Portfolio Budget Statements 2022­23

Budget Related Paper No. 1.9

**Industry, Science, Energy and Resources Portfolio**

Budget Initiatives and Explanations of

Appropriations Specified by Outcomes

and Programs by Entity

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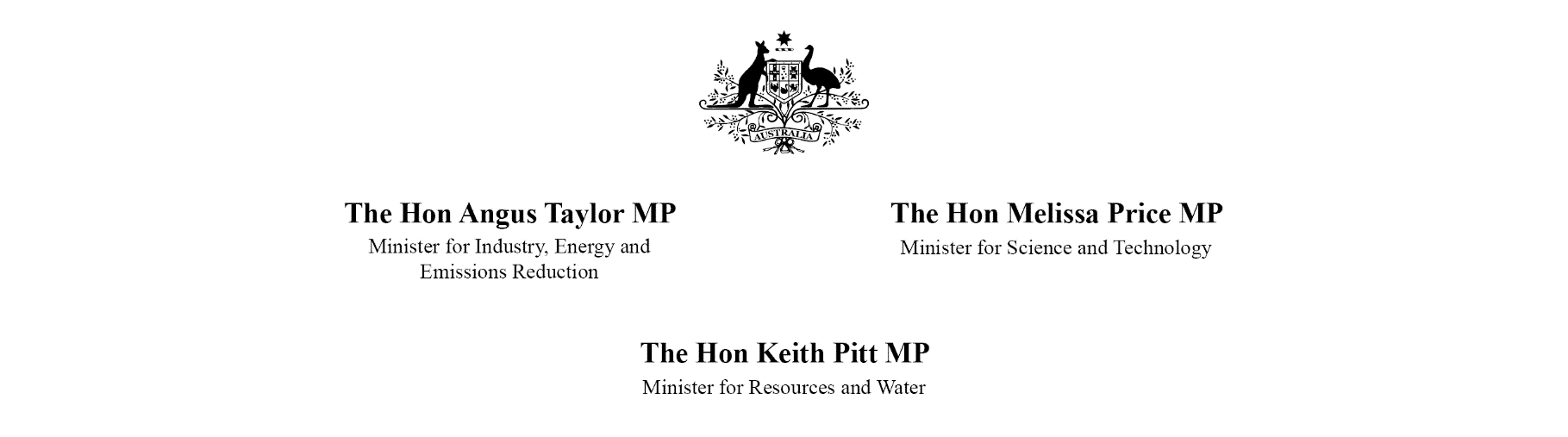
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President of the Senate

Australian Senate

Parliament House

CANBERRA ACT 2600

Speaker

House of Representatives

Parliament House

CANBERRA ACT 2600

Dear Mr President

Dear Mr Speaker

We hereby submit Portfolio Budget Statements in support of the 2022­23 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 Angus Taylor MP | The Hon Melissa Price MP | The Hon Keith Pitt MP |

#### Abbreviations and conventions

The following notations may be used:

NEC/nec not elsewhere classified

– nil

.. not zero, but rounded to zero

na not applicable (unless otherwise specified)

nfp not for publication

$m $ million

$b $ billion

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

#### Enquiries

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

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

User Guide

User Guide  
To The  
Portfolio Budget Statements

# User guide

The purpose of the *2022­23 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) 2022­23 (or Appropriation (Parliamentary Departments) Bill *(*No. 1) 2022­23 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 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.

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

Portfolio Budget Statements (March)   
*Portfolio based*

Corporate Plan  
(August)  
*Entity based*

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

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

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

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

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

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

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

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

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

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

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

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

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Portfolio Overview

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# Industry, Science, Energy and Resources Portfolio overview

## **Ministers and portfolio responsibilities**

The Hon Angus Taylor MP is responsible for Industry, Energy and Emissions Reduction. Minister Taylor is charged with:

* boosting Australia’s competitiveness and facilitating economic and productivity growth, including by boosting the competitiveness of Australian manufacturing, our sovereign capability, and the capability of Australian businesses;
* supporting the affordable, reliable, secure and competitive operation of energy markets for the long term benefit of the Australian community; and
* reducing the cost of deploying low emissions technologies to enable households and businesses to reduce their emissions and increase energy productivity where it makes sense for them to do so, thereby contributing to meeting and exceeding Australia’s 2030 Paris Agreement emissions reduction target and effective global action on climate change.

Minister Taylor’s portfolio is supported by Senator the Hon Jonathon Duniam, Assistant Minister for Industry Development and the Hon Tim Wilson MP, Assistant Minister to the Minister for Industry, Energy and Emissions Reduction.

The Hon Melissa Price MP is responsible for Science and Technology. Minister Price is charged with:

* supporting science, technology and commercialisation that enables economic growth and job creation;
* boosting our space industry capability and working to establish Australia as a space-faring nation.

The Hon Keith Pitt MP is responsible for Resources. Minister Pitt is charged with:

* working closely with the Australian resources and critical minerals sectors, which are major contributors to Australia’s economic prosperity, and for positioning Australia as a reliable, responsible and secure partner for the supply of mineral resources to the world.

The portfolio was established by the Administrative Arrangements Orders made on 18 March 2021 and amended on 15 April 2021 and 2 July 2021 and comprises:

**Department of Industry, Science, Energy and Resources (the department)**

The department supports economic recovery, productivity and growth, and job creation for Australians by supporting industry, manufacturing, business capability, technology, science and innovation, particularly in emerging growth sectors such as space and artificial intelligence. In support of economic growth, productivity and job creation, the department supports the affordable, reliable, secure and competitive operation of energy markets and Australia’s efforts to achieve net zero emissions by 2050, including by encouraging the commercialisation and uptake of low emissions technologies. The department also backs Australia’s strong resources sector by supporting the 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 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.

**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’s purpose is to support improvements in the competitiveness and supply of renewable energy and other low emissions technologies by providing financial assistance and sharing knowledge, to accelerate innovation that benefits all Australians.

**Clean Energy Finance Corporation (CEFC)**

CEFC seeks to mobilise capital investment in renewable 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 contributes to a reduction in Australia’s net greenhouse gas emissions through the administration of market-based mechanisms that incentivise reduction in emissions and the promotion of additional renewable electricity generation. CER also 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 initiatives, conducting regular and specifically commissioned reviews and through undertaking climate change research.

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

CSIRO is Australia’s national science agency and innovation catalyst, collaborating across sectors to boost innovation performance to solve Australia’s greatest challenges through innovative science and technology.

