**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Outcome 1:** Growth of knowledge to support protection and sustainable development of Australia's marine resources through innovative marine science and technology. | | | | | |
|  | 2019­20 Estimated actual  $'000 | 2020­21  Budget  $'000 | 2021­22 Forward estimate  $'000 | 2022­23 Forward estimate  $'000 | 2023­24 Forward estimate  $'000 |
| **Program 1: Marine Research** | | | | | |
| Revenue from Government |  |  |  |  |  |
| Ordinary annual services  (Appropriation Bill No. 1) | 44,773 | 45,218 | 45,439 | 45,789 | 46,252 |
| Expenses not requiring  appropriation in the budget year (a) | 7,987 | 7,184 | 5,758 | 6,046 | 5,825 |
| Revenues from other independent  sources | 16,890 | 28,575 | 28,603 | 28,891 | 24,624 |
| **Total expenses for Program 1** | **69,650** | **80,977** | **79,800** | **80,726** | **76,701** |
| **Outcome 1 totals by resource type** | | | | | |
| Revenue from Government |  |  |  |  |  |
| Ordinary annual services  (Appropriation Bill No. 1) | 44,773 | 45,218 | 45,439 | 45,789 | 46,252 |
| Expenses not requiring  appropriation in the budget year (a) | 7,987 | 7,184 | 5,758 | 6,046 | 5,825 |
| Revenues from other independent  sources | 16,890 | 28,575 | 28,603 | 28,891 | 24,624 |
| **Total expenses for Outcome 1** | **69,650** | **80,977** | **79,800** | **80,726** | **76,701** |
|  |  |  |  |  |  |
|  | 2019­20 | 2020­21 |  |  |  |
| **Average staffing level (number)** | 229 | 283 |  |  |  |

1. Expenses not requiring appropriation in the Budget year are made up depreciation / amortisation expenses not requring an appropriation and other expenses funded from cash reserves not requiring appropriation in the budget year are made up of depreciation, amortisation expenses and audit fees.

Table 2.1.2: Performance criteria for Outcome 1

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2020­21 Budget measures have created new programs or materially changed existing programs.

|  |  |  |
| --- | --- | --- |
| Outcome 1: Growth of knowledge to support protection and sustainable development of Australia’s marine resources through innovative marine science and technology | | |
| **Program 1** – **Marine Research**  This program contributes to the outcome by providing research services focused on supporting the sustainable development 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 Australian Government and state/territory government ministers, departments and agencies, marine industries particularly within the oil and gas, port and tourism sectors, domestic and international science communities, traditional owners and the public. | | |
| **Delivery** | AIMS delivers Program 1 by providing:   * comprehensive baseline, status and trends reporting systems for tropical marine ecosystems * efficient, cost-effective delivery of information through the application of innovative autonomous and automated marine observing technologies and assessment methods * recovery of key threatened and endangered marine species achieved through effective conservation and management of critical habitats and populations * enhanced management of tropical marine ecosystems informed by regional models of environmental condition and function * improved health of tropical marine ecosystems through the development of effective solutions for the management of local, regional, and cumulative pressures * improved forecasting ability of future coral reef status based on information on the scope and rates of recovery, acclimatisation and adaptation of coral reef taxa to climate change * new tools for coral reef restoration that enhance resistance and resilience of key coral reef taxa to environmental change, particularly climate change * enhanced understanding of tropical marine ecosystems among industry, government and the public delivered through improved data analysis workflows and knowledge delivery systems * strengthened management and policies delivered through the development of structured decision-support tools that link risk, monitoring, modelling, and adaptive management | |
| **Performance information** | | |
| **Year** | **Performance criteria** | **2019-20 Actual Achievement/Targets** |
| 2019-20 | Demonstrate the outcomes and impact of AIMS’ work through case study impact narratives and evaluations. | Minimum 2 case studies – target met. |
| Deliver strategic and applied research and monitoring that addresses national research priorities and stakeholder needs. | Maintain or increase the amount of stakeholder commissioned research – target not met.  Net external revenue for 2019-20 was $10.45 million, a decrease of 18.8 per cent compared with the previous year. The lower than planned performance was primarily due to COVID-19, which led to substantial external revenue reductions, particularly from the oil and gas market sector. |
| 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 – target met. |
| 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, datasets and derived knowledge products that are used by stakeholders and are publicly available – target partially met.  AIMS has exceeded 200 publications each year between 2015 and 2018. In 2019, AIMS published 195 journal articles. |
| 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 the 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 – targets met. |
| 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 – target met. |
| 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 2020. Targets partially met. |
| Optimal utilisation of research infrastructure assets. | Maintain or increase usage of research infrastructure – target not met. |
| 2020-21 | AIMS research creates a positive triple bottom line contribution (impact value) to Australia | Minimum 2 case studies. |
| Deliver strategic and applied research and monitoring that addresses national research priorities and stakeholder needs. | Maintain or increase amount of research commissioned by stakeholders. |
| 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 and other knowledge products and make datasets or data products publicly available. |
| Increase research capability, capacity, impact and science diplomacy through participation in key advisory panels and committees, 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 partnerships 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. |
| Optimise use of research infrastructure assets. | Maintain or increase use of research infrastructure. |
| 2021-22 and beyond | As per 2020-21 | As per 2020-21 |
| **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 2020­21 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 $7.2 million in 2020-21, $5.8 million in 2021-22, $6.0 million in 2022-23 and $5.8 million in 2023-24. The losses include unfunded depreciation expenses relating to assets for which capital was previously provided by the Government plus additional operational costs relating to strategic projects.

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.

##### 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 is declining in line with the losses in the income statement.

##### **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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019­20 Estimated actual  $'000 | 2020­21  Budget  $'000 | 2021­22 Forward estimate  $'000 | 2022­23 Forward estimate  $'000 | 2023­24 Forward estimate  $'000 |
| **EXPENSES** |  |  |  |  |  |
| Employee benefits | 30,967 | 34,541 | 33,444 | 34,363 | 34,795 |
| Suppliers | 26,156 | 33,627 | 33,201 | 32,975 | 28,450 |
| Depreciation and amortisation | 12,426 | 12,790 | 13,137 | 13,371 | 13,440 |
| Finance costs | 20 | 19 | 18 | 17 | 16 |
| Losses from asset sales | 120 | - | - | - | - |
| Other expenses | 7 | - | - | - | - |
| **Total expenses** | **69,696** | **80,977** | **79,800** | **80,726** | **76,701** |
| **LESS:** |  |  |  |  |  |
| **OWN-SOURCE INCOME** |  |  |  |  |  |
| **Own-source revenue** |  |  |  |  |  |
| Sale of goods and rendering of  services | 15,291 | 27,375 | 27,403 | 27,491 | 23,124 |
| Interest | 675 | 650 | 800 | 1,000 | 1,100 |
| Other | 924 | 550 | 400 | 400 | 400 |
| **Total own-source revenue** | **16,890** | **28,575** | **28,603** | **28,891** | **24,624** |
| **Gains** |  |  |  |  |  |
| Sale of assets | 44 | - | **-** | **-** | **-** |
| Other | 2 | - | **-** | **-** | **-** |
| **Total gains** | **46** | **-** | **-** | **-** | **-** |
| **Total own-source income** | **16,936** | **28,575** | **28,603** | **28,891** | **24,624** |
| **Net (cost of)/contribution by**  **services** | **(52,760)** | **(52,402)** | **(51,197)** | **(51,835)** | **(52,077)** |
| Revenue from Government | 44,773 | **45,218** | 45,439 | 45,789 | 46,252 |
| **Surplus/(deficit) attributable to the**  **Australian Government** | **(7,987)** | **(7,184)** | **(5,758)** | **(6,046)** | **(5,825)** |
| **Total comprehensive income/(loss)** | **(7,987)** | **(7,184)** | **(5,758)** | **(6,046)** | **(5,825)** |
| **Total comprehensive income/(loss)**  **attributable to the Australian**  **Government** | **(7,987)** | **(7,184)** | **(5,758)** | **(6,046)** | **(5,825)** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019­20 Estimated actual  $'000 | 2020­21  Budget  $'000 | 2021­22 Forward estimate  $'000 | 2022­23 Forward estimate  $'000 | 2023­24 Forward estimate  $'000 |
| **ASSETS** |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |
| Cash and cash equivalents | 14,128 | 250 | 250 | 250 | 250 |
| Trade and other receivables | 2,510 | 4,591 | 4,015 | 4,414 | 4,582 |
| Other investments | 26,100 | 33,523 | 35,022 | 31,083 | 30,199 |
| Other financial assets | 2,338 | 3,100 | 2,668 | 2,912 | 3,012 |
| ***Total financial assets*** | ***45,076*** | ***41,464*** | ***41,955*** | ***38,659*** | ***38,043*** |
| **Non-financial assets** |  |  |  |  |  |
| Land and buildings | 94,768 | 92,600 | 89,524 | 91,070 | 90,804 |
| Property, plant and equipment | 47,538 | 46,621 | 44,855 | 42,564 | 39,049 |
| Intangibles | 4,324 | 3,882 | 3,462 | 3,106 | 2,894 |
| Inventories | 208 | 252 | 220 | 228 | 232 |
| Other non-financial assets | 3,169 | 3,681 | 3,386 | 3,307 | 3,209 |
| ***Total non-financial assets*** | ***150,007*** | ***147,036*** | ***141,447*** | ***140,275*** | ***136,188*** |
| **Total assets** | **195,083** | **188,500** | **183,402** | **178,934** | **174,231** |
| **LIABILITIES** |  |  |  |  |  |
| **Payables** |  |  |  |  |  |
| Suppliers | 1,991 | 5,635 | 4,911 | 5,082 | 5,174 |
| Other payables | 7,212 | 4,519 | 3,867 | 4,217 | 4,368 |
| ***Total payables*** | ***9,203*** | ***10,154*** | ***8,778*** | ***9,299*** | ***9,542*** |
| **Interest bearing liabilities** |  |  |  |  |  |
| Leases (a) | 856 | 819 | 782 | 743 | 702 |
| ***Total interest bearing liabilities*** | ***856*** | ***819*** | ***782*** | ***743*** | ***702*** |
| **Provisions** |  |  |  |  |  |
| Employee provisions | 12,650 | 12,339 | 14,380 | 15,454 | 16,370 |
| Other provisions | 475 | 473 | 505 | 527 | 531 |
| ***Total provisions*** | ***13,125*** | ***12,812*** | ***14,885*** | ***15,981*** | ***16,901*** |
| **Total liabilities** | **23,184** | ***23,785*** | **24,445** | **26,023** | **27,145** |
| **Net assets** | **171,899** | **164,715** | **158,957** | **152,911** | **147,086** |
| **EQUITY\*** |  |  |  |  |  |
| **Parent entity interest** |  |  |  |  |  |
| Contributed equity | 88,357 | 88,357 | 88,357 | 88,357 | 88,357 |
| Reserves | 97,227 | 97,227 | 97,227 | 97,227 | 97,227 |
| Retained surplus (accumulated  deficit) | (13,685) | **(20,869)** | (26,627) | (32,673) | (38,498) |
| ***Total parent entity interest*** | ***171,899*** | ***164,715*** | ***158,957*** | ***152,911*** | ***147,086*** |
| **Total equity** | **171,899** | **164,715** | **158,957** | **152,911** | **147,086** |

Prepared on Australian Accounting Standards basis.

1. Applies leases under AASB 16 Leases.

\*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 2020­21)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Retained  earnings  $'000 | Asset  revaluation  reserve  $'000 | Contributed  equity/  capital  $'000 | Total  equity  $'000 |
| **Opening balance as at 1 July 2020** |  |  |  |  |
| Balance carried forward from  previous period | (13,685) | 97,227 | 88,357 | 171,899 |
| ***Adjusted opening balance*** | ***(13,685)*** | ***97,227*** | ***88,357*** | ***171,899*** |
| **Comprehensive income** |  |  |  |  |
| Surplus/(deficit) for the period | (7,184) | - | - | (7,184) |
| ***Total comprehensive income*** | ***(7,184)*** | ***-*** | ***-*** | ***(7,184)*** |
| of which: |  |  |  |  |
| Attributable to the Australian  Government | (7,184) | - | - | (7,184) |
| **Estimated closing balance as at**  **30 June 2021** | **(20,869)** | **97,227** | **88,357** | **164,715** |
| **Closing balance attributable to**  **the Australian Government** | **(20,869)** | **97,227** | **88,357** | **164,715** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019­20 Estimated actual  $'000 | 2020­21  Budget  $'000 | 2021­22 Forward estimate  $'000 | 2022­23 Forward estimate  $'000 | 2023­24 Forward estimate  $'000 |
| **OPERATING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Appropriations | 44,773 | 45,218 | 45,439 | 45,789 | 46,252 |
| Sale of goods and rendering of  services | 21,349 | 18,871 | 21,284 | 22,519 | 21,433 |
| Interest | 800 | 595 | 761 | 948 | 1,074 |
| Net GST received | 3,248 | - | - | - | - |
| Other | 922 | - | - | - | - |
| ***Total cash received*** | ***71,092*** | ***64,684*** | ***67,484*** | ***69,256*** | ***68,759*** |
| **Cash used** |  |  |  |  |  |
| Employees | 29,729 | 25,252 | 33,779 | 35,965 | 34,875 |
| Suppliers | 30,106 | 29,421 | 28,555 | 28,897 | 29,480 |
| Net GST paid | 1,775 | - | - | - | - |
| Interest payments on lease liability | 20 | 19 | 18 | 17 | 16 |
| ***Total cash used*** | ***61,630*** | ***54,692*** | ***62,352*** | ***64,879*** | ***64,371*** |
| **Net cash from/(used by)**  **operating activities** | **9,462** | **9,992** | **5,132** | **4,377** | **4,388** |
| **INVESTING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Proceeds from sales of property,  plant and equipment | 50 | - | - | - | - |
| Investments | - | - | 2,798 | 7,949 | 5,116 |
| ***Total cash received*** | ***50*** | ***-*** | ***2,798*** | ***7,949*** | ***5,116*** |
| **Cash used** |  |  |  |  |  |
| Purchase of property, plant and  equipment and intangibles | 8,055 | 9,263 | 7,875 | 12,270 | 9,447 |
| Investments | 8,898 | 14,553 | - | - | - |
| ***Total cash used*** | ***16,953*** | ***23,816*** | ***7,875*** | ***12,270*** | ***9,447*** |
| **Net cash from/(used by)**  **investing activities** | **(16,903)** | **(23,816)** | **(5,077)** | **(4,321)** | **(4,331)** |
| **FINANCING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Contributed equity | (54) | (54) | (55) | (56) | (57) |
| ***Total cash received*** | ***(54)*** | ***(54)*** | ***(55)*** | ***(56)*** | ***(57)*** |
| **Net cash from/(used by)**  **financing activities** | **(54)** | **(54)** | **(55)** | **(56)** | **(57)** |
| **Net increase/(decrease) in cash**  **held** | **(7,495)** | **(13,878)** | **-** | **-** | **-** |
| Cash and cash equivalents at the  beginning of the reporting period | 21,623 | 14,128 | 250 | 250 | 250 |
| **Cash and cash equivalents at**  **the end of the reporting period** | 14,128 | 250 | 250 | 250 | 250 |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019­20 Estimated actual  $'000 | 2020­21  Budget  $'000 | 2021­22 Forward estimate  $'000 | 2022­23 Forward estimate  $'000 | 2023­24 Forward estimate  $'000 |
| **PURCHASE OF NON-FINANCIAL**  **ASSETS** |  |  |  |  |  |
| Funded internally from departmental  resources (a) | 8,945 | 9,263 | 7,875 | 12,270 | 9,447 |
| **TOTAL** | **8,945** | **9,263** | **7,875** | **12,270** | **9,447** |
| **RECONCILIATION OF CASH USED**  **TO ACQUIRE ASSETS TO ASSET**  **MOVEMENT TABLE** |  |  |  |  |  |
| Total purchases | 8,945 | 9,263 | 7,875 | 12,270 | 9,447 |
| **Total cash used to acquire assets** | **8,945** | **9,263** | **7,875** | **12,270** | **9,447** |

Prepared on Australian Accounting Standards basis.

1. Includes the following sources of funding:

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

Table 3.6: Statement of asset movements (Budget year 2020­21)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Buildings  $'000 | Other  property,  plant and  equipment  $'000 | Computer  software and  intangibles  $'000 | Total  $'000 |
| **As at 1 July 2020** |  |  |  |  |
| Gross book value | 104,009 | 63,668 | 7,506 | 175,183 |
| Gross book value - ROU assets | 890 | - | - | 890 |
| Accumulated depreciation/  amortisation and impairment | (10,080) | (16,131) | (3,182) | (29,393) |
| Accumulated depreciation/amortisation and impairment - ROU assets | (51) | - | - | (51) |
| **Opening net book balance** | **94,768** | **47,537** | **4,324** | **146,629** |
| **Capital asset additions** |  |  |  |  |
| **Estimated expenditure on new**  **or replacement assets** |  |  |  |  |
| By purchase - other | 2,645 | 6,389 | 230 | 9,264 |
| **Total additions** | **2,645** | **6,389** | **230** | **9,264** |
| **Other movements** |  |  |  |  |
| Depreciation/amortisation expense | (4,762) | (7,305) | (672) | (12,739) |
| Depreciation/amortisation on  ROU assets | (51) | - | - | (51) |
| **Total other movements** | **(4,813)** | **(7,305)** | **(672)** | **(12,790)** |
| **As at 30 June 2021** |  |  |  |  |
| Gross book value | 106,654 | 70,057 | 7,736 | 184,447 |
| Gross book value - ROU assets | 890 | - | - | 890 |
| Accumulated depreciation/  amortisation and impairment | (14,842) | (23,436) | (3,854) | (42,132) |
| Accumulated depreciation/amortisation and impairment - ROU assets | (102) | - | - | (102) |
| **Closing net book balance** | **92,600** | **46,621** | **3,882** | **143,103** |

Prepared on Australian Accounting Standards basis.

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

AIMS has no 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 2020­21)

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

Department o

Australian Nuclear Science and Technology Organisation

Entity resources and planned performance

Australian Nuclear Science and Technology Organisation

Section 1: Entity overview and resources 127

1.1 Strategic direction statement 127

1.2 Entity resource statement 130

1.3 Budget measures 132

Section 2: Outcomes and planned performance 133

2.1 Budgeted expenses and performance for Outcome 1 134

Section 3: Budgeted financial statements 143

3.1 Budgeted financial statements 143

3.2 Budgeted financial statements tables 145

# Australian Nuclear Science and Technology Organisation

## Section 1: Entity overview and resources

### Strategic direction statement

The Australian Nuclear Science and Technology Organisation (ANSTO) is a corporate Commonwealth entity.

ANSTO is the custodian of significant landmark and national research infrastructure, including Australia’s only multi-purpose reactor, OPAL, and the Australian Synchrotron. These platforms underpin ANSTO’s unique capabilities, which are applied for the health and economic benefit of all Australians. ANSTO’s research and infrastructure benefits a wide range of Australian industries and both national and international research communities. ANSTO is critical to the development of nuclear medicine (which, on average, two in three Australians will require in their lifetimes), supporting national research priorities, maintaining Australia’s international position in science and technology, and translational research.

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 agriculture and water resource management, defence, forensics, materials engineering, transport and health
* providing expert advice to Government and other stakeholders on all matters relating to nuclear science, technology and engineering.

ANSTO supported Australia’s response in addressing the unprecedented challenges the nation faced in 2019-20 and will continue to prioritise this work in 2020-21. This includes using its capabilities in air quality monitoring and understanding climate to contribute to the national discussions on the health and environmental impacts of bushfires. ANSTO will also continue to contribute to Australia’s response to the COVID-19 pandemic, undertaking collaborative research projects and supporting external research projects that focus on the development of vaccines or treatments to fight COVID-19. This work will remain a high priority for the organisation, including through use of the Australian Synchrotron to improve the understanding of protein structures within the virus that causes COVID-19. This information is vital for the development of vaccines and of potential therapeutic drugs to block the ability of the virus to infect and replicate in the body.

ANSTO is central to Australia’s nuclear medicine production capabilities, and it is focused on ensuring that it can continue to supply these vital products to Australia and some international markets. This will be made possible by a dedicated workforce manufacturing nuclear medicine using the OPAL multi-purpose reactor, the new ANSTO Nuclear Medicine (ANM) manufacturing facility, and the nuclear medicine production facility. These capabilities will be further strengthened through the Government’s additional investment in nuclear medicine manufacturing in this Budget.

ANSTO will continue to take steps to ensure it can reliably produce vital nuclear medicines throughout the COVID-19 pandemic. These steps will help to ensure Australia is not dependent upon products from the international market; which has been even less reliable owing to the significant deterioration of supply chains during the COVID 19 pandemic.

The 2020-21 Budget provides ANSTO with additional funding of $238.1 million from 2020-21 to 2023-24. These funds take into account the complexities of ANSTO’s operating environment and provide ongoing support for nuclear medicine production, waste management and decommissioning activities.

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

* putting our people first: providing a safe, sustainable and inclusive environment that empowers our people and supports a culture of collaboration and engagement
* world-leading research and technology outcomes: undertaking research with strategic partners that is translational and serves users
* strategic management of landmark and national infrastructure: providing platforms and development pathways to enable world-class research that creates economic impact and benefits
* nuclear and related expertise and advice: providing expert advice, education and services to support Australian policy and strengthen Australia’s nuclear science knowledge base
* nuclear medicines for Australia and the world: supporting better healthcare for all Australian and international customers with nuclear medicine products
* places and spaces for business and partnerships: Innovation Precinct, partnerships and services, delivering impactful and sustainable outcomes

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 2020­21 as at Budget October 2020

|  |  |  |
| --- | --- | --- |
|  | *2019­20 Estimated actual*  *$'000* | 2020­21 Estimate  $'000 |
| **Opening balance/cash reserves at 1 July** | *17,984* | 11,688 |
| **Funds from Government** |  |  |
| Annual appropriations - ordinary annual services (a) |  |  |
| Outcome 1 | *281,909* | 278,819 |
| Annual appropriations - other services (b) |  |  |
| Equity injection | *81,194* | 20,465 |
| Total annual appropriations | *363,103* | *299,284* |
| **Total funds from Government** | ***363,103*** | **299,284** |
| **Funds from other sources** |  |  |
| Interest | *2,665* | 1,000 |
| Sale of goods and services | *51,940* | 95,763 |
| Other | *42,535* | 19,398 |
| **Total funds from other sources** | ***97,140*** | **116,161** |
| **Total net resourcing for ANSTO** | ***478,227*** | **427,133** |
|  |  |  |
|  | *2019­20* | 2020­21 |
| **Average staffing level (number)** | *1,282* | 1,368 |

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

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

1. Appropriation Bill (No. 1) 2020­21.
2. Appropriation Bill (No. 2) 2020­21.

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

### 1.3 Budget measures

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

Table 1.2: ANSTO 2020­21 budget measures  
Measures announced after the Economic and Fiscal Update July 2020

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Program | 2020­21  $'000 | 2021­22  $'000 | 2022­23  $'000 | 2023­24  $'000 |
| **Payment measures** |  |  |  |  |  |
| Australian Nuclear Science and Technology Organisation - additional funding | 1 |  |  |  |  |
| Departmental payment |  | 74,227 | 71,543 | 45,945 | 46,383 |
| **Total** |  | **74,227** | **71,543** | **45,945** | **46,383** |
| **Total payment measures** |  |  |  |  |  |
| Departmental |  | 74,227 | 71,543 | **45,945** | **46,383** |
| **Total** |  | **74,227** | **71,543** | **45,945** | **46,383** |

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

## 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 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 a complete picture of an entity’s planned and actual performance.

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

https://www.ansto.gov.au/corporate-plan

The most recent annual performance statement can be found at:

https://www.ansto.gov.au/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, Science, Energy and Resources** |
| --- |
| **Programs**   * Program 1 – Science and Technology Solutions |
| **Contribution to Outcome 1 made by linked programs**  The Department of Industry, Science, Energy and Resources 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 ANSTO intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by departmental funding sources.

**Table 2.1.1: Budgeted expenses for Outcome 1**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Outcome 1:** Improved knowledge, innovative capacity and healthcare through nuclear-based facilities, research, training, products, services and advice to Government, industry, the education sector and the Australian population. | | | | | |
|  | 2019­20 Estimated actual  $'000 | 2020­21  Budget  $'000 | 2021­22 Forward estimate  $'000 | 2022­23 Forward estimate  $'000 | 2023­24 Forward estimate  $'000 |
| **Program 1: Science and Technology Solutions** | | | | | |
| Revenue from Government |  |  |  |  |  |
| Ordinary annual services  (Appropriation Bill No. 1) | 281,909 | 278,819 | 280,607 | 274,317 | 277,389 |
| Expenses not requiring  appropriation in the budget year (a) | (185,965) | 57,018 | 44,281 | 44,595 | 42,734 |
| Revenues from other independent sources | 97,140 | 116,161 | 152,416 | 144,735 | 134,708 |
| **Total expenses for Program 1** | **193,084** | **451,998** | **477,304** | **463,647** | **454,831** |
| **Outcome 1 totals by resource type** | | | | | |
| Revenue from Government |  |  |  |  |  |
| Ordinary annual services  (Appropriation Bill No. 1) | 281,909 | 278,819 | 280,607 | 274,317 | 277,389 |
| Expenses not requiring  appropriation in the budget year (a) | (185,965) | 57,018 | 44,281 | 44,595 | 42,734 |
| Revenues from other independent sources | 97,140 | 116,161 | 152,416 | 144,735 | 134,708 |
| **Total expenses for Outcome 1** | **193,084** | **451,998** | **477,304** | **463,647** | **454,831** |
|  |  |  |  |  |  |
|  | 2019­20 | 2020­21 |  |  |  |
| **Average staffing level (number)** | 1,282 | 1,368 |  |  |  |

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

Table 2.1.2: Performance criteria for Outcome 1

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2020­21 Budget measures have created new programs or materially changed existing programs.

|  |  |  |
| --- | --- | --- |
| **Outcome 1: Improved knowledge, innovative capacity and healthcare through nuclear-based facilities, research, training, products, services and advice to Government, industry, the education sector and the Australian population** | | |
| **Program 1** – **Science and Technology Solutions**  Contributes to the outcome through the operation and strategic management of landmark and national research infrastructure. ANSTO provides nuclear products and services, and applies its unique expertise for nuclear research, specialised advice, and education and training. | | |
| **Delivery** | ANSTO delivers Program 1 by:   * engaging in innovative research, through strategic partnerships and collaborations, that have scientific and commercial impact and align with Australia’s Science and Research Priorities * managing landmark and national research infrastructure for the benefit of industry, and the Australian and international research communities * providing products and services, including radiopharmaceuticals, to the health sector and industry that benefit the broader community * providing expert trusted science and technology based advice and services to government, the education and academic communities, and the Australian public | |
| **Performance information** | | |
| **Year** | **Performance criteria** (a) | **2019-20 Actual Achievement/Targets** |
| 2019-20 | Full utilisation of landmark infrastructure  Continue to achieve a high standard of operational efficiency and effectiveness for ANSTO’s landmark and national research infrastructure | OPAL Research Reactor: days at power  Target: 287 days (a)  Actual: 298 days (b)  Australian Synchrotron: percentage of availability  Target: 95 per cent  Actual: 84 per cent (c)  Neutron beam instruments: percentage of availability  Target: 85 per cent  Actual: 82 per cent (c)  Accelerators: percentage of availability  Target: 65 per cent  Actual: 56 per cent (c) |
| Human health products  Supply vital medicines and diagnostics that enhance human health | Radiopharmaceutical doses: potential doses.  Target: 3,391,917  Actual: 900,921 (d) |
| 2020-21 | Full utilisation of landmark infrastructure | OPAL Research Reactor: days at power (e)  Target: 280 days  Australian Synchrotron: percentage of availability  Target: 95 per cent  Neutron beam instruments: percentage of availability  Target: 85 per cent  Accelerators: percentage of availability  Target: 65 per cent |
| Human health products | Radiopharmaceutical doses: potential doses.  Target: 2,765,179 |
| Engagement with political and international stakeholders  Effectively facilitate ANSTO’s role with Government and internationally as Australia’s centre of excellence on nuclear science and technology by:   * providing reliable and trusted advice to ministers, parliament, and government departments and agencies * engaging with key international nuclear organisations policy discussions and bilateral partners. | Target: Minimum of 4 case studies |
| Addressing gender diversity  Achieving greater gender diversity in ANSTO’s workforce, with the goal of reaching equal representation of male and female in our workforce by 2030 | Representation in Leadership Teams  Target:  Male 40 per cent  Female 40 per cent  Representation ANSTO-wide  Target:  Male 40 per cent  Female 40 per cent |
| Safe work environment  ANSTO will strengthen its commitment to providing a safe work environment for its staff. | Target: Demonstrated increase in the ratio of reported Opportunities For Improvement (OFI) to Incidents in ANSTO’s Governance Risk and Compliance (GRC) Reporting System |
| Impactful research outcomes  Delivery of research outcomes that have scientific and industry impact, with a focus on health, the environment and the nuclear fuel cycle. | Target: 8 case studies per annum  Target: 90 per cent of publications undertaken with national and international collaborators |
| Share with the general public research outcomes enabled by ANSTO  Science stories to highlight ANSTO’s research outcomes. | Target: ≥ 36 science stories published on the ANSTO website per annum |
| Increase STEM engagement  Offer a range of resources for teachers and students to support the national science curriculum outcomes for years 3 to 12  Increase accessibility of STEM teacher training programs  Conduct educational tours and science experiences at ANSTO’s Sydney and Melbourne campuses. | Target: Deliver ≥ 6 national programs per annum  Deliver teacher professional development days in all states and territories  Visitors to ANSTO’s campuses per annum  Target: ≥ 15,000 |
| Maintain Quality Management certification  Maintain our ISO 9000 Quality Management System certification. | Target: Maintain certification |
| Grow knowledge incubation, collaboration and connectivity within ANSTO’s Innovation Precinct  Increase in overall stakeholders engaged in the precinct including industry partners, universities, *nandin* tenants. | Target: 10 per cent growth per annum |
| 2021-22 | Full utilisation of landmark infrastructure | OPAL Research Reactor: days at power  Target: 300  Australian Synchrotron: percentage of availability  Target: 95 per cent  Neutron beam instruments: percentage of availability  Target: 85 per cent  Accelerators: percentage of availability  Target: 65 per cent |
| Human health products | Radiopharmaceutical doses: potential doses.  Target: 3,478,667 |
| Engagement with political and international stakeholders | Target: Minimum of 4 case studies |
| Addressing gender diversity | Representation in Leadership Teams  Target:  Male 40 per cent  Female 40 per cent  Representation ANSTO-wide  Target:  Male 40 per cent  Female 40 per cent |
| Safe work environment | Target: Demonstrated increase in the ratio of reported Opportunities For Improvement (OFI) to Incidents in ANSTO’s Governance Risk and Compliance (GRC) Reporting System |
| Impactful research outcomes | Target: 8 case studies per annum  Target: 90 per cent of publications undertaken with national and international collaborators |
| Share with the general public research outcomes enabled by ANSTO | Target: ≥ 36 science stories published on the ANSTO website per annum |
| Increase STEM engagement | Target: Deliver ≥ 6 national programs per annum  Deliver teacher professional development days  in all states and territories  Visitors to ANSTO’s campuses per annum  Target: ≥ 15,000 |
| Maintain Quality Management certification | Target: Maintain certification |
| Grow knowledge incubation, collaboration and connectivity within ANSTO’s Innovation Precinct | Target: 10 per cent growth per annum |
| 2022-23 | Full utilisation of landmark infrastructure | OPAL Research Reactor: days at power  Target: 300  Australian Synchrotron: percentage of availability  Target: 95 per cent  Neutron beam instruments: percentage of availability  Target: 85 per cent  Accelerators: percentage of availability  Target: 65 per cent |
| Human health products | Radiopharmaceutical doses: potential doses.  Target: 3,583,027 |
| Engagement with political and international stakeholders | Target: Minimum of 4 case studies |
| Addressing gender diversity | Representation in Leadership Teams  Target:  Male 40 per cent  Female 40 per cent  Representation ANSTO-wide  Target:  Male 40 per cent  Female 40 per cent |
| Safe work environment | Target: Demonstrated increase in the ratio of reported Opportunities For Improvement (OFI) to Incidents in ANSTO’s Governance Risk and Compliance (GRC) Reporting System |
| Impactful research outcomes | Target: 8 case studies per annum  Target: 90 per cent of publications undertaken with national and international collaborators |
| Share with the general public research outcomes enabled by ANSTO | Target: ≥ 36 science stories published on the ANSTO website per annum |
| Increase STEM engagement | Target: Deliver ≥ 6 national programs per annum  Deliver teacher professional development days  in all states and territories  Visitors to ANSTO’s campuses per annum  Target: ≥ 15,000 |
| Maintain Quality Management certification | Target: Maintain certification |
| Grow knowledge incubation, collaboration and connectivity within ANSTO’s Innovation Precinct | Target: 10 per cent growth per annum |
| 2023-24 | Full utilisation of landmark infrastructure | OPAL Research Reactor: days at power (f)  Target: 220  Australian Synchrotron: percentage of availability  Target: 95 per cent  Neutron beam instruments: percentage of availability  Target: 85 per cent  Accelerators: percentage of availability  Target: 65 per cent |
| Human health products | Radiopharmaceutical doses: potential doses.  Target: 3,690,518 |
| Engagement with political and international stakeholders | Target: Minimum of 4 case studies |
| Addressing gender diversity | Representation in Leadership Teams  Target:  Male 40 per cent  Female 40 per cent  Representation ANSTO-wide  Target:  Male 40 per cent  Female 40 per cent |
| Safe work environment | Target: Demonstrated increase in the ratio of reported Opportunities For Improvement (OFI) to Incidents in ANSTO’s Governance Risk and Compliance (GRC) Reporting System |
| Impactful research outcomes | Target: Minimum of 8 case studies |
| Share with the general public  research outcomes enabled  by ANSTO | Target: ≥ 36 science stories published on the ANSTO website per annum |
| Increase STEM engagement | Target: Deliver ≥ 6 national programs per annum  Deliver teacher professional development days in all states and territories  Visitors to ANSTO’s campuses per annum  Target: ≥ 15,000 |
| Maintain Quality Management certification | Target: Maintain certification |
| Grow knowledge incubation, collaboration and connectivity within ANSTO’s Innovation Precinct | Target: 10 per cent growth per annum |
| **Purposes** | ANSTO’s purpose is set by the following core functions, as provided in the *Australian Nuclear Science and Technology Organisation Act 1987*.   * Conduct research and development in relation to nuclear science and technology * Produce and use radioisotopes, isotopic techniques and nuclear radiation for medicine, science, industry, commerce and agriculture * Encourage and facilitate the application and use of the results from research and development * Manage radioactive materials and waste arising from various prescribed activities * Provide goods and services related to core activities * Provide advice to government and undertake international liaison in nuclear-related matters * Make available (on a commercial basis where appropriate) facilities, equipment and expertise for research in nuclear science and technology * Publish scientific and technical reports, periodicals and papers, and provide public information and advice * Facilitate education and training in nuclear science and technology, including through granting scientific research studentships and fellowships, in cooperation with universities, professional bodies and other education and research institutions | |
| **Material changes to Program 1 resulting from the following measures: Nil** | | |

1. OPAL had a reduced target due to a scheduled, extended maintenance shutdown.
2. Due to the lack of reliable options for importation of nuclear medicine during the scheduled extended maintenance shutdown, ANSTO elected to delay this shutdown.
3. Targets not achieved due to the impact of COVID-19. Restrictions in user travel to ANSTO, as well as the prioritisation of COVID-19 related research, resulted in the temporary reduction of the research infrastructure platform availability.
4. Target not achieved due to restricted production at the ANM Mo-99 facility significantly reducing export capability over the period, intermittent disruptions due to a mechanical fault at ANM and some impacts as a result of COVID-19.
5. OPAL has a reduced target due to the revised schedule for the extended maintenance shutdown.
6. A major shutdown to replace the cold neutron source is due to commence in March 2024.

## Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2020­21 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 2020-21 are estimated at $452.0 million compared to the estimate for 2019‑20 of $193.0 million, net of a decommissioning gain resulting from parameter changes. Total revenue in 2020-21 is estimated to be $395.0 million (including appropriation) compared to the estimate of $375.9 million for 2019-20, an increase of $19.1 million.

