



Budget 2020-21

Portfolio Budget Statements 2020-21 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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The Hon Karen Andrews MP

Minister for Industry, Science and Technology

The Hon Angus Taylor MP

Minister for Energy and Emissions Reduction

The Hon Keith Pitt MP

Minister for Resources, Water and Northern Australia

Senator the Hon Michaelia Cash

Minister for Employment, Skills, Small and Family Business

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 2020-21 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nfp	not for publication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

Should you have any enquiries regarding this publication, please contact 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.

**USER GUIDE
TO THE
PORTFOLIO BUDGET STATEMENTS**

USER GUIDE

The purpose of the 2020-21 *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.

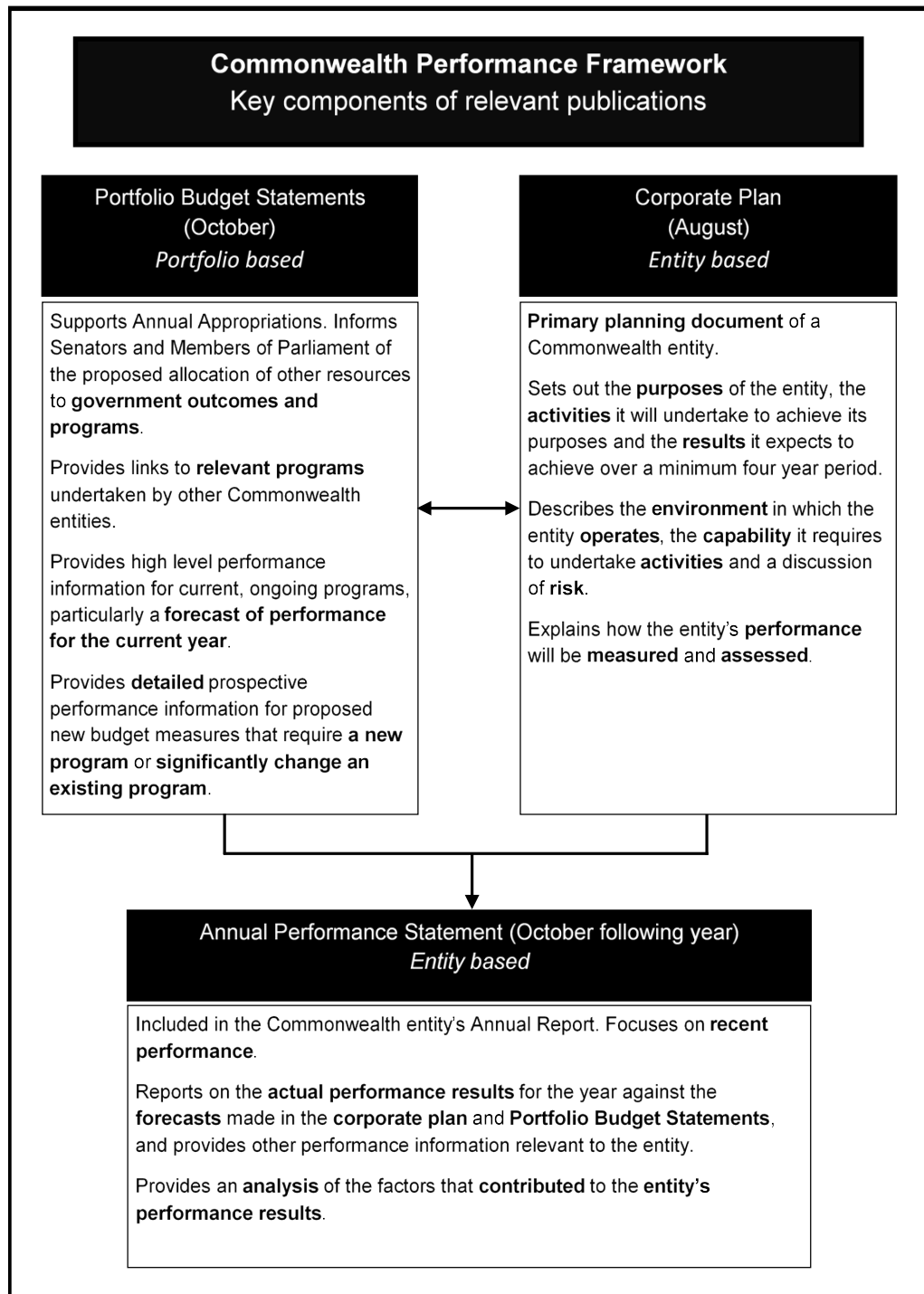
A key role of the PB Statements is to facilitate the understanding of proposed annual appropriations in Appropriation Bills (No. 1 and No. 2) 2020-21 (or Appropriation (Parliamentary Departments) Bill (No. 1) 2020-21 for the parliamentary departments). In this sense, the PB Statements are Budget related 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.



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PORTFOLIO OVERVIEW

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 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
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

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

<p>Clean Energy Regulator (CER) Chair: Mr David Parker AM</p> <p>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</p>
<p>Climate Change Authority (CCA) Chief Executive Officer: Mr Brad Archer</p> <p>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</p>
<p>Commonwealth Scientific and Industrial Research Organisation (CSIRO) Chief Executive: Dr Larry Marshall</p> <p>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</p>
<p>Geoscience Australia Chief Executive Officer: Dr James Johnson</p> <p>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</p>
<p>IP Australia Director General: Mr Michael Schwager</p> <p>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</p>
<p>National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) Chief Executive Officer: Mr Stuart Smith</p> <p>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</p>
<p>Northern Australia Infrastructure Facility (NAIF) Chief Executive Officer: Mr Chris Wade</p> <p>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</p>
<p>Snowy Hydro Limited Chief Executive Officer: Mr Paul Broad</p> <p>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</p>

ENTITY RESOURCES AND PLANNED PERFORMANCE

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**DEPARTMENT OF INDUSTRY,
SCIENCE, ENERGY AND
RESOURCES**

**ENTITY RESOURCES AND PLANNED
PERFORMANCE**

DEPARTMENT OF INDUSTRY, SCIENCE, ENERGY AND RESOURCES

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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 2020-21 as at Budget October 2020

	2019-20 <i>Estimated actual</i> \$'000	2020-21 Estimate \$'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
<i>less department appropriations drawn from annual appropriations and credited to special accounts</i>	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 2020-21 as at Budget October 2020 (continued)

	2019-20 <i>Estimated actual</i> \$'000	2020-21 Estimate \$'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
<i>Total administered annual appropriations</i>	<i>2,219,186</i>	<i>3,719,236</i>
<i>Total administered special appropriations (h)</i>	<i>284,275</i>	<i>533,202</i>
Special accounts (f)		
Opening balance	121,061	5,966,292
Adjustments	5,391,179	(8,835)
Non-appropriated receipts	474,205	867,997
<i>Total special accounts receipts</i>	<i>5,986,445</i>	<i>6,825,454</i>
<i>less payments to corporate entities from annual/special appropriations and special accounts</i>	<i>1,386,454</i>	<i>2,270,221</i>
<i>less special account balances for corporate entities</i>	<i>5,419,000</i>	<i>5,719,000</i>
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
	2019-20	2020-21
Average staffing levels (number)	2,704	3,083

Table 1.1: Department of Industry, Science, Energy and Resources resource statement – Budget estimates for 2020-21 as at Budget October 2020 (continued)**Third-party payments from and on behalf of other entities**

	2019-20 <i>Estimated actual</i> \$'000	2020-21 Estimate \$'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.