**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.

**Snowy Hydro Limited**

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.

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 publishes financial statements in its annual reports.

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

Assistant Minister for Industry Development

Senator the Hon Jonathon Duniam

Minister for Science and Technology

The Hon Melissa Price MP

Minister for Resources and Water

The Hon Keith Pitt MP

Assistant Minister to the Minister for Industry, Energy and Emissions Reduction

**The Hon Tim Wilson MP**

Department of Industry, Science, Energy and Resources

Portfolio Secretary: Mr David Fredericks PSM

Outcome 1: Support economic growth, productivity and job creation for all Australians by investing in science, technology and commercialisation, growing innovative and competitive businesses, industries and regions, and supporting resources

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

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

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

Minister for Industry, Energy and Emissions Reduction

The Hon Angus Taylor MP

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

**Clean Energy Regulator (CER)**

Chair and Chief Executive Officer: Mr David Parker AM

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

Outcome 2:Contribute to the sustainable management of Australia’s biodiversity through the administration of market-based mechanisms that incentivise the preservation and improvement of diverse ecosystems

**Climate Change Authority (CCA)**

Chief Executive Officer: Mr Brad Archer

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

Commonwealth Scientific and Industrial Research Organisation (CSIRO)

Chief Executive: Dr Larry Marshall

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

Geoscience Australia (GA)

Chief Executive Officer: Dr James Johnson

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

IP Australia

Director General: Mr Michael Schwager

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

National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA)

Chief Executive Officer: Mr Stuart Smith

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

**Clean Energy 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)

**Snowy Hydro Limited**

Chief Executive Officer: Mr Paul Broad

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

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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) helps drive economic and productivity growth, and job creation for all Australians. The department has an important role in positioning Australia to recover from the ongoing economic consequences of the COVID-19 pandemic and develop Australia’s sovereign capability in emerging and strategic areas, including in manufacturing, quantum technology, low emissions technologies and critical minerals.

The department is supporting industry, technology, science and innovation, particularly in areas of comparative advantage and strategic importance, especially the 6 National Manufacturing Priorities (NMPs), quantum and artificial intelligence. The department continues to facilitate a strong growth environment for businesses, including in Australia’s regional and rural communities. It supports the affordable, reliable, secure and competitive operation of energy markets and Australia’s efforts to achieve net zero emissions by 2050, including supporting a reduction in the cost of low emissions technologies to parity with existing energy sources. It also backs Australia’s preeminent resources sector by supporting the development of Australia’s critical minerals, energy and other resources for the benefit and security of the nation.

Manufacturing is a key pillar in the Government’s plan for a strong, modern, and resilient economy. The Government is further leveraging Australia’s strengths through supporting the next phase of the Modern Manufacturing Strategy (announced in the 2020-21 Budget). This phase focuses on supporting the transformation to high-value activities that enable our manufacturers to scale-up independently and compete internationally. It includes investing in high-impact projects in priority areas, continuing to boost supply chain resilience and sovereign capabilities, and supporting our manufacturers to access skilled workers and adopt digital technologies. Measures include:

* $250.0 million for the expansion of the Modern Manufacturing Initiative nationally to continue to shape the future of Australian manufacturing by working with industry to catalyse and accelerate business investment in transformative projects to build scale in the 6 NMPs. This is in addition to $500.0 million that the Government will invest in the Modern Manufacturing Initiative under the Regional Accelerator Program, which is provided for in the Infrastructure, Transport, Regional Development and Communications Portfolio Budget Statements.
* $17.5 million for the Supply Chain Resilience Initiative, providing a vehicle for the Government to respond with swift and decisive action when issues arise, backed by an ongoing partnership with industry to improve supply chain understanding and monitoring capabilities. This is in addition to $200 million that the Government will invest in the Supply Chain Resilience Initiative under the Regional Accelerator Program, which is provided for in the Infrastructure, Transport, Regional Development and Communications Portfolio Budget Statements.
* A third round of the highly successful Manufacturing Modernisation Fund through $53.9 million to accelerate technology uptake among high potential small and medium manufacturing businesses.
* $6.9 million to build upon the National Manufacturing road maps and develop Manufacturing Investment Plans that will provide the next level of detail and accompanying commitments from industry to guide future government investment.

The Australian Space Agency is facilitating and driving the growth of Australia’s space sector and establishing our sovereign space capability. The Government is continuing to drive jobs and technology by boosting the Australian space sector. Under the measure Support for the Australian Space Industry, the Australian Government is investing $1.3 billion to 2038-39 and $38.8 million per annum ongoing to grow Australia’s space industry. This includes:

* Establishing a National Space Mission for Earth Observation, with the Government partnering with leading international space agencies to guarantee Australia’s access to different types of Earth Observation data and improve our resilience to natural disasters. The National Mission will build Australia’s sovereign capability and enter agreements with international partners, including the procurement and operation of Australian Satellite Cross-Collaboration Radiometer satellites. The Mission also provides downstream benefits from creating high skill and high value jobs to supporting data-intensive industries such as agriculture, environmental protection and resources.
* Fast tracking access to space for Australian space businesses and researchers, and setting the conditions to launch from Australia through a $65.7 million investment. This will provide industry opportunities to grow capability and access global supply chains.
* Undertaking Australia's first Space Strategic Update ($9.5 million over two years from 2021-22), to identify where future investment is best placed to grow the sector and help fulfil sovereign needs.

The Government is continuing the work of the Digital Economy Strategy, by lifting the competitiveness and digital capability of Australian industry through fostering digital transformation, giving businesses confidence to invest and accelerating their adoption of digital technologies. The department is supporting the delivery of $18.6 million to increase Australian representation and engagement in developing international standards. This will ensure new critical and emerging technologies support Australian industry and reflect Australia’s interests and values. This is complementary to the ongoing work and government investment, including the recent $111.0 million to support growth of Australia’s quantum industry through the National Quantum Strategy and Quantum Commercialisation Hub.

The Government continues to support the advancement and participation of women in the workforce, particularly in high-value careers such as manufacturing and those that use science, technology, engineering and mathematics (STEM) skills. These measures complement the range of manufacturing and STEM initiatives already delivered by the department. This includes:

* $2.4 million to support the Women in STEM Ambassador initiative to advocate for gender equity in STEM.
* $2.0 million to train and mentor 120 women to accelerate their leadership skills through the Superstars of STEM program.
* $2.3 million to expand the national awareness-raising initiative, Future You, to breakdown stereotypes and improve awareness of STEM occupations, skills and pathways.
* $4.7 million to establish the Supporting Women in Manufacturing initiative to attract and retain more women into high-value, high paid manufacturing careers.