ANSTO has an approved operating loss of $57.0 million for 2020-21. 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 decreased from $266.1 million in 2019-20 to $228.2 million in 2020-21. 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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019­20 Estimated actual  $'000 | 2020­21  Budget  $'000 | 2021­22 Forward estimate  $'000 | 2022­23 Forward estimate  $'000 | 2023­24 Forward estimate  $'000 |
| **EXPENSES** |  |  |  |  |  |
| Employee benefits | 160,729 | **159,552** | 163,479 | 168,221 | 162,118 |
| Suppliers | 111,632 | **184,527** | 196,407 | 164,529 | 171,731 |
| Grants | 2,848 | **2,767** | 2,767 | 2,767 | 2,571 |
| Depreciation and amortisation | 80,917 | **83,008** | 92,507 | 104,302 | 90,043 |
| Finance costs | 11,709 | **22,144** | 22,144 | 23,828 | 28,368 |
| Write-down and impairment of assets | 32,717 | **-** | **-** | **-** | **-** |
| Other expenses | (207,468) | **-** | **-** | **-** | **-** |
| **Total expenses** | **193,084** | **451,998** | **477,304** | **463,647** | **454,831** |
| **LESS:** |  |  |  |  |  |
| **OWN-SOURCE INCOME** |  |  |  |  |  |
| **Own-source revenue** |  |  |  |  |  |
| Sale of goods and rendering of  services | 51,940 | **95,763** | 111,922 | 118,866 | 88,755 |
| Interest | 2,665 | **1,000** | 1,000 | 1,915 | 3,868 |
| Rental income | 5,897 | **6,663** | 7,195 | 7,195 | 7,195 |
| Other | 33,495 | **12,735** | 32,299 | 16,759 | 34,890 |
| **Total own-source revenue** | **93,997** | **116,161** | **152,416** | **144,735** | **134,708** |
| **Gains** |  |  |  |  |  |
| Sale of assets | 222 | **-** | **-** | **-** | **-** |
| Other | 2,921 | **-** | **-** | **-** | **-** |
| **Total gains** | **3,143** | **-** | **-** | **-** | **-** |
| **Total own-source income** | **97,140** | **116,161** | **152,416** | **144,735** | **134,708** |
| **Net (cost of)/contribution by**  **services** | **(95,944)** | **(335,837)** | (324,888) | (318,912) | (320,123) |
| Revenue from Government | 281,909 | **278,819** | 280,607 | 274,317 | 277,389 |
| **Surplus/(deficit) attributable to the**  **Australian Government** | **185,965** | **(57,018)** | **(44,281)** | **(44,595)** | **(42,734)** |
| **OTHER COMPREHENSIVE INCOME** |  |  |  |  |  |
| Changes in asset revaluation surplus | (2,656) | **-** | **-** | **-** | **-** |
| **Total other comprehensive income** | **(2,656)** | **-** | **-** | **-** | **-** |
| **Total comprehensive income/(loss)** | **183,309** | **(57,018)** | **(44,281)** | **(44,595)** | **(42,734)** |
| **Total comprehensive income/(loss)**  **attributable to the Australian**  **Government** | **183,309** | **(57,018)** | **(44,281)** | **(44,595)** | **(42,734)** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019­20 Estimated actual  $'000 | 2020­21  Budget  $'000 | 2021­22 Forward estimate  $'000 | 2022­23 Forward estimate  $'000 | 2023­24 Forward estimate  $'000 |
| **ASSETS** |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |
| Cash and cash equivalents | 11,688 | 4,526 | 4,527 | 4,659 | 9,349 |
| Trade and other receivables | 25,466 | 16,429 | 26,030 | 26,030 | 26,030 |
| Other investments | 228,215 | 206,504 | 150,548 | 118,742 | 89,358 |
| Other financial assets | 704 | 704 | 704 | 704 | 704 |
| ***Total financial assets*** | ***266,073*** | ***228,163*** | ***181,809*** | ***150,135*** | ***125,441*** |
| **Non-financial assets** |  |  |  |  |  |
| Land and buildings | 271,601 | 272,604 | 273,740 | 268,821 | 270,320 |
| Property, plant and equipment | 824,108 | 837,175 | 871,713 | 885,358 | 900,062 |
| Intangibles | 59,424 | 57,824 | 59,224 | 55,779 | 57,686 |
| Inventories | 40,760 | 40,760 | 40,760 | 40,760 | 40,760 |
| Tax assets | 792 | 792 | 792 | 792 | 792 |
| Other non-financial assets | 16,065 | 16,065 | 16,065 | 16,065 | 16,065 |
| ***Total non-financial assets*** | ***1,212,750*** | ***1,225,220*** | ***1,262,294*** | ***1,267,575*** | ***1,285,685*** |
| **Total assets** | **1,478,823** | ***1,453,383*** | **1,444,103** | **1,417,710** | **1,411,126** |
| **LIABILITIES** |  |  |  |  |  |
| **Payables** |  |  |  |  |  |
| Suppliers | 19,983 | 19,983 | 19,983 | 19,983 | 19,983 |
| Other payables | 42,580 | 40,942 | 41,178 | 41,178 | 41,178 |
| ***Total payables*** | ***62,563*** | ***60,925*** | ***61,161*** | ***61,161*** | ***61,161*** |
| **Interest bearing liabilities** |  |  |  |  |  |
| Leases | 654 | 605 | 616 | 627 | 638 |
| ***Total interest bearing liabilities*** | ***654*** | ***605*** | ***616*** | ***627*** | ***638*** |
| **Provisions** |  |  |  |  |  |
| Employee provisions | 50,293 | 50,293 | 50,293 | 50,293 | 50,293 |
| Other provisions | 668,276 | 681,076 | 786,378 | 715,038 | 751,177 |
| ***Total provisions*** | ***718,569*** | ***731,369*** | ***836,671*** | ***765,331*** | ***801,470*** |
| **Total liabilities** | **781,786** | **792,899** | **898,448** | **827,119** | **863,269** |
| **Net assets** | **697,037** | **660,484** | **545,655** | **590,591** | **547,857** |
| **EQUITY\*** |  |  |  |  |  |
| **Parent entity interest** |  |  |  |  |  |
| Contributed equity | 900,869 | 921,334 | 939,771 | 939,771 | 939,771 |
| Reserves | 396,479 | 396,479 | 396,479 | 396,479 | 396,479 |
| Retained surplus (accumulated  deficit) | (600,311) | (657,329) | (790,595) | (745,659) | (788,393) |
| ***Total parent entity interest*** | ***697,037*** | ***660,484*** | ***545,655*** | ***590,591*** | ***547,857*** |
| **Total equity** | **697,037** | **660,484** | **545,655** | **590,591** | **547,857** |

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 2020­21)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Retained  earnings  $'000 | Asset  revaluation  reserve  $'000 | Other  reserves  $'000 | Contributed  equity/  capital  $'000 | Total  equity  $'000 |
| **Opening balance as at 1 July 2020** |  |  |  |  |  |
| Balance carried forward from  previous period | (600,311) | 386,468 | 10,011 | 900,869 | 697,037 |
| ***Adjusted opening balance*** | ***(600,311)*** | ***386,468*** | ***10,011*** | ***900,869*** | ***697,037*** |
| **Comprehensive income** |  |  |  |  |  |
| Surplus/(deficit) for the period | (57,018) | - | - | - | (57,018) |
| ***Total comprehensive income*** | ***(57,018)*** | ***-*** | ***-*** | ***-*** | ***(57,018)*** |
| of which: |  |  |  |  |  |
| Attributable to the Australian  Government | (57,018) | - | - | - | (57,018) |
| ***Contributions by owners*** |  |  |  |  |  |
| Equity injection - Appropriation | - | - | - | 20,465 | 20,465 |
| ***Sub-total transactions with***  ***owners*** | ***-*** | ***-*** | ***-*** | ***20,465*** | ***20,465*** |
| **Estimated closing balance as at**  **30 June 2021** | **(657,329)** | **386,468** | **10,011** | **921,334** | **660,484** |
| **Closing balance attributable to**  **the Australian Government** | **(657,329)** | **386,468** | **10,011** | **921,334** | **660,484** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019­20 Estimated actual  $'000 | 2020­21  Budget  $'000 | 2021­22 Forward estimate  $'000 | 2022­23 Forward estimate  $'000 | 2023­24 Forward estimate  $'000 |
| **OPERATING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Receipts from Government | 281,909 | 278,819 | 280,607 | 274,317 | 277,389 |
| Sale of goods and rendering of  services | 65,483 | 95,763 | 111,922 | 118,866 | 94,753 |
| Interest | 2,222 | 1,000 | 1,000 | 1,915 | 3,868 |
| Net GST received | 2,294 | - | - | - | - |
| Other | 39,895 | 43,760 | 30,129 | 23,954 | 36,087 |
| ***Total cash received*** | ***391,803*** | ***419,342*** | ***423,658*** | ***419,052*** | ***412,097*** |
| **Cash used** |  |  |  |  |  |
| Employees | 155,283 | 159,552 | 163,479 | 168,221 | 162,118 |
| Suppliers | 111,213 | 184,527 | 196,407 | 164,529 | 171,731 |
| Net GST received | 2,657 | - | - | - | - |
| Other | 13,321 | 2,780 | 2,780 | 2,780 | 2,584 |
| ***Total cash used*** | ***282,474*** | ***346,859*** | ***362,666*** | ***335,530*** | ***336,433*** |
| **Net cash from/(used by)**  **operating activities** | **109,329** | **72,483** | **60,992** | **83,522** | **75,664** |
| **INVESTING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Proceeds from sales of property,  plant and equipment | 313 | - | - | - | - |
| Proceeds from sales of financial  instruments | 249,899 | 168,432 | 136,343 | 136,343 | 123,453 |
| Other | 5,959 | 8,310 | - | - | - |
| ***Total cash received*** | ***256,171*** | ***176,742*** | ***136,343*** | ***136,343*** | ***123,453*** |
| **Cash used** |  |  |  |  |  |
| Purchase of property, plant and  equipment and intangibles | 82,653 | 120,678 | 129,446 | 109,446 | 108,014 |
| Purchase of financial instruments | 362,232 | 152,652 | 86,201 | 110,161 | 86,285 |
| Investments | 490 | - | - | - | - |
| Other | 7,468 | 3,400 | - | - | - |
| ***Total cash used*** | ***452,843*** | ***276,730*** | ***215,647*** | ***219,607*** | ***194,299*** |
| **Net cash from/(used by)**  **investing activities** | **(196,672)** | **(99,988)** | **(79,304)** | **(83,264)** | **(70,846)** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019­20 Estimated actual  $'000 | 2020­21  Budget  $'000 | 2021­22 Forward estimate  $'000 | 2022­23 Forward estimate  $'000 | 2023­24 Forward estimate  $'000 |
| **FINANCING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Contributed equity | 81,194 | 20,465 | 18,437 | - | - |
| ***Total cash received*** | ***81,194*** | ***20,465*** | ***18,437*** | ***-*** | ***-*** |
| **Cash used** |  |  |  |  |  |
| Principal payments on lease liability | 147 | 122 | 124 | 126 | 128 |
| ***Total cash used*** | ***147*** | ***122*** | ***124*** | ***126*** | ***128*** |
| **Net cash from/(used by)**  **financing activities** | **81,047** | **20,343** | **18,313** | **(126)** | **(128)** |
| **Net increase/(decrease) in cash**  **held** | **(6,296)** | **(7,162)** | **1** | **132** | **4,690** |
| Cash and cash equivalents at the  beginning of the reporting period | 17,984 | 11,688 | 4,526 | 4,527 | 4,659 |
| **Cash and cash equivalents at**  **the end of the reporting period** | **11,688** | **4,526** | **4,527** | **4,659** | **9,349** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019­20 Estimated actual  $'000 | 2020­21  Budget  $'000 | 2021­22 Forward estimate  $'000 | 2022­23 Forward estimate  $'000 | 2023­24 Forward estimate  $'000 |
| **NEW CAPITAL APPROPRIATIONS** |  |  |  |  |  |
| Equity injections - Bill 2 | 81,194 | 20,465 | 18,437 | - | - |
| **Total new capital appropriations** | **81,194** | **20,465** | **18,437** | **-** | **-** |
| ***Provided for:*** |  |  |  |  |  |
| *Purchase of non-financial assets* | *25,194* | *20,465* | *18,437* | *-* | *-* |
| *Other Items* | *56,000* | *-* | *-* | *-* | *-* |
| ***Total items*** | ***81,194*** | ***20,465*** | ***18,437*** | ***-*** | ***-*** |
| **PURCHASE OF NON-FINANCIAL**  **ASSETS** |  |  |  |  |  |
| Funded by capital appropriations (a) | 16,620 | *20,465* | 18,437 | - | - |
| Funded internally from departmental  resources (b) | 66,033 | 103,622 | 111,009 | 109,446 | 108,014 |
| **TOTAL** | **82,653** | **124,087** | **129,446** | **109,446** | **108,014** |
| **RECONCILIATION OF CASH USED**  **TO ACQUIRE ASSETS TO ASSET**  **MOVEMENT TABLE** |  |  |  |  |  |
| Total purchases | 82,653 | 124,087 | 129,446 | 109,446 | 108,014 |
| **Total cash used to acquire assets** | **82,653** | **124,087** | **129,446** | **109,446** | **108,014** |

Prepared on Australian Accounting Standards basis.

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

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

Table 3.6: Statement of asset movements (Budget year 2020­21)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Land  $'000 | Buildings  $'000 | Other  property,  plant and  equipment  $'000 | Computer  software and  intangibles  $'000 | Total  $'000 |
| **As at 1 July 2020** |  |  |  |  |  |
| Gross book value | 115,688 | 197,351 | 1,190,741 | 119,803 | 1,623,583 |
| Accumulated depreciation/  amortisation and impairment | - | (41,295) | (366,633) | (60,379) | (468,307) |
| Accumulated depreciation/amortisation and impairment - ROU assets | - | (143) | - | - | (143) |
| **Opening net book balance** | **115,688** | **155,913** | **824,108** | **59,424** | **1,155,133** |
| **Capital asset additions** |  |  |  |  |  |
| **Estimated expenditure on new**  **or replacement assets** |  |  |  |  |  |
| By purchase - appropriation equity (a) | - | 15,000 | 103,678 | 2,000 | 120,678 |
| **Total additions** | **-** | **15,000** | **103,678** | **2,000** | **120,678** |
| **Other movements** |  |  |  |  |  |
| Depreciation/amortisation expense | - | (13,711) | (65,411) | (3,600) | (82,722) |
| Depreciation/amortisation on  ROU assets | - | (143) | - | - | (143) |
| Disposals (b) | - | - | (25,200) | - | (25,200) |
| **Total other movements** | **-** | **(13,854)** | **(90,611)** | **(3,600)** | **(108,065)** |
| **As at 30 June 2021** |  |  |  |  |  |
| Gross book value | 115,688 | 212,351 | 1,294,419 | 121,803 | 1,744,261 |
| Accumulated depreciation/  amortisation and impairment | - | (55,006) | (432,044) | (63,979) | (551,029) |
| Accumulated depreciation/amortisation and impairment - ROU assets | - | (286) | - | - | (286) |
| **Closing net book balance** | **115,688** | **157,059** | **862,375** | **57,824** | **1,192,946** |

Prepared on Australian Accounting Standards basis.

1. 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2020­21.
2. Net proceeds may be returned to the OPA.

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 2020­21)

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

Department o

Australian Renewable Energy Agency

Entity resources and planned performance

Australian Renewable Energy Agency

Section 1: Entity overview and resources 157

1.1 Strategic direction statement 157

1.2 Entity resource statement 158

1.3 Budget measures 159

Section 2: Outcomes and planned performance 160

2.1 Budgeted expenses and performance for Outcome 1 161

Section 3: Budgeted financial statements 165

3.1 Budgeted financial statements 165

3.2 Budgeted financial statements tables 166

# Australian Renewable Energy Agency

## Section 1: Entity overview and resources

### Strategic direction statement

The Australian Renewable Energy Agency (ARENA) is a Corporate Commonwealth Entity. ARENA’s objectives are to improve the competitiveness of renewable energy technologies and increase the supply of renewable energy in Australia. ARENA’s purpose is to improve the competitiveness of renewable energy technologies and increase the supply of renewable energy through innovation that benefits Australian consumers and businesses.

Consistent with the functions set out in the *Australian Renewable Energy Agency Act 2011* (ARENA Act) and the priorities set out in the General Funding Strategy, ARENA provides financial assistance for:

* the research, development, demonstration, deployment and commercialisation of renewable energy and related technologies
* the storage and sharing of knowledge and information about renewable energy technologies.

ARENA also collects, analyses, interprets and disseminates information and knowledge relating to renewable energy and related technologies and provides advice to the Minister for Energy and Emissions Reduction about these technologies and the renewable energy industry.

ARENA, with the Clean Energy Finance Corporation, jointly manages the Clean Energy Innovation Fund.

This Budget includes $1.43 billion in baseline funding over 10 years. This is an opportunity for a concerted focus on the next generation of energy technologies to accelerate the transition to a lower emissions economy. Subject to parliament’s consideration of amendments to the ARENA Act, this could extend to other low emissions technologies consistent with the Government’s Low Emissions Technology Investment Roadmap. ARENA’s investments are expected to make a significant contribution to achieving the goals in the Roadmap.

### 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.

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: ARENA resource statement – Budget estimates for 2020­21 as at Budget October 2020

|  |  |  |
| --- | --- | --- |
|  | *2019­20 Estimated actual*  *$'000* | 2020­21 Estimate  $'000 |
| **Opening balance/cash reserves at 1 July** | *85,584* | 87,832 |
| **Funds from Government** |  |  |
| Annual appropriations - ordinary annual services (a) (b) |  |  |
| Outcome 1 | *2,868* | 17,625 |
| Total annual appropriations | *2,868* | 17,625 |
| Amounts received from related entities |  |  |
| Amounts from portfolio department (c) | *228,500* | 327,182 |
| Total amounts received from related entities | *228,500* | 327,182 |
| **Total funds from Government** | ***231,368*** | **344,807** |
| **Funds from other sources** |  |  |
| Interest | *1,425* | 800 |
| Other | *3,133* | 9,825 |
| **Total funds from other sources** | ***4,558*** | **10,625** |
| **Total net resourcing for ARENA** | ***321,510*** | **443,264** |
|  |  |  |
|  | *2019­20* | 2020­21 |
| **Average staffing level (number) (d)** | *2* | 2 |

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

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

1. Appropriation Bill (No. 1) 2020-21.
2. ARENA is not directly appropriated as it is a corporate Commonwealth entity. Appropriations are made to the Department of Industry, Science, Energy and Resources and then paid to ARENA and are considered departmental for all purposes.
3. ARENA receives funding through a special appropriation which is administered through the Department of Industry, Science, Energy and Resources.
4. The Agency has only two employees, the Chief Executive Officer and Chief Financial Officer. Under section 62 of the ARENA Act all other staff necessary to assist the Agency must be persons employed under the Public Services Act 1999 who are employed by the Department and made available to the Agency by the Secretary of the Department.

### 1.3 Budget measures

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

Table 1.2: ARENA 2020­21 budget measures  
Measures announced after the Economic and Fiscal Update July 2020

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Program | 2020­21  $'000 | 2021­22  $'000 | 2022­23  $'000 | 2023­24  $'000 |
| **Payment measures** |  |  |  |  |  |
| JobMaker Plan - investment in new energy technologies | 1.1 |  |  |  |  |
| Departmental payment |  | 14,619 | 51,193 | 166,964 | 145,517 |
| **Total** |  | **14,619** | **51,193** | **166,964** | **145,517** |
| **Total payment measures** |  |  |  |  |  |
| Departmental |  | 14,619 | 51,193 | 166,964 | 145,517 |
| **Total** |  | **14,619** | **51,193** | **166,964** | **145,517** |

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

## 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 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 a complete picture of an entity’s planned and actual performance.

The most recent corporate plan and annual performance statement for Australian Renewable Energy Agency can be found at:

<https://arena.gov.au/about/publications/>

### 2.1 Budgeted expenses and performance for Outcome 1

|  |
| --- |
| Outcome 1: Support improvements in the competitiveness of renewable energy and related technologies and the supply of renewable energy by administering financial assistance, developing analysis and advice about, and sharing information and knowledge with regard to, renewable energy and related technologies |

#### Linked programs

|  |
| --- |
| **Clean Energy Finance Corporation** |
| **Programs**   * Program 1.1 – Clean Energy Finance Corporation |
| **Contribution to Outcome 1 made by linked programs**  The Clean Energy Innovation Fund is jointly managed by the Agency and the Clean Energy Finance Corporation, drawing on their complementary experience and expertise. The Clean Energy Innovation Fund has up to $200 million available for debt and equity investments in emerging clean energy projects and businesses, targeting projects at the later end of the innovation chain while delivering a financial return to taxpayers, in addition to the public good return of improving competitiveness of renewable energy and related technologies. |
| **Department of the Industry, Science, Energy and Resources** |
| **Programs**   * Program 2.1 – Reducing Australia’s greenhouse gas emissions * Program 2.2 – Developing clean energy technology * Program 3.1 – Supporting reliable, secure and affordable energy |
| **Contribution to Outcome 1 made by linked programs**  The Department of Industry, Science, Energy and Resources contributes to Outcome 1 by developing policies for the research, development, demonstration, deployment and commercialisation of renewable energy technologies. ARENA implements these policies. |

**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:** Support improvements in the competitiveness of renewable energy and related technologies and the supply of renewable energy by administering financial assistance, developing analysis and advice about, and sharing information and knowledge with regards to, renewable energy and related technologies. | | | | | |
|  | 2019­20 Estimated actual  $'000 | 2020­21  Budget  $'000 | 2021­22 Forward estimate  $'000 | 2022­23 Forward estimate  $'000 | 2023­24 Forward estimate  $'000 |
| **Program 1.1: Australian Renewable Energy Agency** | | | | | |
| Revenue from Government |  |  |  |  |  |
| Payment from related entities | 215,971 | 333,809 | 244,392 | 213,252 | 175,918 |
| Expenses not requiring  appropriation in the budget year (a) | 1,830 | 1,478 | 1,299 | 1,217 | 1,217 |
| Revenues from other independent  sources | 4,715 | 10,300 | 700 | 220 | 110 |
| **Total expenses for Program 1** | **222,516** | **345,587** | **246,391** | **214,689** | **177,245** |
| **Outcome 1 totals by resource type** | | | | | |
| Revenue from Government |  |  |  |  |  |
| Payment from related entities | 215,971 | 333,809 | 244,392 | 213,252 | 175,918 |
| Expenses not requiring  appropriation in the budget year (a) | 1,830 | 1,478 | 1,299 | 1,217 | 1,217 |
| Revenues from other independent sources | 4,715 | 10,300 | 700 | 220 | 110 |
| **Total expenses for Outcome 1** | **222,516** | **345,587** | **246,391** | **214,689** | **177,245** |
|  |  |  |  |  |  |
|  | 2019­20 | 2020­21 |  |  |  |
| **Average staffing level (number) (b)** | 2 | 2 |  |  |  |

1. Expenses not requiring appropriation in the budget year are non-cash charges in relation to concessional loans, write-down and impairment of assets, depreciation and amortisation and a share of net loss from associates accounted for under the equity method.
2. The Agency has only two employees, the Chief Executive Officer and Chief Financial Officer. Under section 62 of the ARENA Act all other staff necessary to assist the Agency must be persons employed under the Public Services Act 1999 who are employed by the Department and made available to the Agency by the Secretary of the Department.

Table 2.1.2: Performance criteria for Outcome 1

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2020­21 Budget measures have created new programs or materially changed existing programs.

|  |  |  |
| --- | --- | --- |
| Outcome 1: Support improvements in the competitiveness of renewable energy and related technologies and the supply of renewable energy by administering financial assistance, developing analysis and advice about, and sharing information and knowledge with regard to, renewable energy and related technologies | | |
| **Program 1.1** – **Australian Renewable Energy Agency**  To provide financial assistance to Australian scientists, innovators and businesses for projects that have the potential to lead to the commercialisation of new renewable energy products or services; and to support collaboration and knowledge sharing to make information and data available to a diverse audience and help increase the spread of ideas. | | |
| **Delivery** | To deliver this outcome, the Agency:   * provides financial assistance for the research, development, demonstration, deployment and commercialisation of renewable energy and related technologies * provides financial assistance for, and undertakes, the collection, storage, analysis and sharing of knowledge and information about renewable energy and related technologies * provides advice to the Minister for Energy and Emissions Reduction about renewable energy and related technologies and the renewable energy industry * jointly administers the Clean Energy Innovation Fund with the Clean Energy Finance Corporation * administers the King Review Technology Co-Investment Fund including the Industrial Engineering Grant Fund and Freight Energy Productivity Fund, the Future Fuels Fund and the expansion of the Regional and Remote Communities Reliability Fund   The Agency’s financial assistance goes primarily to activities that are expected to advance renewable energy technologies towards commercial readiness, improve business models, or reduce overall industry costs. Organisations developing, testing or deploying innovative renewable energy solutions are the immediate beneficiaries of much of the Agency’s activity. In the long term, Australian energy users will benefit from the availability of more competitive renewable energy, and Australians generally will benefit through more options to reduce emissions and grow the economy. | |
| **Performance information** | | |
| **Year** | **Performance criteria** | **2019-20 Actual Achievement/Targets** |
| 2019-20 | Strategic Investment:  Provide financial assistance to new projects in accordance with the principles and priorities outlined in the Agency’s General Funding Strategy and Investment Plan. | Target:  Provide financial assistance to one or more new projects in each of the Agency’s priority areas.  Achieved. |
| Strong Project Assessment, Negotiation Delivery and Knowledge Sharing:  Effectively manage projects in accordance with agreement terms to deliver intended outcomes, learn and improve. | Target:  Significant project outcomes and lessons learned disseminated.  Achieved. |
| 2020-21 | Financial assistance: ARENA-funded projects increase supply of renewable energy. | Total energy production from ARENA-funded demonstration and deployment projects is at least 80 per cent of that intended at time of commitment. |
| Knowledge sharing and collaboration:  ARENA shares knowledge to enhance the competitiveness of renewable energy technologies. | At least 75 per cent of stakeholders surveyed report that knowledge shared by ARENA has informed part of their decision making processes. |
| 2021–22 and beyond | As per 2020–21 | As per 2020–21 |
| **Purposes** | To improve the competitiveness of renewable energy technologies and increase the supply of renewable energy through innovation that benefits Australian consumers and businesses. | |
| **Material changes to Program 1.1 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 2020­21 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

#### ARENA’s existing legislated funding is scheduled to continue through to 2021-22. While the legislated funds are expected to be fully committed to eligible projects in the current year, grant payments are forecast to go beyond the end of 2021-22.

#### Grant expenditure beyond 2021-22 will be met by funds that have been drawn down or funds returned to the Agency from grant projects in previous years, and retained and invested by the Agency. Consequently, ARENA has budgeted for a deficit in those years.

#### Funding from the 2020-21 Budget measures as shown in Table 1.2 will fund new grants under the respective programs. The costs of these programs are assumed to match the funding received. Hence these programs do not contribute to the comprehensive income or loss in the Comprehensive Income Statement at Table 3.1.

### 3.2 Budgeted financial statements tables

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019­20 Estimated actual  $'000 | 2020­21  Budget  $'000 | 2021­22 Forward estimate  $'000 | 2022­23 Forward estimate  $'000 | 2023­24 Forward estimate  $'000 |
| **EXPENSES** |  |  |  |  |  |
| Employee benefits | 1,101 | **1,165** | 1,207 | 1,237 | 1,268 |
| Suppliers | 26,266 | **27,658** | 25,140 | 27,222 | 23,109 |
| Grants | 193,293 | **315,268** | 218,725 | 184,993 | 151,631 |
| Depreciation and amortisation | 1,830 | **1,478** | 1,299 | 1,217 | 1,217 |
| Finance costs | 25 | **18** | 20 | 20 | 20 |
| Losses from asset sales | 1 | - | - | - | - |
| **Total expenses** | **222,516** | **345,587** | **246,391** | **214,689** | **177,245** |
| **LESS:** |  |  |  |  |  |
| **OWN-SOURCE INCOME** |  |  |  |  |  |
| **Own-source revenue** |  |  |  |  |  |
| Interest | 1,425 | **800** | 600 | 120 | 10 |
| Other | 3,290 | **9,500** | 100 | 100 | 100 |
| **Total own-source revenue** | **4,715** | **10,300** | **700** | **220** | **110** |
| **Gains** |  |  |  |  |  |
| Other | 4,898 | **4,980** | 5,193 | 5,560 | 5,587 |
| **Total gains** | **4,898** | **4,980** | **5,193** | **5,560** | **5,587** |
| **Total own-source income** | **9,613** | **15,280** | **5,893** | **5,780** | **5,697** |
| **Net (cost of)/contribution by**  **services** | **(212,903)** | **(330,307)** | **(240,498)** | **(208,909)** | **(171,548)** |
| Revenue from Government | 231,368 | **344,807** | 241,902 | 170,109 | 148,662 |
| **Surplus/(deficit) attributable to the**  **Australian Government** | **18,465** | **14,500** | **1,404** | **(38,800)** | **(22,886)** |
| **OTHER COMPREHENSIVE INCOME** |  |  |  |  |  |
| Changes in asset revaluation surplus | (2,851) | **(988)** | (2,157) | (1,000) | (1,000) |
| **Total other comprehensive income** | **(2,851)** | **(988)** | **(2,157)** | **(1,000)** | **(1,000)** |
| **Total comprehensive income/(loss)** | **15,614** | **13,512** | **(753)** | **(39,800)** | **(23,886)** |
| **Total comprehensive income/(loss)**  **attributable to the Australian**  **Government** | **15,614** | **13,512** | **(753)** | **(39,800)** | **(23,886)** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019­20 Estimated actual  $'000 | 2020­21  Budget  $'000 | 2021­22 Forward estimate  $'000 | 2022­23 Forward estimate  $'000 | 2023­24 Forward estimate  $'000 |
| **ASSETS** |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |
| Cash and cash equivalents | 87,832 | 98,897 | 92,394 | 51,006 | 25,207 |
| Trade and other receivables | 2,716 | 2,391 | 1,291 | 266 | 166 |
| Other investments | 29,813 | 33,306 | 39,215 | 41,215 | 43,215 |
| ***Total financial assets*** | ***120,361*** | ***134,594*** | ***132,900*** | ***92,487*** | ***68,588*** |
| **Non-financial assets** |  |  |  |  |  |
| Land and buildings | 2,065 | 1,020 | 154 | 2,540 | 1,490 |
| Property, plant and equipment | 1,057 | 624 | 191 | 524 | 357 |
| Other non-financial assets | 131 | 179 | 141 | 41 | 41 |
| ***Total non-financial assets*** | ***3,253*** | ***1,823*** | ***486*** | ***3,105*** | ***1,888*** |
| **Total assets** | **123,614** | **136,417** | **133,386** | **95,592** | **70,476** |
| **LIABILITIES** |  |  |  |  |  |
| **Payables** |  |  |  |  |  |
| Suppliers | 1,373 | 1,373 | 623 | 223 | 23 |
| Grants | 286 | 500 | 500 | 500 | 500 |
| Other payables | 67 | 61 | 61 | 61 | 61 |
| ***Total payables*** | ***1,726*** | ***1,934*** | ***1,184*** | ***784*** | ***584*** |
| **Interest bearing liabilities** |  |  |  |  |  |
| Leases | 2,035 | 1,092 | 89 | 2,039 | 989 |
| ***Total interest bearing liabilities*** | ***2,035*** | ***1,092*** | ***89*** | ***2,039*** | ***989*** |
| **Provisions** |  |  |  |  |  |
| Employee provisions | 233 | 259 | 159 | 179 | 199 |
| Other provisions | 439 | 439 | 14 | 450 | 450 |
| ***Total provisions*** | ***672*** | ***698*** | ***173*** | ***629*** | ***649*** |
| **Total liabilities** | **4,433** | **3,724** | **1,446** | **3,452** | **2,222** |
| **Net assets** | **119,181** | **132,693** | **131,940** | **92,140** | **68,254** |
| **EQUITY\*** |  |  |  |  |  |
| **Parent entity interest** |  |  |  |  |  |
| Reserves | 238 | 238 | 238 | 238 | 238 |
| Retained surplus / (accumulated  deficit) | 118,943 | 132,455 | 131,702 | 91,902 | 68,016 |
| ***Total parent entity interest*** | ***119,181*** | ***132,693*** | ***131,940*** | ***92,140*** | ***68,254*** |
| **Total Equity** | **119,181** | **132,693** | **131,940** | **92,140** | **68,254** |

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 2020­21)

|  |  |  |  |
| --- | --- | --- | --- |
|  | Retained  earnings  $'000 | Asset  revaluation  reserve  $'000 | Total  equity  $'000 |
| **Opening balance as at 1 July 2020** |  |  |  |
| Balance carried forward from  previous period | 118,943 | 238 | 119,181 |
| ***Adjusted opening balance*** | ***118,943*** | ***238*** | ***119,181*** |
| **Comprehensive income** |  |  |  |
| Surplus/(deficit) for the period | 13,512 | - | 13,512 |
| ***Total comprehensive income*** | ***13,512*** | ***-*** | ***13,512*** |
| of which: |  |  |  |
| Attributable to the Australian  Government | 132,455 | 238 | 132,693 |
| **Estimated closing balance as at**  **30 June 2021** | **132,455** | **238** | **132,693** |
| **Closing balance attributable to**  **the Australian Government** | **132,455** | **238** | **132,693** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019­20 Estimated actual  $'000 | 2020­21  Budget  $'000 | 2021­22 Forward estimate  $'000 | 2022­23 Forward estimate  $'000 | 2023­24 Forward estimate  $'000 |
| **OPERATING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Receipts from Government | 231,368 | 344,807 | 241,902 | 170,109 | 148,662 |
| Interest | 1,466 | 950 | 700 | 245 | 35 |
| Net GST received | 32,459 | 32,990 | 23,594 | 19,743 | 16,075 |
| Other | 3,083 | 12,705 | 100 | 100 | 100 |
| ***Total cash received*** | ***268,376*** | ***391,452*** | ***266,296*** | ***190,197*** | ***164,872*** |
| **Cash used** |  |  |  |  |  |
| Employees | 1,378 | 1,445 | 1,607 | 1,517 | 1,548 |
| Suppliers | 24,101 | 22,140 | 20,353 | 20,468 | 17,422 |
| Grants | 206,758 | 315,268 | 218,725 | 184,993 | 151,631 |
| Net GST paid | 29,584 | 37,080 | 25,182 | 20,057 | 17,585 |
| Interest payments on lease liability | 20 | 18 | 20 | 20 | 20 |
| ***Total cash used*** | ***261,841*** | ***375,951*** | ***265,887*** | ***227,055*** | ***188,206*** |
| **Net cash from/(used by)**  **operating activities** | **6,535** | **15,501** | **409** | **(36,858)** | **(23,334)** |
| **INVESTING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Proceeds from sales of property,  plant and equipment | 10 | - | - | - | - |
| ***Total cash received*** | ***10*** | ***-*** | ***-*** | ***-*** | ***-*** |
| **Cash used** |  |  |  |  |  |
| Purchase of property, plant, and  equipment and intangibles | - | - | - | 500 | - |
| Investments | 3,315 | 3,493 | 5,909 | 2,980 | 1,415 |
| ***Total cash used*** | ***3,315*** | ***3,493*** | ***5,909*** | ***3,480*** | ***1,415*** |
| **Net cash from/(used by)**  **investing activities** | **(3,305)** | **(3,493)** | **(5,909)** | **(3,480)** | **(1,415)** |
| **FINANCING ACTIVITIES** |  |  |  |  |  |
| **Cash used** |  |  |  |  |  |
| Principal payments on lease liability | 982 | 943 | 1,003 | 1,050 | 1,050 |
| ***Total cash used*** | ***982*** | ***943*** | ***1,003*** | ***1,050*** | ***1,050*** |
| **Net cash from/(used by)**  **financing activities** | **(982)** | **(943)** | **(1,003)** | **(1,050)** | **(1,050)** |
| **Net increase/(decrease) in cash**  **held** | **2,248** | **11,065** | **(6,503)** | **(41,388)** | **(25,799)** |
| Cash and cash equivalents at the  beginning of the reporting period | 85,584 | 87,832 | 98,897 | 92,394 | 51,006 |
| **Cash and cash equivalents at**  **the end of the reporting period** | **87,832** | **98,897** | **92,394** | **51,006** | **25,207** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019­20 Estimated actual  $'000 | 2020­21  Budget  $'000 | 2021­22 Forward estimate  $'000 | 2022­23 Forward estimate  $'000 | 2023­24 Forward estimate  $'000 |
| **PURCHASE OF NON-FINANCIAL**  **ASSETS** |  |  |  |  |  |
| Funded internally from departmental  resources (a) | - | - | 500 | - | - |
| **TOTAL** | **-** | **-** | **500** | **-** | **-** |
| **RECONCILIATION OF CASH USED**  **TO ACQUIRE ASSETS TO ASSET**  **MOVEMENT TABLE** |  |  |  |  |  |
| Total purchases | - | - | 500 | - | - |
| **Total cash used to acquire assets** | **-** | **-** | **500** | **-** | **-** |

Prepared on Australian Accounting Standards basis.