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

- (a) This measure provides an additional \$8.3 million of funding in 2020-21, which is offset from the contingency reserve.
- (b) This measure provides \$10.0 million for administered payments over four years from 2020-21 from existing resources of the department.
- (c) 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.
- (d) 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.
- (e) 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.
- (f) 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

<ul style="list-style-type: none"> Program 1 – Regulatory oversight of Safety Cases, Well Operations Management Plans and Environment Plans coupled with effective monitoring, investigation and enforcement <p>Northern Australia Infrastructure Facility</p> <ul style="list-style-type: none"> Program 1 – Northern Australia Infrastructure Facility
<p>Contribution to Outcome 1 made by linked programs</p> <p>The portfolio agencies' programs contribute to enabling growth and productivity for globally competitive industries through supporting science and commercialisation, growing business investment and improving business capability and streamlining regulation.</p> <p>Further information on the linked programs is available in the agencies' chapters.</p>
<p>Department of Agriculture, Water and the Environment</p>
<p>Programs</p> <ul style="list-style-type: none"> Program 1.1 – Sustainable Management of Natural Resources and the Environment Program 1.3 – Commonwealth Environmental Water Program 2.1 – Antarctica: Science, Policy and Presence Program 3.2 – Sustainable Management - Natural Resources Program 3.10 – Agricultural Resources
<p>Contribution to Outcome 1 made by linked programs</p> <p>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.</p>
<p>Regional Investment Corporation</p>
<p>Programs</p> <ul style="list-style-type: none"> Program 1.1 – Regional Investment Corporation
<p>Contribution to Outcome 1 made by linked programs</p> <p>The Regional Investment Corporation 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.</p>
<p>Department of Defence</p>
<p>Programs</p> <ul style="list-style-type: none"> Program 2.1 – Strategic Policy and Intelligence Program 2.9 – Capability, Acquisition and Sustainment Program 2.13 – Defence Science and Technology

<p>Contribution to Outcome 1 made by linked programs</p> <p>The Department of Defence works collaboratively with the Department of Industry, Science, Energy and Resources through the Centre for Defence Industry Capability (CDIC).</p> <p>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.</p> <p>The CDIC also focuses on maximising Australian industry involvement in major capital acquisition programs.</p>
<p>Department of Education, Skills and Employment</p>
<p>Programs</p> <ul style="list-style-type: none"> • Program 4.1 – Employment Services
<p>Contribution to Outcome 1 made by linked programs</p> <p>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.</p>
<p>Department of Foreign Affairs and Trade</p>
<p>Programs</p> <ul style="list-style-type: none"> • Program 1.1 – Foreign Affairs and Trade Operations
<p>Contribution to Outcome 1 made by linked programs</p> <p>The Department of Foreign Affairs and Trade 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.</p>
<p>Australian Trade and Investment Commission</p>
<p>Programs</p> <ul style="list-style-type: none"> • Program 1.1 – Promotion of Australia's export and other international economic interests • Program 1.2 – Programs to promote Australia's exports and other international economic interests

<p>Contribution to Outcome 1 made by linked programs</p> <p>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.</p>
<p>Department of Health</p>
<p>Programs</p> <ul style="list-style-type: none"> • Program 1.1 – Health Policy Research and Analysis
<p>Contribution to Outcome 1 made by linked programs</p> <p>The Department of Health 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.</p> <p>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.</p>
<p>Department of Home Affairs</p>
<p>Programs</p> <ul style="list-style-type: none"> • Program 2.2 – Migration • Program 3.1 – Border Revenue • Program 3.2 – Trade Facilitation and Industry Engagement
<p>Contribution to Outcome 1 made by linked programs</p> <p>The Department of Home Affairs contributes to 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.</p>
<p>Department of Infrastructure, Transport, Regional Development and Communications</p>
<p>Programs</p> <ul style="list-style-type: none"> • Program 1.1 – Infrastructure Investment • Program 3.1 – Regional Development
<p>Contribution to Outcome 1 made by linked programs</p>

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 <ul style="list-style-type: none"> • 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 <ul style="list-style-type: none"> • 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 <ul style="list-style-type: none"> • Program 1.1 – Australian Competition and Consumer Commission
Contribution to Outcome 1 made by linked programs The Australian Competition and Consumer Commission is responsible for achieving compliance with the <i>Competition and Consumer Act 2010</i> and associated legislation in order to protect, strengthen and supplement the way competition works in Australian markets and industries to improve the efficiency of the economy and the welfare of Australians.

Australian Taxation Office
Programs <ul style="list-style-type: none">• Program 1.1 – Australian Taxation Office• Program 1.7 – Fuel Tax Credit Scheme• Program 1.10 – Research and Development Tax Incentive
Contribution to Outcome 1 made by linked programs <p>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.</p>

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

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'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
<i>Less payments to corporate entities</i>	<i>(1,174,895)</i>	<i>(1,296,669)</i>	<i>(1,286,551)</i>	<i>(1,289,768)</i>	<i>(1,282,411)</i>
Special Accounts	20,363	14,376	14,471	15,201	15,371
Special appropriations	78,870	59,077	37,789	37,122	37,122
<i>Less payments to corporate entities</i>	<i>(35,940)</i>	<i>(38,830)</i>	<i>(37,729)</i>	<i>(37,062)</i>	<i>(37,062)</i>
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)

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

- (a) Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act 2013.
- (b) Expenses not requiring appropriation in the budget year are made up of depreciation / amortisation expenses, audit fees, and approved operating losses.
- (c) 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.
- (d) 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					
	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
<i>Program 1.1: Investing in science, technology and commercialisation</i>					
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					
	2019-20	2020-21	2021-22	2022-23	2023-24
	Estimated	Budget	Forward	Forward	Forward
	actual		estimate	estimate	estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Program 1.2: Growing innovative and competitive businesses, industries and regions</i>					
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					
	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
<i>Program 1.2: Growing innovative and competitive businesses, industries and regions</i>					
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					
	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
<i>Program 1.3: Supporting a strong resources sector</i>					
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					
	2019-20	2020-21	2021-22	2022-23	2023-24
	Estimated	Budget	Forward	Forward	Forward
	actual		estimate	estimate	estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Program 1.4: Growing a stronger northern Australian economy</i>					
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

- (a) The financial impact is not for publication (nfp) due to commercial-in-confidence considerations.
- (b) 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.
- (c) Previously published in the 2019-20 Portfolio Additional Estimates Statements as the Critical Minerals Facilitation Office program.
- (d) 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 2020-21 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	<p>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:</p> <ul style="list-style-type: none">• 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

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		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	<p>Target: Year-on-year increase.</p> <p>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.</p> <p>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.</p>
	Proportion of higher education R&D financed by industry	<p>Target: Year-on-year increase.</p> <p>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.</p> <p>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.</p> <p>The previous ABS data release showed 4.4 per cent of higher education R&D was financed by business in 2016.</p>
	Effective delivery of Global Innovation Strategy initiatives, the Australia–China Science and Research Fund (ACSRF) and the Australia–India Strategic Research Fund (AISRF)	<p>Result: Significant achievements in 2019-20 included:</p> <ul style="list-style-type: none"> announcing outcomes of AISRF Round 11 in July 2019 and Global

		<p>Connections Fund Bridging Grants Round 4 in November 2019</p> <ul style="list-style-type: none"> 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	<p>Target: Maintain SAGE participation for 44 or more institutions.</p> <p>Result: 42 Two participating organisations have withdrawn from the SAGE initiative.</p> <p>Target: Maintaining SAGE accreditation for 15 or more institutions.</p> <p>Result: 39 institutions have Bronze SAGE accreditation.</p>
	Effective delivery of initiatives to encourage more women and girls to pursue science education and careers	<p>Result: Significant achievements in 2019-20 included:</p> <ul style="list-style-type: none"> 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	<p>Target: 500,000 Result: 364,057</p> <p>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</p>

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		year.
	Number of participants to Questacon programs in-school or in their communities	<p>Target: 93,000 Result: 48,090</p> <p>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.</p>
	Percentage of National Measurement Institute reports, certificates and services delivered on time	<p>Target: ≥ 85 per cent Result: 84 per cent</p> <p>High demand and the COVID-19 response caused delays in some areas.</p>
	Percentage of (trade measurement) trader audit target met	<p>Target: ≥ 90 per cent Result: 112 per cent</p> <p>The number of inspections of businesses, trade measurement instruments and pre-packaged goods significantly exceeded targets.</p>
	Australia's national system of measurement is trusted nationally and internationally	<p>Result:</p> <p>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.</p> <p>In 2019-20, NMI:</p> <ul style="list-style-type: none"> • 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 <p>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.</p>
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: <ul style="list-style-type: none">empowering Australian businesses to strengthen, grow, innovate, digitise and commercialise, supported by a competitive business environment that enables our recovery from COVID-19developing a modern, competitive and advanced manufacturing sector, investing in areas of competitive strength to create jobs, support economic growth and improve our economic resiliencedriving export growth and strengthen and diversify supply chains and markets, attract private sector investment and capture new and emerging opportunitiesencouraging the adoption of digital technologies by Australian businesses to underpin productivity gains, growth, and resiliencesupporting 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 Frameworksupporting 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