The department is supporting the Government’s investment of $5.3 million over two years to support the provision of science and technology advice to the Government by the National Science and Technology Council and continue the delivery of the annual Prime Minister’s Prizes for Science awards event.

The Government is supporting communities and businesses to recover from the devastating 2022 floods in New South Wales and Queensland. The department will facilitate the delivery of support through $7.0 million to expand the Entrepreneurs' Programme Strengthening Business service to local government areas impacted by the floods.

The Government has entered into a 10 year strategic partnership with Moderna Australia and the Victorian Government to help Australia meet the ongoing need for vaccines for COVID‑19 and other diseases. This support will also deliver important health security and industry development benefits for Australia. The partnership will deliver advanced manufacturing jobs and help protect the health of Australians while securing Australia’s economic future.

The Government is also supporting Australians by delivering liquid fuel security. The Government has responded to the International Energy Agency’s declared collective action by releasing our oil stocks in support and using the proceeds to replenish Australia’s fuel reserves when prices fall from current highs. This investment will ensure that Australians have confidence in obtaining affordable and reliable liquid fuel especially during major disruptions.

The Government is committing $1.3 billion[[1]](#footnote-1) through energy and emissions reductions measures in the 2022-23 Budget. Delivering affordable, reliable and secure energy in a practical, responsible way will continue to be essential to boost economic growth and generate employment opportunities. The Government’s approach to energy security takes advantage of new economic opportunities, and is consistent with the Government’s plan to achieve net zero emissions by 2050. Key to this is delivering reforms to Australia’s energy markets to keep downward pressure on energy costs, ensure energy security, create new opportunities and deliver emissions reductions. As part of the Government’s comprehensive plan to safeguard affordable, reliable power as we bring down our emissions, the Government is:

* Subject to the completion of business cases that demonstrate net benefits and co‑investment by relevant state and territory governments and the private sector, delivering $1.0 billion in energy and emissions reduction programs in Australia’s regions as part of its $7.1 billion *Energy Security and Regional Development Plan*, which is provided for in the Infrastructure, Transport, Regional Development and Communications Portfolio Budget Statements, including:
  + $300 million to support low emissions LNG and clean hydrogen production at Darwin, together with associated carbon capture and storage infrastructure. Darwin is positioned to become one of the world’s leading low-cost clean energy hubs, with access to excellent onshore and offshore natural gas and greenhouse gas storage resources, including the Beetaloo and Petrel basins and the Barossa and Bayu-Undan fields.
  + $200 million to increase onshore processing and value-add of iron ore exports, to support low emissions steel production in Indo-Pacific customer countries like Japan and Korea.
  + $200 million to enhance Australia’s supply chain security through new low emissions manufacturing facilities (using hydrogen and hydrogen derivatives like ammonia, as well as carbon capture utilisation and storage) in the Pilbara region.
  + $100 million to de-risk private sector investment in firm generation and grid infrastructure to increase system strength and capacity in the Pilbara region.
  + $100 million to support pre-Final Investment Decision activities and early works to make the Port of Newcastle ‘hydrogen ready’.
* Continuing the development of a hydrogen Guarantee of Origin scheme.
* Delivering the Government’s National Gas Infrastructure Plan to support strategic planning for the east coast gas market, including $50.3 million over two years to accelerate the development of priority gas infrastructure projects consistent with the principles of the Future Gas Infrastructure Investment Framework and support investment in carbon capture and storage pipeline infrastructure.
* Supporting the establishment of more than 60 community microgrid projects in regional and rural Australia.

The Government is taking a practical and responsible approach to delivering net zero emissions by 2050, while securing Australian jobs and generating new opportunities for industries and regional Australia. Investments in this Budget complement Australia’s Long Term Emissions Reduction Plan and build on the expected investment of $22.0 billion in low emissions technology over the period to 2030.

In line with the Government’s technology-focused approach to reducing emissions, it is incentivising low emissions technology research and development by expanding its existing patent box policy to cover patented technology innovations that have the potential to reduce emissions. The department will administer the new regulatory framework for the patent box for low emissions technology, which will apply a concessional tax treatment for innovations in the 140 categories of technologies included in Australia’s Low Emissions Technology Investment Roadmap.

Consistent with the Government’s 2022 Critical Minerals Strategy released on 16 March 2022, the department is:

* Administering the $200.0 million (over five years) Critical Minerals Accelerator Initiative, to support strategically significant critical minerals projects at crucial points in their development and ensure there is a steady pipeline of quality projects that reach market. In addition, the Government will invest a further $200.0 million into the Critical Minerals Accelerator Initiative under the Regional Accelerator Program, which is provided for in the Infrastructure, Transport, Regional Development and Communications Portfolio Budget Statements.
* Facilitating the creation of a $50.5 million virtual National Critical Minerals Research and Development Centre to grow Australian intellectual property in critical minerals processing, target technical bottlenecks in supply chains of strategic relevance, and drive breakthrough collaborative research for public benefit.
* Growing Australia’s critical minerals sector, by providing support and guidance to project proponents on financing opportunities and regulatory approval processes and establishing collaborative working relationships with like-minded countries, through the Critical Minerals Facilitation Office (CMFO). The CMFO also provides advice on whether potential project referrals to the Critical Minerals Facility, administered by Export Finance Australia, would be consistent with the Government’s Critical Minerals Strategy including recently announced loans to EcoGraf Limited and Renascor Resources.

As part of the Government’s Update to the India Economic Strategy to 2035, the department is contributing to a strengthened Australia-India Strategic Partnership through supportive measures to enhance science, technology and research collaboration. Measures include:

* Boosting collaboration with India through $10.1 million to support Australia’s technical infrastructure, comprising our national standards and conformance bodies.
* Enabling the International Energy Agency (IEA) through $2.0 million to undertake a program of activities in India to support the Strategic Partnership between the IEA and India.
* Extending the Australia-India Strategic Research Fund through $7.8 million to continue supporting a world-class relationship.
* A Critical Minerals Research Partnership through $5.8 million to support cooperation on research, production and commercialisation of clean technologies, critical minerals and energy.
* Expanding the Australian Space Agency’s existing International Space Investment Initiative to an India-focussed stream with funding totalling $25.2 million. This will support collaborative space projects between Australia and India, and unlock opportunities in India’s burgeoning space industry.