(a) Includes the following sources of funding:

- funding provided by the portfolio department reflecting the Agency’s Special Appropriation under section

64 of the *Australian Renewable Energy Agency Act 2011*, including rollover of unspent funds

- internally developed assets.

Table 3.6: Statement of asset movements (Budget year 2020­21)

|  |  |  |  |
| --- | --- | --- | --- |
|  | Buildings  $'000 | Other  property,  plant and  equipment  $'000 | Total  $'000 |
| **As at 1 July 2020** |  |  |  |
| Gross book value | - | 2,405 | 2,405 |
| Gross book value - ROU assets | 3,098 | - | 3,098 |
| Accumulated depreciation/  amortisation and impairment | - | (1,348) | (1,348) |
| Accumulated depreciation/amortisation and impairment - ROU assets | (1,033) | - | (1,033) |
| **Opening net book balance** | **2,065** | **1,057** | **3,122** |
| **Other movements** |  |  |  |
| Depreciation/amortisation expense | - | (433) | (433) |
| Depreciation/amortisation on  ROU assets | (1,045) | - | (1,045) |
| **Total other movements** | **(1,045)** | **(433)** | **(1,478)** |
| **As at 30 June 2021** |  |  |  |
| Gross book value | - | 2,405 | 2,405 |
| Gross book value - ROU assets | 3,098 | - | 3,098 |
| Accumulated depreciation/  amortisation and impairment | - | (1,781) | (1,781) |
| Accumulated depreciation/amortisation and impairment - ROU assets | (2,078) | - | (2,078) |
| **Closing net book balance** | **1,020** | **624** | **1,644** |

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)

ARENA 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)

ARENA 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)

ARENA 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)

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

Table 3.11: Statement of administered asset movements (Budget year 2020­-21)

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

Department o

Clean Energy Finance Corporation

Entity resources and planned performance

Clean Energy Finance Corporation

Section 1: Entity overview and resources 177

1.1 Strategic direction statement 177

1.2 Entity resource statement 180

1.3 Budget measures 181

Section 2: Outcomes and planned performance 182

2.1 Budgeted expenses and performance for Outcome 1 183

Section 3: Budgeted financial statements 190

3.1 Budgeted financial statements 190

3.2 Budgeted financial statements tables 194

# Clean Energy Finance Corporation

## Section 1: Entity overview and resources

### 1.1 Strategic direction statement

### The Clean Energy Finance Corporation (CEFC or Corporation) was established to facilitate increased flows of finance into the clean energy sector. The Corporation invests in accordance with its legislation, the *Clean Energy Finance Corporation Act 2012* (the CEFC Act); and the *Clean Energy Finance Corporation Investment Mandate Direction 2020* (Investment Mandate Direction 2020), as made by the Minister for Energy and Emissions Reduction and the Minister for Finance (which took effect on 2 May 2020).

### The Corporation is an independent statutory authority - defined as a corporate Commonwealth entity under the *Public Governance, Performance and Accountability Act 2013* and is governed by an independent Board. The Board reports to Parliament through its responsible Ministers.

### The Corporation’s investment objectives are to catalyse and leverage an increased flow of funds for the commercialisation and deployment of renewable energy, energy efficiency and low emissions technologies. The CEFC invests with commercial rigour in a diverse portfolio across the spectrum of clean energy technologies that are solely or mainly Australian based —either directly or indirectly through industry and the banking sector — that, in aggregate, have an acceptable but not excessive level of risk relative to the sector. The CEFC is required to liaise with relevant persons and bodies, including the Australian Renewable Energy Agency, the Clean Energy Regulator, other Australian Government entities and state and territory governments, for the purposes of facilitating its investment function.

### In the Investment Mandate Direction 2020, the responsible ministers have also directed the CEFC Board to prioritise investments that support reliability and security of electricity supply and make available (from the existing CEFC Special Account) up to:

* $1 billion of investment finance over 10 years for the Reef Funding Program
* $1 billion of investment finance over 10 years for a Sustainable Cities Investment Program
* $200 million for debt and equity investment through the Clean Energy Innovation Fund
* $100 million for debt and equity investment through an Australian Recycling Investment Fund to support recycling or recycled content projects utilising clean energy technologies, with a particular focus on waste plastics, paper, glass and tyres

### $300 million for concessional debt and equity investments through the Advancing Hydrogen Fund to support the growth of a clean, innovative, safe and competitive Australian hydrogen industry.

### It is anticipated that a new Investment Mandate direction will be issued to direct the CEFC to also make available up to $1 billion of investment finance to support grid reliability (from a new Grid Reliability Fund (GRF) Special Account, subject to passage of the legislation).

The ways in which the Corporation addresses financial barriers include:

* attracting finance to the Australian market to improve the flow and diversification of funds for investment into the sector
* assisting project proponents as an arranger, helping to develop the business case and introduce the proponents to other financiers to seek transaction close
* building knowledge and capacity within the finance sector by participating in transactions to de-risk the investment, familiarising financiers with new asset types or through reducing their size of exposure
* supporting the fledgling innovation ecosystem surrounding clean energy technologies through direct investment in early stage technologies and through the Clean Energy Innovation Fund
* working with the finance sector to develop and deliver new financial products to the market, tailored to the needs, attributes and emerging delivery models for new technologies, which in turn enables small and mid-sized businesses to access finance for energy productivity enhancing capital investment
* building knowledge and capacity within industry through demonstration and case studies to promote successful models and opportunities in energy productivity and clean energy investment
* providing loans at commercial and concessional rates. Where it is necessary and justified, the Corporation may choose to deploy concessional finance to assist in overcoming financial impediments and facilitate realisation of the project.

### Significant changes since the last PBS include the proposed $1 billion GRF which was first costed in the 2019-20 Mid-Year Economic and Fiscal Outlook. The Australian Government has also mandated a $100 million Australian Recycling Investment Fund (ARIF – December 2019 ) and $300 million Advancing Hydrogen Fund (AHF – May 2020). The GRF is expected to be funded by a new $1 billion Special Account appropriation and the ARIF and AHF are to be funded from the CEFC’s existing $10 billion Special Account appropriation.

### Other changes include a reduction in market interest rates, with a resultant decrease in the interest revenue that the CEFC expects to earn from new loans granted, and the adoption of the new Australian Accounting Standard AASB 16 Leases.

### There are a number of issues facing the renewable generation sector at present, including increasing marginal loss factors (MLF), lower wholesale electricity price forecasts, greater risks of curtailment, increased Frequency Control Ancillary Services (FCAS) costs, significant grid connection delays for new projects, several recent EPC contractor failures, etc. This is both reducing the number of new renewable projects being developed (and therefore the investment opportunity for the CEFC) and putting financial pressure on existing projects in which the CEFC has either invested or to which the CEFC has provided finance.

*Coronavirus (COVID-19) impact*

COVID-19 was declared a world-wide pandemic by the World Health Organization in March 2020. COVID-19, and measures to slow the spread of the virus, have since had a significant impact on global economies and equity, debt and commodity markets. In addition to the macro-level impacts there is variability in impact across industry sectors ranging from the catastrophic (e.g. international tourism) to positive (e.g. telecommunications), with unclear visibility as to how long these impacts will continue. The CEFC has considered the impact of COVID-19 and other market volatility in preparing its forecast. Given the dynamic and evolving nature of COVID-19, limited recent experience of the economic and financial impacts of such a pandemic, and the relatively short period between the declaration of the pandemic and the preparation of these forecasts, changes to the estimates and outcomes that have been applied in the measurement of the entity’s assets and liabilities may arise in the future.

The impact of all of the above is anticipated to be a significant lowering of the Corporation’s estimated rate of return in absolute terms as well as a smaller reduction relative to the 5-Year Australian Government Bond rate.

### 1.2 Entity resource statement

Table 1.1 shows the total funding from all sources available to CEFC 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: CEFC resource statement – Budget estimates for 2020­21 as at Budget October 2020

|  |  |  |
| --- | --- | --- |
|  | *2019­20 Estimated actual*  *$'000* | 2020­21 Estimate  $'000 |
| **Opening balance/cash reserves at 1 July (a) (b)** | *350,761* | 848,179 |
| **Funds from Government** |  |  |
| Annual appropriations - ordinary annual services (c) |  |  |
| Outcome 1 (d) | *1,925* | 4,270 |
| Total annual appropriations | *1,925* | *4,270* |
| **Total funds from Government** | ***1,925*** | **4,270** |
| **Funds from other sources** |  |  |
| Interest | *151,406* | 142,137 |
| Dividends and other equity distributions | *17,065* | 15,732 |
| **Total funds from other sources** | ***168,471*** | **157,869** |
| **Total net resourcing for CEFC** | ***521,157*** | **1,010,318** |
|  |  |  |
|  | *2019­20* | 2020­21 |
| **Average staffing level (number)** | *112* | 139 |

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

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

1. The Corporation is not directly appropriated as it is a corporate Commonwealth entity as defined under the *Public Governance, Performance and Accountability Act 2013*.
2. The Corporation does not hold the special account itself and therefore does not have a balance carried forward from earlier years. Under the CEFC Act, the CEFC is able to draw on the cumulative funds available in the Special Account, which was $5.4 billion at 1 July 2020.
3. Appropriation Bill (No. 1) 2020-21.
4. Amounts relate to funding for estimated expenses associated with the Grid Reliability Fund.

### 1.3 Budget measures

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

Table 1.2: CEFC 2020­21 budget measures  
Measures announced after the Economic and Fiscal Update July 2020

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Program | 2020­21  $'000 | 2021­22  $'000 | 2022­23  $'000 | 2023­24  $'000 |
| **Receipt measures** |  |  |  |  |  |
| JobMaker Plan - investment in new energy technologies | 1.1 |  |  |  |  |
| Departmental receipt |  | - | - | 1,326 | 3,713 |
| **Total** |  | **-** | **-** | **1,326** | **3,713** |
| **Total receipt measures** |  |  |  |  |  |
| Departmental |  | - | - | 1,326 | 3,713 |
| **Total** |  | **-** | **-** | **1,326** | **3,713** |
| **Payment measures** |  |  |  |  |  |
| JobMaker Plan - investment in new energy technologies | 1.1 |  |  |  |  |
| Departmental payment |  | - | - | 139 | 390 |
| **Total** |  | **-** | **-** | **139** | **390** |
| **Total payment measures** |  |  |  |  |  |
| Departmental |  | - | - | 139 | 390 |
| **Total** |  | **-** | **-** | **139** | **390** |

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

## 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 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 a complete picture of an entity’s planned and actual performance.

The most recent corporate plan for Clean Energy Finance Corporation can be found at:

https://www.cefc.com.au/who-we-are/how-we-operate/corporate-plan/

The most recent annual performance statement can be found at:

https://annualreport2019.cefc.com.au/performance/

### 2.1 Budgeted expenses and performance for Outcome 1

|  |
| --- |
| Outcome 1: Facilitate increased flows of finance into Australia’s clean energy sector, applying commercial rigour to investing in renewable energy, low emissions and energy efficiency technologies, building industry capacity, and disseminating information to industry stakeholders |

#### Linked programs

|  |
| --- |
| **Department of Agriculture, Water and the Environment** |
| **Programs**   * Program 1.1 – Sustainable Management of Natural Resources and the Environment * Program 1.6 – Management of Hazardous Wastes, Substances and Pollutants |
| **Contribution to Outcome 1 made by linked programs**  The Clean Energy Finance Corporation contributes to policies that reduce waste and increase domestic recycling capacity. CEFC makes available funding to the Clean Energy Innovation Fund and Reef Funding Program. Through the Australian Recycling Investment Fund CEFC provides flows of finance into clean energy technologies that support the recycling of waste, in particular wastes that are — or by 1 July 2024 will be — banned for export. |
| **Australian Renewable Energy Agency** |
| **Programs**   * Program 1.1 – Australian Renewable Energy Agency |
| **Contribution to Outcome 1 made by linked programs**  The Clean Energy Innovation Fund is jointly managed by the Corporation and the Australian Renewable Energy Agency, drawing on their complementary experience and expertise. The Clean Energy Innovation Fund has up to $200 million available for debt and equity investments in emerging clean energy projects and businesses, targeting projects at the later end of the innovation chain while delivering a financial return to taxpayers, in addition to the public good return of improving competitiveness of renewable energy and related technologies. |

|  |
| --- |
| **Great Barrier Reef Marine Park Authority** |
| **Programs**   * Program 1.1 – Great Barrier Reef Marine Park Authority |
| **Contribution to Outcome 1 made by linked programs**  The Clean Energy Finance Corporation is making available up to $1 billion of investment finance over 10 years for the Reef Funding Program. The Program will deliver financial investment in clean energy projects delivered in the Great Barrier Reef catchment region. In targeting the financing of clean energy projects and businesses in the region, the Reef Funding Program supports delivery of the Australian and Queensland governments’ *Reef 2050 Plan*. |
| **Department of Industry, Science, Energy and Resources** |
| **Programs**   * Program 2.1 – Reducing Australia’s greenhouse gas emissions * Program 2.2 – Developing clean energy technology * Program 3.1 – Energy |
| **Contribution to Outcome 1 made by linked programs**  The Department of Industry, Science, Energy and Resources has responsibility for policies that reduce Australia’s greenhouse gas emissions, contribute to effective global action on climate change, and support technological innovation in clean and renewable energy, through developing and implementing a national response to climate change.  They also support the affordable, reliable, secure and competitive operation o**f** energy markets for the long-term benefit of the Australian community through improving Australia’s energy supply, efficiency, quality, performance and productivity.  The Clean Energy Finance Corporation contributes to these programs by facilitating increased flows of finance into the clean energy sector. |

**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:** Facilitate increased flows of finance into Australia's clean energy sector, applying commercial rigour to investing in renewable energy, low-emissions and energy efficiency technologies, building industry capacity, and disseminating information to industry stakeholders. | | | | | |
|  | 2019­20 Estimated actual  $'000 | 2020­21  Budget  $'000 | 2021­22 Forward estimate  $'000 | 2022­23 Forward estimate  $'000 | 2023­24 Forward estimate  $'000 |
| **Program 1: Clean Energy Finance Corporation** | | | | | |
| Revenue from Government |  |  |  |  |  |
| Ordinary annual services  (Appropriation Bill No. 1) (a) | 1,925 | 4,270 | 4,532 | 4,263 | - |
| Expenses not requiring  appropriation in the budget year (b) | 116,957 | 93,226 | 84,520 | 92,188 | 91,330 |
| Revenues from other independent sources | 37,455 | 47,353 | 51,339 | 54,806 | 61,555 |
| **Total expenses for Program 1** | **156,337** | **144,849** | **140,391** | **151,257** | **152,885** |
| **Outcome 1 totals by resource type** | | | | | |
| Revenue from Government |  |  |  |  |  |
| Ordinary annual services  (Appropriation Bill No. 1) (a) | 1,925 | 4,270 | 4,532 | 4,263 | - |
| Expenses not requiring  appropriation in the budget year (b) | 116,957 | 93,226 | 84,520 | 92,188 | 91,330 |
| Revenues from other independent sources | 37,455 | 47,353 | 51,339 | 54,806 | 61,555 |
| **Total expenses for Outcome 1** | **156,337** | **144,849** | **140,391** | **151,257** | **152,885** |
|  |  |  |  |  |  |
|  | 2019­20 | 2020­21 |  |  |  |
| **Average staffing level (number)** | 112 | 139 |  |  |  |

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

1. Amounts relate to funding for estimated incremental operating expenses associated with the Grid Reliability Fund.
2. Expenses not requiring appropriation in the budget year are non-cash charges in relation to concessional loans, write-down and impairment of assets, depreciation and amortisation and share of net loss from associates accounted for under the equity method.

Table 2.1.2: Performance criteria for Outcome 1

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2020­21 Budget measures have created new programs or materially changed existing programs.

|  |  |  |
| --- | --- | --- |
| Outcome 1: Facilitate increased flows of finance into Australia’s clean energy sector, applying commercial rigour to investing in renewable energy, low emissions and energy efficiency technologies, building industry capacity, and disseminating information to industry stakeholders | | |
| **Program 1.1** – **Clean Energy Finance Corporation.**  The Clean Energy Finance Corporation’s mission is: “To accelerate Australia’s transformation towards a more competitive economy in a carbon constrained world, by acting as a catalyst to increase investment in emissions reduction” through:   * investing directly and indirectly, while also attracting private sector investment into clean energy technologies and projects * applying commercial rigour and using financial products and structures to address the barriers inhibiting private sector investment in the sector | | |
| **Delivery** | The Corporation helps mobilise investment in renewable energy, low emissions and energy efficiency projects and technologies in Australia, as well as into businesses and services that produce the required inputs. It uses financial products and structures to address the barriers inhibiting investment at the demonstration, commercialisation and deployment stages of innovation.  The Corporation works with private sector financiers and project sponsors, to facilitate and leverage increased flows of finance into the clean energy sector. In undertaking its investment activities, the Corporation must consider the potential effect on other market participants and the efficient operation of the Australian financial and energy markets.  The Corporation shares knowledge and expertise with project sponsors, lenders and the broader industry, helping build capacity within the private sector.  The Corporation is being directed to focus particular attention on investing debt and equity in:   * emerging clean energy projects and businesses that involve technologies that have passed beyond the research and development stages but are not yet established or of sufficient maturity, size or otherwise commercially ready to attract sufficient private sector investment * renewable energy, low emissions and energy efficiency projects and businesses that improve liveability, accessibility and productivity of Cities * clean energy technology projects and businesses that support the delivery of the Government’s *Reef 2050 Plan* * supporting emerging and innovative renewable technologies and energy efficiency, such as large scale solar, storage associated with large and small-scale solar, offshore wind technologies, and energy efficiency technologies for the built environment * investments that support reliability and security of electricity supply   The Corporation can also provide up to $300m per annum of concessionality in relation to loans issued at below market interest rates and has a limited scope to provide guarantees where appropriate and unavoidable. The Corporation must ensure the total value of guarantees at any time does not exceed 5% of the total amount that has been credited to the Special Account under section 46 of the Act.  The Corporation is not a grant making organisation. It seeks to generate positive financial returns and this is expressed in the Investment Mandate as a target portfolio benchmark rate of return. The Corporation therefore makes investments with a commercial approach, based on careful risk assessment and appropriate terms, with an expectation that such investments will be repaid. The Corporation undertakes its investment activity responsibly and manages risk to minimise the likelihood of losses.  The Grid Reliability Fund has been announced and legislation to enact it was introduced to the Parliament since the 2019-20 Budget. | |
| **Performance information** | | |
| **Year** | **Performance criteria** **(a)** | **2019-20 Actual Achievement/Targets** |
| 2019-20 | Investment in renewable energy, low emissions and energy efficiency technologies | $1.1b against targets of $0.8b (Corporate Plan) and > $1b (PBS) |
| Placement of additional funds into Australia’s clean energy sector (measured gross before any return of funds) | $0.9b against targets of $0.7b (Corporate Plan) and > $1b (PBS) |
| Acting as a catalyst to increased investment in emissions reduction | Leverage ratio of private sector finance to CEFC finance for capital committed. 3:1 against 2:1 target |
| Contribution to emissions reduction | Annual emissions reduction of CO2-e from CEFC capital committed during the period. 1.1Mt CO2-e against targets of 1.5Mt CO2-e (Corporate Plan) and 2Mt CO2-e (PBS) |
|  | Contribution to transformation of the clean energy investment market  *Meaningful progress based on integrated development plans for storage, electric vehicles, biofuels, markets development, general policy and green bond markets, as well as nation building projects.* | CEFC finance extended to new areas of the economy, delivering Australia’s first dedicated green bond fund, the CEFC’s first green home loan, and a material uplift in the capacity of Australia’s largest battery in South Australia. New investment commitments of just over $13 million in three cleantech innovators, including in EVs, agritech and soil carbon. Creation of the Advancing Hydrogen and Australian Recycling Investment Funds. Delivery of finance to ~6,700 smaller scale investments in clean energy projects, including in agribusiness, manufacturing, property and transport. |
| Dissemination of information to industry stakeholders and initiatives to build industry capacity  *Increase the value and diversity of the investment pipeline. Significant marketing and communications activity, including media outreach and targeted participation in conferences and industry events. Positive stakeholder awareness and knowledge.* | Led or contributed to the development of a range of market reports and information materials to build market awareness and understanding. Produced 18 market reports and investment insights, delivered 97 speaking engagements and 42 media releases and articles. Launch of The Green Room | Clean Energy Conversations with the CEFC. Continued leadership role in the industry wide Women in Sustainable Finance initiative. |
| Performance against portfolio benchmark return set by the government in the Investment Mandate Direction 20191  *Optimise portfolio returns while recognising the Corporation’s public policy purpose, and taking all reasonable steps to achieve portfolio benchmark return targets of the five–year Australian Government bond rate + 3 to + 4 per cent per annum for the core portfolio and the five–year Australian Government bond rate + 1 per cent per annum for the Clean Energy Innovation Fund portfolio.*  *Operating result of $110m before concessionality, excluding gains/losses from mark-to-market of bonds and debt instruments and excluding gains/losses from fair value adjustments to Innovation Fund investments.*  1. Investment Mandate Direction 2019 has since been repealed and replaced with Investment Mandate Direction 2020 effective 2 May 2020 | In the core portfolio the cumulative return was 4.75 per cent versus a benchmark target of 5.28-6.28 per cent, a deficit of 0.53-1.53%. This represented a deficit increase during the year of 0.4 per cent.  In the Clean Energy Innovation Fund, the cumulative return was -6.02 per cent, versus a benchmark target of 3.15 per cent. This is a 21.03 per cent improvement during the year.  $89m against targets of $110m (Corporate Plan) and $100m-$110m (PBS) |
| 2020-21 | Be financially sustainable and maintain an investment portfolio that, over the longer term, facilitates emissions reductions, generates positive financial returns within risk appetite.   * Free Cash Flows from Operations (FCFO) after implied costs of government funding – ‘paying our way’. * Total Operating Result adjusted for: (1) GRF and Innovation Fund revaluations, (2) concessionality charges and unwinds, (3) bond revaluations. | > $20m  > $90m |
| Increase investment in clean energy technologies and infrastructure   * Commitments to renewable energy, energy efficiency and low emission technology transactions * Invest in the grid’s transition to a lower emissions energy market * Carbon emission reduction from FY2021 new investments | Funds contracted during the year > $0.8bn  Evidence of supporting the grid’s transition to a lower emissions energy market.  0.45MtCO2e p.a. |
| Increase private sector capital flowing to the Australian clean energy sector and attract new investor classes into the sector.   * The degree to which CEFC leverages and influences third party capital invested to pursue increased emission reductions. * Unlock new private sector finance (including Super). | 2:1  Evidence of CEFC attracting investors into transactions. |
| 2021-22 and beyond | Currently as per 2020-21   * *Expected to be updated if the Grid Reliability Fund is legislated and to reflect consequential investment mandate directions anticipated to be received during 2020-21.* |  |
| **Purposes** | The CEFC's purpose is to overcome financing barriers to facilitate increased flows of finance into Australia's clean energy sector and in turn to achieve emissions reductions. | |
| **Material changes to Program 1.1 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 2020­21 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 Corporation incurs significant non-cash expenses and income which give rise to a significant difference between the financial information presented in the budgeted financial statements and the underlying cash impact of its operations.

Table 3.1 Comprehensive income statement (showing net cost of services) includes a reconciliation of the impact of non-cash concessionality income and charges. Table 3.4 Budgeted departmental statement of cash flows also shows the net cash from operating activities which is significantly higher than the surplus shown in Table 3.1 Comprehensive Income Statement.

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

The financial statements, included in Tables 3.1 to 3.6 have been prepared in accordance with the requirements of the *Public Governance, Performance and Accountability Act 2013*, the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*, Australian Accounting Standards issued by the Australian Accounting Standards Board and the Department of Finance guidance for the preparation of financial statements (noting additional disclosure of the reconciliation of the impact of the significant non-cash income and charges is not required by Australian Accounting Standards).

Forward estimates are prepared on the basis of accounting standards currently in force. Adoption of new accounting standards may impact the measurement and classification of certain assets, liabilities and expenses in future periods.

The financial report has been prepared on an accrual basis and is prepared in accordance with the historical cost convention.

**Notes to the budgeted financial statements**

The budget statements and estimated forward years should be read taking into account the following matters:

*Concession loan discount*

The Corporation is mainly in the business of making loans, some of which may be at a discount to the prevailing market equivalent rates or terms (or, in the absence of equivalent market rates or terms, an estimate of these). For each debt investment, the Corporation attempts to maximise its return and provide only the level of discount from market rates/terms that is required to ensure the project proceeds. This may involve the Corporation taking a position that is not generally offered by other market participants (for example, longer term fixed‑rate debt or subordinated debt) at rates that may be below those that an equivalent market participant would demand if it were to participate in this market.

The Corporation is required to record a non‑cash charge referred to as a concessional loan discount in relation to any such loans and it is a matter of judgment as to the market equivalent rate used to ascertain the extent of the implicit discount attached to the loan.

Concessionality is made available on an individual transaction basis through longer tenor or lower cost of finance or by absorbing additional risk. The Corporation sets terms on a case by case basis, lending at the rate that is commercially reasonable and on the least generous terms possible for the project to proceed (that is, as close to market terms as possible).

*Impairment*

1. *Loans*

The Corporation is required to ascertain the extent to which its portfolio of loans is likely to be recoverable. Given the Corporation is in the business of lending and earning a margin it takes credit risk and it is appropriate to provision for expected credit losses. As the Corporation’s portfolio is mainly senior secured debt and secured project finance facilities, and there have been limited specific impairments identified to date, a statistical probability of default must be used in accordance with AASB9 to determine the level of appropriate provisioning. The forecast impairment charge is a provision determined as reasonable and appropriate when looking at the risks within the Corporation’s current loans and in particular the current environment faced by the borrowers.

1. *Investments in shares*

The Corporation carries its equity investments at fair value. Since the adoption of AASB9 – Financial Instrumentseffective 1 July 2018, any reduction in these fair values is required to be recorded as a charge to the income statement. The Corporation is, among other things, in the business of investing equity in early stage clean energy technology entities under the Clean Energy Innovation Fund. The performance of the Innovation Fund portfolio will reflect the nature, status and lifecycle of the underlying investments and the Corporation expects that a number of these investments will become impaired over the period covered by these financial statements. This is consistent with the design of the Clean Energy Innovation Fund as essentially a venture capital-style offering, where perhaps 40 per cent of investments are expected to fail, 40 per cent expected to yield average returns and the remaining 20 per cent expected to outperform. It is envisaged that the outperforming investments in the Clean Energy Innovation Fund will therefore cover, and ideally exceed, any investment losses – enabling the Fund to meet or exceed its performance benchmark return of the 5-year government bond rate +1 per cent per annum.

*Variability in forecasts*

The responsible ministers give guidance to the Board in relation to the performance of the Corporation’s investment function in the form of an Investment Mandate issued under subsection 64(1) of the CEFC Act. The current Investment Mandate, the Investment Mandate Direction 2020, became effective on 2 May 2020 by the Hon Angus Taylor MP, Minister for Energy and Emissions Reduction, and Senator the Hon Mathias Cormann, Minister for Finance. This Investment Mandate includes specific areas of focus. These areas of focus have direct implication on the likely rate of return that is achievable in the portfolio, the amount of risk that the Corporation will be incurring across its portfolio and the variability of earnings from period to period.

For example, the Clean Energy Innovation Fund will likely result in a greater proportion of equity investments than the Corporation’s core portfolio. Similarly, the focus of both the Innovation Fund and Advancing Hydrogen Fund on emerging clean energy projects and businesses that involve technologies that have passed beyond the research and development stages, but are not yet established or of sufficient maturity, size or otherwise commercially ready to attract sufficient private sector investment, will expose the Corporation to a greater risk of loss on individual investments and is likely to result in a greater variability in returns between reporting periods. The Australian Government is conscious of the risks inherent in investing in earlier stage technologies and acknowledges that in practice this will involve some short-term volatility in the Corporation’s returns, including the possibility of losses in some years. See also the discussion on the Clean Energy Innovation Fund in the section on ‘Impairments’ above.

Investments in the Grid Reliability Fund (once established) will also likely require considerable concession or require a subordination of returns which will result in either impairment or a write-down in the fair value of the investment at inception. As these projects will be large and infrequent, the precise timing of when they will trigger a concessional charge or write-down in their fair value is not possible to predict with any degree of certainty and there are likely to result in significant fluctuations between periods.

### 3.2 Budgeted financial statements tables

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019­20 Estimated actual  $'000 | 2020­21  Budget  $'000 | 2021­22 Forward estimate  $'000 | 2022­23 Forward estimate  $'000 | 2023­24 Forward estimate  $'000 |
| **EXPENSES** |  |  |  |  |  |
| Employee benefits | 29,518 | 37,059 | 41,399 | 42,905 | 44,609 |
| Suppliers | 9,835 | 14,442 | 14,309 | 16,004 | 16,796 |
| Depreciation and amortisation | 2,806 | 4,226 | 4,520 | 5,005 | 5,000 |
| Concessional loan discount | 4,044 | 42,000 | 35,000 | 40,000 | 32,000 |
| Other financing costs | 27 | 122 | 163 | 160 | 150 |
| Write-down and impairment of assets | 110,107 | 47,000 | 45,000 | 47,183 | 54,330 |
| **Total expenses** | **156,337** | **144,849** | **140,391** | **151,257** | **152,885** |
| **LESS:** |  |  |  |  |  |
| **OWN-SOURCE INCOME** |  |  |  |  |  |
| **Own-source revenue** |  |  |  |  |  |
| Unwind of concessional loan discount | 7,265 | 7,834 | 7,125 | 7,163 | 9,282 |
| Interest | 179,938 | 151,963 | 137,018 | 130,581 | 132,896 |
| Dividends | 17,789 | 16,282 | 21,716 | 24,437 | 29,530 |
| **Total own-source revenue** | **204,992** | **176,079** | **165,859** | **162,181** | **171,708** |
| **Gains** |  |  |  |  |  |
| Profit on Sale of Financial Assets | 44,387 | - | **-** | **-** | **-** |
| Share of net profit from associates using equity method | 2,260 | - | **-** | **-** | **-** |
| Net fair value gains on financial assets designated at FVTPL | 43,130 | - | **-** | **-** | **-** |
| Reversal of concessional loan charges on prior period commitments, due to expiration or early termination of concessional loan arrangements | 13,410 |  |  |  |  |
| **Total gains** | **103,187** | **-** | **-** | **-** | **-** |
|  |  |  |  |  |  |
| **Total own-source income** | **308,179** | **176,079** | **165,859** | **162,181** | **171,708** |
| **Net (cost of)/contribution by**  **services** | **151,842** | **31,230** | **25,468** | **10,924** | **18,823** |
| Revenue from Government | 1,925 | 4,270 | 4,532 | 4,263 | - |
| **Surplus/(deficit) attributable to the**  **Australian Government** | **153,767** | **35,500** | **30,000** | **15,187** | **18,823** |
| **Total comprehensive income/(loss)**  **attributable to the Australian**  **Government** | **153,767** | **35,500** | **30,000** | **15,187** | **18,823** |

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Note: Impact of net cash appropriation arrangements** | | | | | |
|  | 2019­20 Estimated actual  $'000 | 2020­21  Budget  $'000 | 2021­22 Forward estimate  $'000 | 2022­23 Forward estimate  $'000 | 2023­24 Forward estimate  $'000 |
| **Total comprehensive income/(loss)**  **excluding depreciation/**  **amortisation expenses previously**  **funded through revenue**  **appropriations, depreciation on**  **ROU, principal repayments on**  **leased assets** | **153,554** | **35,810** | **30,162** | **15,359** | **18,823** |
| less: Depreciation/amortisation expenses on ROU assets (a) | (1,595) | (2,139) | (2,334) | (2,566) | (2,500) |
| add: Principal repayments on leased  assets (a) | 1,808 | 1,829 | 2,172 | 2,394 | 2,500 |
| **Total comprehensive income/(loss)**  **- as per the Statement of**  **comprehensive income** | **153,767** | **35,500** | **30,000** | **15,187** | **18,823** |
|  |  |  |  |  |  |
| **Reconciliation of the impact of significant non-cash concessionality income and charges and fair value adjustments** | | | | | |
|  | 2019­20 Estimated actual  $'000 | 2020­21  Budget  $'000 | 2021­22 Forward estimate  $'000 | 2022­23 Forward estimate  $'000 | 2023­24 Forward estimate  $'000 |
| **Total comprehensive income/(loss)**  **attributable to the Australian**  **Government** | **153,767** | **35,500** | **30,000** | **15,187** | **18,823** |
| **Add** concessional loan discount | 4,044 | 42,000 | 35,000 | 40,000 | 32,000 |
| **Less** unwind of concessional loan  discount | (7,265) | (7,834) | (7,125) | (7,163) | (9,282) |
| Reversal of concessional loan charges on prior period commitments, due to expiration or early termination of concessional loan arrangements | (13,410) |  |  |  |  |
| Net non-cash concessionality impact | **(16,631)** | **34,166** | **27,875** | **32,837** | **22,718** |
| **Add** Write-down and impairment of  assets | 110,107 | 47,000 | 45,000 | 47,183 | 54,330 |
| **Less** Net fair value gains on financial  assets designated at FVTPL | (43,130) | - | - | - | - |
| Net adjustments to investment carrying values | **66,977** | **47,000** | **45,000** | **47,183** | **54,330** |
| **Total comprehensive income attributable**  **to the Australian Government after**  **eliminating significant non-cash**  **adjustments** | **204,113** | **116,666** | **102,875** | **95,207** | **95,871** |

Prepared on Australian Accounting Standards basis.