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		<p>R&D activity.</p> <p>Result:</p> <p>\$10,788,935</p> <p>This result includes R&D expenditure that was registered for the income period 2018-19 (at 30 June 2020).</p> <p>Registrations for the income period will continue until 30 September 2020.</p> <p>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.</p>
	Number of Cooperative Research Centres (CRC) grants/ Cooperative Research Centres Projects (CRC-P) grants supported	<p>Target: 129</p> <p>Result: 139</p>
	Number of commercialisation agreements reported by CRC/CRC-P recipients	<p>Target: 3,643</p> <p>Result:</p> <p>2019-20 data will be available after 31 October 2020, when final CRC and CRC-P reports are received.</p> <p>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.</p>
	Number of applications for patents filed by CRC recipients	<p>Target: 72</p> <p>Result:</p> <p>2019-20 data will be available after 31 October 2020, when final CRC and CRC-P reports are received.</p> <p>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.</p>
	Australia's ranking in the Global Entrepreneurship Monitor indicator of total early-stage entrepreneurship activity (TEA)	<p>Target:</p> <p>Maintain or improve Australia's top 10 TEA ranking.</p> <p>Result:</p> <p>At 10.52 per cent, Australia ranked 12th out of 25 OECD countries. Our ranking has dropped from 10th in 2017-18</p>

		<p>(12.21 per cent).</p> <p>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).</p>
	Australia's ranking in the Global Innovation Index	<p>Target:</p> <p>Maintain or improve Australia's 22nd ranking in the Global Innovation Index.</p> <p>Result:</p> <p>Australia ranked 23rd in 2020.</p>
	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	<p>Target: 100 per cent</p> <p>Result: 100 per cent</p>
	Proportion of anti-dumping inquiries to the business.gov.au hotline and the client support area responded to within client service standards	<p>Target: ≥ 95 per cent</p> <p>Result: 99.3 per cent</p>
	Influential participation in Free Trade Agreement negotiations support Australian interests to increase and deliver better outcomes for market access and trade	<p>Result:</p> <p>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.</p>
	Australian memberships of key international standardisation and accreditation bodies are maintained	<p>Result:</p> <p>Standards Australia maintained membership of the International Organization for Standardization and the International Electrotechnical Commission.</p> <p>The National Association of Testing Authorities maintained</p>

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		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	<p>Target: 50 Result: 105</p> <p>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.</p>
	<p>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:</p> <ul style="list-style-type: none"> • increase business engagement with supply chains and international markets • identify and improve management and workforce skills 	<p>Result:</p> <p>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.</p>
	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	<p>Target: 6,832 Result: 10,770</p> <p>The Entrepreneurs' Programme provided additional advisory services to customers to support them in responding to the impacts of COVID-19.</p>
	Number of Growth Centre activities against key objectives	<p>Target: 170 Result: 662</p> <p>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.</p>
	Number of participants in Growth Centre activities	<p>Target: 2,500 Result: 32,798</p> <p>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.</p>
	<p>Established Growth Centres deliver against the objectives of Sector Competitiveness Plans including activities to:</p> <ul style="list-style-type: none"> • identify and pursue opportunities for regulatory reform including improving 	<p>Result:</p> <p>The Industry Growth Centres have engaged broadly across industry bodies and associations, research</p>

	<p>industry standards</p> <ul style="list-style-type: none"> • 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 	<p>organisations and universities, and Australian Government and state and territory governments to progress priorities against the four objectives.</p> <p>They have worked to:</p> <ul style="list-style-type: none"> • 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. <p>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.</p>
	Australia's ranking on the World Bank's 'ease of doing business' scorecard	<p>Target:</p> <p>Maintain or improve Australia's top 20 ranking.</p> <p>Result:</p> <p>Australia improved four places to reach 14th position in the world for ease of doing business in 2020.</p>
	Australia's ranking on the World Economic Forum's 'business dynamism'	<p>Target:</p> <p>Maintain or improve Australia's top 20 ranking.</p> <p>Result:</p> <p>Australia achieved a global ranking of 16 out of 127 countries for 2019.</p>
	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)	<p>Target: \$56,294</p> <p>Result: \$27,797</p> <p>COVID-19 has contributed to the reduced level of induced investment in 2019-20, with</p>

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		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.
	<p>Implement the Australian Civil Space Strategy:</p> <ul style="list-style-type: none"> • 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 <i>Space (Launches and Returns) Act 2018</i> 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 	<p>Result:</p> <p>Significant achievements in 2019-20 included:</p> <ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> ◦ 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 <i>Space (Launches and Returns) Act 2018</i> and administer the Act to ensure safe space activities developed and implemented. Notably: <ul style="list-style-type: none"> ◦ the <i>Space (Launches and Returns) Act 2018</i> commenced on 31 August 2019 ◦ the Space (Launches and Returns) (General) Rules and the Space (Launches and Returns) (Insurance) Rules commenced on

		<p>31 August 2019</p> <ul style="list-style-type: none"> the Space (Launches and Returns) (High Power Rocket) Rules commenced on 30 June 2020. <p>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.</p>
	<p>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</p>	<p>Result:</p> <p>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:</p> <ul style="list-style-type: none"> 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. <p>The department will deliver two solutions of the first tranche from</p>

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		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	<p>Result:</p> <p>On track.</p> <p>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.</p> <p>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.</p>
	Phone calls and webchats received by the Contact Centre continue to be answered within 10 seconds	<p>Target: ≥ 90 per cent</p> <p>Result: 82 per cent</p> <p>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.</p> <p>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.</p>
	Reduce the number of businesses that waste time submitting ineligible applications for business services programs	<p>Target: ≤ 4 per cent year on year.</p> <p>Result: 13 per cent</p> <p>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.</p> <p>The department is considering enhancing its new grants management system to help businesses identify early on in their application process whether</p>

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		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	<p>Target: 55 per cent Result: 55 per cent</p> <p>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.</p> <p>In 2020-21, it is expected that 95 per cent of applicants will apply for grants through the BGM platform.</p>
	<p>Applications for registration of R&D activities are processed within:</p> <ul style="list-style-type: none"> • 40 business days for first time registrants • 20 business days for registrants that have applied within 6 months after the end of the income period • 80 business days for registrations submitted from 6 to 10 months after the end of the income period. 	<p>Target:</p> <p>95 per cent of applications for registration of R&D activities are processed within timeframes.</p> <p>Result:</p> <p>99 per cent of applications for registration of R&D activities were processed within the timeframes.</p>
	Total number of program opportunities on-boarded through the Business Grants Hub	<p>Target: 80 Result: 108</p> <p>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.</p>
	Make it easier for businesses to access government services by improving the efficiency and business experience of program delivery	<p>Result:</p> <p>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.</p> <p>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.</p>
Year	Performance criteria (a)(b)	2020-21 Targets

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2020-21	<i>Instances of assistance delivered to businesses in priority sectors</i>	Year-on-year increase.
	<i>Number of regional areas where businesses have received assistance</i>	Year-on-year maintenance.
	<i>The median time to complete a grant application for a merit, eligibility or competitive grant</i>	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
	<i>Total number of jobs created by the digitally intensive industries</i>	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: <ul style="list-style-type: none">• 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	<p>Target:</p> <p>Year-on-year maintenance or increase in relevant new jobs created.</p> <p>Result:</p> <p>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).</p> <p>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).</p> <p>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.</p> <p>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.</p> <p>Source: ABS, Labour Force, Australia, Detailed, Quarterly, May 2020, cat. no. 6291.0.55.003.</p>
	Deliver a national resources brand (with Austrade) and a Global Resources Strategy	<p>Target:</p> <p>Strategy and brand delivered by mid-2020.</p> <p>Result:</p> <p>Delayed 6-12 months.</p> <p>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.</p>
	Finalise the National Hydrogen Strategy	<p>Target:</p> <p>National Hydrogen Strategy finalised.</p> <p>Result</p> <p>Completed.</p> <p>The National Hydrogen Strategy was released by COAG Energy Council Ministers on 22</p>

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	Identify and remove regulatory and administrative barriers that impose unnecessary costs and delays to resource projects	<p>November 2019.</p> <p>Result: On track.</p> <p>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.</p> <p>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.</p>
	Determining a suitable site to host a radioactive waste management facility, and progress site-specific design	<p>Target: Site Selection: A decision is made in relation to a site, including resolving any acquisition and compensation issues.</p> <p>Result: A preferred site at Napandee, near Kimba in South Australia, was identified following assessment of technical and community sentiment information.</p> <p>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.</p>
Year	Performance criteria (a)(b)	2020-21 Targets
2020-21	<i>Total expenditure on resources exploration</i>	Year-on-year increase.
	<i>Grow Australia's critical minerals potential, including by supporting development of downstream capacity</i>	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

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		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	<p>Target:</p> <p>Year-on-year maintenance or increase in relevant new jobs created.</p> <p>Result:</p> <p>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.</p>
	Number of Indigenous businesses contracted to assist with construction of federally funded projects, and contract dollar value	<p>Target:</p> <p>Year-on-year maintenance or increase.</p> <p>Result:</p> <p>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.</p>
	Indigenous businesses accessing departmental programs	<p>Target:</p> <p>Year-on-year increase.</p> <p>Result:</p> <p>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</p>