Following a request for assistance from the Government of Ukraine, Australia will support Ukraine’s energy security by donating at least 70,000 tonnes of thermal coal. The cost of the coal and its delivery to the destination port will be met by the Australian Government.

### 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 2022­23 as at Budget March 2022

|  |  |  |
| --- | --- | --- |
|  | *2021­22* | 2022­23 |
|  | *Estimated* | Estimate |
|  | *actual* |  |
|  | *$'000* | $'000 |
| **Departmental** |  |  |
| Annual appropriations - ordinary annual services (a)(b) |  |  |
| Prior year appropriations available | *94,489* | 73,458 |
| Departmental appropriation (c) | *644,401* | 738,181 |
| s74 external revenue (d) | *90,668* | 72,110 |
| Departmental capital budget (e) | *27,432* | 30,406 |
| Annual appropriations - other services - non-operating (b)(f) |  |  |
| Prior year appropriation available | *13,263* | 8,818 |
| Equity injection (g) | *36,328* | 39,114 |
| Total departmental annual appropriations | *906,581* | 962,087 |
| Special accounts (h) |  |  |
| Opening balance | *26,816* | 24,920 |
| Appropriation receipts | *9,426* | 8,741 |
| Non-appropriation receipts | *8,890* | 6,465 |
| Total special accounts | *45,132* | 40,126 |
| *less departmental appropriations drawn from annual*  *appropriations and credited to special accounts* | *9,426* | 8,741 |
| ***Total departmental resourcing*** | ***942,287*** | **993,472** |

Table 1.1: Department of Industry, Science, Energy and Resources resource statement – Budget estimates for 2022­23 as at Budget March 2022 (continued)

|  |  |  |
| --- | --- | --- |
|  | *2021­22* | 2022­23 |
|  | *Estimated* | Estimate |
|  | *actual* |  |
|  | *$'000* | $'000 |
| **Administered** |  |  |
| Annual appropriations - ordinary annual services (a)(b)(c) |  |  |
| Prior year appropriations available | *311,111* | 249,402 |
| Outcome 1 | *1,631,602* | 1,833,419 |
| Outcome 2 | *215,556* | 256,289 |
| Outcome 3 | *296,203* | 291,933 |
| Payments to corporate entities (i) | *1,404,643* | 1,640,692 |
| Annual appropriations - other services - non-operating (b)(f)(g) |  |  |
| Prior year appropriation available | *367,579* | 267,487 |
| Administered assets and liabilities | *848,920* | 1,822,635 |
| Payments to corporate entities (i) | *55,652* | 116,568 |
| *Total administered annual appropriations* | *5,131,266* | 6,478,425 |
| *Total administered special appropriations* (j) | *342,588* | 44,550 |
| Special accounts (h) |  |  |
| Opening balance | *5,724,109* | 5,466,040 |
| Appropriation receipts | *615* | 2,945 |
| Non-appropriated receipts | *479,034* | 319,016 |
| *Total special accounts receipts* | *6,203,758* | 5,788,001 |
| *less payments to corporate entities from annual/special*  *appropriations and special accounts* | *2,399,703* | 2,328,630 |
| *less administered appropriations drawn from annual/special appropriations and credited to special accounts* | *615* | 2,945 |
| *less special account balances for corporate entities* | *5,034,000* | 4,804,000 |
| ***Total administered resourcing*** | ***4,243,294*** | **5,175,401** |
| **Total resourcing for the Department of Industry, Science, Energy and Resources** | ***5,185,581*** | **6,168,873** |
|  |  |  |
|  | *2021­22* | 2022­23 |
| **Average staffing levels (number)** | *3,184* | 3,356 |

Table 1.1: Department of Industry, Science, Energy and Resources resource statement – Budget estimates for 2022­23 as at Budget March 2022 (continued)

Third-party payments from and on behalf of other entities

|  |  |  |
| --- | --- | --- |
|  | *2021­22* | 2022­23 |
|  | *Estimated* | Estimate |
|  | *actual* |  |
|  | *$'000* | $'000 |
| **Payments made to corporate entities within the Portfolio** (i) |  |  |
| **Ordinary Annual Services** |  |  |
| Australian Institute of Marine Science | *45,548* | 59,193 |
| Australian Nuclear Science and Technology Organisation | *279,506* | 289,790 |
| Australian Renewable Energy Agency | *117,173* | 289,450 |
| Clean Energy Finance Corporation | *7,139* | 8,821 |
| Commonwealth Scientific and Industrial Research Organisation | *949,037* | 991,289 |
| National Offshore Petroleum Safety and Environmental Management Authority | *1,500* | 2,149 |
| Northern Australia Infrastructure Facility | *4,740* | - |
| **Total ordinary annual services** | ***1,404,643*** | **1,640,692** |
| **Other Services** |  |  |
| Australian Institute of Marine Science | *-* | 17,550 |
| Australian Nuclear Science and Technology Organisation | *50,187* | 43,169 |
| Commonwealth Scientific and Industrial Research Organisation | *4,000* | 49,700 |
| National Offshore Petroleum Safety and Environmental Management Authority | *1,465* | 6,149 |
| **Total other services** | ***55,652*** | **116,568** |
| **Special appropriations** |  |  |
| Australian Renewable Energy Agency | *304,836* | - |
| National Offshore Petroleum Safety and Environmental Management Authority | *34,572* | 41,370 |
| **Total special appropriations** | ***339,408*** | **41,370** |
| **Special accounts** |  |  |
| Clean Energy Finance Corporation | *600,000* | 530,000 |
| **Total special accounts** | ***600,000*** | **530,000** |
| **Total payments to corporate entities within the Portfolio** | ***2,399,703*** | **2,328,630** |

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

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

1. Appropriation Bill (No.1) 2022-23*.*
2. Excludes $273.5 million subject to administrative quarantine by Finance or withheld under section 51 of the Public Governance, Performance and Accountability Act 2013 (PGPA Act).
3. The 2021-22 estimated actuals include Appropriation Act (No. 1) 2021-22 and Appropriation Bill (No. 3) 2021-22.
4. Estimated external revenue receipts under section 74 of the PGPA Act.
5. 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’.
6. Appropriation Bill (No.2) 2022-23.
7. The 2021-22 estimated actuals include Appropriation Act (No. 2) 2021-22 and Appropriation Bill (No. 4) 2021-22.
8. Excludes trust moneys held in special accounts. For further information on special accounts, please refer to Budget Paper No. 4 - Agency Resourcing.
9. 'Corporate entities' are corporate Commonwealth entities as defined under the PGPA Act. Northern Australia Infrastructure Facility is now in the Infrastructure, Transport, Regional Development and Communications Portfolio.
10. 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.