1. Applies leases under AASB 16 Leases.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019­20 Estimated actual  $'000 | 2020­21  Budget  $'000 | 2021­22 Forward estimate  $'000 | 2022­23 Forward estimate  $'000 | 2023­24 Forward estimate  $'000 |
| **ASSETS** |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |
| Cash and cash equivalents | 848,179 | 235,194 | 265,189 | 342,521 | 216,074 |
| Advances and loans | 2,273,066 | 2,211,637 | 2,109,782 | 2,116,318 | 2,100,823 |
| Investment in shares | 520,757 | 1,040,549 | 1,193,204 | 1,316,161 | 1,451,998 |
| Investments in other interest bearing securities | 1,449,627 | 1,350,932 | 1,376,238 | 1,457,553 | 1,472,553 |
| Trade and other receivables | 15,708 | 16,211 | 16,688 | 16,989 | 16,989 |
| Investments accounted for under  the equity method | 180,104 | 283,598 | 333,598 | 377,587 | 452,587 |
| ***Total financial assets*** | ***5,287,441*** | ***5,138,121*** | ***5,294,699*** | ***5,627,129*** | ***5,711,024*** |
| **Non-financial assets** |  |  |  |  |  |
| Land and buildings | 2,355 | 6,047 | 3,743 | 7,738 | 5,238 |
| Property, plant and equipment | 853 | 2,791 | 2,510 | 2,571 | 2,321 |
| Intangibles | 413 | 138 | 288 | 288 | 288 |
| Other non-financial assets | 535 | 535 | 535 | 535 | 535 |
| ***Total non-financial assets*** | ***4,156*** | ***9,511*** | ***7,076*** | ***11,132*** | ***8,382*** |
| **Total assets** | **5,291,597** | **5,147,632** | **5,301,775** | **5,638,261** | **5,719,406** |
| **LIABILITIES** |  |  |  |  |  |
| **Payables** |  |  |  |  |  |
| Suppliers | 5,515 | 5,515 | 5,515 | 5,515 | 5,515 |
| Personal benefits | 7,469 | 7,569 | 8,569 | 9,569 | 9,569 |
| Other payables | 39,217 | 40,650 | 40,935 | 42,067 | 41,889 |
| ***Total payables*** | ***52,201*** | ***53,734*** | ***55,019*** | ***57,151*** | ***56,973*** |
| **Interest bearing liabilities** |  |  |  |  |  |
| Leases | 2,808 | 6,810 | 4,668 | 8,835 | 6,335 |
| Other interest bearing liabilities | 1,887 | 1,887 | 1,887 | 1,887 | 1,887 |
| ***Total interest bearing liabilities*** | ***4,695*** | ***8,697*** | ***6,555*** | ***10,722*** | ***8,222*** |
| **Provisions** |  |  |  |  |  |
| Employee provisions | 3,391 | 3,391 | 3,391 | 3,391 | 3,391 |
| Other provisions | 4,441 | 4,441 | 4,441 | 4,441 | 4,441 |
| ***Total provisions*** | ***7,832*** | ***7,832*** | ***7,832*** | ***7,832*** | ***7,832*** |
| **Total liabilities** | **64,728** | **70,263** | **69,406** | **75,705** | **73,027** |
| **Net assets** | **5,226,869** | **5,077,369** | **5,232,369** | **5,562,556** | **5,646,379** |
| **EQUITY\*** |  |  |  |  |  |
| **Parent entity interest** |  |  |  |  |  |
| Contributed equity | 4,668,363 | 4,483,363 | 4,608,363 | 4,923,363 | 4,988,363 |
| Reserves | (6,889) | (6,889) | (6,889) | (6,889) | (6,889) |
| Retained surplus / (accumulated  deficit) | 565,395 | 600,895 | 630,895 | 646,082 | 664,905 |
| ***Total parent entity interest*** | ***5,226,869*** | ***5,077,369*** | ***5,232,369*** | ***5,562,556*** | ***5,646,379*** |
| **Total Equity** | ***5,226,869*** | ***5,077,369*** | ***5,232,369*** | ***5,562,556*** | ***5,646,379*** |

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 2020­21)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Retained  earnings  $'000 | Asset  revaluation  reserve  $'000 | Other  reserves  $'000 | Contributed  equity/  capital  $'000 | Total  equity  $'000 |
| **Opening balance as at 1 July 2020** |  |  |  |  |  |
| Balance carried forward from  previous period | 565,395 | (6,889) | - | 4,668,363 | 5,226,869 |
| ***Adjusted opening balance*** | ***565,395*** | ***(6,889)*** | ***-*** | ***4,668,363*** | ***5,226,869*** |
| **Comprehensive income** |  |  |  |  |  |
| Surplus/(deficit) for the period | 35,500 |  |  |  | 35,500 |
| ***Total comprehensive income*** | ***35,500*** | ***-*** | ***-*** | ***-*** | ***35,500*** |
| of which: |  |  |  |  |  |
| Attributable to the Australian  Government | 35,500 | - | - | - | 35,500 |
| **Transactions with owners** |  |  |  |  |  |
| ***Distribution to owners*** |  |  |  |  |  |
| Return to CEFC Special Account  held by portfolio department | - | - | - | (550,000) | (550,000) |
| ***Contributions by owners*** |  |  |  |  |  |
| Equity Injection  from CEFC Special Account | - | - | - | 250,000 | 250,000 |
| Equity Injection  from GRF Special Account | - | - | - | 115,000 | 115,000 |
| ***Sub-total transactions with***  ***owners*** | ***-*** | ***-*** | ***-*** | ***(185,000)*** | ***(185,000)*** |
| **Estimated closing balance as at**  **30 June 2021** | **600,895** | **(6,889)** | **-** | **4,483,363** | **5,077,369** |
| **Closing balance attributable to**  **the Australian Government** | **600,895** | **(6,889)** | **-** | **4,483,363** | **5,077,369** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019­20 Estimated actual  $'000 | 2020­21  Budget  $'000 | 2021­22 Forward estimate  $'000 | 2022­23 Forward estimate  $'000 | 2023­24 Forward estimate  $'000 |
| **OPERATING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Receipts from Government | 1,925 | 4,270 | 4,532 | 4,263 | - |
| Interest | 151,406 | 142,137 | 122,034 | 120,053 | 130,718 |
| Dividends | 17,065 | 15,732 | 21,393 | 24,002 | 29,530 |
| ***Total cash received*** | ***170,396*** | ***162,139*** | ***147,959*** | ***148,318*** | ***160,248*** |
| **Cash used** |  |  |  |  |  |
| Employees | 29,092 | 36,959 | 40,399 | 41,905 | 44,609 |
| Suppliers | 9,082 | 14,441 | 14,309 | 16,004 | 16,796 |
| Lease liability - Interest payments | 27 | 122 | 163 | 160 | 150 |
| ***Total cash used*** | ***38,201*** | ***51,522*** | ***54,871*** | ***58,069*** | ***61,555*** |
| **Net cash from/(used by)**  **operating activities** | **132,195** | **110,617** | **93,088** | **90,249** | **98,693** |
| **INVESTING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Repayments of loans and advances | 730,176 | 626,687 | 597,968 | 698,784 | 808,610 |
| Other investing cash receipts for policy purposes | 277,839 | 141,859 | 342,500 | 200,000 | 400,000 |
| ***Total cash received*** | ***1,008,015*** | ***768,546*** | ***940,468*** | ***898,784*** | ***1,208,610*** |
| **Cash used** |  |  |  |  |  |
| Purchase of property plant, and  equipment and intangibles | 981 | 3,750 | 2,055 | 2,500 | 2,250 |
| Advances and loans made | 484,643 | 611,386 | 529,921 | 740,613 | 828,333 |
| Other investing cash payments for policy purposes | 415,360 | 690,183 | 594,413 | 481,194 | 665,667 |
| ***Total cash used*** | ***900,984*** | ***1,305,319*** | ***1,126,389*** | ***1,224,307*** | ***1,496,250*** |
| **Net cash from/(used by)**  **investing activities** | **107,031** | **(536,773)** | **(185,921)** | **(325,523)** | **(287,640)** |

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019­20 Estimated actual  $'000 | 2020­21  Budget  $'000 | 2021­22 Forward estimate  $'000 | 2022­23 Forward estimate  $'000 | 2023­24 Forward estimate  $'000 |
| **FINANCING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Contributed equity |  |  |  |  |  |
| from CEFC Special Account | 500,000 | 250,000 | 550,000 | 500,000 | 500,000 |
| from GRF Special Account |  | 115,000 | 75,000 | 115,000 | 215,000 |
| ***Total cash received*** | ***500,000*** | ***365,000*** | ***625,000*** | ***615,000*** | ***715,000*** |
| **Cash used** |  |  |  |  |  |
| Lease liability - principal Payments | 1,808 | 1,829 | 2,172 | 2,394 | 2,500 |
| Return to CEFC Special Account held by portfolio department | 240,000 | 550,000 | 500,000 | 300,000 | 650,000 |
| ***Total cash used*** | ***241,808*** | ***551,829*** | ***502,172*** | ***302,394*** | ***652,500*** |
| **Net cash from/(used by)**  **financing activities** | **258,192** | **(186,829)** | **122,828** | **312,606** | **62,500** |
| **Net increase/(decrease) in cash**  **held** | **497,418** | **(612,985)** | **29,995** | **77,332** | **(126,447)** |
| Cash and cash equivalents at the  beginning of the reporting period | 350,761 | 848,179 | 235,194 | 265,189 | 342,521 |
| **Cash and cash equivalents at**  **the end of the reporting period** | **848,179** | **235,194** | **265,189** | **342,521** | **216,074** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019­20 Estimated actual  $'000 | 2020­21  Budget  $'000 | 2021­22 Forward estimate  $'000 | 2022­23 Forward estimate  $'000 | 2023­24 Forward estimate  $'000 |
| **PURCHASE OF NON-FINANCIAL**  **ASSETS** |  |  |  |  |  |
| Funded internally from departmental  resources | 981 | 3,750 | 2,055 | 2,500 | 2,250 |
| **TOTAL** | **981** | **3,750** | **2,055** | **2,500** | **2,250** |
| **RECONCILIATION OF CASH USED**  **TO ACQUIRE ASSETS TO ASSET**  **MOVEMENT TABLE** |  |  |  |  |  |
| Total purchases | 981 | 3,750 | 2,055 | 2,500 | 2,250 |
| **Total cash used to acquire assets** | **981** | **3,750** | **2,055** | **2,500** | **2,250** |

Prepared on Australian Accounting Standards basis.

|  |
| --- |
|  |

Table 3.6: Statement of asset movements (Budget year 2020­21)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Buildings  $'000 | Other  property,  plant and  equipment  $'000 | Computer  software and  intangibles  $'000 | Total  $'000 |
| **As at 1 July 2020** |  |  |  |  |
| Gross book value | - | 2,677 | 1,060 | 3,737 |
| Gross book value - ROU assets | 3,950 | - | - | 3,950 |
| Accumulated depreciation/  amortisation and impairment | - | (1,824) | (647) | (2,471) |
| Accumulated depreciation/amortisation and impairment - ROU assets | (1,595) | - | - | (1,595) |
| **Opening net book balance** | **2,355** | **853** | **413** | **3,621** |
| **Capital asset additions** |  |  |  |  |
| **Estimated expenditure on new**  **or replacement assets** |  |  |  |  |
| By purchase - other | - | 2,750 | 1,000 | 3,750 |
| By purchase - other - ROU | 5,831 | - | - | 5,831 |
| **Total additions** | **5,831** | **2,750** | **1,000** | **9,581** |
| **Other movements** |  |  |  |  |
| Depreciation/amortisation expense | - | (812) | (1,275) | (2,087) |
| Depreciation/amortisation on  ROU | (2,139) | - | - | (2,139) |
| **Total other movements** | **(2,139)** | **(812)** | **(1,275)** | **(4,226)** |
| **As at 30 June 2021** |  |  |  |  |
| Gross book value | - | 5,427 | 2,060 | 7,487 |
| Gross book value - ROU | 9,781 | - | - | 9,781 |
| Accumulated depreciation/  amortisation and impairment | - | (2,636) | (1,922) | (4,558) |
| Accumulated depreciation/amortisation and impairment - ROU | (3,734) | - | - | (3,734) |
| **Closing net book balance** | **6,047** | **2,791** | **138** | **8,976** |

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)

CEFC 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)

CEFC 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)

CEFC 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)

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

Table 3.11: Statement of administered asset movements (Budget year 2020­21)

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

Department o

Clean Energy Regulator

Entity resources and planned performance

Clean Energy Regulator

Section 1: Entity overview and resources 207

1.1 Strategic direction statement 207

1.2 Entity resource statement 209

1.3 Budget measures 211

Section 2: Outcomes and planned performance 212

2.1 Budgeted expenses and performance for Outcome 1 213

Section 3: Budgeted financial statements 218

3.1 Budgeted financial statements 218

3.2 Budgeted financial statements tables 220

# Clean Energy Regulator

## Section 1: Entity overview and resources

### 1.1 Strategic direction statement

The Clean Energy Regulator (CER) is a Non-corporate Commonwealth Entity and statutory agency established under the *Clean Energy Regulator Act 2011*. The CER is responsible for the Outcome:

Contribute to a reduction in Australia's net greenhouse gas emissions, including through the administration of market based mechanisms that incentivise reduction in emissions and the promotion of additional renewable electricity generation.

The following schemes administered by CER work together to provide economic incentives, backed up by robust data, to reduce greenhouse gas emissions and increase the use of renewable energy to achieve the agency’s purpose of ‘accelerating carbon abatement for Australia.’ In administering its schemes, CER is actively supporting the Australian Government’s commitment to addressing climate change while maintaining energy security and affordability.

* The Emissions Reduction Fund, established under the *Carbon Credits (Carbon Farming Initiative) Act 2011*, provides incentives for a range of organisations and individuals to adopt new practices and technologies to reduce their emissions. Together with the reporting obligations under the *National Greenhouse and Energy Reporting Act 2007*, the safeguard mechanism complements the Emissions Reduction Fund through providing a framework for Australia’s largest emitters to measure, report and manage their emissions.
* The National Greenhouse and Energy Reporting Scheme, established by the *National Greenhouse and Energy Reporting Act 2007*, is a single national framework for reporting and disseminating company information about greenhouse gas emissions, energy production, energy consumption and other information specified under the legislation.
* The Renewable Energy Target, established by the *Renewable Energy (Electricity) Act 2000*, encourages the additional generation of electricity from renewable sources, reduce emissions of greenhouse gases in the electricity sector and ensures that renewable energy sources are ecologically sustainable.
* The Australian National Registry of Emissions Units, established by the *Australian National Registry of Emissions Units Act 2011*, is a secure electronic registry system that tracks the location and ownership of units issued under the Kyoto Protocol and the Emissions Reduction Fund.

CER’s strategies for delivering this outcome and achieving its purpose are to:

* Invest in knowing our clients and communicating with them in a way which meets their needs. Use client education and guidance materials to help potential clients understand how to participate in and comply with our schemes. Set clear and consistent expectations with our clients. Further develop tools that assist our clients to self-select in only if they have adequate capacity and capability to meet the requirements and achieve the anticipated results. Manage non-compliance and influence client behaviour by communicating the regulatory responses and actions we take to address non-compliance, including the use of targeted enforcements to act as a deterrent.
* Use risk-based and continuous improvement approaches to deploy agency resources to best effect. Maintain and enhance the skills and expertise of our people and encourage innovation to benefit us and our clients.
* Build and sustain CER’s reputation and impact through sound stakeholder and client relationships and partnerships with other relevant institutions and regulatory bodies. Promote the value of our assets, the quality of our results and the strength of our capabilities. Place a strong emphasis on using the data we hold to generate insights and make lawful, consistent, transparent and robust decisions. Share the data we hold for the public good, in line with the secrecy and privacy provisions of our legislation.
* Ensure our infrastructure is reliable, resilient and flexible enough to be reused in response to policy or operational change. Protect the integrity and utility of the core elements of our schemes, including greenhouse and energy data, contracts, units and certificates.

Further information on CER’s objectives, planning priorities and key performance indicators is detailed in the Clean Energy Regulator Corporate Plan on the Regulator’s website at www.cleanenergyregulator.gov.au.

### 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.

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’ table in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: Clean Energy Regulator resource statement – Budget estimates for 2020­21 as at Budget October 2020

|  |  |  |
| --- | --- | --- |
|  | *2019­20 Estimated actual*  *$'000* | 2020­21 Estimate  $'000 |
| **Departmental** |  |  |
| Annual appropriations - ordinary annual services (a) |  |  |
| Prior year appropriations available (b) | *19,295* | 19,689 |
| Departmental appropriation (c) | *69,737* | 76,511 |
| s74 External Revenue | *430* | - |
| Departmental capital budget (d) | *1,155* | 1,148 |
| Equity injection (e) | *1,000* | 2,950 |
| Total departmental annual appropriations | *91,617* | *100,298* |
| **Total departmental resourcing** | ***91,617*** | **100,298** |
| **Administered** |  |  |
| Annual appropriations - ordinary annual services (a) |  |  |
| Prior year appropriations available (b) | *89,131* | 93,096 |
| Outcome 1 | *250,031* | 245,940 |
| *Total administered annual appropriations* | *339,162* | 339,036 |
| *Total administered special appropriations* | *119,236* | 442 |
| Special accounts (f) |  |  |
| Opening balance | *69* | 82 |
| Non-appropriation receipts | *19,686* | 3,500 |
| *Total special account receipts* | *19,755* | 3,582 |
| ***Total administered resourcing*** | ***478,153*** | **343,060** |
| **Total resourcing for CER** | ***569,770*** | **443,358** |
|  |  |  |
|  | *2019­20* | 2020­21 |
| **Average staffing level (number)** | *313* | 322 |

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

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

1. Appropriation Bill (No. 1) 2020­21.
2. There is no appropriation subject to administrative quarantine by Finance or withheld under section 51 of the Public Governance, Performance and Accountability Act 2013 (PGPA Act).
3. Excludes departmental capital budget (DCB).
4. Departmental capital budgets are not separately identified in Appropriation Bill (No.1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.
5. Appropriation Bill (No. 2) 2020-21.
6. For further information on special accounts, please refer to Budget Paper No. 4 - Agency Resourcing.

### 1.3 Budget measures

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

Table 1.2: CER 2020­21 budget measures  
Measures announced after the Economic and Fiscal Update July 2020

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Program | 2020­21  $'000 | 2021­22  $'000 | 2022­23  $'000 | 2023­24  $'000 |
| **Receipt measures** |  |  |  |  |  |
| JobMaker Plan - investment in new energy technologies | 1.1 |  |  |  |  |
| Administered receipt |  | - | .. | .. | .. |
| Departmental receipt |  | - | - | - | - |
| **Total** |  | **-** | **..** | **..** | **..** |
| **Total receipt measures** |  |  |  |  |  |
| Administered |  | - | .. | .. | .. |
| Departmental |  | - | - | - | - |
| **Total** |  | **-** | **..** | **..** | **..** |
| **Payment measures** |  |  |  |  |  |
| JobMaker Plan - Deregulation Package (a) | 1.1 |  |  |  |  |
| Administered payment |  | - | - | - | - |
| Departmental payment |  | 4,635 | 7,915 | 6,704 | 5,321 |
| **Total** |  | **4,635** | **7,915** | **6,704** | **5,321** |
| JobMaker Plan - investment in new energy technologies | 1.1 |  |  |  |  |
| Administered payment |  | (11,432) | (20,645) | (31,454) | (22,813) |
| Departmental payment |  | - | - | - | - |
| **Total** |  | **(11,432)** | **(20,645)** | **(31,454)** | **(22,813)** |
| **Total payment measures** |  |  |  |  |  |
| Administered |  | (11,432) | (20,645) | (31,454) | (22,813) |
| Departmental |  | 4,635 | 7,915 | 6,704 | 5,321 |
| **Total** |  | **(6,797)** | **(12,730)** | **(24,750)** | **(17,492)** |

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

(a)  The lead entity for measure JobMaker Plan - Deregulation Package is the Department of the Prime Minister and Cabinet. The full measure description and package details appear in Budget Paper No. 2 under the Prime Minister and Cabinet portfolio.

## 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 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 a complete picture of an entity’s planned and actual performance.

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

http://www.cleanenergyregulator.gov.au/About/Accountability-and-reporting/Corporate-plans

The most recent annual performance statement can be found at:

http://www.cleanenergyregulator.gov.au/About/Accountability-and-reporting/Annual-Reports

### 2.1 Budgeted expenses and performance for Outcome 1

|  |
| --- |
| Outcome 1: Contribute to a reduction in Australia's net greenhouse gas emissions, including through the administration of market based mechanisms that incentivise reduction in emissions and the promotion of additional renewable electricity generation |

#### Linked programs

|  |
| --- |
| **Department of Industry, Science, Energy and Resources** |
| **Programs**   * Program 2.1 – Reducing Australia’s Greenhouse Gas Emissions * Program 3.1 – Energy |
| **Contribution to Outcome 1 made by linked programs**  The Department of Industry, Science, Energy and Resources has policy responsibility for the Emissions Reduction Fund, the Renewable Energy Target, the National Greenhouse and Energy Reporting Scheme and the Australian National Registry of Emissions Units. The Clean Energy Regulator works collaboratively with the Department as the delivery agency and regulator for these schemes. The Department is responsible for energy policy and the Clean Energy Regulator works collaboratively with the Department to understand the impacts of its regulatory activity on the market. |

**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:** Contribute to a reduction in Australia's net greenhouse gas emissions, including through the administration of market based mechanisms that incentivise reduction in emissions and the promotion of additional renewable electricity generation | | | | | |
|  | 2019­20 Estimated actual  $'000 | 2020­21  Budget  $'000 | 2021­22 Forward estimate  $'000 | 2022­23 Forward estimate  $'000 | 2023­24 Forward estimate  $'000 |
| **Program 1: Clean Energy Regulator** | | | | | |
| Administered expenses |  |  |  |  |  |
| Ordinary annual services  (Appropriation Bill No. 1) | 186,730 | 245,940 | 295,387 | 283,039 | 345,763 |
| *Renewable Energy (Electricity) Act 2000* | 396,328 | 442 | 482 | 523 | 509 |
| **Administered total** | 583,058 | 246,382 | 295,869 | 283,562 | 346,272 |
| Departmental expenses |  |  |  |  |  |
| Departmental appropriation | 69,941 | 76,493 | 77,333 | 76,802 | 76,516 |
| Expenses not requiring appropriation  in the budget year (a) | 4,578 | 2,794 | 3,098 | 1,977 | 1,915 |
| **Departmental total** | 74,519 | 79,287 | 80,431 | 78,779 | 78,431 |
| **Total expenses for Program 1** | **657,577** | **325,669** | **376,300** | **362,341** | **424,703** |
| **Outcome 1 totals by resource type** | | | | | |
| Administered expenses |  |  |  |  |  |
| Ordinary annual services  (Appropriation Bill No. 1) | 186,730 | 245,940 | 295,387 | 283,039 | 345,763 |
| Special appropriations | 396,328 | 442 | 482 | 523 | 509 |
| **Administered total** | 583,058 | 246,382 | 295,869 | 283,562 | 346,272 |
| Departmental expenses |  |  |  |  |  |
| Departmental appropriation | 69,941 | 76,493 | 77,333 | 76,802 | 76,516 |
| Expenses not requiring appropriation  in the budget year (a) | 4,578 | 2,794 | 3,098 | 1,977 | 1,915 |
| **Departmental total** | 74,519 | 79,287 | 80,431 | 78,779 | 78,431 |
| **Total expenses for Outcome1** | **657,577** | **325,669** | **376,300** | **362,341** | **424,703** |

**Table 2.1.1: Budgeted expenses for Outcome 1 (continued)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Movement of administered funds between years** | 2019-20 Estimated actual  $'000 | 2020-21  Budget  $'000 | 2021-22 Forward estimate  $'000 | 2022-23 Forward estimate  $'000 | 2023-24  Forward estimate  $'000 |
| Outcome 1: |  |  |  |  |  |
| Program 1.1: Clean Energy Regulator | (62,561) | (20,337) | (43,608) | (36,115) | (12,838) |
| **Total movement of**  **administered funds** | **(62,561)** | **(20,337)** | **(43,608)** | **(36,115)** | **(12,838)** |
|  |  |  |  |  |  |
|  | 2019­20 | 2020­21 |  |  |  |
| **Average staffing level (number)** | 313 | 322 |  |  |  |

1. Expenses not requiring appropriation in the budget year are non-cash charges in relation to concessional loans, write-down and impairment of assets, depreciation and amortisation and a share of net loss from associates accounted for under the equity method.

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

Table 2.1.2: Performance criteria for Outcome 1

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2020­21 Budget measures have created new programs or materially changed existing programs.

|  |  |  |
| --- | --- | --- |
| Outcome 1: Contribute to a reduction in Australia's net greenhouse gas emissions, including through the administration of market based mechanisms that incentivise reduction in emissions and the promotion of additional renewable electricity generation | | |
| **Program 1.1 – Effective and efficient regulation of greenhouse and energy reporting and market based schemes that contribute to a reduction in Australia’s net greenhouse gas emissions and promote investment in renewable energy.** | | |
| **Delivery** | The Clean Energy Regulator delivers Program 1.1 by:   * collecting, analysing, assessing, providing and publishing emissions and energy data, to inform government policy and the Australian public, to meet international reporting obligations and to support Australia’s emissions and energy data needs * operating the Australian National Registry of Emissions Units and the Renewable Energy Certificate Registry for market participants * monitoring, facilitating and enforcing compliance by its clients for the schemes it administers * issuing Australian carbon credit units to organisations and individuals for approved projects that reduce greenhouse gas emissions * conducting auctions and managing contracts * accrediting greenhouse and energy auditors to undertake audit activities under its schemes * working with other Commonwealth, state and territory law enforcement and regulatory bodies * providing education and information to current and potential scheme participants on the schemes it administers and how they work | |
| **Performance information** | | |
| **Year** | **Performance criteria** **(a)** | **2019-20 Actual Achievements/Targets** |
| 2019-20 | Proportion of contracted carbon abatement delivered | 91 per cent of contracted carbon abatement was delivered on time.  Against a target of:≥ 80 per cent of contracted abatement is delivered on time. |
| Compliance levels by regulated and liable entities | 99 per cent of regulated and liable entities were materially compliant with their statutory obligations.  Against a target of: ≥ 95 per cent of regulated and liable entities are materially compliant with their statutory obligations. |
| 2020-21 | Proportion of contracted carbon abatement delivered | *90 per cent of contracted carbon abatement with fixed delivery contracts is delivered on time* |
| Compliance levels by regulated and liable entities | ≥ 95 per cent of regulated and liable entities are materially compliant with their statutory obligations. |
| *Development of new methods for the Emissions Reduction Fund* | *Methods are to be developed within 12 months* |
| 2021-22 and beyond | As for 2020-21. | As for 2020-21. |
| **Purposes** | Accelerating carbon abatement for Australia. | |
| **Material changes to Program 1.1 resulting from the following measures:**   * JobMaker Plan — Investment in New Energy Technologies * JobMaker Plan — Deregulation Package | | |

1. Performance criteria for Outcome 1 are derived from the key performance indicators identified in the Clean Energy Regulator Corporate Plan 2020-24. New or modified performance criteria that reflect new or materially changed programs are shown in *italics.* The 2020-21 modified target provides a better level of transparency and demonstrates more clearly the direct relationship between the Performance criteria and the target.

## Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2020­21 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 (Table 1.1) provides a consolidated view of all the resources in 2020-21. For departmental items, this includes equity injections and appropriation receivable that is yet to be drawn down to cover payables and provisions on the Departmental Balance Sheet (Table 3.2). The comprehensive income statement (Table 3.1) shows only the operating appropriation provided each year and excludes appropriation shown in the Departmental Capital Budget Statement (Table 3.5).

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

**Budgeted Departmental Comprehensive Income Statement**

CER is budgeting to a break-even position excluding non-appropriated expenses relating to depreciation and amortisation.

The budgeted net cost of services to CER for delivering its programs in 2020-21 is $78.9 million (2019-20: $74.0 million).

Budgeted Revenue from Government in 2020-21 is estimated at $76.5 million (2019‑20: $69.7 million).

**Budgeted Departmental Balance Sheet**

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

The net assets position in 2020-21 is estimated to increase by $1.7 million to $15.4 million. Total net assets and equity continue to increase over the forward years as a result of the increase in contributed equity received for the climate solutions package and the budget measure: JobMaker Plan – Deregulation Package (refer table 1.2).

**Budgeted Departmental Capital Budget Statement**

The departmental capital budget statement shows the expected capital works program for the current and forward years. Total capital expenditure in 2020-21 is estimated to be $4.5 million, including $0.4 million available funding that was not expended in 2019-20.

**Schedule of Budgeted Income and Expenses administered on behalf of government**

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

Estimated administered expenses for 2019-20 and the budget and forward years reflect the re-profiling and movement of funds between years as outlined in Table 2.1.1 and the reduction in funds due to budget measure: JobMaker Plan – Investment in New Energy Technologies (refer table 1.2).

### 3.2 Budgeted financial statements tables

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019­20 Estimated actual  $'000 | 2020­21  Budget  $'000 | 2021­22 Forward estimate  $'000 | 2022­23 Forward estimate  $'000 | 2023­24 Forward estimate  $'000 |
| **EXPENSES** |  |  |  |  |  |
| Employee benefits | 39,835 | 40,315 | 40,929 | 41,331 | 41,334 |
| Suppliers | 26,780 | 33,060 | 33,338 | 32,291 | 32,002 |
| Depreciation and amortisation (a) | 7,631 | 5,867 | 6,151 | 5,030 | 4,968 |
| Finance costs | 78 | 45 | 13 | 127 | 127 |
| Write-down and impairment of assets | 195 | - | - | - | - |
| **Total expenses** | **74,519** | **79,287** | **80,431** | **78,779** | **78,431** |
| **LESS:** |  |  |  |  |  |
| **OWN-SOURCE INCOME** |  |  |  |  |  |
| **Own-source revenue** |  |  |  |  |  |
| Other | 21 | - | - | - | - |
| **Total own-source revenue** | **21** | **-** | **-** | **-** | **-** |
| **Gains** |  |  |  |  |  |
| Other | 452 | 425 | 425 | 425 | 425 |
| **Total own-source revenue** | **452** | **425** | **425** | **425** | **425** |
| **Total own-source income** | **473** | **425** | **425** | **425** | **425** |
| **Net (cost of)/contribution by**  **services** | **(74,046)** | **(78,862)** | **(80,006)** | **(78,354)** | **(78,006)** |
| Revenue from Government | 69,737 | 76,511 | 77,484 | 76,826 | 76,340 |
| **Surplus/(deficit) attributable to the**  **Australian Government** | **(4,309)** | **(2,351)** | **(2,522)** | **(1,528)** | **(1,666)** |
| **OTHER COMPREHENSIVE INCOME** |  |  |  |  |  |
| Changes in asset revaluation surplus | (25) | - | - | - | - |
| **Total other comprehensive income** | **(25)** | **-** | **-** | **-** | **-** |
| **Total comprehensive income/(loss)** | **(4,334)** | **(2,351)** | **(2,522)** | **(1,528)** | **(1,666)** |
| **Total comprehensive income/(loss)**  **attributable to the Australian**  **Government** | **(4,334)** | **(2,351)** | **(2,522)** | **(1,528)** | **(1,666)** |

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019­20 Estimated actual  $'000 | 2020­21  Budget  $'000 | 2021­22 Forward estimate  $'000 | 2022­23 Forward estimate  $'000 | 2023­24 Forward estimate  $'000 |
| **Total comprehensive income/(loss)**  **excluding depreciation/**  **amortisation expenses previously**  **funded through revenue**  **appropriations, depreciation on**  **ROU, principal repayments on**  **leased assets** | **(69)** | **-** | **-** | **-** | **-** |
| less depreciation/amortisation  expenses previously funded through  revenue appropriations (a) | 4,133 | 2,369 | 2,673 | 1,552 | 1,490 |
| less depreciation/amortisation expenses  for ROU (b) | 3,498 | 3,498 | 3,478 | 3,478 | 3,478 |
| add principal repayments on leased  assets (b) | 3,366 | 3,516 | 3,629 | 3,502 | 3,302 |
| **Total comprehensive income/(loss)**  **- as per the statement of**  **comprehensive income** | **(4,334)** | **(2,351)** | **(2,522)** | **(1,528)** | **(1,666)** |

Prepared on Australian Accounting Standards basis.

1. From 2010-11, the Government introduced net cash appropriation arrangements. This involved Bill 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) 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.
2. Applies leases under AASB 16 Leases.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019­20 Estimated actual  $'000 | 2020­21  Budget  $'000 | 2021­22 Forward estimate  $'000 | 2022­23 Forward estimate  $'000 | 2023­24 Forward estimate  $'000 |
| **ASSETS** |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |
| Cash and cash equivalents | 391 | 391 | 391 | 391 | 391 |
| Trade and other receivables | 19,600 | 19,220 | 19,220 | 19,220 | 19,220 |
| ***Total financial assets*** | ***19,991*** | ***19,611*** | ***19,611*** | ***19,611*** | ***19,611*** |
| **Non-financial assets** |  |  |  |  |  |
| Land and buildings | 8,856 | 4,237 | 9,875 | 6,397 | 2,919 |
| Property, plant and equipment | 929 | 848 | 813 | 813 | 813 |
| Intangibles | 5,052 | 8,363 | 12,285 | 14,016 | 15,231 |
| Other non-financial assets | 642 | 642 | 642 | 642 | 642 |
| ***Total non-financial assets*** | ***15,479*** | ***14,090*** | ***23,615*** | ***21,868*** | ***19,605*** |
| Assets held for sale | 140 | 140 | 140 | 140 | 140 |
| **Total assets** | **35,610** | **33,841** | **43,366** | **41,619** | **39,356** |
| **LIABILITIES** |  |  |  |  |  |
| **Payables** |  |  |  |  |  |
| Suppliers | 2,366 | 2,366 | 2,366 | 2,366 | 2,366 |
| Other payables | 653 | 653 | 653 | 653 | 653 |
| ***Total payables*** | ***3,019*** | ***3,019*** | ***3,019*** | ***3,019*** | ***3,019*** |
| **Interest bearing liabilities** |  |  |  |  |  |
| Leases | 6,556 | 3,040 | 9,555 | 6,053 | 2,751 |
| ***Total interest bearing liabilities*** | ***6,556*** | ***3,040*** | ***9,555*** | ***6,053*** | ***2,751*** |
| **Provisions** |  |  |  |  |  |
| Employee provisions | 12,368 | 12,368 | 12,368 | 12,368 | 12,368 |
| ***Total provisions*** | ***12,368*** | ***12,368*** | ***12,368*** | ***12,368*** | ***12,368*** |
| **Total liabilities** | **21,943** | **18,427** | **24,942** | **21,440** | **18,138** |
| **Net assets** | **13,667** | **15,414** | **18,424** | **20,179** | **21,218** |
| **EQUITY\*** |  |  |  |  |  |
| **Parent entity interest** |  |  |  |  |  |
| Contributed equity | 84,416 | 88,514 | 94,046 | 97,329 | 100,034 |
| Reserves | 9,598 | 9,598 | 9,598 | 9,598 | 9,598 |
| Retained surplus / (accumulated  deficit) | (80,347) | (82,698) | (85,220) | (86,748) | (88,414) |
| **Total Equity** | **13,667** | **15,414** | **18,424** | **20,179** | **21,218** |

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 2020­21)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Retained  earnings  $'000 | Asset  revaluation  reserve  $'000 | Other  reserves  $'000 | Contributed  equity/  capital  $'000 | Total  equity  $'000 |
| **Opening balance as at 1 July 2020** |  |  |  |  |  |
| Balance carried forward from  previous period | (80,347) | 9,598 | - | 84,416 | 13,667 |
| ***Adjusted opening balance*** | ***(80,347)*** | ***9,598*** | ***-*** | ***84,416*** | ***13,667*** |
| **Comprehensive income** |  |  |  |  |  |
| Surplus/(deficit) for the period | (2,351) | - | - | - | (2,351) |
| ***Total comprehensive income*** | ***(2,351)*** | ***-*** | ***-*** | ***-*** | ***(2,351)*** |
| ***Contributions by owners*** |  |  |  |  |  |
| Equity injection - Appropriation | - | - | - | 2,950 | 2,950 |
| Departmental Capital Budget (DCB) | - | - | - | 1,148 | 1,148 |
| ***Sub-total transactions with***  ***owners*** | ***-*** | ***-*** | ***-*** | ***4,098*** | ***4,098*** |
| **Estimated closing balance as at**  **30 June 2021** | **(82,698)** | **9,598** | **-** | **88,514** | **15,414** |
| **Closing balance attributable to**  **the Australian Government** | **(82,698)** | **9,598** | **-** | **88,514** | **15,414** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019­20 Estimated actual  $'000 | 2020­21  Budget  $'000 | 2021­22 Forward estimate  $'000 | 2022­23 Forward estimate  $'000 | 2023­24 Forward estimate  $'000 |
| **OPERATING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Appropriations | 71,231 | 76,891 | 77,484 | 76,826 | 76,340 |
| Net GST received | 3,295 | 2,778 | 2,662 | 2,629 | 2,679 |
| Other | 37 | - | - | - | - |
| ***Total cash received*** | ***74,563*** | ***79,669*** | ***80,146*** | ***79,455*** | ***79,019*** |
| **Cash used** |  |  |  |  |  |
| Employees | 37,777 | 40,315 | 40,929 | 41,331 | 41,334 |
| Suppliers | 30,394 | 35,413 | 35,575 | 34,495 | 34,256 |
| Net GST paid | 290 | - | - | - | - |
| Interest payments on lease liability | 78 | 45 | 13 | 127 | 127 |
| s74 External Revenue  transferred to the OPA | 1,702 | - | - | - | - |
| ***Total cash used*** | ***70,241*** | ***75,773*** | ***76,517*** | ***75,953*** | ***75,717*** |
| **Net cash from/(used by)**  **operating activities** | **4,322** | **3,896** | **3,629** | **3,502** | **3,302** |
| **INVESTING ACTIVITIES** |  |  |  |  |  |
| **Cash used** |  |  |  |  |  |
| Purchase of property, plant, and  equipment and intangibles | 2,898 | 4,478 | 5,532 | 3,283 | 2,705 |
| ***Total cash used*** | ***2,898*** | ***4,478*** | ***5,532*** | ***3,283*** | ***2,705*** |
| **Net cash from/(used by)**  **investing activities** | **(2,898)** | **(4,478)** | **(5,532)** | **(3,283)** | **(2,705)** |
| **FINANCING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Contributed equity | 1,775 | 4,098 | 5,532 | 3,283 | 2,705 |
| Other | 1,116 | - | - | - | - |
| ***Total cash received*** | ***2,891*** | ***4,098*** | ***5,532*** | ***3,283*** | ***2,705*** |
| **Cash used** |  |  |  |  |  |
| Principal payments on lease liability | 3,366 | 3,516 | 3,629 | 3,502 | 3,302 |
| Other | 1,116 | - | - | - | - |
| ***Total cash used*** | ***4,482*** | ***3,516*** | ***3,629*** | ***3,502*** | ***3,302*** |
| **Net cash from/(used by)**  **financing activities** | **(1,591)** | **582** | **1,903** | **(219)** | **(597)** |
| **Net increase/(decrease) in cash**  **held** | **(167)** | **-** | **-** | **-** | **-** |
| Cash and cash equivalents at the  beginning of the reporting period | 558 | 391 | 391 | 391 | 391 |
| **Cash and cash equivalents at**  **the end of the reporting period** | **391** | **391** | **391** | **391** | **391** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019­20 Estimated actual  $'000 | 2020­21  Budget  $'000 | 2021­22 Forward estimate  $'000 | 2022­23 Forward estimate  $'000 | 2023­24 Forward estimate  $'000 |
| **NEW CAPITAL APPROPRIATIONS** |  |  |  |  |  |
| Capital budget - Bill 1 (DCB) | 1,155 | *1,148* | 1,140 | 1,141 | 1,145 |
| Equity injections - Bill 2 | 1,000 | *2,950* | 4,392 | 2,142 | 1,560 |
| **Total new capital appropriations** | **2,155** | **4,098** | **5,532** | **3,283** | **2,705** |
| ***Provided for:*** |  |  |  |  |  |
| *Purchase of non-financial assets* | *2,155* | *4,098* | 5,532 | 3,283 | 2,705 |
| ***Total Items*** | ***2,155*** | ***4,098*** | ***5,532*** | ***3,283*** | ***2,705*** |
| **PURCHASE OF NON-FINANCIAL**  **ASSETS** |  |  |  |  |  |
| Funded by capital appropriations (a) | 620 | *3,330* | 4,392 | 2,142 | 1,560 |
| Funded by capital appropriation -  DCB (b) | 1,155 | *1,148* | 1,140 | 1,141 | 1,145 |
| Funded internally from departmental  resources (c) | 1,123 | - | - | - | - |
| **TOTAL** | **2,898** | **4,478** | **5,532** | **3,283** | **2,705** |
| **RECONCILIATION OF CASH USED**  **TO ACQUIRE ASSETS TO ASSET**  **MOVEMENT TABLE** |  |  |  |  |  |
| Total purchases | 2,898 | 4,478 | 5,532 | 3,283 | 2,705 |
| **Total cash used to acquire assets** | **2,898** | **4,478** | **5,532** | **3,283** | **2,705** |

Prepared on Australian Accounting Standards basis.