		<p>Indigenous controlled.</p> <p>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.</p> <p>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.</p>
Year	Performance criteria (a)(b)	2020-21 Targets
2020-21	<i>Number of Northern Australia White Paper measures delivered and progress to refresh the broader northern agenda</i>	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)	<p>Purpose 2: Resources and northern Australia</p> <p>Support economic growth, productivity and job creation for all Australians by supporting a strong resources sector and growing a stronger northern Australian economy.</p>	
Material changes to Program 1.4 resulting from the following measures: Nil		

- (a) New or modified performance criteria that reflect new or materially changed programs are shown in *italics*.
- (b) 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.
- (c) 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 <ul style="list-style-type: none"> 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 <ul style="list-style-type: none"> 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 <ul style="list-style-type: none"> 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 <ul style="list-style-type: none"> 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

<p>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.</p>
<p>Department of Home Affairs</p>
<p>Program</p> <ul style="list-style-type: none"> • Program 1.2 – National Security and Criminal Justice
<p>Contribution to Outcome 2 made by linked programs</p> <p>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.</p>
<p>Department of Infrastructure, Transport, Regional Development and Communications</p>
<p>Programs</p> <ul style="list-style-type: none"> • Program 2.2 – Surface Transport • Program 2.4 – Air Transport
<p>Contribution to Outcome 2 made by linked programs</p> <p>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.</p>
<p>Great Barrier Reef Marine Park Authority</p>
<p>Program</p> <ul style="list-style-type: none"> • Program 1.1 – Improving the outlook for the Great Barrier Reef
<p>Contribution to Outcome 2 made by linked programs</p> <p>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.</p>

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'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
<i>Less payments to corporate entities</i>	(1,925)	(21,895)	(58,870)	(174,372)	(148,662)
Special appropriations					
<i>Australian Renewable Energy Agency Act 2011</i>	82,500	134,035	132,474	–	–
Expenses not requiring appropriation in the budget year (b)	–	193,147	55,090	–	–
<i>Less payments to corporate entities</i>	(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)

	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 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)					
	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 2:					
Biofuels - Monitoring, Compliance and Enforcement for Fuel Quality	(77)	77	–	–	–
Hydrogen Strategy and Implementation	(100)	100	–	–	–
Total movement of administered funds	(177)	177	–	–	–
Average staffing level (number)					
	2019-20 142	2020-21 222			

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 are made up of audit fees and approved operating losses.
- (b) 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*.
- (c) 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: <ul style="list-style-type: none">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 sectorsimplementing 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

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		<p>Result:</p> <p>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.</p> <p>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.</p> <p>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).</p> <p>Australia is also on track to overachieve on its 2030 emissions reduction target.</p> <hr/> <p>Target:</p> <p>The department tracks Australia's emissions profile and implements policies and programs that contribute to reducing Australia's greenhouse gas emissions</p> <p>Yearly measures against the target:</p> <p>Tracking against legislated large-scale renewable energy target of 33,000 gigawatt hours (GWh) of eligible electricity generation in 2020.</p> <p>Result:</p> <p>On track.</p> <p>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.</p> <hr/> <p>Target:</p> <p>The department tracks Australia's emissions profile and implements policies and programs that contribute to reducing Australia's greenhouse gas emissions</p> <p>Yearly measures against the target:</p>
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		<p>Tracking of Australian Government expenditure on clean energy research and development against 2015 levels (target: \$216 million by 2020)</p> <p>Result:</p> <p>Australia is making progress towards achieving its Mission Innovation pledge to double clean energy R&D spending to \$216 million by 2020.</p> <p>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.</p> <p>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).</p>
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)	<p>Purpose 3: Emissions Reduction and Clean Energy</p> <p>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.</p>	
Material changes to Program 2.1 resulting from the following measures: Nil		
Program 2.2 – Developing clean energy technology		
Delivery	<p>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.</p>	
Performance information 2019-20		
Year	Performance measure/criteria (a)	Target
2019-20	Refer to Program 2.1	Refer to Program 2.1

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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		

- (a) New or modified performance criteria that reflect new or materially changed programs are shown in *italics*.
- (b) 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.
- (c) 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

<p><u>Portfolio agencies</u></p> <p>Australian Renewable Energy Agency Clean Energy Finance Corporation Clean Energy Regulator Climate Change Authority National Offshore Petroleum Safety and Environmental Management Authority</p>
<p>Programs</p> <p>Australian Renewable Energy Agency</p> <ul style="list-style-type: none"> • Program 1.1 – Australian Renewable Energy Agency <p>Clean Energy Finance Corporation</p> <ul style="list-style-type: none"> • Program 1.1 – Clean Energy Finance Corporation <p>Clean Energy Regulator</p> <ul style="list-style-type: none"> • Program 1.1 – Clean Energy Regulator <p>Climate Change Authority</p> <ul style="list-style-type: none"> • Program 1.1 – Reviewing Climate Change Mitigation Policies <p>National Offshore Petroleum Safety and Environmental Management Authority</p> <ul style="list-style-type: none"> • Program 1 – Regulatory oversight of Safety Cases, Well Operations Management Plans and Environment Plans coupled with effective monitoring, investigation and enforcement
<p>Contribution to Outcome 3 made by linked programs</p> <p>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.</p>
<p>Australian Competition and Consumer Commission</p>
<p>Program</p> <ul style="list-style-type: none"> • Program 1.1 – Australian Competition and Consumer Commission • Program 1.2 – Australian Energy Regulator
<p>Contribution to Outcome 3 made by linked programs</p> <p>The Department of Industry, Science, Energy and Resources works collaboratively with the Australian Energy Regulator by promoting efficient investment in, and</p>

<p>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 through public reporting.</p>
<p>Department of Foreign Affairs and Trade</p>
<p>Program</p> <ul style="list-style-type: none"> • Program 1.1 – Foreign Affairs and Trade Operations
<p>Contribution to Outcome 3 made by linked programs</p> <p>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.</p>
<p>Department of Home Affairs</p>
<p>Programs</p> <ul style="list-style-type: none"> • Program 1.2 – Border Management • Program 1.7 – National Security and Criminal Justice
<p>Contribution to Outcome 3 made by linked programs</p> <p>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.</p>
<p>Department of Infrastructure, Transport, Regional Development and Communications</p>
<p>Program</p> <ul style="list-style-type: none"> • Program 3.1 – Regional Development
<p>Contribution to Outcome 3 made by linked programs</p> <p>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.</p>

Department of the Treasury
Program <ul style="list-style-type: none">• Program 1.1 – Department of the Treasury
Contribution to Outcome 3 made by linked programs <p>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.</p>

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

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

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

	2019-20	2020-21
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.

(a) Expenses not requiring appropriation in the Budget year comprise audit fees and approved operating losses.

(b) 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: <ul style="list-style-type: none">• working with states, territories and industry, to ensure energy reliability, affordability, security and efficiency, including by:<ul style="list-style-type: none">○ 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 <i>Treasury Laws Amendment (Prohibiting</i>

		<i>Energy Market Misconduct) Act 2019</i> also play a role.
	Domestic market gas prices	<p>Target:</p> <p>Domestic gas market prices lower than liquefied natural gas (LNG) netback price.</p> <p>Result:</p> <p>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.</p> <p>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.</p> <p>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.</p>
	Retailers' standing offer prices do not exceed default market offer	<p>Target:</p> <p>Retailers' compliance.</p> <p>Result:</p> <p>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.</p> <p>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</p>

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		\$663 in Southeast Queensland.
	National energy intensity	<p>Target:</p> <p>Improvement in national energy intensity relative to 2015-16.</p> <p>Result:</p> <p>Between 2017-18 and 2018-19, Australia's energy intensity improved by 2 per cent.</p> <p>Energy intensity for 2019-20 will be reported in the Australian Energy Statistics later this year.</p>
	National Electricity Market Reliability Standard	<p>Target:</p> <p>The reliability standard is met.</p> <p>Result:</p> <p>All regions of the NEM met the reliability standard for 2019-20.</p>
	Domestic gas market is in supply-demand balance	<p>Target:</p> <p>Australian Domestic Gas Security Mechanism (ADGSM) is not triggered.</p> <p>Result:</p> <p>The ADGSM was not triggered.</p> <p>The Minister for Resources, Water and Northern Australia did not issue a notification of a shortfall year for 2020.</p>
	Liquid fuel market is in supply-demand balance	<p>Target:</p> <p><i>Liquid Fuel Emergency Act 1984</i> is not triggered.</p> <p>Result:</p> <p>The <i>Liquid Fuel Emergency Act 1984</i> was not triggered.</p>
	Timely delivery of Integrated System Plan (ISP) transmission projects	<p>Target:</p> <p>Projects delivered in line with ISP timetable.</p> <p>Result:</p> <p>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.</p> <p>Other priority projects are undergoing regulatory assessment.</p>

	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	<i>Lower energy prices</i>	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 <i>Liquid Fuel Emergency Act 1984</i> 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		

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

(b) 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.