Part 1: Table 1.2: Entity 2022­23 Budget measures

Measures announced after the 2021­22 Mid-Year Economic and Fiscal Outlook (MYEFO)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Program | 2021-22  $'000 | 2022-23  $'000 | 2023-24  $'000 | 2024-25  $'000 | 2025-26  $'000 |
| **Receipt measures** |  |  |  |  |  |  |
| Energy and Emissions Reduction (a) | 3.1 |  |  |  |  |  |
| Administered receipts |  | nfp | - | - | - | - |
| Departmental receipts |  | - | - | - | - | - |
| **Total** |  | **nfp** | **-** | **-** | **-** | **-** |
| Implementing Sport 2030 – Ensuring the Integrity of Sport (b) | 1.1 |  |  |  |  |  |
| Administered receipts |  | **-** | **-** | **-** | **-** | **-** |
| Departmental receipts |  | - | - | 950 | - | - |
| **Total** |  | **-** | **-** | **950** | **-** | **-** |
| Support for the Australian Space Industry (a) | 1.2 |  |  |  |  |  |
| Administered receipts |  | nfp | nfp | nfp | nfp | nfp |
| Departmental receipts |  | - | - | - | - | - |
| **Total** |  | **nfp** | **nfp** | **nfp** | **nfp** | **nfp** |
| **Total receipt measures** |  |  |  |  |  |  |
| Administered |  | - | - | - | - | - |
| Departmental |  | - | - | 950 | - | - |
| **Total** |  | **-** | **-** | **950** | **-** | **-** |
| **Payment measures** |  |  |  |  |  |  |
| Advancing Science, Technology, Engineering and Maths (d) | 1.1 |  |  |  |  |  |
| Administered payment |  | - | 390 | - | - | - |
| Departmental payment |  | 2,416 | 2,499 | - | - | - |
| **Total** |  | **2,416** | **2,889** | **-** | **-** | **-** |
| Assistance to Ukraine (a) (e) | 1.3 |  |  |  |  |  |
| Administered payment |  | nfp | - | - | - | - |
| Departmental payment |  | - | - | - | - | - |
| **Total** |  | **nfp** | **-** | **-** | **-** | **-** |
| Australia-UK Free Trade Agreement – increasing market access opportunities and strengthening ties between our two countries (f) | 1.2 |  |  |  |  |  |
| Administered payment |  | - | - | - | - | - |
| Departmental payment |  | - | - | - | - | - |
| **Total** |  | **-** | **-** | **-** | **-** | **-** |
| Australian Export and Trade  Support | 1.2 |  |  |  |  |  |
| Administered payment |  | - | - | - | - | - |
| Departmental payment |  | - | - | - | - | - |
| **Total** |  | **-** | **-** | **-** | **-** | **-** |

Table 1.2: Entity 2022­23 Budget measures (continued)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Program | 2021-22  $'000 | 2022-23  $'000 | 2023-24  $'000 | 2024-25  $'000 | 2025-26  $'000 |
| Boosting the Modern Manufacturing Strategy and Addressing Critical Supply Chain Vulnerabilities (a) (g) | 1.2 |  |  |  |  |  |
| Administered payment |  | nfp | nfp | nfp | nfp | nfp |
| Departmental payment |  | nfp | nfp | nfp | nfp | nfp |
| **Total** |  | **nfp** | **nfp** | **nfp** | **nfp** | **nfp** |
| Commonwealth's Deregulation Agenda | 1.3 |  |  |  |  |  |
| Administered payment |  | - | - | - | - | - |
| Departmental payment |  | - | - | - | - | - |
| **Total** |  | **-** | **-** | **-** | **-** | **-** |
| Comprehensive Strategic Partnership with India – new initiatives (h) (i) | 1.1, 1.2  1.3, 2.1, 3.1 |  |  |  |  |  |
| Administered payment | - | - | - | - | - |
| Departmental payment |  | - | - | - | - | - |
| **Total** |  | **-** | **-** | **-** | **-** | **-** |
| Critical Minerals Strategy – implementation | 1.3 |  |  |  |  |  |
| Administered payment |  | - | 58,900 | 46,400 | 46,400 | 37,500 |
| Departmental payment |  | - | 2,002 | 1,767 | 1,775 | 1,498 |
| **Total** |  | **-** | **60,902** | **48,167** | **48,175** | **38,998** |
| Digital Economy Strategy (a) | 1.1, 1.2 |  |  |  |  |  |
| Administered payment |  | nfp | nfp | nfp | nfp | nfp |
| Departmental payment |  | nfp | nfp | nfp | nfp | nfp |
| **Total** |  | **nfp** | **nfp** | **nfp** | **nfp** | **nfp** |
| Energy and Emissions  Reduction (a) (j) | 2.1, 3.1 |  |  |  |  |  |
| Administered payment |  | nfp | nfp | nfp | nfp | nfp |
| Departmental payment |  | nfp | nfp | nfp | nfp | nfp |
| **Total** |  | **nfp** | **nfp** | **nfp** | **nfp** | **nfp** |
| Flood Package | 1.2 |  |  |  |  |  |
| Administered payment |  | - | 6,690 | - | - | - |
| Departmental payment |  | - | 348 | - | - | - |
| **Total** |  | **-** | **7,038** | **-** | **-** | **-** |
| Implementing Sport 2030 – Ensuring the Integrity of Sport (b) | 1.1 |  |  |  |  |  |
| Administered payment |  | - | - | - | - | - |
| Departmental payment |  | - | 973 | 7,477 | - | - |
| **Total** |  | **-** | **973** | **7,477** | **-** | **-** |
| mRNA Vaccine Manufacturing (a) (b) | 1.1 |  |  |  |  |  |
| Administered payment |  | - | - | - | - | - |
| Departmental payment |  | nfp | nfp | nfp | nfp | nfp |
| **Total** |  | **nfp** | **nfp** | **nfp** | **nfp** | **nfp** |
| Patent Box – Expanding the patent box tax concession to Low Emissions Technology innovations (k) | 2.1 |  |  |  |  |  |
| Administered payment |  | - | 1,000 | 1,000 | 1,000 | 1,000 |
| Departmental payment |  | - | 12,424 | 15,574 | 11,011 | 10,732 |
| **Total** |  | **-** | **13,424** | **16,574** | **12,011** | **11,732** |