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

(b) Includes purchases from current and previous years' Departmental Capital Budgets (DCBs).

(c) Includes purchases from current and prior year cash reserves.

Table 3.6: Statement of asset movements (Budget year 2020­21)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Buildings  $'000 | Other  property,  plant and  equipment  $'000 | Computer  software and  intangibles  $'000 | L&B, IP&E  held for  sale  $'000 | Total  $'000 |
| **As at 1 July 2020** |  |  |  |  |  |
| Gross book value | 5,514 | 2,295 | 62,875 | 140 | 70,824 |
| Gross book value - ROU assets | 10,203 | - | - |  | 10,203 |
| Accumulated depreciation/  amortisation and impairment | (3,363) | (1,366) | (57,823) | - | (62,552) |
| Accumulated depreciation/amortisation and impairment - ROU assets | (3,498) | - | - | - | (3,498) |
| **Opening net book balance** | **8,856** | **929** | **5,052** | **140** | **14,977** |
| **Capital asset additions** |  |  |  |  |  |
| **Estimated expenditure on new**  **or replacement assets** |  |  |  |  |  |
| By purchase - appropriation equity (a) | - | - | 3,330 | - | 3,330 |
| By purchase - appropriation  ordinary annual services (b) | - | - | 1,148 | - | 1,148 |
| **Total additions** | **-** | **-** | **4,478** | **-** | **4,478** |
| **Other movements** |  |  |  |  |  |
| Depreciation/amortisation expense | (1,121) | (81) | (1,167) | - | (2,369) |
| Depreciation/amortisation on  ROU | (3,498) | - | - | - | (3,498) |
| **Total other movements** | **(4,619)** | **(81)** | **(1,167)** | **-** | **(5,867)** |
| **As at 30 June 2021** |  |  |  |  |  |
| Gross book value | 5,514 | 2,295 | 67,353 | 140 | 75,302 |
| Gross book value - ROU assets | 10,203 | - | - | - | 10,203 |
| Accumulated depreciation/  amortisation and impairment | (4,484) | (1,447) | (58,990) | - | (64,921) |
| Accumulated depreciation/amortisation and impairment - ROU assets | (6,996) | - | - | - | (6,996) |
| **Closing net book balance** | **4,237** | **848** | **8,363** | **140** | **13,588** |

Prepared on Australian Accounting Standards basis.

1. 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill

(No. 2) 2020-21.

1. 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No.1) 2020­21 for depreciation/amortisation expenses, DCBs or other operational expenses.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019­20 Estimated actual  $'000 | 2020­21  Budget  $'000 | 2021­22 Forward estimate  $'000 | 2022­23 Forward estimate  $'000 | 2023­24 Forward estimate  $'000 |
| **EXPENSES** |  |  |  |  |  |
| Suppliers | 399,405 | 4,259 | 4,299 | 4,340 | 4,326 |
| Other expenses | 183,653 | 242,123 | 291,570 | 279,222 | 341,946 |
| **Total expenses administered on**  **behalf of Government** | **583,058** | **246,382** | **295,869** | **283,562** | **346,272** |
| **LESS:** |  |  |  |  |  |
| **OWN-SOURCE INCOME** |  |  |  |  |  |
| **Own-source revenue** |  |  |  |  |  |
| **Taxation revenue** |  |  |  |  |  |
| Other taxes | 411,895 | 989 | 1,031 | 1,017 | 1,017 |
| ***Total taxation revenue*** | ***411,895*** | ***989*** | ***1,031*** | ***1,017*** | ***1,017*** |
| **Non-taxation revenue** |  |  |  |  |  |
| Fees and fines | 25,743 | 22,380 | 21,529 | 20,239 | 19,011 |
| ***Total non-taxation revenue*** | ***25,743*** | ***22,380*** | ***21,529*** | ***20,239*** | ***19,011*** |
| **Total own-source revenue**  **administered on behalf of**  **Government** | **437,638** | **23,369** | **22,560** | **21,256** | **20,028** |
| **Gains** |  |  |  |  |  |
| Other gains | 95 | - | - | - | - |
| **Total gains administered on**  **behalf of Government** | **95** | **-** | **-** | **-** | **-** |
| **Total own-sourced income**  **administered on behalf of**  **Government** | **437,733** | **23,369** | **22,560** | **21,256** | **20,028** |
| **Net (cost of)/contribution by**  **services** | **(145,325)** | **(223,013)** | **(273,309)** | **(262,306)** | **(326,244)** |
| **Total comprehensive income/(loss)** | **(145,325)** | **(223,013)** | **(273,309)** | **(262,306)** | **(326,244)** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019­20 Estimated actual  $'000 | 2020­21  Budget  $'000 | 2021­22 Forward estimate  $'000 | 2022­23 Forward estimate  $'000 | 2023­24 Forward estimate  $'000 |
| **ASSETS** |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |
| Cash and cash equivalents | 167 | 167 | 167 | 167 | 167 |
| Taxation receivables | 394 | 394 | 394 | 394 | 394 |
| Trade and other receivables | 114 | 114 | 114 | 114 | 114 |
| ***Total financial assets*** | ***675*** | ***675*** | ***675*** | ***675*** | ***675*** |
| **Total assets administered on behalf of Government** | **675** | **675** | **675** | **675** | **675** |
| **LIABILITIES** |  |  |  |  |  |
| **Payables** |  |  |  |  |  |
| Suppliers | 781 | 781 | 781 | 781 | 781 |
| Other payables | 91,553 | 91,553 | 91,553 | 91,553 | 91,553 |
| ***Total payables*** | ***92,334*** | ***92,334*** | ***92,334*** | ***92,334*** | ***92,334*** |
| **Provisions** |  |  |  |  |  |
| Other provisions | 699,969 | 699,969 | 699,969 | 699,969 | 699,969 |
| ***Total provisions*** | ***699,969*** | ***699,969*** | ***699,969*** | ***699,969*** | ***699,969*** |
| **Total liabilities administered on**  **behalf of Government** | **792,303** | **792,303** | **792,303** | **792,303** | **792,303** |
| **Net assets/(liabilities)** | **(791,628)** | ***(791,628)*** | **(791,628)** | **(791,628)** | **(791,628)** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019­20 Estimated actual  $'000 | 2020­21  Budget  $'000 | 2021­22 Forward estimate  $'000 | 2022­23 Forward estimate  $'000 | 2023­24 Forward estimate  $'000 |
| **OPERATING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Fees and fines | 25,803 | 22,380 | 21,529 | 20,239 | 19,011 |
| Taxes | 411,744 | 989 | 1,031 | 1,017 | 1,017 |
| Net GST received | 159 | 382 | 382 | 382 | 382 |
| ***Total cash received*** | ***437,706*** | ***23,751*** | ***22,942*** | ***21,638*** | ***20,410*** |
| **Cash used** |  |  |  |  |  |
| Suppliers | 2,708 | 4,259 | 4,299 | 4,340 | 4,326 |
| Net GST paid | - | 382 | 382 | 382 | 382 |
| Other | 288,580 | 242,123 | 291,570 | 279,222 | 341,946 |
| ***Total cash used*** | ***291,288*** | ***246,764*** | ***296,251*** | ***283,944*** | ***346,654*** |
| **Net cash from / (used by)**  **operating activities** | **146,418** | **(223,013)** | **(273,309)** | **(262,306)** | **(326,244)** |
| **FINANCING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Special Account | - | 3,500 | 3,500 | 3,500 | 3,500 |
| ***Total cash received*** | ***-*** | ***3,500*** | ***3,500*** | ***3,500*** | ***3,500*** |
| **Cash used** |  |  |  |  |  |
| Special Account | - | 3,500 | 3,500 | 3,500 | 3,500 |
| ***Total cash used*** | ***-*** | ***3,500*** | ***3,500*** | ***3,500*** | ***3,500*** |
| ***Net increase/(decrease) in***  ***cash held*** | ***146,418*** | ***(223,013)*** | ***(273,309)*** | ***(262,306)*** | ***(326,244)*** |
| Cash and cash equivalents at  beginning of reporting period | 144 | 167 | 167 | 167 | 167 |
| Cash from Official Public Account for: |  |  |  |  |  |
| - Appropriations | 292,263 | 246,382 | 295,869 | 283,562 | 346,272 |
| *Total cash from Official Public Account* | *292,263* | *246,382* | *295,869* | *283,562* | *346,272* |
| Cash to Official Public Account for: |  |  |  |  |  |
| - Appropriations | (438,499) | (22,987) | (22,178) | (20,874) | (19,646) |
| - GST Appropriation | (159) | (382) | (382) | (382) | (382) |
| *Total cash to Official Public Account* | *(438,658)* | *(23,369)* | *(22,560)* | *(21,256)* | *(20,028)* |
| **Cash and cash equivalents at**  **end of reporting period** | **167** | **167** | **167** | **167** | **167** |

Prepared on Australian Accounting Standards basis.

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

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

Table 3.11: Statement of administered asset movements (Budget year 2020­21)

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

Department o

Climate Change Authority

Entity resources and planned performance

Climate Change Authority

Section 1: Entity overview and resources 235

1.1 Strategic direction statement 235

1.2 Entity resource statement 236

1.3 Budget measures 237

Section 2: Outcomes and planned performance 238

2.1 Budgeted expenses and performance for Outcome 1 239

Section 3: Budgeted financial statements 243

3.1 Budgeted financial statements 243

3.2 Budgeted financial statements tables 244

# Climate Change Authority

## Section 1: Entity overview and resources

### Strategic direction statement

The Climate Change Authority (CCA) is a Non-corporate Commonwealth Entity and a Statutory Agency operating under the *Climate Change Authority Act 2011.* The CCA is responsible for the Outcome:

* Provide expert advice to the Australian Government on climate change mitigation initiatives, including through conducting regular and specifically commissioned reviews and through undertaking climate change research.

The specific functions of the CCA are set out in the *Climate Change Authority Act 2011*. These include conducting statutory reviews of climate change policies, special reviews and research about matters relating to climate change.

### 1.2 Entity resource statement

Table 1.1 shows the total funding from all sources available to CCA 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, while 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: CCA resource statement – Budget estimates for 2020­21 as at Budget October 2020

|  |  |  |
| --- | --- | --- |
|  | *2019­20 Estimated actual*  *$'000* | 2020­21 Estimate  $'000 |
| **Departmental** |  |  |
| Annual appropriations - ordinary annual services (a) |  |  |
| Prior year appropriations available | *-* | 600 |
| Departmental appropriation | *903* | 2,600 |
| s74 External Revenue (b) | *1,408* | - |
| *Total departmental annual appropriations* | *2,311* | *2,600* |
| **Total departmental resourcing** | ***2,311*** | **2,600** |
| **Total resourcing for CCA** | ***2,311*** | **2,600** |
|  |  |  |
|  | *2019­20* | 2020­21 |
| **Average staffing level (number)** | *9* | 9 |

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

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

1. *Appropriation Act (No. 1) 2020­21.*
2. Estimated external revenue receipts under section 74 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

### 1.3 Budget measures

There are no new Budget measures relating to CCA 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 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 a complete picture of an entity’s planned and actual performance.

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

<https://www.climatechangeauthority.gov.au/corporate-plan-2020-21>

The most recent annual performance statement can be found in the annual report at:

http://www.climatechangeauthority.gov.au/about-cca

### 2.1 Budgeted expenses and performance for Outcome 1

|  |
| --- |
| Outcome 1: Provide expert advice to the Australian Government on climate change mitigation initiatives, including through conducting regular and specifically commissioned reviews and through undertaking climate change research |

#### Linked programs

|  |
| --- |
| **Department of Industry, Science, Energy and Resources** |
| **Programs**   * Program 2.1 – Reducing Australia's greenhouse gas emissions * Program 3.1 – Supporting reliable, secure and affordable energy |
| **Contribution to Outcome 1 made by linked programs**  The Climate Change Authority supports the Department of Industry, Science, Energy and Resources in reducing Australia’s greenhouse gas emissions by providing independent climate change mitigation policy advice to the Government, including in relation to the energy sector. |

**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:** Provide expert advice to the Australian Government on climate change mitigation initiatives, including through conducting regular and specifically commissioned reviews and through undertaking climate change research | | | | | |
|  | 2019­20 Estimated actual  $'000 | 2020­21  Budget  $'000 | 2021­22 Forward estimate  $'000 | 2022­23 Forward estimate  $'000 | 2023­24 Forward estimate  $'000 |
| **Program 1.1: Reviewing Climate Change Mitigation Policies** | | | | | |
| Departmental expenses |  |  |  |  |  |
| Departmental appropriation | 903 | 2,600 | 2,581 | 2,597 | 2,631 |
| s74 External Revenue (a) | 1,408 | - | - | - | - |
| Expenses not requiring  appropriation in the budget year (b) | 28 | - | - | - | - |
| **Total expenses for Program 1** | **2,339** | **2,600** | **2,581** | **2,597** | **2,631** |
| **Outcome 1 totals by resource type** | | | | | |
| Departmental expenses |  |  |  |  |  |
| Departmental appropriation | 903 | 2,600 | 2,581 | 2,597 | 2,631 |
| s74 External Revenue (a) | 1,408 | - | - | - | - |
| Expenses not requiring  appropriation in the budget year (b) | 28 | - | - | - | - |
| **Total expenses for Outcome 1** | **2,339** | **2,600** | **2,581** | **2,597** | **2,631** |
|  |  |  |  |  |  |
|  | 2019­20 | 2020­21 |  |  |  |
| **Average staffing level (number)** | 9 | 9 |  |  |  |

|  |
| --- |
| Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.   1. Estimated expenses incurred in relation to receipts retained under section 74 of the *PGPA Act 2013.* |
| 1. Expenses not requiring appropriation in the Budget year are made up of an approved operating loss. |

Table 2.1.2: Performance criteria for Outcome 1

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2020­21 Budget measures have created new programs or materially changed existing programs.

|  |  |  |
| --- | --- | --- |
| Outcome 1: Provide expert advice to the Australian Government on climate change mitigation initiatives, including through conducting regular and specifically commissioned reviews and undertaking climate change research | | |
| **Program 1.1** **– Reviewing climate change mitigation policies**  The Climate Change Authority’s objective is to provide rigorous, independent and balanced advice to the Minister for Energy and Emissions Reduction, to assist the Department and the Australian Parliament on climate change policy, in order to improve the quality of life for all Australians | | |
| **Delivery** | The CCA will conduct regular legislative reviews, and undertake climate change research by:   * performing desktop and in-depth research and analysis * commissioning external resources to do analytic work where needed * conducting meaningful and transparent consultation with experts and stakeholders including business, industry, environment and other community groups * monitoring developments in climate change policy by reviewing publicly available resources and building networks with expert, local and international organisations.   The CCA secretariat will assist Authority decision making by:   * providing briefing, draft reports and other supporting documents that are fit for purpose and of a high quality | |
| **Performance information** | | |
| **Year** | **Performance criteria (a)** | **2019-20 Actual Achievement/Targets** |
| 2019­20 | Legislative reviews and research reports conducted by the Authority are timely, high quality, well-received by stakeholders, and inform or influence public policy forums and discussions | Statutory deadlines for legislative reviews are met.  Forecast: N/A  Stakeholders express the view that reports are of high quality and influential.  Forecast: N/A |
| Public consultation processes are transparent, accessible and facilitate meaningful engagement with stakeholders | Stakeholders express the view that consultation has been meaningful and transparent.  Forecast: met  Issues papers, public submissions, research reports and review reports are accessible on the CCA’s website.  Forecast: met |
| The CCA secretariat’s work supports effective decision making by the CCA | CCA members express satisfaction with the work of the secretariat  Forecast: met |
| 2020­21 (a) | Legislative reviews and research reports conducted by the CCA are timely, high quality, well-received by stakeholders, and inform or influence public policy forums and discussions | Forecast: on-track |
| 2020-21 | Public consultation processes are transparent, accessible and facilitate meaningful engagement with stakeholders | Forecast: on-track |
| 2021­22 and beyond | As per 2020­21 | As per 2020­21 |
| **Purposes** | The Climate Change Authority’s objective is to provide rigorous, independent and balanced advice to the Minister for Energy and Emissions Reduction and the Australian Parliament on climate change policy, in order to improve the quality of life for all Australians.  The CCA will do this by conducting regular and specifically commissioned reviews, and undertaking climate change research published as issues papers, research and review reports. | |
| **Material changes to Program 1.1 resulting from the following measures: Nil** | | |

(a) Performance criteria for Outcome 1 will be reflected in the 2020-21 Corporate Plan.

## Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2020­21 Budget year, including the impact of budget measures and resourcing on financial statements.

### 3.1 Budgeted financial statements

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

The financial statements reflect the CCA’s operations to 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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019­20 Estimated actual  $'000 | 2020­21  Budget  $'000 | 2021­22 Forward estimate  $'000 | 2022­23 Forward estimate  $'000 | 2023­24 Forward estimate  $'000 |
| **EXPENSES** |  |  |  |  |  |
| Employee benefits | 1,747 | 1,853 | 1,839 | 1,848 | 1,875 |
| Suppliers | 592 | 747 | 742 | 749 | 756 |
| **Total expenses** | **2,339** | **2,600** | **2,581** | **2,597** | **2,631** |
| **LESS:** |  |  |  |  |  |
| **OWN-SOURCE INCOME** |  |  |  |  |  |
| **Own-source revenue** |  |  |  |  |  |
| Other revenue | 1,408 | - | - | - | - |
| **Total own-source revenue** | **1,408** | **-** | **-** | **-** | **-** |
| **Gains** |  |  |  |  |  |
| Other gains | 168 | - | - | - | - |
| **Total gains** | **168** | **-** | **-** | **-** | **-** |
| **Total own-source income** | **1,576** | **-** | **-** | **-** | **-** |
| **Net (cost of)/contribution by**  **services** | **(763)** | **(2,600)** | **(2,581)** | **(2,597)** | **(2,631)** |
| Revenue from Government | 903 | 2,600 | 2,581 | 2,597 | 2,631 |
| **Surplus/(deficit) attributable to the**  **Australian Government** | **140** | **-** | **-** | **-** | **-** |
| **Total comprehensive income/(loss)**  **attributable to the Australian**  **Government** | **140** | **-** | **-** | **-** | **-** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019­20 Estimated actual  $'000 | 2020­21  Budget  $'000 | 2021­22 Forward estimate  $'000 | 2022­23 Forward estimate  $'000 | 2023­24 Forward estimate  $'000 |
| **ASSETS** |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |
| Cash and cash equivalents | 81 | 81 | 81 | 81 | 81 |
| Trade and other receivables | 923 | 923 | 923 | 923 | 923 |
| ***Total financial assets*** | ***1,004*** | ***1,004*** | ***1,004*** | ***1,004*** | ***1,004*** |
| ***Non-financial assets*** |  |  |  |  |  |
| Other non-financial assets | 7 | 7 | 7 | 7 | 7 |
| ***Total non-financial assets*** | ***7*** | ***7*** | ***7*** | ***7*** | ***7*** |
| **Total assets** | **1,011** | **1,011** | **1,011** | **1,011** | **1,011** |
| **LIABILITIES** |  |  |  |  |  |
| **Payables** |  |  |  |  |  |
| Suppliers | 318 | 318 | 318 | 318 | 318 |
| Other payables | 24 | 24 | 24 | 24 | 24 |
| ***Total payables*** | ***342*** | ***342*** | ***342*** | ***342*** | ***342*** |
| **Provisions** |  |  |  |  |  |
| Employee provisions | 384 | 384 | 384 | 384 | 384 |
| ***Total provisions*** | ***384*** | ***384*** | ***384*** | ***384*** | ***384*** |
| **Total liabilities** | **726** | **726** | **726** | **726** | **726** |
| **Net assets** | **285** | **285** | **285** | **285** | **285** |
| **EQUITY\*** |  |  |  |  |  |
| **Parent entity interest** |  |  |  |  |  |
| Contributed equity | 1,088 | 1,088 | 1,088 | 1,088 | 1,088 |
| Retained surplus (accumulated  deficit) | (803) | (803) | (803) | (803) | (803) |
| ***Total parent entity interest*** | ***285*** | ***285*** | ***285*** | ***285*** | ***285*** |
| **Total equity** | **285** | **285** | **285** | **285** | **285** |

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 2020­21)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Retained  earnings  $'000 | Asset  revaluation  reserve  $'000 | Other  reserves  $'000 | Contributed  equity/  capital  $'000 | Total  equity  $'000 |
| **Opening balance as at 1 July 2020** |  |  |  |  |  |
| Balance carried forward from  previous period | (803) | - | - | 1,088 | 285 |
| ***Adjusted opening balance*** | ***(803)*** | ***-*** | ***-*** | ***1,088*** | ***285*** |
| **Comprehensive income** |  |  |  |  |  |
| Other comprehensive income | - | - | - | - | - |
| Surplus/(deficit) for the period | - | - | - | - | - |
| ***Total comprehensive income*** | ***-*** | ***-*** | ***-*** | ***-*** | ***-*** |
| of which: |  |  |  |  |  |
| Attributable to the Australian  Government | - | - | - | - | - |
| **Estimated closing balance as at**  **30 June 2021** | **(803)** | **-** | **-** | **1,088** | **285** |
| **Closing balance attributable to**  **the Australian Government** | **(803)** | **-** | **-** | **1,088** | **285** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019­20 Estimated actual  $'000 | 2020­21  Budget  $'000 | 2021­22 Forward estimate  $'000 | 2022­23 Forward estimate  $'000 | 2023­24 Forward estimate  $'000 |
| **OPERATING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Appropriations | 302 | 2,600 | 2,581 | 2,597 | 2,631 |
| Net GST received | (11) | - | - | - | - |
| Other | 1,156 | - | - | - | - |
| ***Total cash received*** | ***1,447*** | ***2,600*** | ***2,581*** | ***2,597*** | ***2,631*** |
| **Cash used** |  |  |  |  |  |
| Employees | 1,619 | 1,853 | 1,839 | 1,848 | 1,875 |
| Suppliers | 435 | 747 | 742 | 749 | 756 |
| Other | 7 | - | - | - | - |
| ***Total cash used*** | ***2,061*** | ***2,600*** | ***2,581*** | ***2,597*** | ***2,631*** |
| **Net cash from/(used by)**  **operating activities** | **(614)** | **-** | **-** | **-** | **-** |
| **Net increase/(decrease) in cash**  **held** | **(614)** | **-** | **-** | **-** | **-** |
| Cash and cash equivalents at the  beginning of the reporting period | 695 | 81 | 81 | 81 | 81 |
| **Cash and cash equivalents at**  **the end of the reporting period** | **81** | **81** | **81** | **81** | **81** |

Prepared on Australian Accounting Standards basis.

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

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

Table 3.6: Statement of asset movements (Budget year 2020-­21)

CCA 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)

CCA 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)

CCA 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)

CCA 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)

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

Table 3.11: Statement of administered asset movements (Budget year 2020-­21)

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

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Department o

Commonwealth Scientific and Industrial Research Organisation

Entity resources and planned performance

Commonwealth Scientific and Industrial Research Organisation

Section 1: Entity overview and resources 253

1.1 Strategic direction statement 253

1.2 Entity resource statement 255

1.3 Budget measures 257

Section 2: Outcomes and planned performance 258

2.1 Budgeted expenses and performance for Outcome 1 259

Section 3: Budgeted financial statements 267

3.1 Budgeted financial statements 267

3.2 Budgeted financial statements tables 269

# 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, Science, Energy and Resources 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 National Manufacturing Priorities. CSIRO does this by working with government, industry and others in the innovation system, to support existing industries and to create new ones.

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

Fundamental to CSIRO’s impact is:

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

### 1.2 Entity resource statement

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

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

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the ‘Budgeted expenses by Outcome’ 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 2020­21 as at Budget October 2020

|  |  |  |
| --- | --- | --- |
|  | *2019­20 Estimated actual*  *$'000* | 2020­21 Estimate  $'000 |
| **Opening balance/cash reserves at 1 July** | *285,492* | 383,826 |
| **Funds from Government** |  |  |
| Annual appropriations - ordinary annual services (a) |  |  |
| Outcome 1 | *837,873* | 960,670 |
| Annual appropriations - other services (b) |  |  |
| Equity injection | *10,000* | 15,180 |
| Total annual appropriations | *847,873* | *975,850* |
| **Total funds from Government** | ***847,873*** | **975,850** |
| **Funds from other sources** |  |  |
| Interest | *6,217* | 5,227 |
| Royalties | *28,584* | 37,325 |
| Sale of goods and services | *445,121* | 353,748 |
| Rental income | *9,200* | 6,200 |
| Proceeds from asset sales | *90,399* | 5,204 |
| Other | *46,092* | 42,897 |
| **Total funds from other sources** | ***625,613*** | **450,601** |
| **Total net resourcing for CSIRO** | ***1,758,978*** | **1,810,277** |
|  |  |  |
|  | *2019­20* | 2020­21 |
| **Average staffing level (number)** | *5,141* | 5,351 |

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

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

1. Appropriation Bill (No. 1) 2020-21
2. Appropriation Bill (No. 2) 2020-21

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

### 1.3 Budget measures

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

Table 1.2: CSIRO 2020­21 budget measures  
Part 1: Measures announced after the Economic and Fiscal Update July 2020

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Program | 2020­21  $'000 | 2021­22  $'000 | 2022­23  $'000 | 2023­24  $'000 |
| **Payment measures** |  |  |  |  |  |
| JobMaker Plan — Commonwealth Scientific and Industrial Research Organisation — supporting essential scientific research | 1 |  |  |  |  |
| Departmental payment |  | 133,100 | 113,100 | 114,500 | 98,500 |
| **Total** |  | **133,100** | **113,100** | **114,500** | **98,500** |
| JobMaker Plan — Digital Business Plan (a) | 1 |  |  |  |  |
| Departmental payment |  | 1,523 | - | - | **-** |
| **Total** |  | **1,523** | **-** | **-** | **-** |
| New Initiatives for a Comprehensive Strategic Partnership with India | 1 |  |  |  |  |
| Departmental payment |  | - | - | - | **-** |
| **Total** |  | **-** | **-** | **-** | **-** |
| **Total payment measures** |  |  |  |  |  |
| Departmental |  | 134,623 | 113,100 | 114,500 | 98,500 |
| **Total** |  | **134,623** | **113,100** | **114,500** | **98,500** |

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

1. The lead entity for measure JobMaker Plan — Digital Business Plan is the Department of the Treasury. The full measure description and package details appear in Budget Paper No. 2 under the Treasury 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 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 a complete picture of an entity’s planned and actual performance.

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, Science, Energy and Resources** |
| **Programs**   * Program 1.1 – Investing in science, technology and commercialisation * Program 1.2 – Growing innovative and competitive businesses, industries and regions * Program 2.1 – Reducing Australia’s greenhouse gas emissions * Program 2.2 – Developing clean energy technology |
| **Contribution to Outcome 1 made by linked program**  The Department of Industry, Science, Energy and Resources contributes to Outcome 1 through its policies and programs supporting science, research and commercialisation, 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, Water and the Environment** |
| **Program**   * Program 1.1 – Sustainable Management of Natural Resources and the Environment * Program 1.2 – Environmental Information and Research * Program 2.1 – Antarctica: Science, Policy and Presence * Program 4.2 – Plant and Animal Health |
| **Contribution to Outcome 1 made by linked program**  The Department of Agriculture, Water and the Environment contributes to Outcome 1 through its policies and programs, and the provision of funding, to support science and research in the areas of marine science, climate science, ecology, ecotoxicology, hydrology, hydrogeology, informatics and risk analysis.  The Department supports the Earth Systems and Climate Change Hub and other CSIRO partner Hubs, by providing funding through the National Environmental Science Program.  The Department also contributes to Outcome 1 through contributions to the operating costs to the Australian Centre for Disease Preparedness (formerly the Australian Animal Health Laboratory). |
| **Department of Education, Skills and Employment** |
| **Program**   * Program 2.6 – Research Capacity |
| **Contribution to Outcome 1 made by linked program**  The Department of Education, Skills and Employment contributes to Outcome 1 through its policies and programs to invest in Australia's research capacity, including the National Collaborative Research Infrastructure Strategy. |
| **Bureau of Meteorology** |
| **Program**   * Program 1.1 – Bureau of Meteorology |
| **Contribution to Outcome 1 made by linked program**  The Bureau of Meteorology contributes to Outcome 1 as a Hub partner, and co-research organisation, for the Earth Systems and Climate Change Hub to which CSIRO is the host organisation. |

**Budgeted expenses for Outcome 1**

This table shows how much 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:** 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. | | | | | |
|  | 2019­20 Estimated actual  $'000 | 2020­21  Budget  $'000 | 2021­22 Forward estimate  $'000 | 2022­23 Forward estimate  $'000 | 2023­24 Forward estimate  $'000 |
| **Program 1: Research - Science, Services and Innovation Fund** | | | | | |
| Revenue from Government |  |  |  |  |  |
| Ordinary annual services  (Appropriation Bill No. 1) | 690,445 | 815,022 | 799,279 | 806,238 | 794,171 |
| Expenses not requiring appropriation  in the budget year (a) | 4,834 | 85,547 | 15,159 | 12,214 | 12,076 |
| Revenues from other independent  sources | 496,310 | 346,486 | 385,099 | 397,874 | 424,673 |
| **Total expenses for Program 1** | **1,191,589** | **1,247,055** | **1,199,537** | **1,216,326** | **1,230,920** |
| **Program 2: National Research Infrastructure - National Facilities and Collections** | | | | | |
| Revenue from Government |  |  |  |  |  |
| Ordinary annual services  (Appropriation Bill No. 1) | 147,428 | 145,648 | 146,429 | 147,330 | 148,477 |
| Expenses not requiring appropriation  in the budget year (a) | 6,805 | 18,477 | 19,295 | 18,138 | 18,088 |
| Revenues from other independent  sources | 71,665 | 65,191 | 60,356 | 57,239 | 58,380 |
| **Total expenses for Program 2** | **225,898** | **229,316** | **226,080** | **222,707** | **224,945** |
| **Program 3: Science and Industry Endowment Fund** | | | | | |
| Expenses not requiring appropriation  in the budget year (a) | 1,000 | 12,995 | 7,952 | 3,446 | 3,446 |
| Revenues from other independent  sources | 11,140 | 873 | 647 | 530 | 530 |
| **Total expenses for Program 3** | **12,140** | **13,868** | **8,599** | **3,976** | **3,976** |

**Table 2.1.1: Budgeted expenses for Outcome 1 (continued)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019­20 Estimated actual  $'000 | 2020­21  Budget  $'000 | 2021­22 Forward estimate  $'000 | 2022­23 Forward estimate  $'000 | 2023­24 Forward estimate  $'000 |
| **Outcome 1 totals by resource type** | | | | | |
| Revenue from Government |  |  |  |  |  |
| Ordinary annual services  (Appropriation Bill No. 1) | 837,873 | 960,670 | 945,708 | 953,568 | 942,648 |
| Expenses not requiring appropriation  in the budget year (a) | 12,639 | 117,019 | 42,406 | 33,798 | 33,610 |
| Revenues from other independent  sources | 579,115 | 412,550 | 446,102 | 455,643 | 483,583 |
| **Total expenses for Outcome 1** | **1,429,627** | **1,490,239** | **1,434,216** | **1,443,009** | **1,459,841** |
|  |  |  |  |  |  |
| **Average staffing level (number)** | 2019­20 | 2020­21 |  |  |  |
|  | 5,141 | 5,351 |  |  |  |

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: Performance criteria for Outcome 1

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2020­21 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 caliber of researchers working in the Australian community. Education and Outreach programs contribute to the maintenance of Australia’s science capacity, which helps Australia to remain innovative and competitive in science. CSIRO Publishing operates as an independent science and technology publisher with a global reputation for quality products and services covering a wide range of scientific disciplines. | | | | |
| **Delivery** | CSIRO delivers Program 1 by:   * providing advice and solutions that inform and protect society and the environment, help industry competitiveness, and improve the quality of goods and services for industry and consumers * providing products, technical and advisory services to industry and government * collaborating with businesses, public sector organisations and other publicly funded research agencies (PFRAs), universities and schools to undertake research, fund eligible investment proposals and provide education programs * investing in proposals from universities, PFRAs and their partners to bring forward the commercialisation of research-based solutions aligned with the Government’s Science and Research Priorities, and the National Manufacturing Priorities * 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** | | **2019-20 Actual Achievement/Targets** | |
| 2019-20 (a) | Demonstrate triple-bottom-line impacts through externally validated case studies. | | Minimum of externally validated 25 case studies per year – target met | |
| 2020-21 | Demonstrate triple-bottom-line impacts through externally validated case studies. | | Impact demonstrated by a minimum of 30 externally validated case studies per year | |
| 2021-22 and beyond | As per 2020-21. | | 2021-22: 35 case studies  2022-23: 40 case studies  2023-24: 40 case studies | |
| **Purposes** | We solve Australia’s greatest challenges through innovative science and technology. | | | |
| **Material changes to Program 1 resulting from the following measures:** Nil | | | | |
| **Program 2 – National Research Infrastructure – National Facilities and Collections**  This program contributes to the outcome by CSIRO hosting National Research Infrastructure and the Australian National Research Collections on behalf of the scientific community to assist with the delivery of research. These facilities and collections are available for use by the Australian and international research communities and are increasingly publicly accessible. | | | | |
| **Delivery** | | CSIRO delivers Program 2 by:   * managing and operating the National Facilities including the Australian Centre for Disease Preparedness, Australia Telescope National Facility, Marine National Facility and Pawsey Supercomputing Centre * managing and operating the Australian National Research Collections including the Australian National Fish Collection, Australian National Insect Collection, Australian National Herbarium, Australian National Wildlife Collection, National Tree Seed Collection, National Algae Culture Collection, and the Atlas of Living Australia, the portal to the collections, providing free online access * the identification of facility needs, and the design and creation of new facilities * ensuring access, both nationally and internationally, to the National Facilities and Australian National Research Collections for the Australian and international research community | | |
| **Performance information** | | | | |
| **Year** | | **Performance criteria** | | **2019-20 Actual Achievements/ Targets** |
| 2019-20 (a) | | Use of the facilities and collections as measured through: successful astronomical observations (b), time lost during astronomical observations and operations, supercomputer core-hour use, outward loans of collections and successful marine research days delivered (c). | | * Minimum of 70 per cent successful astronomical observations – target met * Maximum 5 per cent time lost during scheduled astronomical observation – target met * 90 per cent core hours on Pawsey supercomputer facility – target met * 70 per cent outward loans of collections (averaged over 5 years) – target met * Target minimum of 90 per cent successful research days delivered on Marine National Facilities not met, as voyages suspended from March to June due to COVID-19 restrictions * Maximum of 10 per cent time lost during scheduled Marine National Facilities operations – target met |
| 2020-21 | | Use of the facilities and collections as measured through: successful astronomical observations (b), supercomputer core-hour use, outward loans of collections and successful marine research days delivered (c). | | * Minimum of 70 per cent successful astronomical observations * 90 per cent core hours on Pawsey supercomputer facility * 70 per cent outward loans of collections (averaged over 5 years) * Minimum of 90 per cent successful research days delivered on Marine National Facilities, subject to any COVID-19 restrictions |
| 2021-22 and beyond | | As per 2020-21 | | As per 2020-21 |
| **Purposes** | | We solve Australia’s greatest challenges through innovative science and technology. | | |
| **Material changes to Program 2 resulting from the following measures:** Nil | | | | |
| **Program 3 – Science and Industry Endowment Fund**  This program contributes to the outcome by making strategic investments in scientific research that addresses issues of national priority for Australia. The Science and Industry Endowment Fund (SIEF) is established by Commonwealth legislation, the *Science and Industry Endowment Act 1926*, for the purpose of supporting scientific and industrial research for the benefit of Australia and its people. Currently SIEF expenditure is funded from gifts of $160 million received from CSIRO since 2010, the New South Wales Department of Industry Endowment of $25 million received in 2017, and an anticipated $30 million from National ICT Australia Ltd since 2018 (d). | | | | |
| **Delivery** | | The program is delivered through the awarding of funds by the Trustee for:   * investing in science that contributes to Australia’s sustainable future such as fundamental research for sustainable resource use, environmental protection and community health, collaborative research that brings together organisations capable of working together on solutions to national challenges, and scholarships that create and sustain young researchers capable of addressing national challenges * the Experimental Development Program, which funds the progression of experimental research and technology development to a stage where it attracts commercial investment and market uptake * the NSW Generation STEM program (new program), which will develop or partner with programs to attract students into STEM at school, higher and vocational education, and retain talent in NSW STEM industries * the Future National ICT Industry Platform Program (new program) which supports substantial scale research activities (challenges), in the field of information and communications technology with the intention that the outcomes from the program will benefit Australia by helping create new Australian technology‐based industries and/or applied technology platforms that can reach global scale | | |
| **Performance information** | | | | |
| **Year** | | **Performance criteria** | | **2019-20 Actual Achievements/ Targets** |
| 2019-20 (a) | | 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 – target met |
| Participant awareness of STEM careers and pathways in NSW. | | Target 7 per cent increase on the 2018-19 baseline expected to be achieved during 2020-21, as program delivery is behind schedule and disrupted by COVID-19 restrictions |
| Impact narratives and evaluations demonstrating funded challenges are creating new Australian technology‐based industries and/or applied technology platforms that can reach global scale. | | Minimum of 1 case study per funded challenge – target met |
| 2020-21 (e) | | *SIEF invests in programs aligned with published strategic objectives that address national challenges and contribute to Australia’s sustainable future.* | | *Evidenced by an impact case study or evaluation for each active SIEF program* |
| 2021-22 and beyond | | As per 2020-21 | | As per 2020-21 |
| **Purposes** | | We solve Australia’s greatest challenges through innovative science and technology. | | |
| **Material changes to Program 3 resulting from the following measures:** Nil | | | | |

(a) CSIRO has achieved its 2019-20 performance targets as reported in the 2019-20 CSIRO Annual Report.