(c) 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

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
Movement of administered funds between years (b)					
Outcome 4					
Small Business Support	(415)	415	–	–	–
Total movement of administered funds	(415)	415	–	–	–
	2019-20	2020-21			
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.

- (a) 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).
- (b) 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: <ul style="list-style-type: none">• providing expert digital and business advice• improving payment practices• promoting mental health and wellbeing services• helping small businesses understand their employment obligations• developing policies 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: <ul style="list-style-type: none">• 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

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		<p>delayed for six months due to COVID-19's impact on small businesses. The next Milestone Report is due in October 2020.</p>
	<p>Increased awareness of the benefits of digital engagement by small business operators</p>	<p>Target: Business performance improves through implementation of effective digital strategies.</p> <p>Result: In 2019-20, the following programs supported small businesses to engage in digital technology:</p> <ul style="list-style-type: none"> 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.
	<p>Increased awareness of support available to promote good mental health for small business operators</p>	<p>Target: Regular engagement with stakeholders to maintain and increase the profile of mental health awareness for small business operators.</p> <p>Result: During 2019-20, the department raised awareness of support by:</p> <ul style="list-style-type: none"> jointly developing small business mental health resources delivering formal presentations hosting an academic workshop in October 2019

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		<p>for researchers in the small business field</p> <ul style="list-style-type: none">• 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		

- (a) New or modified performance criteria that reflect new or materially changed programs are shown in *italics*.
- (b) 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.
- (c) 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 2020-21 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.

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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

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

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

- (a) 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.
- (b) Applies leases under AASB 16 Leases.

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

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

	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	(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)

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

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'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
<i>Provided for:</i>					
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.

(a) Includes both current Appropriation Bill (No. 2) and prior Act 2/4/6 appropriations.

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

(c) Funded from s74 External Revenue.

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

	Land	Buildings	Other property, plant & equipment	Computer software and Intangibles	Total
		\$'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.

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

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

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

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

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

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

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

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

	Land	Buildings	Other property, plant & equipment	Computer software and Intangibles	Total
		\$'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.

AUSTRALIAN INSTITUTE OF MARINE SCIENCE

ENTITY RESOURCES AND PLANNED PERFORMANCE

AUSTRALIAN INSTITUTE OF MARINE SCIENCE

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AUSTRALIAN INSTITUTE OF MARINE SCIENCE

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

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

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

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

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

In 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

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- improved forecasting ability of future coral reef status based on information on the scope and rates of recovery, acclimatisation and adaptation of coral reef taxa to climate change
- new tools for coral reef restoration that enhance resistance and resilience of key coral reef taxa to environmental change, particularly climate change
- enhanced understanding of tropical marine ecosystems among industry, government and the public delivered through improved data analysis workflows and knowledge delivery systems
- strengthened management and policies delivered through the development of structured decision-support tools that link risk, monitoring, modelling and adaptive management.

In addition, AIMS will:

- 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 2020-21 as at Budget October 2020

	2019-20 <i>Estimated actual \$'000</i>	2020-21 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
	2019-20	2020-21
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.

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

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 <ul style="list-style-type: none"> 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 <ul style="list-style-type: none"> 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 <ul style="list-style-type: none"> Program 1.1 – Sustainable Management of Natural Resources and the Environment
Contribution to Outcome 1 made by linked programs The Department of 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.

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

Budgeted expenses for Outcome 1

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

Table 2.1.1: Budgeted expenses for Outcome 1

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

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

	2019-20	2020-21
Average staffing level (number)	229	283

(a) Expenses not requiring appropriation in the Budget year are made up depreciation / amortisation expenses not requiring 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 2020-21 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: <ul style="list-style-type: none">comprehensive baseline, status and trends reporting systems for tropical marine ecosystemsefficient, cost-effective delivery of information through the application of innovative autonomous and automated marine observing technologies and assessment methodsrecovery of key threatened and endangered marine species achieved through effective conservation and management of critical habitats and populationsenhanced management of tropical marine ecosystems informed by regional models of environmental condition and functionimproved health of tropical marine ecosystems through the development of effective solutions for the management of local, regional, and cumulative pressuresimproved forecasting ability of future coral reef status based on information on the scope and rates of recovery, acclimatisation and adaptation of coral reef taxa to climate changenew tools for coral reef restoration that enhance resistance and resilience of key coral reef taxa to environmental change, particularly climate changeenhanced understanding of tropical marine ecosystems among industry, government and the public delivered through improved data analysis workflows and knowledge delivery systemsstrengthened management and policies delivered through the development of structured decision-support tools that link risk, monitoring, modelling, and adaptive management	
Performance information		
Year	Performance criteria	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.

AIMS Budget Statements

	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 2020-21 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 Budget Statements

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

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

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

(a) 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 2020-21)**

	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)

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

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

- (a) 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 2020-21)

	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 2020-21)

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

AUSTRALIAN NUCLEAR SCIENCE AND TECHNOLOGY ORGANISATION

ENTITY RESOURCES AND PLANNED PERFORMANCE

AUSTRALIAN NUCLEAR SCIENCE AND TECHNOLOGY ORGANISATION

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AUSTRALIAN NUCLEAR SCIENCE AND TECHNOLOGY ORGANISATION

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

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

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.

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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 2020-21 as at Budget October 2020

	2019-20 <i>Estimated actual</i> \$'000	2020-21 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
	2019-20	2020-21
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.

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

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

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 2020-21 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
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 <ul style="list-style-type: none">• Program 1 – Science and Technology Solutions
Contribution to Outcome 1 made by linked programs <p>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.</p>

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.

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 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
	2019-20	2020-21			
Average staffing level (number)	1,282	1,368			

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

Table 2.1.2: 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 2020-21 Budget measures have created new programs or materially changed existing programs.

Outcome 1: Improved knowledge, innovative capacity and healthcare through nuclear-based facilities, research, training, products, services and advice to Government, industry, the education sector and the Australian population		
Program 1 – Science and Technology Solutions		
Contributes to the outcome through the operation and strategic management of landmark and national research infrastructure. ANSTO provides nuclear products and services, and applies its unique expertise for nuclear research, specialised advice, and education and training.		
Delivery	ANSTO delivers Program 1 by: <ul style="list-style-type: none">engaging in innovative research, through strategic partnerships and collaborations, that have scientific and commercial impact and align with Australia's Science and Research Prioritiesmanaging landmark and national research infrastructure for the benefit of industry, and the Australian and international research communitiesproviding products and services, including radiopharmaceuticals, to the health sector and industry that benefit the broader communityproviding expert trusted science and technology based advice and services to government, the education and academic communities, and the Australian public	
Performance information		
Year	Performance criteria (a)	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

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		Actual: 900,921 (d)
2020-21	Full utilisation of landmark infrastructure	<p>OPAL Research Reactor: days at power (e) Target: 280 days</p> <p>Australian Synchrotron: percentage of availability Target: 95 per cent</p> <p>Neutron beam instruments: percentage of availability Target: 85 per cent</p> <p>Accelerators: percentage of availability Target: 65 per cent</p>
	Human health products	<p>Radiopharmaceutical doses: potential doses. Target: 2,765,179</p>
	<p>Engagement with political and international stakeholders</p> <p>Effectively facilitate ANSTO's role with Government and internationally as Australia's centre of excellence on nuclear science and technology by:</p> <ul style="list-style-type: none"> • 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
	<p>Addressing gender diversity</p> <p>Achieving greater gender diversity in ANSTO's workforce, with the goal of reaching equal representation of male and female in our workforce by 2030</p>	<p>Representation in Leadership Teams Target: Male 40 per cent Female 40 per cent</p> <p>Representation ANSTO-wide Target: Male 40 per cent Female 40 per cent</p>
	<p>Safe work environment</p> <p>ANSTO will strengthen its commitment to providing a safe work environment for its staff.</p>	Target: Demonstrated increase in the ratio of reported Opportunities For Improvement (OFI) to Incidents in ANSTO's Governance Risk and Compliance (GRC) Reporting System
	<p>Impactful research outcomes</p> <p>Delivery of research outcomes that have scientific and industry impact, with a focus on health, the environment and the nuclear fuel cycle.</p>	<p>Target: 8 case studies per annum</p> <p>Target: 90 per cent of publications undertaken with</p>