Table 1.2: Entity 2022­23 Budget measures (continued)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Program | 2021-22  $'000 | 2022-23  $'000 | 2023-24  $'000 | 2024-25  $'000 | 2025-26  $'000 |
| Support for the Australian Space Industry (a) (c) | 1.2 |  |  |  |  |  |
| Administered payment |  | nfp | nfp | nfp | nfp | nfp |
| Departmental payment |  | nfp | nfp | nfp | nfp | nfp |
| **Total** |  | **nfp** | **nfp** | **nfp** | nfp | **nfp** |
| Women's Leadership Package | 1.2 |  |  |  |  |  |
| Administered payment |  | - | 1,098 | 1,098 | 1,098 | 1,098 |
| Departmental payment |  | - | 231 | 17 | 17 | 17 |
| **Total** |  | **-** | **1,329** | **1,115** | **1,115** | **1,115** |
| **Total payment measures** |  |  |  |  |  |  |
| Administered |  | - | 68,078 | 48,498 | 48,498 | 39,598 |
| Departmental |  | 2,416 | 18,477 | 24,835 | 12,803 | 12,247 |
| **Total** |  | **2,416** | **86,555** | **73,333** | **61,301** | **51,845** |

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.

1. The financial impact of this measure is not for publication (nfp).
2. The lead entity for this measure is the Department of Health. The full measure and package details appear in Budget Paper No. 2 (BP No.2) under the Health Portfolio.
3. Includes decisions taken but not yet announced in the 2021-22 MYEFO, with the following impact:

2021-22 $8.7 million, 2022-23 $22.2 million, 2023-24 $19.4 million, 2024-25 $16.5 million and

2025-26 $20.3 million.

1. Includes decisions taken but not yet announced in the 2021-22 MYEFO, with the following impact:

2021-22 $0.6 million, 2022-23 $1.1 million, 2023-24 $1.3 million, 2024-25 $2.1 million and

2025-26 $1.5 million.

1. The lead entity for this measure is Department of Defence. The full measure and package details appears in BP No.2 under Defence Portfolio.
2. This measure will be met from the existing resources of the department.
3. Includes decisions taken but not yet announced in the 2021-22 MYEFO, with the following impact:

2021-22 $1.7 million, 2022-23 negative $22.0 million, 2023-24 negative $26.5 million, 2024-25 negative $26.2 million and 2025-26 negative $32.0 million.

1. The lead entity for this measure is Department of Foreign Affairs and Trade. The full measure and package details appears in BP No.2 under Foreign Affairs and Trade Portfolio.
2. Includes decisions taken but not yet announced in the 2021-22 MYEFO, with the following impact:

2021-22 $7.3 million, 2022-23 $13.1 million, 2023-24 $13.1 million, 2024-25 $15.4 million and

2025-26 $13.9 million.

1. Includes decisions taken but not yet announced in the 2021-22 MYEFO, with the following impact:

2021-22 $8.0 million, 2022-23 $39.1 million, and 2023-24 $36.4 million with nil impact in 2024-25 and 2025-26.

1. The lead entity for this measure is Department of the Treasury. The full measure and package details appear in BP No.2 under 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 measure 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 picture of an entity’s planned and actual performance.

The most recent corporate plan for the Department of Industry, Science, Energy and Resources can be found at: https://www.industry.gov.au/news/announcing-our-corporate-plan-2021-22

The most recent annual performance statement can be found at: https://www.industry.gov.au/data-and-publications/annual-report-2020-21

**2.1 Budgeted expenses and performance for Outcome 1**

|  |
| --- |
| **Outcome 1: Support economic growth, productivity and job creation for all Australians by investing in science, technology and commercialisation, growing innovative and competitive businesses, industries and regions, and supporting resources** |