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

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

(d) The funding available from the CSIRO Gift is almost exhausted, with only the Experimental Development Program actively funding new proposals.

(e) CSIRO 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 2020­21 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

The budgeted consolidated financial statements comprise the financial statements of the CSIRO and its subsidiaries. CSIRO has several 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.

#### Budgeted Departmental Income Statement

The Revenue from Government estimate for 2020-21 is $960.7 million. This has increased from $834.0 million as reported in the 2019-20 Portfolio Budget Statements due to new budget measures as outlined in Table 1.2 and Budget Paper No. 2. The increase is slightly offset by reductions due to the efficiency dividend and movements in the indexation parameters.

The own-source income estimate for 2020-21 of $444.2 million is a decrease of $154.3 million from that reported in the 2019-20 Portfolio Budget Statements, with own-source income estimates also reduced in the forward years. These reductions are largely due to the economic impact of COVID-19 in Australia and worldwide, while CSIRO is still experiencing downward pressure on revenue from the impacts of drought, fires and floods in Australia.

CSIRO is budgeting for a higher operating loss in 2020-21 from a reduction in own‑source revenue due to the economic impacts of COVID-19. The operating loss in the forward estimates years is 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 in 2020-21 and across the forward estimates, reflecting the change in the accumulated deficit in relation to the approved operating loss.

Cash reserves are estimated to decrease in 2020-21 in line with the change in 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 2020-21 of $173.6 million is a $3.7 million increase from the $169.9 million reported in the 2019-20 Portfolio Budget Statements. The movements in the capital budget relate to an update to the property plan including the removal of a government loan that was to allow for timing differences in funding that is no longer required and new budget measures as outlined in Table 1.2 and Budget Paper No. 2.

### 3.2 Budgeted financial statements tables

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019­20 Estimated actual  $'000 | 2020­21  Budget  $'000 | 2021­22 Forward estimate  $'000 | 2022­23 Forward estimate  $'000 | 2023­24 Forward estimate  $'000 |
| **EXPENSES** |  |  |  |  |  |
| Employee benefits | 794,567 | 830,414 | 816,910 | 827,166 | 836,264 |
| Suppliers | 433,331 | 464,096 | 429,647 | 442,668 | 451,494 |
| Depreciation and amortisation | 182,830 | 192,148 | 184,344 | 169,944 | 168,959 |
| Finance costs | 2,707 | 3,581 | 3,315 | 3,231 | 3,124 |
| Write-down and impairment of assets | 16,192 | - | - | - | - |
| **Total expenses** | **1,429,627** | **1,490,239** | **1,434,216** | **1,443,009** | **1,459,841** |
| **LESS:** |  |  |  |  |  |
| **OWN-SOURCE INCOME** |  |  |  |  |  |
| **Own-source revenue** |  |  |  |  |  |
| Sale of goods and rendering of  services | 421,414 | 352,830 | 383,825 | 391,501 | 412,941 |
| Interest | 5,426 | 4,898 | 4,672 | 4,555 | 4,555 |
| Rental income | 9,200 | 6,200 | 6,300 | 6,300 | 6,300 |
| Royalties and licence fees | 28,584 | 37,325 | 38,945 | 40,510 | 45,510 |
| Other revenue | 37,792 | 42,897 | 31,960 | 45,377 | 37,877 |
| **Total own-source revenue** | **502,416** | **444,150** | **465,702** | **488,243** | **507,183** |
| **Gains** |  |  |  |  |  |
| Gain/(loss) on foreign exchange | (395) | - | - | - | - |
| Gain/(loss) from equity investments  and intellectual property | 2,032 | - | - | - | - |
| Gain/(loss) from asset sales | 29,662 | - | - | - | - |
| Gain/(loss) on valuation of equity  investments | 47,301 | - | - | - | - |
| **Total gains** | **78,600** | **-** | **-** | **-** | **-** |
| **Total own-source income** | **581,016** | **444,150** | **465,702** | **488,243** | **507,183** |
| **Net (cost of)/contribution by**  **services** | **(848,611)** | **(1,046,089)** | **(968,514)** | **(954,766)** | **(952,658)** |
| Revenue from Government | 837,873 | 960,670 | 945,708 | 953,568 | 942,648 |
| **Surplus/(deficit) attributable to**  **the Australian Government** | **(10,738)** | **(85,419)** | **(22,806)** | **(1,198)** | **(10,010)** |
| **OTHER COMPREHENSIVE INCOME** |  |  |  |  |  |
| Change in other reserves | (176) | - | - | - | - |
| **Total other comprehensive income** | **(176)** | **-** | **-** | **-** | **-** |
| **Total comprehensive income/**  **(loss)** | **(10,914)** | **(85,419)** | **(22,806)** | **(1,198)** | **(10,010)** |
| **Total comprehensive income/**  **(loss) attributable to the**  **Australian Government** | **(10,914)** | **(85,419)** | **(22,806)** | **(1,198)** | **(10,010)** |

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019­20 Estimated actual  $'000 | 2020­21  Budget  $'000 | 2021­22 Forward estimate  $'000 | 2022­23 Forward estimate  $'000 | 2023­24 Forward estimate  $'000 |
| **Total comprehensive income/**  **(loss) excluding depreciation on**  **ROU, principal repayments on**  **leased assets** | **(8,985)** | **(87,116)** | **(19,037)** | **(1,240)** | **(10,240)** |
| less: Depreciation/amortisation  expenses on ROU assets (a) | 41,842 | 35,488 | 31,079 | 11,050 | 10,065 |
| add: Principal repayments on  leased assets (a) | 39,913 | 37,185 | 27,310 | 11,092 | 10,295 |
| **Total comprehensive income/**  **(loss) - as per the statement of**  **comprehensive income** | **(10,914)** | **(85,419)** | **(22,806)** | **(1,198)** | **(10,010)** |

Prepared on Australian Accounting Standards basis

(a) Applies leases under AASB 16 Leases.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019­20 Estimated actual  $'000 | 2020­21  Budget  $'000 | 2021­22 Forward estimate  $'000 | 2022­23 Forward estimate  $'000 | 2023­24 Forward estimate  $'000 |
| **ASSETS** |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |
| Cash and equivalents | 383,826 | 286,387 | 319,579 | 349,050 | 393,204 |
| Trade and other receivables | 88,945 | 87,698 | 87,585 | 87,526 | 87,526 |
| Other investments | 190,854 | 200,854 | 204,854 | 208,854 | 212,854 |
| ***Total financial assets*** | ***663,625*** | ***574,939*** | ***612,018*** | ***645,430*** | ***693,584*** |
| **Non-financial assets** |  |  |  |  |  |
| Land and buildings | 1,608,249 | 1,612,501 | 1,555,390 | 1,503,260 | 1,436,132 |
| Property, plant and equipment | 559,183 | 540,430 | 520,862 | 529,136 | 528,077 |
| Heritage and cultural assets | 4,463 | 4,463 | 4,463 | 4,463 | 4,463 |
| Investment property | 49,373 | 49,373 | 49,373 | 49,373 | 49,373 |
| Intangibles | 13,650 | 14,450 | 15,250 | 16,050 | 16,850 |
| Inventories | 1,420 | 1,420 | 1,420 | 1,420 | 1,420 |
| Other non-financial assets | 18,748 | 18,748 | 18,748 | 18,748 | 18,748 |
| ***Total non-financial assets*** | ***2,255,086*** | ***2,241,385*** | ***2,165,506*** | ***2,122,450*** | ***2,055,063*** |
| Assets held for sale | 5,200 | - | - | - | - |
| **Total assets** | **2,923,911** | **2,816,324** | **2,777,524** | **2,767,880** | **2,748,647** |
| **LIABILITIES** |  |  |  |  |  |
| **Payables** |  |  |  |  |  |
| Suppliers | 211,278 | 211,416 | 211,496 | 211,454 | 211,454 |
| Other payables | 17,842 | 17,842 | 17,842 | 17,842 | 17,842 |
| ***Total payables*** | ***229,120*** | ***229,258*** | ***229,338*** | ***229,296*** | ***229,296*** |
| **Interest bearing liabilities** |  |  |  |  |  |
| Interest bearing liabilities | 116,740 | 84,431 | 63,286 | 53,882 | 43,659 |
| Deposits | 22,508 | 22,508 | 22,508 | 22,508 | 22,508 |
| ***Total Interest bearing***  ***liabilities*** | ***139,248*** | ***106,939*** | ***85,794*** | ***76,390*** | ***66,167*** |
| **Provisions** |  |  |  |  |  |
| Employee provisions | 262,913 | 266,905 | 270,976 | 270,976 | 270,976 |
| Other provisions | 40,457 | 31,288 | 28,288 | 25,288 | 22,288 |
| ***Total provisions*** | ***303,370*** | ***298,193*** | ***299,264*** | ***296,264*** | ***293,264*** |
| **Total liabilities** | **671,738** | **634,390** | **614,396** | **601,950** | **588,727** |
| **Net assets** | **2,252,173** | **2,181,934** | **2,163,128** | **2,165,930** | **2,159,920** |
| **EQUITY\*** |  |  |  |  |  |
| Contributed equity | 310,954 | 326,134 | 330,134 | 334,134 | 338,134 |
| Reserves | 1,522,989 | 1,522,989 | 1,522,989 | 1,522,989 | 1,522,989 |
| Retained surplus (accumulated  deficit) | 418,230 | 332,811 | 310,005 | 308,807 | 298,797 |
| **Total equity** | **2,252,173** | **2,181,934** | **2,163,128** | **2,165,930** | **2,159,920** |

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 2020­21)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Retained  earnings  $'000 | Asset  revaluation  reserve  $'000 | Other  reserves  $'000 | Contributed  equity/  capital  $'000 | Total  equity  $'000 |
| **Opening balance as at 1 July 2020** |  |  |  |  |  |
| Balance carried forward from  previous period | 418,230 | 1,523,229 | (240) | 310,954 | 2,252,173 |
| ***Adjusted opening balance*** | ***418,230*** | ***1,523,229*** | ***(240)*** | ***310,954*** | ***2,252,173*** |
| **Comprehensive income** |  |  |  |  |  |
| Surplus/(deficit) for the period | (85,419) | - | - | - | (85,419) |
| ***Total comprehensive***  ***income*** | ***(85,419)*** | ***-*** | ***-*** | ***-*** | ***(85,419)*** |
| of which: |  |  |  |  |  |
| Attributable to the Australian  Government | ***(85,419)*** | ***-*** | ***-*** | ***-*** | ***(85,419)*** |
| **Transactions with owners** |  |  |  |  |  |
| ***Contributions by owners*** |  |  |  |  |  |
| Equity Injection - Appropriation | - | - | - | 15,180 | 15,180 |
| ***Sub-total transactions with***  ***owners*** | ***-*** | ***-*** | ***-*** | ***15,180*** | ***15,180*** |
| **Estimated closing balance as at 30 June 2021** | **332,811** | **1,523,229** | **(240)** | **326,134** | **2,181,934** |
| **Closing Balance attributable**  **to the Australian**  **Government** | **332,811** | **1,523,229** | **(240)** | **326,134** | **2,181,934** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019­20 Estimated actual  $'000 | 2020­21  Budget  $'000 | 2021­22 Forward estimate  $'000 | 2022­23 Forward estimate  $'000 | 2023­24 Forward estimate  $'000 |
| **OPERATING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Receipts from Government | 837,873 | 960,670 | 945,708 | 953,568 | 942,648 |
| Sale of goods and  rendering of services | 573,684 | 483,697 | 511,543 | 535,057 | 555,891 |
| Interest | 6,217 | 5,227 | 4,785 | 4,614 | 4,555 |
| Net GST received | 21,219 | - | - | - | - |
| ***Total cash received*** | ***1,438,993*** | ***1,449,594*** | ***1,462,036*** | ***1,493,239*** | ***1,503,094*** |
| **Cash used** |  |  |  |  |  |
| Employees | 765,216 | 826,422 | 812,839 | 827,166 | 836,264 |
| Suppliers | 521,309 | 502,779 | 465,943 | 481,057 | 491,904 |
| Borrowing costs | 122 | - | - | - | - |
| Net GST paid | - | 4,706 | 14,137 | 13,022 | 12,853 |
| Interest payments on lease  liabilities | 2,585 | 3,581 | 3,315 | 3,231 | 3,124 |
| Other | 799 | 9,169 | 3,000 | 3,000 | 3,000 |
| ***Total cash used*** | ***1,290,031*** | ***1,346,657*** | ***1,299,234*** | ***1,327,476*** | ***1,347,145*** |
| **Net cash from/(used by)**  **operating activities** | **148,962** | **102,937** | **162,802** | **165,763** | **155,949** |
| **INVESTING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Proceeds from sales of  property, plant  and equipment | 90,010 | 5,204 | 44,100 | 30,000 | 30,000 |
| Proceeds from sales of  financial instruments | 6,842 | - | - | - | - |
| ***Total cash received*** | ***96,852*** | ***5,204*** | ***44,100*** | ***30,000*** | ***30,000*** |
| **Cash used** |  |  |  |  |  |
| Purchase of property, plant  and equipment and  intangibles | 103,765 | 173,575 | 146,400 | 155,200 | 131,500 |
| Purchase of financial  instruments | 12,405 | 10,000 | 4,000 | 4,000 | 4,000 |
| Investments | 1,397 | - | - |  | - |
| ***Total cash used*** | ***117,567*** | ***183,575*** | ***150,400*** | ***159,200*** | ***135,500*** |
| **Net cash from/(used by)**  **investing activities** | **(20,715)** | **(178,371)** | **(106,300)** | **(129,200)** | **(105,500)** |

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019­20 Estimated actual  $'000 | 2020­21  Budget  $'000 | 2021­22 Forward estimate  $'000 | 2022­23 Forward estimate  $'000 | 2023­24 Forward estimate  $'000 |
| **FINANCING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Contributed equity | 10,000 | 15,180 | 4,000 | 4,000 | 4,000 |
| ***Total cash received*** | ***10,000*** | ***15,180*** | ***4,000*** | ***4,000*** | ***4,000*** |
| **Cash used** |  |  |  |  |  |
| Principal payments on lease  liabilities | 39,913 | 37,185 | 27,310 | 11,092 | 10,295 |
| ***Total cash used*** | ***39,913*** | ***37,185*** | ***27,310*** | ***11,092*** | ***10,295*** |
| **Net cash from/(used by)**  **financing activities** | **(29,913)** | **(22,005)** | **(23,310)** | **(7,092)** | **(6,295)** |
| **Net increase/(decrease)**  **in cash held** | **98,334** | **(97,439)** | **33,192** | **29,471** | **44,154** |
| Cash and cash equivalents  at the beginning of the  reporting period | 285,492 | 383,826 | 286,387 | 319,579 | 349,050 |
| **Cash and cash**  **equivalents at the end of**  **the reporting period** | **383,826** | **286,387** | **319,579** | **349,050** | **393,204** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019­20 Estimated actual  $'000 | 2020­21  Budget  $'000 | 2021­22 Forward estimate  $'000 | 2022­23 Forward estimate  $'000 | 2023­24 Forward estimate  $'000 |
| **NEW CAPITAL APPROPRIATIONS** |  |  |  |  |  |
| Equity injections - Bill 2 | 10,000 | 15,180 | 4,000 | 4,000 | 4,000 |
| **Total new capital appropriations** | **10,000** | **15,180** | **4,000** | **4,000** | **4,000** |
| **Provided for:** |  |  |  |  |  |
| *Purchase of non-financial assets* | *-* | *5,180* | *-* | *-* | *-* |
| *Other Items* | *10,000* | *10,000* | *4,000* | *4,000* | *4,000* |
| ***Total Items*** | ***10,000*** | ***15,180*** | ***4,000*** | ***4,000*** | ***4,000*** |
| **PURCHASE OF NON-FINANCIAL**  **ASSETS** |  |  |  |  |  |
| Funded by capital appropriations (a) | - | 5,180 | - | - | - |
| Funded internally from departmental  resources (b) | 103,765 | 168,395 | 146,400 | 155,200 | 131,500 |
| **TOTAL** | **103,765** | **173,575** | **146,400** | **155,200** | **131,500** |
| **RECONCILIATION OF CASH USED TO**  **ACQUIRE ASSETS TO ASSET**  **MOVEMENT TABLE** |  |  |  |  |  |
| Total purchases | 103,765 | 173,575 | 146,400 | 155,200 | 131,500 |
| **Total cash used to acquire assets** | **103,765** | **173,575** | **146,400** | **155,200** | **131,500** |

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 departmental asset movements (Budget year 2020­21)

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **As at 1 July 2020** | Land  $'000 | Buildings  $'000 | Property,  plant and  equipment  $'000 | Heritage  and  cultural  $'000 | Investment  property  $'000 | Intangibles    $'000 | L&B, IP&E  held for sale  $'000 | Total  $'000 |
| Gross book value | 378,100 | 2,534,713 | 1,338,771 | 13,997 | 49,373 | 52,628 | 5,200 | 4,372,782 |
| Gross book value - ROU assets | 8,500 | 282,487 | 2,756 | - | - | - | - | 293,743 |
| Accumulated depreciation/  amortisation and impairment | - | (1,488,961) | (781,697) | (9,534) | - | (38,978) | - | (2,319,170) |
| Accumulated depreciation/amortisation  and impairment - ROU assets | - | (106,590) | (647) | - | - | - | - | (107,237) |
| **Opening net book balance** | **386,600** | **1,221,649** | **559,183** | **4,463** | **49,373** | **13,650** | **5,200** | **2,240,118** |
| **Capital asset additions** |  |  |  |  |  |  |  |  |
| **Estimated expenditure on new**  **or replacement assets** |  |  |  |  |  |  |  |  |
| By purchase - appropriation equity (a) | - | 5,000 | 180 | - | - | - | - | 5,180 |
| By purchase - other | - | 110,295 | 54,100 | - | - | 4,000 | - | 168,395 |
| By purchase - other - ROU assets | - | 3,382 | 1,494 | - | - | - | - | 4,876 |
| **Total additions** | **-** | **118,677** | **55,774** | **-** | **-** | **4,000** | **-** | **178,451** |
| **Other movements** |  |  |  |  |  |  |  |  |
| Depreciation/amortisation expense | - | (79,641) | (73,819) | - | - | (3,200) | - | (156,660) |
| Depreciation/amortisation on  ROU assets | - | (34,780) | (708) | - | - | - | - | (35,488) |
| Disposals | (4) | - | - | - | - | - | (5,200) | (5,204) |
| **Total other movements** | **(4)** | **(114,421)** | **(74,527)** | **-** | **-** | **(3,200)** | **(5,200)** | **(197,352)** |
| **As at 30 June 2021** |  |  |  |  |  |  |  |  |
| Gross book value | 378,096 | 2,650,008 | 1,393,051 | 13,997 | 49,373 | 56,628 | - | 4,541,153 |
| Gross book value - ROU assets | 8,500 | 285,869 | 4,250 | - | - | - | - | 298,619 |
| Accumulated depreciation/  amortisation and impairment | - | (1,568,602) | (855,516) | (9,534) | - | (42,178) | - | (2,475,830) |
| Accumulated depreciation/  amortisation and impairment - ROU assets | - | (141,370) | (1,355) | - | - | - | - | (142,725) |
| **Closing net book balance** | **386,596** | **1,225,905** | **540,430** | **4,463** | **49,373** | **14,450** | **-** | **2,221,217** |

Prepared on Australian Accounting Standards basis.

(a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2020-21.

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 2020­21)

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

Department o

Geoscience Australia

Entity resources and planned performance

Geoscience Australia

Section 1: Entity overview and resources 283

1.1 Strategic direction statement 283

1.2 Entity resource statement 285

1.3 Budget measures 287

Section 2: Outcomes and planned performance 288

2.1 Budgeted expenses and performance for Outcome 1 289

Section 3: Budgeted financial statements 293

3.1 Budgeted financial statements 293

3.2 Budgeted financial statements tables 295

# Geoscience Australia

## Section 1: Entity overview and resources

### 1.1 Strategic direction statement

As the national public sector geoscience organisation, Geoscience Australia delivers trusted information and advice on Australia’s geology and geography to support faster and smarter decision making.

We develop innovative applications and solutions in response to Australia’s most important challenges by bringing together observations, data and knowledge from across geoscience disciplines.

Our decadal strategy, Strategy 2028, sets out the impacts that our science will deliver over the next 10 years to support Australian government, industry and communities.

Our impacts will focus on 6 key areas:

* Building Australia’s resource wealth
* Supporting Australia’s community safety
* Securing Australia’s water resources
* Managing Australia’s marine jurisdiction
* Creating a location-enabled Australia
* Enabling an informed Australia.

Of particular focus during the Budget and forward estimates will be the continuation of key activities supporting delivery of our 10-year targets.

Exploring for the Future was a 4-year (2016-2020), $100 million program that improved understanding of the resource potential in northern Australia and attracted private investment that will lead to sustainable economic development.

Following the success of the first phase of the Exploring for the Future program, the Australian Government announced in June 2020 an additional investment of $125 million over 4 years to expand the program nationwide. This second phase of work will deliver new data and information on the resource potential in underexplored regions throughout Australia and will support the creation of jobs and economic development for years to come.

The Positioning Australia program will deliver highly-trusted 10 cm accuracy of positioning services across Australia and its maritime zones, and 3 to 5 cm accuracy for areas with mobile phone coverage. This will meet the growing need for position and navigation information across industries.

In support of this work, the Australian Government committed $224.9 million over 4 years for improved GPS in the 2018-19 Budget. This included $160.9 million to develop a Satellite-Based Augmentation System and a further $64 million to upgrade Australia’s ground network of Global Navigation Satellite System (GNSS) sites.

The Digital Earth Australia program provides decision-ready satellite data products and services that can be used by Australian governments, businesses and individuals to make more informed decisions about the management and use of Australia’s natural resources.

This program translates satellite imagery into evidence of how Australia’s land and water bodies change over time. This information helps governments and industry better understand soil and coastal erosion, the impact of land management practices, deforestation, urban development, and water quality and availability.

Geoscience Australia will achieve its impacts through a focus on science excellence, making the most of its data, fostering strong partnerships and collaborations, and a more diverse and inclusive workplace culture.

### 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 1’ tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: Geoscience Australia resource statement – Budget estimates for 2020­21 as at Budget October 2020

|  |  |  |
| --- | --- | --- |
|  | *2019­20 Estimated actual*  *$'000* | 2020­21 Estimate  $'000 |
| **Departmental** |  |  |
| Annual appropriations - ordinary annual services (a) |  |  |
| Prior year appropriations available | *65,636* | 107,369 |
| Departmental appropriation (b) | *191,346* | 203,490 |
| s74 External Revenue (c) | *34,827* | 24,509 |
| Departmental capital budget (d) | *4,624* | 4,605 |
| Annual appropriations - other services - non-operating (e) |  |  |
| Equity injection | *19,326* | 17,589 |
| Total departmental annual appropriations | *315,759* | 357,562 |
| ***Total departmental resourcing*** | ***315,759*** | **357,562** |
| **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** | ***315,778*** | **357,581** |
|  |  |  |
|  | *2019­20* | 2020­21 |
| **Average staffing level (number)** | *560* | 600 |

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

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

1. Appropriation Bill (No. 1) 2020­21.
2. Excludes departmental capital budget (DCB).
3. Estimated external revenue receipts under section 74 of the *Public Governance, Performance and Accountability Act 2013 (PGPA Act).*
4. Departmental capital budgets are not separately identified in Appropriation Bill (No.1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.
5. Appropriation Bill (No. 2) 2020­21.

### 1.3 Budget measures

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

Table 1.2: Geoscience Australia 2020­21 budget measures  
Measures announced after the Economic and Fiscal Update July 2020

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Program | 2020­21  $'000 | 2021­22  $'000 | 2022­23  $'000 | 2023­24  $'000 |
| **Payment Measures** |  |  |  |  |  |
| JobMaker Plan - investment in new energy technologies | 1 |  |  |  |  |
| Departmental expenses |  | 215 | - | - | - |
| **Total** |  | **215** | **-** | **-** | **-** |
| **Total payment measures** |  |  |  |  |  |
| Departmental |  | 215 | - | - | - |
| **Total** |  | **215** | **-** | **-** | **-** |

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

## 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 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 a complete picture of an entity’s planned and actual performance.

The most recent corporate plan for Geoscience Australia can be found at: [http://www.ga.gov.au/about/corporate-plan](file:///C:\Users\MM3264\AppData\Local\Microsoft\Windows\INetCache\Content.Outlook\4KS26D8L\Attachment%20F%20-%202019-20%20PBS%20Word%20GA%20Chapter.DOCX)

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

### 2.1 Budgeted expenses and performance for Outcome 1

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

#### Linked programs

| **Department of Industry, Science, Energy and Resources** |
| --- |
| **Programs**   * Program 1.1 – Investing in science, technology and commercialisation * Program 1.2 – Growing innovative and competitive businesses, industries and regions * Program 1.3 – Supporting a strong resources sector * Program 1.4 – Growing a stronger northern Australian economy |
| **Contribution to Outcome 1 made by linked programs**  The Department of Industry, Science, Energy and Resources contributes to Outcome 1 through its policies and programs supporting science, commercialisation, the sustainable development of the resources sector, and encouraging innovative technologies. |
| **Bureau of Meteorology** |
| **Programs**   * Program 1 – Bureau of Meteorology |
| **Contribution to Outcome 1 made by linked programs**  The Bureau of Meteorology partners with Geoscience Australia to provide the Joint Australian Tsunami Warning Centre. |

**Budgeted expenses for Outcome 1**

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

**Table 2.1.1: Budgeted expenses for Outcome 1**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Outcome 1:** Informed government, industry and community decisions on the economic, social and environmental management of the nation's natural resources through enabling access to geoscientific and spatial information. | | | | | |
|  | 2019­20 Estimated actual  $'000 | 2020­21  Budget  $'000 | 2021­22 Forward estimate  $'000 | 2022­23 Forward estimate  $'000 | 2023­24 Forward estimate  $'000 |
| **Program 1: Geoscientific and Spatial Information Services** | | | | | |
| Administered expenses |  |  |  |  |  |
| Ordinary annual services  (Appropriation Bill No. 1) | 19 | 19 | 19 | 19 | 19 |
| **Administered total** | 19 | 19 | 19 | 19 | 19 |
| Departmental expenses |  |  |  |  |  |
| Departmental appropriation | 191,346 | 203,490 | 217,952 | 215,858 | 192,621 |
| s74 External Revenue (a) | 33,844 | 30,741 | 30,743 | 30,745 | 30,707 |
| Expenses not requiring  appropriation in the Budget  year (b) | (9,861) | 16,011 | 15,610 | 14,424 | 12,933 |
| **Departmental total** | 215,329 | 250,242 | 264,305 | 261,027 | 236,261 |
| **Total expenses for program 1.1** | **215,348** | **250,261** | **264,324** | **261,046** | **236,280** |
| **Outcome 1 Totals by appropriation type** | | | | | |
| Administered expenses |  |  |  |  |  |
| Ordinary annual services  (Appropriation Bill No. 1) | 19 | 19 | 19 | 19 | 19 |
| **Administered total** | 19 | 19 | 19 | 19 | 19 |
| Departmental expenses |  |  |  |  |  |
| Departmental appropriation | 191,346 | 203,490 | 217,952 | 215,858 | 192,621 |
| s74 External Revenue (a) | 33,844 | 30,741 | 30,743 | 30,745 | 30,707 |
| Expenses not requiring  appropriation in the Budget  year (b) | (9,861) | 16,011 | 15,610 | 14,424 | 12,933 |
| **Departmental total** | 215,329 | 250,242 | 264,305 | 261,027 | 236,261 |
| **Total expenses for Outcome 1** | **215,348** | **250,261** | **264,324** | **261,046** | **236,280** |
|  |  |  |  |  |  |
|  | 2019­20 | 2020­21 |  |  |  |
| **Average staffing level (number)** | 560 | 600 |  |  |  |

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

Table 2.1.2: Performance criteria for Outcome 1

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2020­21 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 trusted information and advice on Australia’s geology and geography to support faster and smarter decision making. Through this program, Geoscience Australia develops innovative applications and solutions in response to Australia’s most important challenges by bringing together observations, data and knowledge from across the geoscience disciplines. | | |
| **Delivery** | Geoscience Australia delivers Program 1 by:   * attracting exploration investment to Australia by building a prospectus of minerals and energy resource potential * supporting Australia's capability to manage the impact of natural hazards * informing the understanding of the location, quantity, quality and sustainable use of Australia's groundwater resources * 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 * delivering world-class, trusted data, platforms and expertise to support high-impact geoscience and transparent evidence-based decision making | |
| **Performance information** | | |
| **Year** | **Performance criteria** | **2019-20 Actual Achievement/Targets** |
| 2019-20 | An increasing reliance by government, industry and the public on Geoscience Australia’s datasets, information and knowledge to inform decision-making. | The 2019-20 target achieved. Geoscience Australia delivers world-class data and platforms to support government, industry and the community to make informed decisions about the use of natural resources, management of the environment and community safety.  During 2019–20 Geoscience Australia continued its work to modernise our fundamental national geophysical data systems to improve the delivery and usability of primary data products and services for our stakeholders.  Key initiatives undertaken to increase the discoverability and use of Geoscience Australia’s natural inventory and disaster risk data included:   * upgrading the National Offshore Petroleum Information Management System, one of the world’s largest collections of offshore petroleum data * establishing the Exploring for the Future data discovery portal, that delivers information on the mineral, energy and groundwater potential in northern Australia directly into the hands of explorers, investors and planners * delivering information and applications as part of the Digital Earth Australia (DEA) program, providing free, open-source satellite data that can be used to address environmental, economic and social challenges * developing the national bushfire monitoring system that supported fire and emergency service managers across Australia with timely mapping information, identifying potential fire locations that posed a risk to communities and property. |
| 2020-21 | Geoscience Australia’s products and services are underpinned by quality science, are fit-for-purpose and meet stakeholder needs. | Products and services adhere to Geoscience Australia’s science principles and stakeholders are satisfied with the information, data, products and services delivered. |
| 2021-22 and beyond | As per 2020-21 | As per 2020-21 |
| **Purposes** | Geoscience Australia is the national public sector geoscience organisation. Geoscience Australia supports evidence-based decisions through information, advice and services for a strong economy, resilient society and sustainable environment.  Geoscience Australia’s purpose is to be the trusted source of information on Australia’s geology and geography for government, industry and community decision making, and contribute to a safer, more prosperous and well-informed Australia. | |
| **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 2020­21 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 2020-21 are budgeted at $234.2 million, an increase of $9.0 million from estimated actual revenue in 2019-20. This is mainly due to a $12.5 million increase in appropriation revenue from the Australian Government, comprised of:

##### Better GPS For Regional Australia – increase of $14.4 million

##### World Class Satellite Imagery To Enable Australian Business – increase of $0.4 million

##### Unlocking Australia's Resources Potential - Exploring for The Future 2 – net decrease of $4.4 million

##### National Water Infrastructure Package – increase of $1.9 million

##### JobMaker Plan – Investment in New Energy Technologies – increase of $0.2 million.

##### The increase in appropriation revenue is offset by a $2 million reduction in own-source revenue.

##### Total expenses for 2020-21 are budgeted at $250.2 million.

##### The budgeted deficit for 2020-21 is $16 million. The deficit represents depreciation and amortisation of $10 million, which is not funded under the Australian Government’s net cash appropriation arrangements, depreciation and amortisation on right-of-use assets of $28 million, less principal repayments on leased assets of $22 million.

##### **Budgeted Departmental Balance Sheet**

##### Geoscience Australia’s budgeted total assets of $493.5 million and total liabilities of $375.7 million in 2020-21 represent a decrease of $14 million and $20 million respectively from 2019-20. This reflects an expected decrease in our right-of-use assets and lease liabilities as they approach their lease end date. This decrease is partially offset by the upgrade and expansion of the national positioning network.

##### **Budgeted Capital Budget Statement**

Planned capital expenditure for Geoscience Australia in 2020-21 is $22.2 million. This comprises capital expenditure funded from equity injections of $17.6 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 2020-21, being a grant of $0.02 million for the International Geological Correlation Program.

##### **Budgeted Administered Balance Sheet**

Geoscience Australia does not expect to hold any administered assets or liabilities in 2020-21.

### 3.2 Budgeted financial statements tables

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019­20 Estimated actual  $'000 | 2020­21  Budget  $'000 | 2021­22 Forward estimate  $'000 | 2022­23 Forward estimate  $'000 | 2023­24 Forward estimate  $'000 |
| **EXPENSES** |  |  |  |  |  |
| Employee benefits | 78,187 | 80,972 | 82,591 | 82,591 | 82,155 |
| Suppliers | 97,400 | 127,272 | 139,355 | 136,485 | 112,837 |
| Depreciation and amortisation (b) | 35,405 | 38,055 | 38,702 | 38,594 | 38,225 |
| Other expenses | 4,286 | 3,943 | 3,657 | 3,357 | 3,044 |
| Write down and impairment of assets | 8 | - | - | - | - |
| Net losses from Sale of Assets | 25 | - | - | - | - |
| Subsidies Benefits and Grants | 18 | - | - | - | - |
| **Total expenses** | **215,329** | **250,242** | **264,305** | **261,027** | **236,261** |
| **LESS:** |  |  |  |  |  |
| **OWN-SOURCE INCOME** |  |  |  |  |  |
| **Own-source revenue** |  |  |  |  |  |
| Sale of goods and rendering of  services | 31,212 | 30,089 | 30,089 | 30,089 | 30,089 |
| Gains | 1,045 | - | - | - | - |
| Other | 1,587 | 652 | 654 | 656 | 618 |
| **Total own-source revenue** | **33,844** | **30,741** | **30,743** | **30,745** | **30,707** |
| **Total own-source income** | **33,844** | **30,741** | **30,743** | **30,745** | **30,707** |
| **Net (cost of)/contribution by**  **services** | **(181,485)** | **(219,501)** | **(233,562)** | **(230,282)** | **(205,554)** |
| Revenue from Government | 191,346 | 203,490 | 217,952 | 215,858 | 192,621 |
| **Surplus/(deficit) attributable to the**  **Australian Government** | **9,861** | **(16,011)** | **(15,610)** | **(14,424)** | **(12,933)** |
| **Total comprehensive income/(loss)** | **9,861** | **(16,011)** | **(15,610)** | **(14,424)** | **(12,933)** |
| **Total comprehensive income/(loss)**  **attributable to the Australian**  **Government** | **9,861** | **(16,011)** | **(15,610)** | **(14,424)** | **(12,933)** |

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Note: Impact of net cash appropriation arrangements** | | | | | |
|  | 2019­20  $'000 | 2020­21  $'000 | 2021­22  $'000 | 2022­23  $'000 | 2023­24  $'000 |
| **Total comprehensive income/(loss)**  **excluding depreciation/**  **amortisation expenses previously**  **funded through revenue**  **appropriations, depreciation on**  **ROU, principal repayments on**  **leased assets (a)** | **24,434** | **-** | **-** | **-** | **-** |
| less depreciation/amortisation  expenses previously funded through  revenue appropriations (b) | (7,938) | (10,024) | (10,672) | (10,563) | (10,222) |
| less depreciation/amortisation  expenses for ROU assets (c) | (27,542) | (28,031) | (28,030) | (28,031) | (28,003) |
| add: Principal repayments on leased  assets (c) | 20,832 | 22,044 | 23,092 | 24,170 | 25,292 |
| **Total comprehensive income/(loss)**  **- as per the statement of**  **comprehensive income** | **9,861** | **(16,011)** | **(15,610)** | **(14,424)** | **(12,933)** |

Prepared on Australian Accounting Standards basis.