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		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, <i>nandin</i> 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

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		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

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	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:

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		<p>percentage of availability Target: 95 per cent</p> <p>Neutron beam instruments: percentage of availability Target: 85 per cent</p> <p>Accelerators: percentage of availability Target: 65 per cent</p>
	Human health products	<p>Radiopharmaceutical doses: potential doses. Target: 3,690,518</p>
	Engagement with political and international stakeholders	Target: Minimum of 4 case studies
	Addressing gender diversity	<p>Representation in Leadership Teams Target: Male 40 per cent Female 40 per cent</p> <p>Representation ANSTO-wide Target: Male 40 per cent Female 40 per cent</p>
	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	<p>Target: Deliver ≥ 6 national programs per annum</p> <p>Deliver teacher professional development days in all states and territories</p> <p>Visitors to ANSTO's campuses per annum Target: ≥ 15,000</p>
	Maintain Quality Management certification	Target: Maintain certification
	Grow knowledge incubation, collaboration and connectivity within ANSTO's Innovation	Target: 10 per cent growth per annum

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

- OPAL had a reduced target due to a scheduled, extended maintenance shutdown.
- Due to the lack of reliable options for importation of nuclear medicine during the scheduled extended maintenance shutdown, ANSTO elected to delay this shutdown.
- 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.
- 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.
- OPAL has a reduced target due to the revised schedule for the extended maintenance shutdown.
- 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 2020-21 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

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

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

	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)

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

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

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

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

(b) Includes the following sources of funding:

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

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

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

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

(b) 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 2020-21)

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

AUSTRALIAN RENEWABLE ENERGY AGENCY

ENTITY RESOURCES AND PLANNED PERFORMANCE

AUSTRALIAN RENEWABLE ENERGY AGENCY

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AUSTRALIAN RENEWABLE ENERGY AGENCY

Section 1: Entity overview and resources

1.1 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 2020-21 as at Budget October 2020

	2019-20 Estimated actual \$'000	2020-21 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
<hr/>		
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.

- (a) Appropriation Bill (No. 1) 2020-21.
- (b) 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.
- (c) ARENA receives funding through a special appropriation which is administered through the Department of Industry, Science, Energy and Resources.
- (d) 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 2020-21 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
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 <ul style="list-style-type: none"> • 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 <ul style="list-style-type: none"> • 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.

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

	2019-20	2020-21
Average staffing level (number) (b)	2	2

- (a) 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.
- (b) 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 2020-21 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	<p>To deliver this outcome, the Agency:</p> <ul style="list-style-type: none">• 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 <p>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.</p>	
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	Target: Significant project outcomes and lessons learned disseminated. Achieved.

ARENA Budget Statements

	outcomes, learn and improve.	
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 2020-21 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

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

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

	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)

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

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

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

**CLEAN ENERGY FINANCE
CORPORATION**

**ENTITY RESOURCES AND PLANNED
PERFORMANCE**

CLEAN ENERGY FINANCE CORPORATION

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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 2020-21 as at Budget October 2020

	2019-20 Estimated actual \$'000	2020-21 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
<hr/>		
	2019-20	2020-21
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.

- (a) The Corporation is not directly appropriated as it is a corporate Commonwealth entity as defined under the *Public Governance, Performance and Accountability Act 2013*.
- (b) 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.
- (c) Appropriation Bill (No. 1) 2020-21.
- (d) 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 2020-21 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					
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 <ul style="list-style-type: none"> • 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 <ul style="list-style-type: none"> • 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 <ul style="list-style-type: none"> • Program 1.1 – Great Barrier Reef Marine Park Authority
Contribution to Outcome 1 made by linked programs <p>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' <i>Reef 2050 Plan</i>.</p>
Department of Industry, Science, Energy and Resources
Programs <ul style="list-style-type: none"> • 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 <p>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.</p> <p>They also 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.</p> <p>The Clean Energy Finance Corporation contributes to these programs by facilitating increased flows of finance into the clean energy sector.</p>

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.

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

(a) Amounts relate to funding for estimated incremental operating expenses associated with the Grid Reliability Fund.

(b) 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 2020-21 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: <ul style="list-style-type: none"> 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	<p>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.</p> <p>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.</p> <p>The Corporation shares knowledge and expertise with project sponsors, lenders and the broader industry, helping build capacity within the private sector.</p> <p>The Corporation is being directed to focus particular attention on investing debt and equity in:</p> <ul style="list-style-type: none"> 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 <i>Reef 2050 Plan</i> 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 <p>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.</p> <p>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</p>

	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 <i>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.</i>	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 <i>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.</i>	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

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		role in the industry wide Women in Sustainable Finance initiative.
	<p>Performance against portfolio benchmark return set by the government in the Investment Mandate Direction 2019¹</p> <p><i>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.</i></p> <p><i>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.</i></p> <p>¹ Investment Mandate Direction 2019 has since been repealed and replaced with Investment Mandate Direction 2020 effective 2 May 2020</p>	<p>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.</p> <p>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.</p> <p>\$89m against targets of \$110m (Corporate Plan) and \$100m-\$110m (PBS)</p>
2020-21	<p>Be financially sustainable and maintain an investment portfolio that, over the longer term, facilitates emissions reductions, generates positive financial returns within risk appetite.</p> <ul style="list-style-type: none"> 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. 	<p>> \$20m</p> <p>> \$90m</p>
	<p>Increase investment in clean energy technologies and infrastructure</p> <ul style="list-style-type: none"> 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 	<p>Funds contracted during the year > \$0.8bn</p> <p>Evidence of supporting the grid's transition to a lower emissions energy market.</p> <p>0.45MtCO₂e p.a.</p>
	<p>Increase private sector capital flowing to the Australian clean energy sector and attract new investor classes into the sector.</p> <ul style="list-style-type: none"> The degree to which CEFC leverages and influences third party capital invested to pursue increased emission reductions. Unlock new private sector finance (including Super). 	<p>2:1</p> <p>Evidence of CEFC attracting investors into transactions.</p>
2021-22 and	Currently as per 2020-21	

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beyond	<ul style="list-style-type: none">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 2020-21 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

(a) 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.

(b) Investments in shares

The Corporation carries its equity investments at fair value. Since the adoption of AASB9 – Financial Instruments effective 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

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

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

(a) Applies leases under AASB 16 Leases.

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

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

	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)

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

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

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

	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'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 2020-21)

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

CLEAN ENERGY REGULATOR

ENTITY RESOURCES AND PLANNED PERFORMANCE

CLEAN ENERGY REGULATOR

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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.

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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 2020-21 as at Budget October 2020

	2019-20 <i>Estimated actual \$'000</i>	2020-21 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
<i>Total administered annual appropriations</i>	<i>339,162</i>	<i>339,036</i>
<i>Total administered special appropriations</i>	<i>119,236</i>	<i>442</i>
Special accounts (f)		
Opening balance	69	82
Non-appropriation receipts	19,686	3,500
<i>Total special account receipts</i>	<i>19,755</i>	<i>3,582</i>
Total administered resourcing	478,153	343,060
Total resourcing for CER	569,770	443,358
	2019-20	2020-21
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.

- (a) Appropriation Bill (No. 1) 2020-21.
- (b) 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).
- (c) Excludes departmental capital budget (DCB).
- (d) Departmental capital budgets are not separately identified in Appropriation Bill (No.1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.
- (e) Appropriation Bill (No. 2) 2020-21.
- (f) 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 2020-21 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					
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 <ul style="list-style-type: none"> • Program 2.1 - Reducing Australia's Greenhouse Gas Emissions • Program 3.1 - Energy
Contribution to Outcome 1 made by linked programs <p>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.</p>

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 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
<i>Renewable Energy (Electricity) Act 2000</i>	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 Outcome 1	657,577	325,669	376,300	362,341	424,703

Table 2.1.1: Budgeted expenses for Outcome 1 (continued)

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
Movement of administered funds between years					
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)
	2019-20	2020-21			
Average staffing level (number)	313	322			

(a) 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 2020-21 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: <ul style="list-style-type: none">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 needsoperating the Australian National Registry of Emissions Units and the Renewable Energy Certificate Registry for market participantsmonitoring, facilitating and enforcing compliance by its clients for the schemes it administersissuing Australian carbon credit units to organisations and individuals for approved projects that reduce greenhouse gas emissionsconducting auctions and managing contractsaccrediting greenhouse and energy auditors to undertake audit activities under its schemesworking with other Commonwealth, state and territory law enforcement and regulatory bodiesproviding 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	90 per cent of contracted carbon

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	delivered	<i>abatement with fixed delivery contracts is delivered on time</i>
	Compliance levels by regulated and liable entities	≥ 95 per cent of regulated and liable entities are materially compliant with their statutory obligations.
	<i>Development of new methods for the Emissions Reduction Fund</i>	<i>Methods are to be developed within 12 months</i>
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:		
<ul style="list-style-type: none">• JobMaker Plan — Investment in New Energy Technologies• JobMaker Plan — Deregulation Package		

- (a) 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 2020-21 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

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

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

- (a) 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.
- (b) Applies leases under AASB 16 Leases.