#### 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** |
| **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 – Scientific and Industrial Research and Infrastructure   Geoscience Australia   * Program 1 – Geoscientific and Spatial Information Services   IP Australia   * Program 1 – IP Rights Administration and Professional Registration * Program 2 – Education and Awareness * Program 3 – Advice to Government and International Engagement   National Offshore Petroleum Safety and Environmental Management Authority   * Program 1 – Regulatory oversight of Safety Cases, Well Operations Management Plans and Environment Plans coupled with effective monitoring, investigation and enforcement |
| **Contribution to Outcome 1 made by linked programs**  The portfolio agencies’ programs contribute to enabling growth and productivity for globally competitive industries through supporting science and commercialisation, growing business investment and improving business capability, and streamlining regulation.  Further information on the linked programs is available in the agencies’ chapters. |
| **Australian Competition and Consumer Commission** |
| **Programs**   * Program 1.1 – Australian Competition and Consumer Commission |
| **Contribution to Outcome 1 made by linked programs**  The Australian Competition and Consumer Commission is responsible for achieving compliance with the Competition and Consumer Act 2010 and associated legislation 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. This contributes to growth and productivity for globally competitive industries. |
| **Australian Taxation Office** |
| **Programs**   * Program 1.1 – Australian Taxation Office * Program 1.7 – Fuel Tax Credit Scheme * Program 1.10 – Research and Development Tax Incentive |
| **Contribution to Outcome 1 made by linked programs**  The Australian Taxation Office works collaboratively with the department 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, Australian Venture Capital Fund tax concessions, Junior Minerals Exploration Incentive, and Patent Box for Low Emissions Technology. |
| **Australian Trade and Investment Commission** |
| **Programs**   * Program 1.1 – Promotion of Australia’s export and other international economic interests |
| **Contribution to Outcome 1 made by linked programs**  The Australian Trade and Investment Commission (Austrade) promotes Australia’s exports and other international economic interests by providing information, advice and services to businesses, associations, institutions and government.  The department’s administration of the Modern Manufacturing Strategy requires cooperation with Austrade to build global networks, develop resilient supply chains and identify and capitalise on opportunities in the National Manufacturing Priorities.  Austrade also cooperates with the department to grow the Australian space industry through the Advancing Space: Australian Civil Space Strategy 2019-28 with the Australian Space Agency.  Finally, the department cooperates with Austrade to grow Australia’s cyber security industry in support of the 2020 Cyber Security Strategy and 2021 Digital Economy Strategy. |
| **Bureau of Meteorology** |
| **Programs**   * Program 1.1 – Bureau of Meteorology |
| **Contribution to Outcome 1 made by linked programs**  The Bureau of Meteorology works with the department (through the Australian Space Agency) to provide expertise in space weather and earth observations to achieve outcomes across the National Priority Areas as outlined in Advancing Space: Australian Civil Space Strategy 2019–28. |
| **Department of Agriculture, Water and the Environment** |
| **Programs**   * Program 1.1 – Sustainable Management of Natural Resources and the Environment * Program 1.3 – Commonwealth Environmental Water * Program 2.1 – Antarctica: Science, Policy and Presence * Program 3.2 – Sustainable Management - Natural Resources * Program 3.10 – Agricultural Resources * Program 4.1 – Biosecurity and Export Services |
| **Contribution to Outcome 1 made by linked programs**  The Department of Agriculture, Water and the Environment (DAWE) works collaboratively with the department on the Australian Antarctic Science Council and the ongoing protection of the Alligator Rivers Region from impacts of mining uranium at Ranger Uranium Mine.  The department also works collaboratively with DAWE to support manufacturers in the food and beverage and recycling sectors through the Modern Manufacturing Strategy.  Through the National Measurement Institute, DAWE accesses analytical laboratory services and expertise to support the National Residue Survey and Imported Food Inspection Scheme, and environmental services. |
| **Department of Defence** |
| **Programs**   * Program 2.1 – Strategic Policy and Intelligence * Program 2.9 – Capability, Acquisition and Sustainment * Program 2.13 – Defence Science and Technology * Program 2.14 –Defence Intelligence |
| **Contribution to Outcome 1 made by linked programs**  The Department of Defence works collaboratively with the department to grow and provide greater opportunities for Australia’s Defence Projects to support job creation and economic growth. This includes a focus on the National Naval Shipbuilding Enterprise, supporting the Nuclear-Powered Submarine Taskforce, Australian Industrial Capability Program and Sovereign Industrial Capability Priorities and the Sovereign Guided Weapons and Explosive Ordnance Enterprise, as well as the linkages between defence industry policy and broader industry policy.  The department also focuses on maximising opportunities for Australian industry involvement in Defence procurement and building scale and resilience in defence manufacturing through the Modern Manufacturing Strategy.  The department works with the Department of Defence to deliver the Advancing Space: Australian Civil Space Strategy 2019–28 by collaborating on aligned initiatives including the development of technical roadmaps under each of the National Civil Space Priorities.  In November 2021, the Australian Space Agency announced a 10-year plan, known as The Earth Observation from Space Roadmap, to support growth in the Australian space sector. The Department of Defence contributes to the roadmap by supporting the activities of a number of entities in the Industry Portfolio, including the department, to deliver the National Space Mission for Earth Observation.  The department works collaboratively with the Department of Defence to deliver teacher professional learning activities across Australia as part of the National Rollout of Questacon’s Engineering is Elementary program. The funding for Engineering is Elementary has been extended for 6 months in the 2022–23 financial year. |
| **Department of Education, Skills and Employment** |
| **Programs**   * Program 2.6 – Research capacity * Program 4.1 – Employment Services |
| **Contribution to Outcome 1 made by linked programs**  The department is working with the Department of Education, Skills and Employment (DESE) to enhance Australia’s research capacity, primarily through the development of Research Infrastructure Investment Plans and National Research Infrastructure Roadmaps.  The department is also working with DESE to increase Australian university research commercialisation outcomes and develop a higher education research commercialisation intellectual property framework.  DESE works collaboratively with the department to create policies that help Australians participate in education, training and the workforce and meet employer needs for skilled workers. This includes building capability in national manufacturing priority sectors announced in the Modern Manufacturing Strategy. In support of this, the department and DESE are working collaboratively to develop the Manufacturing Workforce Strategy and associated actions to be delivered in late 2022, which will also include a focus on encouraging greater inclusion in the manufacturing sector. |
| **Department of Foreign Affairs and Trade** |
| **Programs**   * Program 1.1 – Foreign Affairs and Trade Operations |
| **Contribution to Outcome 1 made by linked programs**  The Department of Foreign Affairs and Trade (DFAT) works collaboratively with the department to enable science diplomacy, support the implementation and delivery of the Global Science and Technology Diplomacy Fund, and advancement of Australia’s trade and investment interests, including supporting Australia’s technology approach to addressing climate change and the Global Resources Strategy.  The department works collaboratively with DFAT to support Australian manufacturers to grow exports, attract foreign investment and build resilience in supply chains through the Modern Manufacturing Strategy. It also works with DFAT and Export Finance Australia on implementing the Critical Minerals Strategy.  DFAT and Austrade support the department (through the Australian Space Agency) to deliver on the Advancing Space: Australian Civil Space Strategy 2019-28 by opening doors internationally for the Australian space sector, and ensuring the responsible use of outer space, in line with our international obligations. |
| **Department of Health** |
| **Programs**   * Program 1.1 – Health Research, Coordination and Access |
| **Contribution to Outcome 1 made by linked programs**  The Department of Health works collaboratively with the department to implement the Biomedical Translation Fund and the Medical Research Future Fund. The department provides input to a range of health policies to improve the support and regulatory environment for innovation by the health sector.  Through the National Measurement Institute, the department contributes to reducing smoking prevalence in Australia by conducting tobacco plain packaging compliance and enforcement activities.  The department also works with the Department of Health to support manufacturers of medical products through the Modern Manufacturing Strategy and to support industry and business response to COVID-19 impacts; in particular to establish an onshore sovereign mRNA vaccine manufacturing capability.  The department works with the Department of Health on supply chain disruptions in the health sector that require domestic industry considerations. |
| **Department of Home Affairs** |
| **Programs**   * Program 2.1 – Migration * Program 3.3 – Border Revenue * Program 3.1 – Trade Facilitation and Industry Engagement |
| **Contribution to Outcome 1 made by linked programs**  The Department of Home Affairs contributes to Australia’s anti-dumping system, in coordination with the Anti-Dumping Commission, and provision of tariff and duty credits and concessions. The Department of Home Affairs is working with the department on the Significant Investor Visa Complying Investment Framework that encourages the expansion of Australia’s venture capital fund capacity, attracting investment in innovative early stage companies, particularly from new sources of foreign investment. The department will continue to work with the Department of Home Affairs regarding employer sponsored permanent skilled migration.  The Department of Home Affairs contributes to improving national cyber security skills, awareness and job readiness through the Questacon Cyber Ready Program as part of Australia’s Cyber Security Strategy 2020. This program helps prepare young Australians for world class careers by building foundational skills in cyber security. |
| **Department of Infrastructure, Transport, Regional Development and Communications** |
| **Programs**   * Program 1.1 – Infrastructure Investment * Program 3.1 – Regional Development |
| **Contribution to Outcome 1 made by linked programs**  The Department of Infrastructure, Transport, Regional Development and Communications (DITRDC) is working with the department to support economic activity, improve innovation and create long-term sustainable jobs in Australia’s regions, including Northern Australia, through Regional Cooperative Research Centres Projects grants, through support for space sector investment linked to City Deals, and ongoing investment in the National Manufacturing Priorities.  DITRDC and the department work together on the Regional Accelerator program which provides a $2 billion investment in regional Australia through ‘Regional Accelerator Rounds’ of existing programs. This includes additional rounds for the Modern Manufacturing Initiative, the Critical Minerals Accelerator Initiative and the Supply Chain Resilience Initiative to further support growth and job creation in regional economies.  The department is delivering the Strengthening Northern Australian Business (SNAB) Advisory Service for the DITRDC under the Northern Australia Development Program. |
| **Department of the Prime Minister and Cabinet** |
| **Programs**  Program 1.1 – Prime Minister and Cabinet |
| The department works with the Department of the Prime Minister and Cabinet’s Office of Supply Chain Resilience to support Australia’s supply chain resilience and provide advice to government. This is achieved through sharing industry insights and intelligence, harnessing subject matter expertise and leveraging internal supply chain analysis. |
| **Department of the Treasury** |
| **Programs**   * Program 1.1 – Department of the Treasury * Program 1.4 – General Revenue Assistance * Program 1.9 – National Partnership Payments to the States |
| **Contribution to Outcome 1 made by linked programs**  The Department of the Treasury (Treasury) shares policy responsibility in respect of 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’).  Treasury continues to work with the department on royalty payments collected from offshore oil and gas projects in Western Australia. A range of National Partnership payments are made to the states, including the environmental management of the former Rum Jungle mine site in the Northern Territory.  Treasury is responsible for the Patent Box for Low Emissions Technology and works with the department and the ATO to deliver the scheme. |
| **National Indigenous Australians Agency** |
| **Programs**   * Program 1.1 – Jobs, Land and the Economy |
| **Contribution to Outcome 1 made by linked programs**  The National Indigenous Australians Agency (NIAA) is implementing initiatives that enable Indigenous Australians to benefit economically from their land.  The department has been consulting with NIAA on its implementation of a Darwin Indigenous Business and Employment Hub to encourage access to mainstream business support offerings.  The department has contributed to the development of NIAA’s National Roadmap for Indigenous Skills, Jobs and Wealth Creation and will continue to work cooperatively to identify and enable opportunities for Indigenous Australians across industry, including manufacturing. |
| **National Recovery and Resilience Agency** |
| **Programs**   * Program 1.1 – NRRA – Departmental – Outcome 1 |
| **Contribution to Outcome 1 made by linked programs**  The National Recovery and Resilience Agency (NRRA) provides input to the department to guide the delivery of the Strengthening Business Program which assists Australian business in addressing challenges arising from natural disasters.  The National Space Mission, led by the Australian Space Agency, provides national capabilities for monitoring the earth and is an important capability for providing information in times of crisis and natural disasters, consistent with the broad goals of NRRA. |
| **Sport Integrity Australia** |
| **Programs**   * Program 1.1 – Sports Integrity |
| **Contribution to Outcome 1 made by linked programs**  Through the National Measurement Institute, the department provides analytical services and research to support Sport Integrity Australia’s anti-doping program. |