1. This operating result relates to straight lining of the Geoscience Australia Symonston accommodation lease in accordance with Australian Accounting Standards.
2. From 2010-11, the Government introduced net cash appropriation arrangements. Bill 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations. For information regarding DCBs, please refer to Table 3.5 Departmental Capital Budget Statement.
3. Applies leases under AASB 16 Leases.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019­20 Estimated actual  $'000 | 2020­21  Budget  $'000 | 2021­22 Forward estimate  $'000 | 2022­23 Forward estimate  $'000 | 2023­24 Forward estimate  $'000 |
| **ASSETS** |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |
| Cash and cash equivalents | 560 | 2,500 | 2,500 | 2,500 | 2,500 |
| Trade and other receivables | 111,003 | 110,421 | 111,825 | 113,229 | 114,196 |
| Other financial assets | 1,905 | 1,610 | 1,610 | 1,610 | 1,610 |
| ***Total financial assets*** | ***113,468*** | ***114,531*** | ***115,935*** | ***117,339*** | ***118,306*** |
| **Non-financial assets** |  |  |  |  |  |
| Land and buildings | 347,854 | 318,139 | 288,732 | 259,439 | 230,185 |
| Property, plant and equipment | 35,771 | 50,233 | 53,017 | 51,458 | 50,063 |
| Heritage and cultural assets | 3,221 | 3,221 | 3,221 | 3,221 | 3,221 |
| Intangibles | 1,506 | 898 | 506 | 313 | 308 |
| Other non-financial assets | 5,634 | 6,430 | 6,430 | 6,430 | 6,430 |
| ***Total non-financial assets*** | ***393,986*** | ***378,921*** | ***351,906*** | ***320,861*** | ***290,207*** |
| **Total assets** | **507,454** | **493,452** | **467,841** | **438,200** | **408,513** |
| **LIABILITIES** |  |  |  |  |  |
| **Payables** |  |  |  |  |  |
| Suppliers | 7,652 | 9,428 | 9,428 | 9,428 | 9,428 |
| Employee payables | 1,856 | 2,106 | 2,414 | 2,722 | 3,030 |
| Other payables | 26,813 | 24,900 | 24,900 | 24,900 | 24,900 |
| ***Total payables*** | ***36,321*** | ***36,434*** | ***36,742*** | ***37,050*** | ***37,358*** |
| ***Interest bearing liabilities*** |  |  |  |  |  |
| Leases | *329,022* | *306,978* | *283,886* | *259,716* | *234,424* |
| ***Total interest bearing liabilities*** | ***329,022*** | ***306,978*** | ***283,886*** | ***259,716*** | ***234,424*** |
| **Provisions** |  |  |  |  |  |
| Employee provisions | 26,534 | 28,172 | 29,120 | 30,068 | 30,579 |
| Other provisions | 4,020 | 4,128 | 4,276 | 4,424 | 4,572 |
| ***Total provisions*** | ***30,554*** | ***32,300*** | ***33,396*** | ***34,492*** | ***35,151*** |
| **Total liabilities** | **395,897** | **375,712** | **354,024** | **331,258** | **306,933** |
| ***Net assets*** | ***111,557*** | ***117,740*** | ***113,817*** | ***106,942*** | ***101,580*** |
| **EQUITY\*** |  |  |  |  |  |
| **Parent entity interest** |  |  |  |  |  |
| Contributed equity | 89,123 | 111,317 | 123,004 | 130,553 | 138,124 |
| Reserves | 14,916 | 14,916 | 14,916 | 14,916 | 14,916 |
| Retained surplus (accumulated  deficit) | 7,518 | (8,493) | (24,103) | (38,527) | (51,460) |
| ***Total parent entity interest*** | ***111,557*** | ***117,740*** | ***113,817*** | ***106,942*** | ***101,580*** |
| **Total equity** | **111,557** | **117,740** | **113,817** | **106,942** | **101,580** |

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 2020­21)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Retained  earnings  $'000 | Asset  revaluation  reserve  $'000 | Contributed  equity/  capital  $'000 | Total  equity  $'000 |
| **Opening balance as at 1 July 2020** |  |  |  |  |
| Balance carried forward from  previous period | 7,518 | 14,916 | 89,123 | 111,557 |
| ***Adjusted opening balance*** | ***7,518*** | ***14,916*** | ***89,123*** | ***111,557*** |
| **Comprehensive income** |  |  |  |  |
| Surplus/(deficit) for the period | (16,011) | - | - | (16,011) |
| ***Total comprehensive income*** | ***(16,011)*** | ***-*** | ***-*** | ***(16,011)*** |
| of which: |  |  |  |  |
| Attributable to the Australian  Government | (16,011) | - | - | (16,011) |
| **Transactions with owners** |  |  |  |  |
| ***Contributions by owners*** |  |  |  |  |
| Equity injection - Appropriation | - | - | 17,589 | 17,589 |
| Departmental Capital Budget (DCB) |  |  | 4,605 | 4,605 |
| ***Sub-total transactions with***  ***owners*** | ***-*** | ***-*** | ***22,194*** | ***22,194*** |
| **Estimated closing balance as at**  **30 June 2021** | **(8,493)** | **14,916** | **111,317** | **117,740** |
| **Closing balance attributable to**  **the Australian Government** | **(8,493)** | **14,916** | **111,317** | **117,740** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019­20 Estimated actual  $'000 | 2020­21  Budget  $'000 | 2021­22 Forward estimate  $'000 | 2022­23 Forward estimate  $'000 | 2023­24 Forward estimate  $'000 |
| **OPERATING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Appropriations | 212,566 | 244,096 | 246,674 | 244,573 | 221,742 |
| Sale of goods and rendering of  services | 33,542 | 24,744 | 30,740 | 30,731 | 30,701 |
| Net GST received | 9,088 | 10,790 | 10,808 | 10,554 | 8,638 |
| Other | 1,654 | 811 | 512 | 520 | 511 |
| ***Total cash received*** | ***256,850*** | ***280,441*** | ***288,734*** | ***286,378*** | ***261,592*** |
| **Cash used** |  |  |  |  |  |
| Employees | 80,277 | 79,069 | 81,334 | 81,335 | 81,336 |
| Suppliers | 96,146 | 125,502 | 139,153 | 136,281 | 112,729 |
| Net GST paid | 9,944 | 11,851 | 11,421 | 11,167 | 9,250 |
| Interest payments on lease liability | 4,255 | 3,893 | 3,607 | 3,307 | 2,994 |
| s74 External Revenue  transferred to the OPA | 46,361 | 40,124 | 30,127 | 30,118 | 30,089 |
| Other operating payments | - | 40 | - | - | (98) |
| Grants | 18 |  |  |  |  |
| ***Total cash used*** | ***237,001*** | ***260,479*** | ***265,642*** | ***262,208*** | ***236,300*** |
| **Net cash from/(used by)**  **operating activities** | **19,849** | **19,962** | **23,092** | **24,170** | **25,292** |
| **INVESTING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Proceeds from sales of non-financial  assets | 8 |  |  |  |  |
| ***Total cash received*** | ***8*** | ***-*** | ***-*** | ***-*** | ***-*** |
| **Cash used** |  |  |  |  |  |
| Purchase of property, plant and  equipment and intangibles | 8,280 | 22,784 | 11,687 | 7,549 | 7,571 |
| ***Total cash used*** | ***8,280*** | ***22,784*** | ***11,687*** | ***7,549*** | ***7,571*** |
| ***Net cash from/(used by)***  ***investing activities*** | ***(8,272)*** | ***(22,784)*** | ***(11,687)*** | ***(7,549)*** | ***(7,571)*** |
| **FINANCING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Contributed equity | 7,057 | 26,806 | 11,687 | 7,549 | 7,571 |
| ***Total cash received*** | ***7,057*** | ***26,806*** | ***11,687*** | ***7,549*** | ***7,571*** |
| **Cash used** |  |  |  |  |  |
| Principal payments on lease liability | 20,832 | 22,044 | 23,092 | 24,170 | 25,292 |
| ***Total cash used*** | ***20,832*** | ***22,044*** | ***23,092*** | ***24,170*** | ***25,292*** |
| **Net cash from/(used by)**  **financing activities** | **(13,775)** | **4,762** | **(11,405)** | **(16,621)** | **(17,721)** |
| **Net increase/(decrease) in cash**  **held** | **(2,198)** | **1,940** | **-** | **-** | **-** |
| Cash and cash equivalents at the  beginning of the reporting period | 2,758 | 560 | 2,500 | 2,500 | 2,500 |
| **Cash and cash equivalents at**  **the end of the reporting period** | **560** | **2,500** | **2,500** | **2,500** | **2,500** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019­20 Estimated actual  $'000 | 2020­21  Budget  $'000 | 2021­22 Forward estimate  $'000 | 2022­23 Forward estimate  $'000 | 2023­24 Forward estimate  $'000 |
| **NEW CAPITAL APPROPRIATIONS** |  |  |  |  |  |
| Capital budget - Bill 1 (DCB) | 4,624 | 4,605 | 4,560 | 7,549 | 7,571 |
| Equity injections - Bill 2 | 19,326 | 17,589 | 7,127 | - | - |
| **Total new capital appropriations** | **23,950** | **22,194** | **11,687** | **7,549** | **7,571** |
| ***Provided for:*** |  |  |  |  |  |
| *Purchase of non-financial assets* | *23,950* | *22,194* | *11,687* | *7,549* | *7,571* |
| ***Total items*** | ***23,950*** | ***22,194*** | ***11,687*** | ***7,549*** | ***7,571*** |
| **PURCHASE OF NON-FINANCIAL**  **ASSETS** |  |  |  |  |  |
| Funded by capital appropriations (a) | 19,326 | 17,589 | 7,127 | - | - |
| Funded by capital appropriation -  DCB (b) | 4,624 | 4,605 | 4,560 | 7,549 | 7,571 |
| **TOTAL** | **23,950** | **22,194** | **11,687** | **7,549** | **7,571** |
| **RECONCILIATION OF CASH USED**  **TO ACQUIRE ASSETS TO ASSET**  **MOVEMENT TABLE** |  |  |  |  |  |
| Total purchases | 23,950 | 22,194 | 11,687 | 7,549 | 7,571 |
| **Total cash used to acquire assets** | **23,950** | **22,194** | **11,687** | **7,549** | **7,571** |

Prepared on Australian Accounting Standards basis.

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

Table 3.6: Statement of asset movements (Budget year 2020­21)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Land  $'000 | Buildings  $'000 | Other  property,  plant and  equipment  $'000 | Heritage  and  cultural  $'000 | Computer  software and  intangibles  $'000 | Total  $'000 |
| **As at 1 July 2020** |  |  |  |  |  |  |
| Gross book value | 1,165 | 22,374 | 30,712 | 3,221 | 10,710 | 68,182 |
| Gross book value - ROU assets | 756 | 351,037 | 153 | - | - | 351,946 |
| Accumulated depreciation/  amortisation and impairment | - | - | 4,962 | - | (9,204) | (4,242) |
| Accumulated depreciation/amortisation and impairment - ROU assets | (41) | (27,437) | (56) | - | - | (27,534) |
| **Opening net book balance** | **1,880** | **345,974** | **35,771** | **3,221** | **1,506** | **388,352** |
| **Capital asset additions** |  |  |  |  |  |  |
| **Estimated expenditure on new**  **or replacement assets** |  |  |  |  |  |  |
| By purchase - appropriation equity (a) | - | - | 17,589 | - | - | 17,589 |
| By purchase - appropriation  ordinary annual services (b) | - | 250 | 4,155 | - | 200 | 4,605 |
| **Total additions** | **-** | **250** | **21,744** | **-** | **200** | **22,194** |
| **Other movements** |  |  |  |  |  |  |
| Depreciation/amortisation expense | - | (2,049) | (7,167) | - | (808) | (10,024) |
| Depreciation/amortisation expense on  ROU assets | (98) | (27,818) | (115) | - | - | (28,031) |
| **Total other movements** | **(98)** | **(29,867)** | **(7,282)** | **-** | **(808)** | **(38,055)** |
| **As at 30 June 2021** |  |  |  |  |  |  |
| Gross book value | 1,165 | 22,624 | 52,456 | 3,221 | 10,910 | 90,376 |
| Gross book value - ROU assets | 756 | 351,037 | 153 | - | - | 351,946 |
| Accumulated depreciation/  amortisation and impairment | - | (2,049) | (2,205) | - | (10,012) | (14,266) |
| Accumulated depreciation/amortisation  and impairment - ROU assets | (139) | (55,255) | (171) | - | - | (55,565) |
| **Closing net book balance** | **1,782** | **316,357** | **50,233** | **3,221** | **898** | **372,491** |

Prepared on Australian Accounting Standards basis.

1. ‘Appropriation equity’ refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2020­21.
2. 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No.1) 2020­21 for depreciation/amortisation expenses, DCBs or other operational expenses.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019­20 Estimated actual  $'000 | 2020­21  Budget  $'000 | 2021­22 Forward estimate  $'000 | 2022­23 Forward estimate  $'000 | 2023­24 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)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019­20 Estimated actual  $'000 | 2020­21  Budget  $'000 | 2021­22 Forward estimate  $'000 | 2022­23 Forward estimate  $'000 | 2023­24 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 2020­21)

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

Department o

IP Australia

Entity resources and planned performance

IP Australia

Section 1: Entity overview and resources 309

1.1 Strategic direction statement 309

1.2 Entity resource statement 311

1.3 Budget measures 312

Section 2: Outcomes and planned performance 313

2.1 Budgeted expenses and performance for Outcome 1 314

Section 3: Budgeted financial statements 319

3.1 Budgeted financial statements 319

3.2 Budgeted financial statements tables 321

# IP Australia

## Section 1: Entity overview and resources

### 1.1 Strategic direction statement

IP Australia is the entity responsible for administering Australia’s intellectual property (IP) rights system, specifically trade marks, patents, designs and plant breeder’s rights. It operates as a listed 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, regulates the IP attorney profession, provides advice to Government on the development of IP policy and contributes to bilateral and multilateral negotiations and the development of cooperation programs to support the global IP system.

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

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 and data are leveraged to deliver value to the Australian IP system, stakeholders and the broader economy
* build the capability of our people and our organisation

IP Australia’s key initiatives and challenges for 2020-­21 are to:

* continue to deliver high quality and timely patents, trademarks, designs and plant breeder’s rights
* continue to modernise our ICT platforms and environment to better support our customers and workforce
* target education and awareness products to facilitate understanding and value of IP to key customers and stakeholders
* identify priority actions for future changes to the designs system based on key findings from research we conducted into Australia’s design ecosystem
* improve Australia’s IP system to promote the cultural integrity and economic potential of Indigenous Knowledge
* implement our International Engagement Strategy to support Australians to export and invest
* progress our information matters strategy to better use IP Australia’s data and business intelligence and analytics capabilities

### 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 2020­21 as at Budget October 2020

|  |  |  |
| --- | --- | --- |
|  | *2019­20 Estimated actual*  *$'000* | 2020­21 Estimate  $'000 |
| **Departmental** |  |  |
| Annual appropriations - ordinary annual services (a) |  |  |
| Departmental appropriation | *362* | 358 |
| Total departmental annual appropriations | *362* | 358 |
| Special accounts (b) |  |  |
| Opening balance | *45,209* | 22,992 |
| Appropriation receipts (c) | *362* | 358 |
| Non-appropriation receipts | *201,275* | 199,262 |
| Total special accounts | *246,846* | 222,612 |
| *less departmental appropriations drawn from annual/special*  *appropriations and credited to special accounts* | *362* | 358 |
| ***Total departmental resourcing*** | ***246,846*** | **222,612** |
| **Total resourcing for IP Australia** | ***246,846*** | **222,612** |
|  |  |  |
|  | *2019­20* | 2020­21 |
| **Average staffing level (number)** | *1,058* | 1,054 |

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

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

1. Appropriation Bill (No. 1) 2020­21.
2. Excludes trust moneys held in Services for Other Entities and Trust Moneys (SOETM) and other special accounts. For further information on special accounts, please refer to Budget Paper No. 4 - Agency Resourcing. Please also see Table 2.1 for further information on outcome and program expenses broken down by various funding sources, e.g. annual appropriations, special appropriations and special accounts.
3. Amounts credited to the special account from IP Australia's annual appropriations.

### 1.3 Budget measures

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

## Section 2: Outcomes and planned performance

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

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

**Note:**

Performance reporting requirements in the Portfolio Budget Statements are part of the 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 a complete picture of an entity’s planned and actual performance.

The most recent corporate plan for IP Australia can be found at: <https://www.ipaustralia.gov.au/corporate-plan-2020-21>

The most recent annual performance statement can be found at: <https://www.industry.gov.au/data-and-publications/annual-report-2018-19>

### 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, Science, Energy and Resources** |
| --- |
| **Programs**   * Program 1.1 – Investing in science, technology and commercialisation * Program 1.2 – Growing innovative and competitive businesses, industries and regions |
| **Contribution to Outcome 1 made by linked programs**  The Department of Industry, Science, Energy and Resources 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 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:** 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. | | | | | |
|  | 2019­20 Estimated actual  $'000 | 2020­21  Budget  $'000 | 2021­22 Forward estimate  $'000 | 2022­23 Forward estimate  $'000 | 2023­24 Forward estimate  $'000 |
| **Program 1: IP Rights Administration and Professional Registration** | | | | | |
| Departmental expenses |  |  |  |  |  |
| Special accounts | 196,010 | 194,288 | 201,278 | 205,701 | 210,170 |
| Expenses not requiring  appropriation in the Budget  year (a) | 155 | 160 | 165 | 170 | 175 |
| **Departmental total** | 196,165 | 194,448 | 201,443 | 205,871 | 210,345 |
| **Total expenses for program 1** | **196,165** | **194,448** | **201,443** | **205,871** | **210,345** |
| **Program 2: Education and Awareness** | | | | | |
| Departmental expenses |  |  |  |  |  |
| Special accounts | 2,258 | 2,238 | 2,319 | 2,370 | 2,421 |
| **Departmental total** | 2,258 | 2,238 | 2,319 | 2,370 | 2,421 |
| **Total expenses for program 2** | **2,258** | **2,238** | **2,319** | **2,370** | **2,421** |
| **Program 3: Advice to Government and International Engagement** | | | | | |
| Departmental expenses |  |  |  |  |  |
| Departmental appropriation | 362 | 358 | 355 | 356 | 357 |
| Special accounts | 12,715 | 12,604 | 13,073 | 13,367 | 13,665 |
| **Departmental total** | 13,077 | 12,962 | 13,428 | 13,723 | 14,022 |
| **Total expenses for program 3** | **13,077** | **12,962** | **13,428** | **13,723** | **14,022** |
| **Outcome 1 Totals by appropriation type** | | | | | |
| Departmental expenses |  |  |  |  |  |
| Departmental appropriation | 362 | 358 | 355 | 356 | 357 |
| Special accounts | 210,983 | 209,130 | 216,670 | 221,438 | 226,256 |
| Expenses not requiring  appropriation in the Budget  year (a) | 155 | 160 | 165 | 170 | 175 |
| **Departmental total** | 211,500 | 209,648 | 217,190 | 221,964 | 226,788 |
| **Total expenses for Outcome 1** | **211,500** | **209,648** | **217,190** | **221,964** | **226,788** |
|  |  |  |  |  |  |
|  | 2019­20 | 2020­21 |  |  |  |
| **Average staffing level (number)** | 1,058 | 1,054 |  |  |  |

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

Table 2.1.2: Performance criteria for Outcome 1

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2020­21 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 quality, and by maintaining the professional registration of persons wishing to qualify for registration as Patent and/or Trade Marks Attorneys. | | |
| **Delivery** | IP Australia delivers Program 1 by:   * administering patent, trade mark, design and plant breeder’s rights legislation * administering the Trans-Tasman IP Attorneys Board for Patent and Trade Marks Attorneys and the Patent Attorneys Disciplinary Tribunal * charging customers for the deliverables listed below and under legislation for the retention of rights once granted (renewal fees) | |
| **Performance information** | | |
| **Year** | **Performance criteria** | **2019-20 Actual Achievement/Targets** |
| 2019­20 | Timely processing of IP Rights applications. | IP Australia met 16 of the 22 timeliness commitments set out in the 2019-20 Customer Service Charter. |
| Processing of IP Rights applications is conducted in accordance with IP Australia’s quality standards. | IP Australia met 11 of the 12 quality levels and standards set out in the 2019-20 Customer Service Charter. |
| Process applications for trans-Tasman attorney registration within acceptable time frame. | 100 per cent of applications were processed within the required timeframe. |
| 2020­21 | Customer Service Charter and legislative commitments are met. | Meet the nine key targets under IP Australia’s Customer Service Charter. |
| Process trans-Tasman attorney registration applications within 15 working days from the date that the application complies with registration requirements. | Achieve. |
| 2021­22 and beyond | As per 2020­21 | As per 2020­21 |
| **Purpose** | Ensure Australians benefit from great ideas | |
| **There are no material changes to Program 1 resulting from new measures.** | | |
| **Program 2 – Education and Awareness**  IP Australia will facilitate understanding of the value of and access to the domestic and international intellectual property system among its stakeholders in line with Australia’s interests. | | |
| **Delivery** | IP Australia delivers Program 2 by:   * delivering public education and awareness programs which promote the importance of IP and provide Australians with the tools and information they require to make informed decisions regarding IP | |
| **Performance information** | | |
| **Year** | **Performance criteria** | **2019-20 Actual Achievement/Targets** |
| 2019­20 | Customer satisfaction with IP Australia’s education and awareness services. | 97 per cent of customers who responded to the annual Customer Satisfaction Survey and who had attended an educational event or workshop were satisfied. |
| 2020­21 | Improved awareness of the IP rights system. | 90 per cent of people and partners accessing our public education, awareness and information products have an improved understanding of how IP rights can benefit their business. |
| 2021­22 and beyond | As per 2020­21 | As per 2020­21 |
| **Purpose** | Ensure Australians benefit from great ideas | |
| **There are no material changes to Program 2 resulting from new measures.** | | |
| **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 3 by:   * Providing advice to government on intellectual property matters and supporting research into the current and future use of IP rights, and engaging with key international stakeholders and IP bodies * Providing policy advice across government and internationally to support policy and legislative objectives * Proactively managing international engagement activities to support our customers and further Australia’s interest and contribute to capacity building activities focused on our region | |
| **Performance information** | | |
| **Year** | **Performance criteria** | **2019-20 Actual Achievement/Targets** |
| 2019­20 | Advice to the Australian Government on policy, legislation, ministerial correspondence, briefs and speeches. | Provided timely and high-quality advice to the Australian Government including on the passage of the *Intellectual Property Laws Amendment (Productivity Commission Response Part 2* and *Other Measures) Act 2020.*  78 Ministerial briefs were prepared during the period, with 100 per cent delivered within agreed timeframes. |
| Work with regional IP partners to strengthen patent examination competence of participating IP Offices. | This activity concluded in the 2018-19 reporting period and the results were published in the 2018-19 Annual Report. |
| 2020­21 | Provision of high-quality advice to the Australian Government on policy, legislation, ministerial correspondence and briefs. | Ministerial briefs and correspondence delivered to the Minister’s Office are of a high quality with less than 10 per cent requested to be redrafted.  100 per cent of ministerial briefs and correspondence requested by the Minister’s Office are delivered within the agreed timeframes. |
| 2021­22 and beyond | As per 2020­21 | As per 2020­21 |
| **Purpose** | Ensure Australians benefit from great ideas | |
| **There are no material changes to Program 3 resulting from new measures.** | | |

## Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2020­21 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 2020-21, compared with the forecasted surplus of $3.5 million reported in the 2019-20 Portfolio Budget Statements. A return to surplus of $3.0 million is forecast in 2021-22.

##### **Budgeted Departmental Income Statement**

Departmental revenue from contracts with customers in 2020-21 is estimated to be $203.4 million compared to the estimated actual of $201.6 million for 2019-20, an increase of $1.8 million.

Rental income of $0.8 million is budgeted for in 2020-21 and reflects income received from sub-leasing arrangements of Discovery House.

Revenue from Government for 2020-21 is budgeted at $0.4 million and reflects funding arrangements for non-regulatory charging activities undertaken by IP Australia.

Total departmental expenses budgeted in 2020-21 are $209.6 million, comprising $130.1 million for employee expenses, $44.1 million for suppliers, $33.6 million for depreciation and amortisation and $1.9 million in Finance costs.

##### **Budgeted Departmental Balance Sheet**

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

##### **Assets**

Total departmental assets budgeted in 2020-21 are $309.0 million, comprising $21.6 million in financial assets and $287.4 million in non-financial assets.

Financial assets consist of $20 million for cash and $1.6 million for receivables. Non‑financial assets include $166.9 million for land and buildings, $108.2 million for intangibles, $4.6 million for property, plant and equipment and $7.7 million in other assets.

##### **Liabilities**

Total departmental liabilities budgeted for in 2020-21 are $236.5 million, comprising $45.6 million in payables, $141.7 million in interest bearing liabilities (leases) and $49.2 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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019­20 Estimated actual  $'000 | 2020­21  Budget  $'000 | 2021­22 Forward estimate  $'000 | 2022­23 Forward estimate  $'000 | 2023­24 Forward estimate  $'000 |
| **EXPENSES** |  |  |  |  |  |
| Employee benefits | 134,996 | 130,079 | 133,304 | 136,572 | 140,644 |
| Suppliers | 42,159 | 44,081 | 48,096 | 52,118 | 52,428 |
| Depreciation and amortisation | 32,347 | 33,637 | 34,068 | 31,660 | 32,262 |
| Finance costs | 1,976 | 1,851 | 1,722 | 1,614 | 1,454 |
| Write-down and impairment of assets | 19 | - | - | - | - |
| Losses from asset sales | 3 | - | - | - | - |
| **Total expenses** | **211,500** | **209,648** | **217,190** | **221,964** | **226,788** |
| **LESS:** |  |  |  |  |  |
| **OWN-SOURCE INCOME** |  |  |  |  |  |
| **Own-source revenue** |  |  |  |  |  |
| Revenue from contracts with customers | 201,566 | 203,378 | 219,670 | 226,438 | 231,256 |
| Rental income | 68 | 752 | - | - | - |
| Other | 158 | 160 | 165 | 170 | 175 |
| **Total own-source revenue** | **201,792** | **204,290** | **219,835** | **226,608** | **231,431** |
| **Total own-source income** | **201,792** | **204,290** | **219,835** | **226,608** | **231,431** |
| **Net (cost of)/contribution by**  **services** | **(9,708)** | **(5,358)** | **2,645** | **4,644** | **4,643** |
| Revenue from Government | 362 | 358 | 355 | 356 | 357 |
| **Surplus/(deficit) attributable to the**  **Australian Government** | **(9,346)** | **(5,000)** | **3,000** | **5,000** | **5,000** |
| **Total comprehensive income/(loss)** | **(9,346)** | **(5,000)** | **3,000** | **5,000** | **5,000** |
| **Total comprehensive income/(loss)**  **attributable to the Australian**  **Government** | **(9,346)** | **(5,000)** | **3,000** | **5,000** | **5,000** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019­20 Estimated actual  $'000 | 2020­21  Budget  $'000 | 2021­22 Forward estimate  $'000 | 2022­23 Forward estimate  $'000 | 2023­24 Forward estimate  $'000 |
| **ASSETS** |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |
| Cash and cash equivalents | 22,992 | 20,009 | 28,638 | 37,425 | 46,596 |
| Trade and other receivables | 1,574 | 1,614 | 1,744 | 1,839 | 1,861 |
| ***Total financial assets*** | ***24,566*** | ***21,623*** | ***30,382*** | ***39,264*** | ***48,457*** |
| **Non-financial assets** |  |  |  |  |  |
| Land and buildings | 183,511 | 166,868 | 150,166 | 133,791 | 117,489 |
| Property, plant and equipment | 7,562 | 4,566 | 3,801 | 3,938 | 4,360 |
| Intangibles | 107,211 | 108,214 | 111,613 | 116,191 | 119,809 |
| Other non-financial assets | 7,367 | 7,702 | 8,404 | 9,107 | 9,161 |
| ***Total non-financial assets*** | ***305,651*** | ***287,350*** | ***273,984*** | ***263,027*** | ***250,819*** |
| **Total assets** | **330,217** | **308,973** | **304,366** | **302,291** | **299,276** |
| **LIABILITIES** |  |  |  |  |  |
| **Payables** |  |  |  |  |  |
| Suppliers | 7,128 | 7,298 | 7,977 | 8,657 | 8,710 |
| Other payables | 45,330 | 38,296 | 38,397 | 38,978 | 39,486 |
| ***Total payables*** | ***52,458*** | ***45,594*** | ***46,374*** | ***47,635*** | ***48,196*** |
| **Interest bearing liabilities** |  |  |  |  |  |
| Leases | 152,014 | 141,704 | 131,171 | 120,596 | 109,682 |
| ***Total interest bearing liabilities*** | ***152,014*** | ***141,704*** | ***131,171*** | ***120,596*** | ***109,682*** |
| **Provisions** |  |  |  |  |  |
| Employee provisions | 48,227 | 49,157 | 51,303 | 53,542 | 55,880 |
| ***Total provisions*** | ***48,227*** | ***49,157*** | ***51,303*** | ***53,542*** | ***55,880*** |
| **Total liabilities** | **252,699** | **236,455** | **228,848** | **221,773** | **213,758** |
| **Net assets** | **77,518** | **72,518** | **75,518** | **80,518** | **85,518** |
| **EQUITY\*** |  |  |  |  |  |
| **Parent entity interest** |  |  |  |  |  |
| Contributed equity | 5,908 | 5,908 | 5,908 | 5,908 | 5,908 |
| Reserves | 1,947 | 1,947 | 1,947 | 1,947 | 1,947 |
| Retained surplus (accumulated  deficit) | 69,663 | 64,663 | 67,663 | 72,663 | 77,663 |
| ***Total parent entity interest*** | ***77,518*** | ***72,518*** | ***75,518*** | ***80,518*** | ***85,518*** |
| **Total equity** | **77,518** | **72,518** | **75,518** | **80,518** | **85,518** |

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 2020­21)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Retained  earnings  $'000 | Asset  revaluation  reserve  $'000 | Contributed  equity/  capital  $'000 | Total  equity  $'000 |
| **Opening balance as at 1 July 2020** |  |  |  |  |
| Balance carried forward from  previous period | 69,663 | 1,947 | 5,908 | 77,518 |
| ***Adjusted opening balance*** | ***69,663*** | ***1,947*** | ***5,908*** | ***77,518*** |
| **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 2021** | **64,663** | **1,947** | **5,908** | **72,518** |
| **Closing balance attributable to**  **the Australian Government** | **64,663** | **1,947** | **5,908** | **72,518** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019­20 Estimated actual  $'000 | 2020­21  Budget  $'000 | 2021­22 Forward estimate  $'000 | 2022­23 Forward estimate  $'000 | 2023­24 Forward estimate  $'000 |
| **OPERATING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Appropriations | 362 | 358 | 355 | 356 | 357 |
| Sale of goods and rendering of  services | 201,135 | 199,296 | 219,712 | 226,995 | 231,747 |
| Net GST received | 583 | (34) | (71) | (71) | (5) |
| ***Total cash received*** | ***202,080*** | ***199,620*** | ***219,996*** | ***227,280*** | ***232,099*** |
| **Cash used** |  |  |  |  |  |
| Employees | 131,986 | 131,510 | 131,158 | 134,333 | 138,306 |
| Suppliers | 47,751 | 43,932 | 47,954 | 51,971 | 52,253 |
| Interest payments on lease liability | 1,976 | 1,851 | 1,722 | 1,614 | 1,454 |
| ***Total cash used*** | ***181,713*** | ***177,293*** | ***180,834*** | ***187,918*** | ***192,013*** |
| **Net cash from/(used by)**  **operating activities** | **20,367** | **22,327** | **39,162** | **39,362** | **40,086** |
| **INVESTING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Proceeds from sales of property,  plant and equipment | 140 | - | - | - | - |
| ***Total cash received*** | ***140*** | ***-*** | ***-*** | ***-*** | ***-*** |
| **Cash used** |  |  |  |  |  |
| Purchase of property, plant and  equipment and intangibles | 33,856 | 15,000 | 20,000 | 20,000 | 20,000 |
| ***Total cash used*** | ***33,856*** | ***15,000*** | ***20,000*** | ***20,000*** | ***20,000*** |
| **Net cash from/(used by)**  **investing activities** | **(33,716)** | **(15,000)** | **(20,000)** | **(20,000)** | **(20,000)** |
| **FINANCING ACTIVITIES** |  |  |  |  |  |
| **Cash used** |  |  |  |  |  |
| Principal payments on lease liability | 8,868 | 10,310 | 10,533 | 10,575 | 10,915 |
| ***Total cash used*** | ***8,868*** | ***10,310*** | ***10,533*** | ***10,575*** | ***10,915*** |
| **Net cash from/(used by)**  **financing activities** | ***(8,868)*** | ***(10,310)*** | ***(10,533)*** | ***(10,575)*** | ***(10,915)*** |
| **Net increase/(decrease) in cash**  **held** | **(22,217)** | **(2,983)** | **8,629** | **8,787** | **9,171** |
| Cash and cash equivalents at the  beginning of the reporting period | 45,209 | 22,992 | 20,009 | 28,638 | 37,425 |
| **Cash and cash equivalents at**  **the end of the reporting period** | **22,992** | **20,009** | **28,638** | **37,425** | **46,596** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019­20 Estimated actual  $'000 | 2020­21  Budget  $'000 | 2021­22 Forward estimate  $'000 | 2022­23 Forward estimate  $'000 | 2023­24 Forward estimate  $'000 |
| **PURCHASE OF NON-FINANCIAL**  **ASSETS** |  |  |  |  |  |
| Funded internally from departmental  resources (a) | 33,856 | 15,000 | 20,000 | 20,000 | 20,000 |
| **TOTAL** | **33,856** | **15,000** | **20,000** | **20,000** | **20,000** |
| **RECONCILIATION OF CASH USED**  **TO ACQUIRE ASSETS TO ASSET**  **MOVEMENT TABLE** |  |  |  |  |  |
| Total purchases | 33,856 | 15,000 | 20,000 | 20,000 | 20,000 |
| **Total cash used to acquire assets** | **33,856** | **15,000** | **20,000** | **20,000** | **20,000** |

Prepared on Australian Accounting Standards basis.

1. Includes the following sources of funding:

* own-source revenue receipts
* proceeds from the sale of assets.