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

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

	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)

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 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
<i>Provided for:</i>					
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 2020-21)

	Buildings	Other property, plant and equipment	Computer software and intangibles	L&B, IP&E held for sale	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 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.

- (a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2020-21.
- (b) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No.1) 2020-21 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)

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

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

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

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

CLIMATE CHANGE AUTHORITY

ENTITY RESOURCES AND PLANNED PERFORMANCE

CLIMATE CHANGE AUTHORITY

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CLIMATE CHANGE AUTHORITY

Section 1: Entity overview and resources

1.1 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 2020-21 as at Budget October 2020

	2019-20 <i>Estimated actual</i> \$'000	2020-21 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	-
<i>Total departmental annual appropriations</i>	<i>2,311</i>	<i>2,600</i>
Total departmental resourcing	2,311	2,600
Total resourcing for CCA	2,311	2,600
	2019-20	2020-21
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.

(a) *Appropriation Act (No. 1) 2020-21*.

(b) 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 <ul style="list-style-type: none"> • 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 <p>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.</p>

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

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

	2019-20	2020-21
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.

(a) Estimated expenses incurred in relation to receipts retained under section 74 of the *PGPA Act 2013*.

(b) 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 2020-21 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: <ul style="list-style-type: none">performing desktop and in-depth research and analysiscommissioning external resources to do analytic work where neededconducting meaningful and transparent consultation with experts and stakeholders including business, industry, environment and other community groupsmonitoring 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: <ul style="list-style-type: none">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
2019-20	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

CCA Budget Statements

2020-21 (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
2021-22 and beyond	As per 2020-21	As per 2020-21
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 2020-21 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

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

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

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'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)

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

**COMMONWEALTH SCIENTIFIC AND
INDUSTRIAL RESEARCH
ORGANISATION**

**ENTITY RESOURCES AND PLANNED
PERFORMANCE**

COMMONWEALTH SCIENTIFIC AND INDUSTRIAL RESEARCH ORGANISATION

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COMMONWEALTH SCIENTIFIC AND INDUSTRIAL RESEARCH ORGANISATION

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Commonwealth Scientific and Industrial Research Organisation (CSIRO) is a Corporate Commonwealth entity within the Industry, 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

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

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to 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 2020-21 as at Budget October 2020

	2019-20 Estimated actual \$'000	2020-21 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

	2019-20	2020-21
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.

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

(b) 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 2020-21 budget measures
Part 1: Measures announced after the Economic and Fiscal Update July 2020

	Program	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'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.

(a) 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 <ul style="list-style-type: none"> • 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 <ul style="list-style-type: none"> • Program 1.1 – Sustainable Management of Natural Resources and the Environment • Program 1.2 – Environmental Information and Research • Program 2.1 – 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 <ul style="list-style-type: none"> 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 <ul style="list-style-type: none"> 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.

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

	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 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)					
	2019-20 5,141	2020-21 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 2020-21 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: <ul style="list-style-type: none">• providing advice and solutions that inform and protect society and the environment, help industry competitiveness, and improve the quality of goods and services for industry and consumers• providing products, technical and advisory services to industry and government• collaborating with businesses, public sector organisations and other publicly funded research agencies (PFRAs), universities and schools to undertake research, fund eligible investment proposals and provide education programs• investing in proposals from universities, PFRAs and their partners to bring forward the commercialisation of research-based solutions aligned with the Government's Science and Research Priorities, and 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: <ul style="list-style-type: none">managing and operating the National Facilities including the Australian Centre for Disease Preparedness, Australia Telescope National Facility, Marine National Facility and Pawsey Supercomputing Centremanaging and operating the Australian National Research Collections including the Australian National Fish Collection, Australian National Insect Collection, Australian National Herbarium, Australian National Wildlife Collection, National Tree Seed Collection, National Algae Culture Collection, and the Atlas of Living Australia, the portal to the collections, providing free online accessthe identification of facility needs, and the design and creation of new facilitiesensuring access, both nationally and internationally, to the National Facilities and Australian National Research Collections for the Australian and international research community	
Performance information		
Year	Performance criteria	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).	<ul style="list-style-type: none">Minimum of 70 per cent successful astronomical observations – target metMaximum 5 per cent time lost during scheduled astronomical observation – target met90 per cent core hours on Pawsey supercomputer facility – target met70 per cent outward loans of collections (averaged over 5 years) – target metTarget 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 restrictionsMaximum 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).	<ul style="list-style-type: none">Minimum of 70 per cent successful astronomical observations90 per cent core hours on Pawsey supercomputer facility70 per cent outward loans of collections (averaged over 5 years)Minimum of 90 per cent

		successful research days delivered on Marine National 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 <i>Science and Industry Endowment Act 1926</i> , for the purpose of supporting scientific and industrial research for the benefit of Australia and its people. Currently SIEF expenditure is funded from gifts of \$160 million received from CSIRO since 2010, the New South Wales Department of Industry Endowment of \$25 million received in 2017, and an anticipated \$30 million from National ICT Australia Ltd since 2018 (d).		
Delivery	<p>The program is delivered through the awarding of funds by the Trustee for:</p> <ul style="list-style-type: none">investing in science that contributes to Australia's sustainable future such as fundamental research for sustainable resource use, environmental protection and community health, collaborative research that brings together organisations capable of working together on solutions to national challenges, and scholarships that create and sustain young researchers capable of addressing national challengesthe Experimental Development Program, which funds the progression of experimental research and technology development to a stage where it attracts commercial investment and market uptakethe NSW Generation STEM program (new program), which will develop or partner with programs to attract students into STEM at school, higher and vocational education, and retain talent in NSW STEM industriesthe Future National ICT Industry Platform Program (new program) which supports substantial scale research activities (challenges), in the field of information and communications technology with the intention that the outcomes from the program will benefit Australia by helping create new Australian technology-based industries and/or applied technology platforms that can reach global scale	
Performance information		
Year	Performance criteria	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

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2020-21 (e)	<i>SIEF invests in programs aligned with published strategic objectives that address national challenges and contribute to Australia's sustainable future.</i>	<i>Evidenced by an impact case study or evaluation for each active SIEF program</i>
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 2020-21 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

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

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

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

	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)

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

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

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

	Land	Buildings	Property, plant and equipment	Heritage and cultural	Investment property	Intangibles	L&B, IP&E held for sale	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2020								
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 2020-21)

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

GEOSCIENCE AUSTRALIA

**ENTITY RESOURCES AND PLANNED
PERFORMANCE**

GEOSCIENCE AUSTRALIA

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GEOSCIENCE AUSTRALIA

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

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.

Geoscience Australia Budget Statements

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 2020-21 as at Budget October 2020

	2019-20 <i>Estimated actual \$'000</i>	2020-21 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
	2019-20	2020-21
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.

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

(b) Excludes departmental capital budget (DCB).

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

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

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

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 2020-21 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
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>

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

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

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

Linked programs

Department of Industry, Science, Energy and Resources
Programs <ul style="list-style-type: none"> • 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 <ul style="list-style-type: none"> • 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.

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
Program 1: Geoscientific and Spatial Information Services					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	19	19	19	19	19
Administered total	19	19	19	19	19
Departmental expenses					
Departmental appropriations	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 appropriations	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
	2019-20	2020-21			
Average staffing level (number)	560	600			

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

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

Table 2.1.2: 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 2020-21 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: <ul style="list-style-type: none">• attracting exploration investment to Australia by building a prospectus of minerals and energy resource potential• supporting Australia's capability to manage the impact of natural hazards• informing the understanding of the location, quantity, quality and sustainable use of Australia's groundwater resources• 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.	<p>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.</p> <p>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.</p> <p>Key initiatives undertaken to increase the discoverability and use of Geoscience Australia’s natural inventory and disaster risk data included:</p> <ul style="list-style-type: none">• upgrading the National Offshore Petroleum Information Management System, one of the world’s

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		<div>largest collections of offshore petroleum data</div> <ul style="list-style-type: none">• 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	<div>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.</div> <div>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.</div>	
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 2020-21 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

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

	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'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.

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

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

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

	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)

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 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
<i>Provided for:</i>					
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.

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

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

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

	Land	Buildings	Other property, plant and equipment	Heritage and cultural	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 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.

- (a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2020-21.
- (b) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No.1) 2020-21 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)

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

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

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

IP AUSTRALIA

**ENTITY RESOURCES AND PLANNED
PERFORMANCE**

IP AUSTRALIA

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IP AUSTRALIA

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

IP Australia is the entity responsible for administering Australia's intellectual property (IP) rights system, specifically 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

IP Australia Budget Statements

- 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 2020-21 as at Budget October 2020

	2019-20 Estimated actual \$'000	2020-21 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
<i>less departmental appropriations drawn from annual/special appropriations and credited to special accounts</i>	362	358
Total departmental resourcing	246,846	222,612
Total resourcing for IP Australia	246,846	222,612
Average staffing level (number)	2019-20	2020-21
	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.

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

(b) Excludes trust moneys held in Services for Other Entities and Trust Moneys (SOETM) and other special accounts. For further information on special accounts, please refer to Budget Paper No. 4 - Agency Resourcing. Please also see Table 2.1 for further information on outcome and program expenses broken down by various funding sources, e.g. annual appropriations, special appropriations and special accounts.

(c) Amounts credited to the special account from IP Australia's annual appropriations.

1.3 BUDGET MEASURES

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

Section 2: Outcomes and planned performance

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

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

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the 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 <ul style="list-style-type: none">• 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 <p>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.</p>

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.

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 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
Average staffing level (number)					
	2019-20 1,058	2020-21 1,054			

(a) 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 2020-21 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: <ul style="list-style-type: none">administering patent, trade mark, design and plant breeder’s rights legislationadministering the Trans-Tasman IP Attorneys Board for Patent and Trade Marks Attorneys and the Patent Attorneys Disciplinary Tribunalcharging 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
2019-20	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.
2020-21	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.
2021-22 and beyond	As per 2020-21	As per 2020-21
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: <ul style="list-style-type: none">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
2019-20	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.
2020-21	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.
2021-22 and beyond	As per 2020-21	As per 2020-21
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: <ul style="list-style-type: none">• Providing advice to government on intellectual property matters and supporting research into the current and future use of IP rights, and engaging with key international stakeholders and IP bodies• Providing policy advice across government and internationally to support policy and legislative objectives• Proactively managing international engagement activities to support our customers and further Australia's interest and contribute to capacity building activities focused on our region	
Performance information		
Year	Performance criteria	2019-20 Actual Achievement/Targets
2019-20	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 <i>Intellectual Property Laws Amendment (Productivity Commission Response Part 2 and Other Measures) Act 2020</i> . 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.

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2020-21	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.
2021-22 and beyond	As per 2020-21	As per 2020-21
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 2020-21 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

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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

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

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

	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)

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

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

- (a) 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 2020-21)

	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'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 2020-21)

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

**NATIONAL OFFSHORE PETROLEUM
SAFETY AND ENVIRONMENTAL
MANAGEMENT AUTHORITY**

**ENTITY RESOURCES AND PLANNED
PERFORMANCE**

NATIONAL OFFSHORE PETROLEUM SAFETY AND ENVIRONMENTAL MANAGEMENT AUTHORITY

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NATIONAL OFFSHORE PETROLEUM SAFETY AND ENVIRONMENTAL MANAGEMENT AUTHORITY

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) was established as an independent statutory authority under the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (OPGGS Act) and as a corporate Commonwealth entity under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). It operates on a cost recovery basis through levies and fees. NOPSEMA is an expertise-based regulator of occupational health and safety (OHS), well integrity and environmental management for all offshore petroleum operations in Commonwealth waters. Commonwealth waters comprise those areas beyond three nautical miles from the territorial sea baseline¹. NOPSEMA regulates petroleum operations in coastal waters only where a state or territory has conferred regulatory powers and functions on NOPSEMA². NOPSEMA fulfils its regulatory role through delivery of its core functions: assessment, inspection, investigation, and enforcement.

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

¹ Note: The territorial sea baseline varies depending upon the shape of the coastline in any given locality. See <http://www.ga.gov.au/scientific-topics/marine/jurisdiction/maritime-boundary-definitions> for a comprehensive description and maps.

² Currently, only Victoria has conferred powers and functions for the regulation of health and safety and well integrity to NOPSEMA

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- 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, 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 2020-21 as at Budget October 2020

	2019-20 Estimated actual \$'000	2020-21 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
<hr/>		
	2019-20	2020-21
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).

(a) NOPSEMA became a corporate Commonwealth entity on 1 July 2014 and receives its funding through a special appropriation which is administered through the Department of Industry, 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 2020-21 budget measures
Measures announced after the Economic and Fiscal Update July 2020

	Program	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'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 <ul style="list-style-type: none"> • 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 <i>Offshore Petroleum and Greenhouse Gas Storage Act 2006</i> and associated regulations.
Department of Agriculture, Water and the Environment
Programs <ul style="list-style-type: none"> • 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.

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 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
	2019-20	2020-21			
Average staffing level (number)	120	135			

(a) 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 2020-21 Budget measures have created new programs or materially changed existing programs.

Outcome 1: Promote and enforce the effective management of risks to the workforce, the environment and the structural integrity of facilities, wells and well-related equipment of the Australian offshore petroleum and greenhouse gas storage industries through regulatory oversight		
Program 1 – Regulatory oversight of Safety Cases, Well Operations Management Plans and Environment Plans coupled with effective monitoring, investigation and enforcement.		
This program contributes to the outcome by fulfilling NOPSEMA’s legislated functions, including assessment, inspection, enforcement, promotion and advisory activities, with its target group being duty holders in the offshore petroleum industry.		
Delivery	NOPSEMA delivers Program 1 by: <ul style="list-style-type: none">• implementing risk-based assessment procedures for all legislated submissions• implementing risk-based inspection programs for all offshore petroleum activities• taking proportionate enforcement actions that facilitate duty holder return to compliance• undertaking investigations in response to potential and reported non-compliances	
Performance information		
Year	Performance criteria	2019-20 Actual Achievement/Targets
2019-20 (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
2020-21	As per 2019-20	As per 2019-20
2021-22 and beyond	As per 2019-20	As per 2019-20
Purposes	To assure the protection of lives and the environment.	
Material changes to Program 1 resulting from the following measures: Nil		

(a) 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 2020-21 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

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

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

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

	Retained earnings	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'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)

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

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

(a) 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 2020-21)

	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'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 2020-21)

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

NORTHERN AUSTRALIA INFRASTRUCTURE FACILITY

ENTITY RESOURCES AND PLANNED PERFORMANCE

NORTHERN AUSTRALIA INFRASTRUCTURE FACILITY

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NORTHERN AUSTRALIA INFRASTRUCTURE FACILITY

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Northern Australia Infrastructure Facility (NAIF) was established on 1 July 2016 as a corporate Commonwealth Entity under the *Northern Australia Infrastructure Facility Act 2016* (NAIF Act). 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.

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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.

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 2020-21 as at Budget October 2020

	2019-20 <i>Estimated actual</i> \$'000	2020-21 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
	2019-20	2020-21
Average staffing level (number) (b)	1	1

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

- (a) Appropriation Bill (No. 1) 2020-21. 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.
- (b) 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 2020-21 budget measures

Part 1: Measures announced after the Economic and Fiscal Update July 2020

Program	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'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 <ul style="list-style-type: none"> 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 <ul style="list-style-type: none"> Program 1.1 – Infrastructure Australia
Contribution to Outcome 1 made by linked programs Infrastructure Australia contributes to Outcome 1 through feedback on matters relating to infrastructure and cost benefit analysis to support NAIF's assessment of its mandatory criterion in regards to a project being of public benefit. NAIF must consult Infrastructure Australia where NAIF's Investment Decision is for an amount more than \$100 million.
National Indigenous Australians Agency
Programs <ul style="list-style-type: none"> 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.

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

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		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.
2020-21 (b)	As per 2019-20	As per 2020-21- except for the performance criterion on Contractual close which is a target of \$0.8b to \$1b.
2021-22 and beyond	As per 2020-21 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 2020-21 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: <ul style="list-style-type: none">• 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		

(a) NAIF achieved its 2019-20 performance targets.

(b) 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 2020-21 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

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

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

	Retained earnings	Total equity
	\$'000	\$'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)

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

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 2020-21)

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