Table 3.6: Statement of asset movements (Budget year 2020­21)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Buildings  $'000 | Other  property,  plant and  equipment  $'000 | Computer  software and  intangibles  $'000 | Total  $'000 |
| **As at 1 July 2020** |  |  |  |  |
| Gross book value | 41,447 | 18,090 | 215,225 | 274,762 |
| Gross book value - ROU assets | 160,113 | 1,676 | - | 161,789 |
| Accumulated depreciation/  amortisation and impairment | (5,502) | (11,586) | (108,014) | (125,102) |
| Accumulated depreciation/amortisation and impairment - ROU assets | (12,546) | (618) | - | (13,164) |
| **Opening net book balance** | **183,512** | **7,562** | **107,211** | **298,285** |
| **Capital asset additions** |  |  |  |  |
| **Estimated expenditure on new**  **or replacement assets** |  |  |  |  |
| By purchase - other | - | 550 | 14,450 | 15,000 |
| **Total additions** | **-** | **550** | **14,450** | **15,000** |
| **Other movements** |  |  |  |  |
| Depreciation/amortisation expense | (4,280) | (2,907) | (13,447) | (20,634) |
| Depreciation/amortisation on  ROU assets | (12,364) | (639) | - | (13,003) |
| **Total other movements** | **(16,644)** | **(3,546)** | **(13,447)** | **(33,637)** |
| **As at 30 June 2021** |  |  |  |  |
| Gross book value | 41,447 | 18,640 | 229,675 | 289,762 |
| Gross book value - ROU assets | 160,113 | 1,676 | - | 161,789 |
| Accumulated depreciation/  amortisation and impairment | (9,782) | (14,493) | (121,461) | (145,736) |
| Accumulated depreciation/amortisation and impairment - ROU assets | (24,910) | (1,257) | - | (26,167) |
| **Closing net book balance** | **166,868** | **4,566** | **108,214** | **279,648** |

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 2020­21)

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

Department o

National Offshore Petroleum Safety and Environmental Management Authority

Entity resources and planned performance

National Offshore Petroleum Safety and Environmental Management Authority

Section 1: Entity overview and resources 333

1.1 Strategic direction statement 333

1.2 Entity resource statement 335

1.3 Budget measures 336

Section 2: Outcomes and planned performance 337

2.1 Budgeted expenses and performance for Outcome 1 338

Section 3: Budgeted financial statements 341

3.1 Budgeted financial statements 341

3.2 Budgeted financial statements tables 342

# 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[[1]](#footnote-1). NOPSEMA regulates petroleum operations in coastal waters only where a state or territory has conferred regulatory powers and functions on NOPSEMA[[2]](#footnote-2). 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 2020-21, NOPSEMA’s key priorities will include:

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

NOPSEMA’s Corporate Plan 2020-25 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](http://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 2020­21 as at Budget October 2020

|  |  |  |
| --- | --- | --- |
|  | *2019­20 Estimated actual*  *$'000* | 2020­21 Estimate  $'000 |
| **Opening balance/cash reserves at 1 July (a)** | *13,680* | 14,289 |
| **Funds from Government** |  |  |
| Amounts received from related entities |  |  |
| Amounts from portfolio department (a) | *36,256* | 38,830 |
| Total amounts received from related entities | *36,256* | 38,830 |
| **Total funds from Government** | ***36,256*** | **38,830** |
| **Funds from other sources** |  |  |
| Interest | *155* | 128 |
| Other | *94* | - |
| **Total funds from other sources** | ***249*** | **128** |
| **Total net resourcing for NOPSEMA** | ***50,185*** | **53,247** |
|  |  |  |
|  | *2019­20* | 2020­21 |
| **Average staffing level (number)** | *120* | 135 |

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

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

1. NOPSEMA became a corporate Commonwealth entity on 1 July 2014 and receives its funding through a special appropriation which is administered through the Department of Industry, Science, Energy and Resources. This 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 NOPSEMA are detailed in Budget Paper No. 2 and are summarised below.

Table 1.2: NOPSEMA 2020­21 budget measures  
Measures announced after the Economic and Fiscal Update July 2020

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Program | 2019­20  $'000 | 2020­21  $'000 | 2021­22  $'000 | 2022­23  $'000 | 2023­24  $'000 |
| **Payment Measures** |  |  |  |  |  |  |
| JobMaker Plan - investment in new energy technologies | 1 |  |  |  |  |  |
| Departmental payment |  | - | 739 | 667 | - | - |
| **Total** |  | **-** | **739** | **667** | **-** | **-** |
| **Total payment measures** |  | **-** | **-** | **-** | **-** | **-** |
| Departmental |  | - | 739 | 667 | - | - |
| **Total** |  | **-** | **739** | **667** | **-** | **-** |

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

## 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 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 a complete picture of an entity’s planned and actual performance.

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

https://www.nopsema.gov.au/assets/Corporate/A732734.pdf

The most recent annual performance statement can be found at:

https://www.transparency.gov.au/annual-reports/national-offshore-petroleum-safety-and-environmental-management-authority/reporting-year/2018-2019-25

### 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, Science, Energy and Resources** |
| --- |
| **Programs**   * Program 1.2 – Growing innovative and competitive business, industries and regions * Program 1.3 – Supporting a strong resources sector |
| **Contribution to Outcome 1 made by linked programs**  The Department of Industry, Science, Energy and Resources contributes to Outcome 1 through its policies and program relating to the management and administration of the Offshore Petroleum and Greenhouse Gas Storage Act 2006 and associated regulations. |
| **Department of Agriculture, Water and the Environment** |
| **Programs**   * Program 1.2 – Environmental Information and Research * Program 2.1 – Antarctica: Science Policy and Presence |
| **Contribution to Outcome 1 made by linked programs**  The National Environmental Science Program contributes knowledge and understanding of Australia’s marine environment to support environmental impact assessment and industry’s management of its impacts.  Scientific capacity within the Australian Antarctic Division can be accessed to support regulatory functions. |

**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:** 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. | | | | | |
|  | 2019­20 Estimated actual  $'000 | 2020­21  Budget  $'000 | 2021­22 Forward estimate  $'000 | 2022­23 Forward estimate  $'000 | 2023­24 Forward estimate  $'000 |
| **Program 1: Regulatory oversight of Safety Cases, Wells Operations Management Plans and Environment Plans coupled with effective monitoring, investigation and enforcement** | | | | | |
| Revenue from Government |  |  |  |  |  |
| Payment from related entities | 36,256 | 38,830 | 37,729 | 37,062 | 37,062 |
| Expenses not requiring  appropriation in the budget year (a) | (429) | - | - | - | - |
| Revenues from other independent  sources | 249 | 128 | 167 | 164 | 165 |
| **Total expenses for Program 1** | **36,076** | **38,958** | **37,896** | **37,226** | **37,227** |
| **Outcome 1 totals by resource type** | | | | | |
| Revenue from Government |  |  |  |  |  |
| Payment from related entities | 36,256 | 38,830 | 37,729 | 37,062 | 37,062 |
| Expenses not requiring  appropriation in the budget year | (429) | - | - | - | - |
| Revenues from other independent  sources | 249 | 128 | 167 | 164 | 165 |
| **Total expenses for Outcome 1** | **36,076** | **38,958** | **37,896** | **37,226** | **37,227** |
|  |  |  |  |  |  |
|  | 2019­20 | 2020­21 |  |  |  |
| **Average staffing level (number)** | 120 | 135 |  |  |  |

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

Table 2.1.2: Performance criteria for Outcome 1

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2020­21 Budget measures have created new programs or materially changed existing programs.

| Outcome 1: Promote and enforce the effective management of risks to the workforce, the environment and the structural integrity of facilities, wells and well-related equipment of the Australian offshore petroleum and greenhouse gas storage industries through regulatory oversight | | |
| --- | --- | --- |
| **Program 1** – **Regulatory oversight of Safety Cases, Well Operations Management Plans and Environment Plans coupled with effective monitoring, investigation and enforcement.**  This program contributes to the outcome by fulfilling NOPSEMA’s legislated functions, including assessment, inspection, enforcement, promotion and advisory activities, with its target group being duty holders in the offshore petroleum industry. | | |
| **Delivery** | NOPSEMA delivers Program 1 by:   * implementing risk-based assessment procedures for all legislated submissions * implementing risk-based inspection programs for all offshore petroleum activities * taking proportionate enforcement actions that facilitate duty holder return to compliance * undertaking investigations in response to potential and reported non-compliances | |
| **Performance information** | | |
| **Year** | **Performance criteria** | **2019-20 Actual Achievement/Targets** |
| 2019­20 (a) | Assessments are undertaken in line with risk-based elements as per NOPSEMA policies | 100 per cent |
| Risk-based inspections are conducted to meet policy targets | 100 per cent |
| Enforcement actions are undertaken in accordance with the Enforcement  Management Model | 100 per cent |
| Incidents are investigated in accordance with NOPSEMA policies | 98 per cent |
| 2020­21 | As per 2019­20 | As per 2019­20 |
| 2021­22 and beyond | As per 2019­20 | As per 2019­20 |
| **Purposes** | To assure the protection of lives and the environment. | |
| **Material changes to Program 1 resulting from the following measures:** Nil | | |

1. As at 30 June 2020, NOPSEMA achieved its 2019-20 performance targets.

## Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2020­21 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 effectively 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.

The budgeted revenue of $38.9 million for 2020-21 has increased by $1.8 million since the 2019-20 Portfolio Budget Statements were prepared.

Budgeted expenditure of $39.0 million for 2020-21 has increased by $1.7 million since the 2019-20 Portfolio Budget Statements were prepared.

NOPSEMA presents an annual report to stakeholders on 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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019­20 Estimated actual  $'000 | 2020­21  Budget  $'000 | 2021­22 Forward estimate  $'000 | 2022­23 Forward estimate  $'000 | 2023­24 Forward estimate  $'000 |
| **EXPENSES** |  |  |  |  |  |
| Employee benefits | 28,247 | 29,889 | 29,817 | 29,300 | 29,300 |
| Suppliers | 4,200 | 5,435 | 4,385 | 4,299 | 4,300 |
| Depreciation and amortisation | 3,532 | 3,554 | 3,554 | 3,554 | 3,554 |
| Finance Costs | 97 | 80 | 140 | 73 | 73 |
| **Total expenses** | **36,076** | **38,958** | **37,896** | **37,226** | **37,227** |
| **LESS:** |  |  |  |  |  |
| **OWN-SOURCE INCOME** |  |  |  |  |  |
| **Own-source revenue** |  |  |  |  |  |
| Interest | 127 | 110 | 150 | 150 | 150 |
| Sublease interest income | 28 | 18 | 17 | 14 | 15 |
| Other | 94 | - | - | - | - |
| **Total own-source revenue** | **249** | **128** | **167** | **164** | **165** |
| **Total own-source income** | **249** | **128** | **167** | **164** | **165** |
| **Net (cost of)/contribution by**  **services** | **(35,827)** | **(38,830)** | **(37,729)** | **(37,062)** | **(37,062)** |
| Revenue from Government (a) | 36,256 | 38,830 | 37,729 | 37,062 | 37,062 |
| **Surplus/(deficit) attributable to the**  **Australian Government** | **429** | **-** | **-** | **-** | **-** |
| **Total comprehensive income/(loss)** | **429** | **-** | **-** | **-** | **-** |
| **Total comprehensive income/(loss)**  **attributable to the Australian**  **Government** | **429** | **-** | **-** | **-** | **-** |

Prepared on Australian Accounting Standards basis.

1. NOPSEMA became a corporate Commonwealth entity on 1 July 2014 and receives its funding through a special appropriation which is administered through the Department of Industry, Science, Energy and Resources. 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)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019­20 Estimated actual  $'000 | 2020­21  Budget  $'000 | 2021­22 Forward estimate  $'000 | 2022­23 Forward estimate  $'000 | 2023­24 Forward estimate  $'000 |
| **ASSETS** |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |
| Cash and cash equivalents | 14,289 | 14,301 | 14,460 | 14,163 | 18,587 |
| Trade and other receivables | 13,162 | 12,225 | 12,689 | 11,778 | 11,843 |
| Other financial assets | 1,290 | 1,290 | 1,290 | 1,290 | 1,290 |
| ***Total financial assets*** | ***28,741*** | ***27,816*** | ***28,439*** | ***27,231*** | ***31,720*** |
| **Non-financial assets** |  |  |  |  |  |
| Land and buildings | 5,310 | 2,775 | 5,560 | 3,026 | 2,165 |
| Property, plant and equipment | 1,438 | 1,438 | 1,438 | 1,438 | 838 |
| Intangibles | 1,624 | 1,624 | 1,604 | 1,584 | 1,164 |
| Other non-financial assets | 653 | 653 | 653 | 653 | 653 |
| ***Total non-financial assets*** | ***9,025*** | ***6,490*** | ***9,255*** | ***6,701*** | ***4,820*** |
| **Total assets** | **37,766** | **34,306** | **37,694** | **33,932** | **36,540** |
| **LIABILITIES** |  |  |  |  |  |
| **Payables** |  |  |  |  |  |
| Suppliers | 549 | 549 | 549 | 549 | 549 |
| Other payables | 5,544 | 5,544 | 5,544 | 5,544 | 5,544 |
| ***Total payables*** | ***6,093*** | ***6,093*** | ***6,093*** | ***6,093*** | ***6,093*** |
| **Interest bearing liabilities** |  |  |  |  |  |
| Leases | 7,489 | 4,050 | 7,438 | 3,676 | 6,284 |
| ***Total interest bearing liabilities*** | ***7,489*** | ***4,050*** | ***7,438*** | ***3,676*** | ***6,284*** |
| **Provisions** |  |  |  |  |  |
| Employee provisions | 6,665 | 6,665 | 6,665 | 6,665 | 6,665 |
| Other provisions | 549 | 549 | 549 | 549 | 549 |
| ***Total provisions*** | ***7,214*** | ***7,214*** | ***7,214*** | ***7,214*** | ***7,214*** |
| **Total liabilities** | **20,796** | **17,357** | **20,745** | **16,983** | **19,591** |
| **Net assets** | **16,970** | **16,949** | **16,949** | **16,949** | **16,949** |
| **EQUITY\*** |  |  |  |  |  |
| **Parent entity interest** |  |  |  |  |  |
| Contributed equity | 896 | 896 | 896 | 896 | 896 |
| Retained surplus (accumulated  deficit) | 16,074 | 16,053 | 16,053 | 16,053 | 16,053 |
| ***Total parent entity interest*** | ***16,970*** | ***16,949*** | ***16,949*** | ***16,949*** | ***16,949*** |
| **Total equity** | **16,970** | **16,949** | **16,949** | **16,949** | **16,949** |

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 2020­21)

|  |  |  |  |
| --- | --- | --- | --- |
|  | Retained  earnings  $'000 | Contributed  equity/  capital  $'000 | Total  equity  $'000 |
| **Opening balance as at 1 July 2020** |  |  |  |
| Balance carried forward from  previous period | 16,074 | 896 | 16,970 |
| ***Adjusted opening balance*** | ***16,074*** | ***896*** | ***16,970*** |
| Surplus/(deficit) for the period | (21) |  | (21) |
| **Estimated closing balance as at**  **30 June 2021** | **16,053** | **896** | **16,949** |
| **Closing balance attributable to**  **the Australian Government** | **16,053** | **896** | **16,949** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019­20 Estimated actual  $'000 | 2020­21  Budget  $'000 | 2021­22 Forward estimate  $'000 | 2022­23 Forward estimate  $'000 | 2023­24 Forward estimate  $'000 |
| **OPERATING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Receipts from Government | 36,256 | 38,830 | 37,729 | 37,062 | 37,062 |
| Sale of goods and rendering of  services | (2,285) | 955 | 1,155 | 925 | 885 |
| Interest | 127 | 110 | 150 | 150 | 150 |
| Net GST received | 31 |  |  |  |  |
| Other | (5,963) | - | - | - | - |
| ***Total cash received*** | ***28,166*** | ***39,895*** | ***39,034*** | ***38,137*** | ***38,097*** |
| **Cash used** |  |  |  |  |  |
| Employees | 27,332 | 29,889 | 29,817 | 29,300 | 29,300 |
| Suppliers | 4,042 | 5,476 | 4,385 | 4,299 | 4,300 |
| Interest payments on lease liability | 97 | 80 | 140 | 73 | 73 |
| Other | (5,145) | - | - | - | - |
| ***Total cash used*** | ***26,326*** | ***35,445*** | ***34,342*** | ***33,672*** | ***33,673*** |
| **Net cash from/(used by)**  **operating activities** | **1,840** | **4,450** | **4,692** | **4,465** | **4,424** |
| **INVESTING ACTIVITIES** |  |  |  |  |  |
| **Cash used** |  |  |  |  |  |
| Purchase of property, plant and  equipment and intangibles | 1,566 | 1,000 | 1,000 | 1,000 | - |
| ***Total cash used*** | ***1,566*** | ***1,000*** | ***1,000*** | ***1,000*** | ***-*** |
| **Net cash from/(used by)**  **investing activities** | **(1,566)** | **(1,000)** | **(1,000)** | **(1,000)** | **-** |
| **FINANCING ACTIVITIES** |  |  |  |  |  |
| Principal payments on lase liability | (2,153) | 3,438 | 3,533 | 3,762 | - |
| Other | 1,818 |  |  |  |  |
| ***Total cash used*** | ***335*** | ***(3,438)*** | ***(3,533)*** | ***(3,762)*** | ***-*** |
| **Net cash from/(used by)**  **financing activities** | **335** | **(3,438)** | **(3,533)** | **(3,762)** | **-** |
| **Net increase/(decrease) in cash**  **held** | **609** | **12** | **159** | **(297)** | **4,424** |
| Cash and cash equivalents at the  beginning of the reporting period | 13,680 | 14,289 | 14,301 | 14,460 | 14,163 |
| **Cash and cash equivalents at**  **the end of the reporting period** | 14,289 | 14,301 | 14,460 | 14,163 | 18,587 |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019­20 Estimated actual  $'000 | 2020­21  Budget  $'000 | 2021­22 Forward estimate  $'000 | 2022­23 Forward estimate  $'000 | 2023­24 Forward estimate  $'000 |
| **PURCHASE OF NON-FINANCIAL**  **ASSETS** |  |  |  |  |  |
| Funded internally from departmental  resources (a) | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| **TOTAL** | **1,000** | **1,000** | **1,000** | **1,000** | **1,000** |
| **RECONCILIATION OF CASH USED**  **TO ACQUIRE ASSETS TO ASSET**  **MOVEMENT TABLE** |  |  |  |  |  |
| Total purchases | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| **Total cash used to acquire assets** | **1,000** | **1,000** | **1,000** | **1,000** | **1,000** |

Prepared on Australian Accounting Standards basis.

1. Includes the following sources of funding:

* revenue from Government\*
* own-source revenue receipts
* 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, Science, Energy and Resources. 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 2020­21)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Buildings  $'000 | Other  property,  plant and  equipment  $'000 | Computer  software and  intangibles  $'000 | Total  $'000 |
| **As at 1 July 2020** |  |  |  |  |
| Gross book value | 431 | 7,701 | 8,640 | 16,772 |
| Gross book value - ROU assets | 7,413 |  |  | 7,413 |
| Accumulated depreciation/  amortisation and impairment | (2,534) | (6,263) | (6,996) | (15,793) |
| **Opening net book balance** | **5,310** | **1,438** | **1,644** | **8,392** |
| **Capital asset additions** |  |  |  |  |
| By purchase - other |  | 600 | 400 | 1,000 |
| By purchase - other - ROU assets | (1) |  |  | (1) |
| **Total additions** | **(1)** | **600** | **400** | **999** |
| **Other movements** |  |  |  |  |
| Depreciation/amortisation expense |  | (600) | (420) | (1,020) |
| Depreciation/amortisation on  ROU assets | (2,534) | - | - | (2,534) |
| **Total other movements** | **(2,534)** | **(600)** | **(420)** | **(3,554)** |
| **As at 30 June 2021** |  |  |  |  |
| Gross book value | 431 | 8,301 | 9,040 | 17,772 |
| Gross book value - ROU assets | 7,412 | - | - | 7,412 |
| Accumulated depreciation/  amortisation and impairment | (2,534) | (6,863) | (7,416) | (16,813) |
| Accumulated depreciation/amortisation  and impairment - ROU assets | (2,534) | - | - | (2,534) |
| **Closing net book balance** | **2,775** | **1,438** | **1,624** | **5,837** |

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 2020­21)

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

Department o

Northern Australia Infrastructure Facility

Entity resources and planned performance

Northern Australia Infrastructure Facility

Section 1: Entity overview and resources 353

1.1 Strategic direction statement 353

1.2 Entity resource statement 355

1.3 Budget measures 356

Section 2: Outcomes and planned performance 357

2.1 Budgeted expenses and performance for Outcome 1 358

Section 3: Budgeted financial statements 363

3.1 Budgeted financial statements 363

3.2 Budgeted financial statements tables 364

# 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). The Australian Government has announced reforms in this Budget to accelerate lending speed, expand eligibility and strengthen governance. The implementation of these reforms will require amendment to the NAIF Act and the issuance of a new Investment Mandate.

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 infrastructure projects that will support the economic growth and stimulate population growth in northern Australia. The reforms announced by Government will see the NAIF empowered to lend directly to proponents in certain circumstances, as well as using the existing pass-through arrangements with the Queensland, Western Australia and Northern Territory jurisdictions. The eligibility criteria will also be expanded so that activities which support the development of infrastructure can be financed by the NAIF.

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 is wide ranging and includes assets that facilitate the establishment or enhancement of business activity or increase economic activity in a region. Examples of the sectors that NAIF can support include, but are not limited to, resources, airports, ports and rail, agriculture, water, energy, social infrastructure (including property, tourism, education and health), manufacturing and telecommunications. Eligible projects must bring new capacity online either through the construction of new infrastructure or by materially enhancing existing infrastructure. The reforms announced will expand eligibility to include projects and activities that contribute indirectly to the development of economic infrastructure in northern Australia.

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

NAIF can provide up to 100 per cent of debt funding for an eligible project provided there is appropriate risk sharing and subject to the Commonwealth Government not being a majority risk taker for a project. The reforms announced by Government will increase the NAIF’s risk appetite by removing the requirement that it avoid the Commonwealth assuming the majority of financial risk in any single project. Notwithstanding this, where possible NAIF seeks to ‘crowd in’ other debt and equity financiers to support a Project.

In providing financing to support the development of a project, NAIF seeks to utilise a number of financing tools including longer loan tenor, deferral of interest and principal repayments, security and/or cash flow subordination and concessional pricing. The financing tools provided for a project are determined on a project specific basis. NAIF can accept a higher risk than commercial lenders particularly where the risk relates to factors that are unique to investing in northern Australia, including distance remoteness and climate. 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 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, Science, Energy and Resources.

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

### 1.2 Entity resource statement

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

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

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

Table 1.1: NAIF resource statement – Budget estimates for 2020­21 as at Budget October 2020

|  |  |  |
| --- | --- | --- |
|  | *2019­20 Estimated actual*  *$'000* | 2020­21 Estimate  $'000 |
| **Opening balance/cash reserves at 1 July** | *1,632* | 1,192 |
| **Funds from Government** |  |  |
| Annual appropriations - ordinary annual services (a) |  |  |
| Outcome 1 | *10,340* | 11,962 |
| Total annual appropriations | *10,340* | *11,962* |
| **Total funds from Government** | ***10,340*** | **11,962** |
| **Funds from other sources** |  |  |
| Interest | *18* | 30 |
| **Total funds from other sources** | ***18*** | **30** |
| **Total net resourcing for NAIF** | ***11,990*** | **13,184** |
|  |  |  |
|  | *2019­20* | 2020­21 |
| **Average staffing level (number) (b)** | *1* | 1 |

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

1. Appropriation Bill (No. 1) 2020­21. 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, Science, Energy and Resources (DISER) accounts. DISER is administering loan payments to the relevant jurisdictions, and if directed on to the project proponent.
2. The ASL estimate represents the Chief Executive Officer (CEO) of the NAIF. Total staffing for the NAIF is 29.6 full time equivalents as at Budget 2020, 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 DISER, which are then paid to NAIF and are considered departmental for all purposes.

### 1.3 Budget measures

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

Table 1.2: NAIF 2020­21 budget measures  
Part 1: Measures announced after the Economic and Fiscal Update July 2020

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Program | 2020­21  $'000 | 2021­22  $'000 | 2022­23  $'000 | 2023­24  $'000 |
| **Payment measures** |  |  |  |  |  |
| Northern Australia Infrastructure Facility - extension and enhancements | 1 |  |  |  |  |
| Departmental payment |  | 1,108 | 10,438 | 11,809 | 11,968 |
| **Total** |  | **1,108** | **10,438** | **11,809** | **11,968** |
| **Total payment measures** |  | **-** | **-** | **-** | **-** |
| Departmental |  | 1,108 | 10,438 | 11,809 | 11,968 |
| **Total** |  | **1,108** | **10,438** | **11,809** | **11,968** |

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

## 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 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 a complete picture of an entity’s planned and actual performance.

The most recent corporate plan and annual performance statement for NAIF can be found at:

<https://naif.gov.au/corporate-reporting/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, Science, Energy and Resource** |
| **Programs**   * Program 1.2 – Growing innovative and competitive businesses, industries and regions. |
| **Contribution to Outcome 1 made by linked programs**  The Department of Industry, Science, Energy and Resources contributes through its policies to increase economic growth and investment in northern Australia. The Department of Industry, Science, Energy and Resources has policy responsibility for NAIF. |
| **Infrastructure Australia** |
| **Programs**   * Program 1.1 – Infrastructure Australia |
| **Contribution to Outcome 1 made by linked programs**  Infrastructure Australia contributes to Outcome 1 through feedback on matters relating to infrastructure and cost benefit analysis to support NAIF’s assessment of its mandatory criterion in regards to a project being of public benefit. NAIF must consult Infrastructure Australia where NAIF’s Investment Decision is for an amount more than $100 million. |
| **National Indigenous Australians Agency** |
| **Programs**   * Program 1.1 – Jobs, Land and the Economy * Program 1.2 – Children and Schooling * Program 1.3 – Safety and Wellbeing * Program 1.4 – Culture and Capability * Program 1.5 – Remote Australia Strategies * Program 1.6 – Evaluation and Research |

|  |
| --- |
| **Contribution to Outcome 1 made by linked programs**  The National Indigenous Australians Agency 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 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:** 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. | | | | | |
|  | 2019­20 Estimated actual  $'000 | 2020­21  Budget  $'000 | 2021­22 Forward estimate  $'000 | 2022­23 Forward estimate  $'000 | 2023­24 Forward estimate  $'000 |
| **Program 1: Northern Australia Infrastructure Facility** | | | | | |
| Revenue from Government |  |  |  |  |  |
| Ordinary annual services  (Appropriation Bill No. 1) | 10,340 | 11,962 | 14,797 | 16,094 | 16,122 |
| Expenses not requiring  appropriation in the budget year | 1,632 | - | - | - | - |
| Revenues from other independent  sources | 18 | 30 | - | - | - |
| **Total expenses for Program 1** | **11,990** | **11,992** | **14,797** | **16,094** | **16,122** |
| **Outcome 1 totals by resource type** | | | | | |
| Revenue from Government |  |  |  |  |  |
| Ordinary annual services  (Appropriation Bill No. 1) | 10,340 | 11,962 | 14,797 | 16,094 | 16,122 |
| Revenues from other independent  sources | 18 | 30 | - | - | - |
| **Total expenses for Outcome 1** | **10,358** | **11,992** | **14,797** | **16,094** | **16,122** |
|  |  |  |  |  |  |
|  | 2019­20 | 2020­21 |  |  |  |
| **Average staffing level (number)** | 1 | 1 |  |  |  |

The ASL estimate represents the Chief Executive Officer (CEO) of the NAIF. Total staffing for the NAIF is 29.6 full time equivalents as at Budget 2020, 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: Performance criteria for Outcome 1

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2020­21 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. The reforms announced by the Government will empower the NAIF to also lend directly, and expand the scope and scale of projects that can be funded. | |
| **Performance information** | | |
| **Year** | **Performance criteria** | **2019-20 Actual Achievement/Targets** |
| 2019­20 (a) | Public benefit | Net public benefit for each Investment Decision.  At a portfolio level, quantified forecast public benefit greater than the cost of concession.  Published case studies and numerical data on project construction and operational jobs generated or supported, as reported by project proponents annually. |
| Indigenous engagement | Sustainable Indigenous participation, procurement and employment.  Published case studies. |
| Investment Decisions by NAIF Board (decision to offer finance) | 7 to 10 Investment Decisions, with dollar value of NAIF investments between $1b and $1.25b and total capital value of projects supported between $1.5b and $2.0b.  Contractual close of $0.75 to $0.85b.  Demonstrate diversification on Investment Decisions to date across geography and sector.  Evidence of supporting transformational projects that provide significant public benefit. |
| Effective risk management | Demonstrate active management within the Risk Framework and Risk Appetite Statement.  Compliance with NAIF Act and Investment Mandate. |
| Active stakeholder management | Board meetings held in each of the northern Australia jurisdictions per annum. Targeted regional industry events. Regular communication via newsletters, social and other media.  Refreshed website highlighting key investment activities and impact. |
| Achieve sound financial performance | Operating expenses per annum are within budget.  By 2023-24 transaction loan revenues exceed NAIF accumulated operating costs. |
| 2020­21 (b) | As per 2019­20 | As per 2020-21- except for the performance criterion on Contractual close which is a target of $0.8b to $1b. |
| 2021­22 and beyond | As per 2020­21  The KPI’s were prepared on the basis that NAIF’s total capital available for Investment Decisions remains unchanged and as a result contractual close is capped at $5b as per the current NAIF Act. There is therefore a tapering off Investment Decision in 2022-24 | As per 2020­21 except for the performance criterion on Investment Decision by the NAIF Board which is:  2022-23  5-7 Investment Decisions with dollar value of NAIF investment between $0.5b and $0.75b for a total capital value of projects supported between $0.75b and $1b and contractual close per annum of $0.8 to $1b.  2023-24  5-7 Investment Decisions with dollar value of NAIF investment between $0.25 and $0.5b for a total capital value of projects supported between $0.38 and $0.75bn and contractual close of $0.4 to $0.5b. |
| **Purposes** | NAIF’s primary purpose is to accelerate infrastructure development and thereby drive transformational growth in northern Australia by innovative financing that:   * generates public benefit including that outside of what is captured by the project proponent * encourages longer-term growth in the economy and population of northern Australia * encourages private sector participation in the financing of northern Australia’s infrastructure needs * facilitates sustainable Indigenous participation, procurement and employment | |
| **Material changes to Program 1 resulting from the following measures:** Nil | | |

1. NAIF achieved its 2019-20 performance targets.
2. NAIF is currently on track to achieve its 2020-21 performance targets.

## Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2020­21 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 2020-21 is $12.0 million, represented by $8.6 million in employee benefits, $0.1 million in depreciation for the leased rental property in Cairns, and $3.3 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, 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 $1.6 million for 2019-20. The forecasted loss is associated with timing related issues, although not all was spent in the year.

Section 8(1) of the NAIF Act provides that NAIF must not make a decision after 30 June 2021 to provide financial assistance. On 17 July 2020 NAIF’s Responsible Minister announced NAIF’s extension for a further five years to 30 June 2026, which is subject to finalisation of legislation.

### 3.2 Budgeted financial statements tables

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019­20 Estimated actual  $'000 | 2020­21  Budget  $'000 | 2021­22 Forward estimate  $'000 | 2022­23 Forward estimate  $'000 | 2023­24 Forward estimate  $'000 |
| **EXPENSES** |  |  |  |  |  |
| Employee benefits | 7,544 | 8,597 | 11,305 | 12,856 | 13,012 |
| Suppliers | 3,130 | 3,307 | 3,492 | 3,238 | 3,110 |
| Depreciation and amortisation | 118 | 88 | - | - | - |
| Finance costs | 1 | - | - | - | - |
| **Total expenses** | **10,793** | **11,992** | **14,797** | **16,094** | **16,122** |
| **LESS:** |  |  |  |  |  |
| **OWN-SOURCE INCOME** |  |  |  |  |  |
| **Own-source revenue** |  |  |  |  |  |
| Interest | 18 | 30 | - | **-** | **-** |
| **Total own-source revenue** | **18** | **30** | **-** | **-** | **-** |
| **Total own-source income** | **18** | **30** | **-** | **-** | **-** |
| **Net (cost of)/contribution by**  **services** | **(10,775)** | **(11,962)** | **(14,797)** | **(16,094)** | **(16,122)** |
| Revenue from Government | 10,340 | 11,962 | 14,797 | 16,094 | 16,122 |
| **Surplus/(deficit) attributable to the**  **Australian Government** | **(435)** | **-** | **-** | **-** | **-** |
| **OTHER COMPREHENSIVE INCOME** |  |  |  |  |  |
| **Total comprehensive income/(loss)** | **(435)** | **-** | **-** | **-** | **-** |
| **Total comprehensive income/(loss)**  **attributable to the Australian**  **Government** | **(435)** | **-** | **-** | **-** | **-** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019­20 Estimated actual  $'000 | 2020­21  Budget  $'000 | 2021­22 Forward estimate  $'000 | 2022­23 Forward estimate  $'000 | 2023­24 Forward estimate  $'000 |
| **ASSETS** |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |
| Cash and cash equivalents | 3,635 | 3,855 | 3,855 | 3,855 | 3,855 |
| Trade and other receivables | 155 | 134 | 134 | 134 | 134 |
| ***Total financial assets*** | ***3,790*** | ***3,989*** | ***3,989*** | ***3,989*** | ***3,989*** |
| **Non-financial assets** |  |  |  |  |  |
| Property, plant and equipment | 88 | – | – | – | – |
| Other non-financial assets | 12 | 12 | 12 | 12 | 12 |
| ***Total non-financial assets*** | ***100*** | ***12*** | ***12*** | ***12*** | ***12*** |
| **Total assets** | **3,890** | **4,001** | **4,001** | **4,001** | **4,001** |
| **LIABILITIES** |  |  |  |  |  |
| **Payables** |  |  |  |  |  |
| Suppliers | 1,410 | 1,436 | 1,370 | 1,304 | 1,238 |
| ***Total payables*** | ***1,410*** | ***1,436*** | ***1,370*** | ***1,304*** | ***1,238*** |
| **Interest bearing liabilities** |  |  |  |  |  |
| Leases | 92 | - | - | - | - |
| ***Total interest bearing liabilities*** | ***92*** | ***-*** | ***-*** | ***-*** | ***-*** |
| **Provisions** |  |  |  |  |  |
| Employee provisions | 1,196 | 1,373 | 1,439 | 1,505 | 1,571 |
| ***Total provisions*** | ***1,196*** | ***1,373*** | ***1,439*** | ***1,505*** | ***1,571*** |
| **Total liabilities** | **2,698** | **2,809** | **2,809** | **2,809** | **2,809** |
| **Net assets** | **1,192** | **1,192** | **1,192** | **1,192** | **1,192** |
| **EQUITY\*** |  |  |  |  |  |
| **Parent entity interest** |  |  |  |  |  |
| Retained surplus (accumulated  deficit) | 1,192 | 1,192 | 1,192 | 1,192 | 1,192 |
| ***Total parent entity interest*** | ***1,192*** | ***1,192*** | ***1,192*** | ***1,192*** | ***1,192*** |
| **Total equity** | **1,192** | **1,192** | **1,192** | **1,192** | **1,192** |

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 2020­21)

|  |  |  |
| --- | --- | --- |
|  | Retained  earnings  $'000 | Total  equity  $'000 |
| **Opening balance as at 1 July 2020** |  |  |
| Balance carried forward from  previous period | 1,192 | 1,192 |
| ***Adjusted opening balance*** | ***1,192*** | ***1,192*** |
| Surplus/(deficit) for the period |  |  |
| **Estimated closing balance as at**  **30 June 2021** | **1,192** | **1,192** |
| **Closing balance attributable to**  **the Australian Government** | **1,192** | **1,192** |

Prepared on Australian Accounting Standards basis

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2019­20 Estimated actual  $'000 | 2020­21  Budget  $'000 | 2021­22 Forward estimate  $'000 | 2022­23 Forward estimate  $'000 | 2023­24 Forward estimate  $'000 |
| **OPERATING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Receipts from Government | 10,319 | 11,983 | 14,797 | 16,094 | 16,122 |
| Interest | 18 | 30 | - | - | - |
| Other | 122 | - | - | - | - |
| ***Total cash received*** | ***10,459*** | ***12,013*** | ***14,797*** | ***16,094*** | ***16,122*** |
| **Cash used** |  |  |  |  |  |
| Employees | 7,380 | 8,420 | 11,239 | 12,790 | 12,946 |
| Suppliers | 4,600 | 3,281 | 3,558 | 3,304 | 3,176 |
| ***Total cash used*** | ***11,980*** | ***11,701*** | ***14,797*** | ***16,094*** | ***16,122*** |
| **Net cash from/(used by)**  **operating activities** | **(1,521)** | **312** | **-** | **-** | **-** |
| **FINANCING ACTIVITIES** |  |  |  |  |  |
| **Cash used** |  |  |  |  |  |
| Principal payments on lease liability | 118 | 92 | - | - | - |
| Other | 1 | - | - | - | - |
| **Total cash used** | ***119*** | ***92*** | ***-*** | ***-*** | ***-*** |
| **Net cash from/(used by)**  **financing activities** | **119** | **92** | **-** | **-** | **-** |
| **Net increase/(decrease) in cash**  **held** | **(1,402)** | **220** | **-** | **-** | **-** |
| Cash and cash equivalents at the  beginning of the reporting period | 5,275 | 3,635 | 3,855 | 3,855 | 3,855 |
| **Cash and cash equivalents at**  **the end of the reporting period** | 3,635 | 3,855 | 3,855 | 3,855 | 3,855 |

Prepared on Australian Accounting Standards basis.

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

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

Table 3.6: Statement of asset movements (Budget year 2020­21)

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 on behalf of government; therefore Table 3.8 is not presented.

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

NAIF has no budgeted administered cash 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 2020­21)

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

1. Note: The territorial sea baseline varies depending upon the shape of the coastline in any given locality.

   See <http://www.ga.gov.au/scientific-topics/marine/jurisdiction/maritime-boundary-definitions> for a comprehensive description and maps. [↑](#footnote-ref-1)
2. Currently, only Victoria has conferred powers and functions for the regulation of health and safety and well integrity to NOPSEMA [↑](#footnote-ref-2)