##### **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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021­22 | 2022­23 | 2023­24 | 2024­25 | 2025­26 |
|  | Estimated | Budget | Forward | Forward | Forward |
|  | actual |  | estimate | estimate | estimate |
|  | $'000 | $'000 | $'000 | $'000 | $'000 |
| **Program 1.1: Investing in science, technology and commercialisation** | | | | | |
| Administered expenses |  |  |  |  |  |
| Ordinary annual services (Appropriation Bill No. 1) | 438,056 | 399,496 | 359,740 | 320,030 | 318,423 |
| **Administered Total** | **438,056** | **399,496** | **359,740** | **320,030** | **318,423** |
| Departmental expenses |  |  |  |  |  |
| Departmental appropriation | 197,396 | 188,140 | 154,963 | 143,980 | 136,939 |
| s74 external revenue (a) | 40,397 | 50,628 | 51,656 | 50,766 | 52,533 |
| Special accounts | 1,383 | 685 | 24 | - | - |
| Expenses not requiring appropriation in the Budget year (b) | 16,489 | 15,937 | 11,775 | 11,542 | 11,542 |
| **Departmental Total** | **255,665** | **255,390** | **218,418** | **206,288** | **201,014** |
| **Total expenses for Program 1.1** | **693,721** | **654,886** | **578,158** | **526,318** | **519,437** |
| **Program 1.2: Growing innovative and competitive businesses, industries and regions** | | | | | |
| Administered expenses |  |  |  |  |  |
| Ordinary annual services (Appropriation Bill No. 1) | 834,700 | 1,005,237 | 809,258 | 232,873 | 171,885 |
| **Administered Total** | **834,700** | **1,005,237** | **809,258** | **232,873** | **171,885** |
| Departmental expenses |  |  |  |  |  |
| Departmental appropriation | 235,502 | 268,259 | 233,636 | 223,648 | 220,670 |
| s74 external revenue (a) | 47,407 | 16,231 | 11,119 | 6,699 | 3,288 |
| Special accounts | 6,759 | 5,512 | 5,512 | 5,512 | 5,512 |
| Expenses not requiring appropriation in the Budget year (b) | 19,970 | 19,302 | 14,260 | 13,978 | 13,978 |
| **Departmental Total** | **309,638** | **309,304** | **264,527** | **249,837** | **243,448** |
| **Total expenses for Program 1.2** | **1,144,338** | **1,314,541** | **1,073,785** | **482,710** | **415,333** |

Table 2.1.1: Budgeted expenses for Outcome 1 (continued)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021­22 | 2022­23 | 2023­24 | 2024­25 | 2025­26 |
|  | Estimated | Budget | Forward | Forward | Forward |
|  | actual |  | estimate | estimate | estimate |
|  | $'000 | $'000 | $'000 | $'000 | $'000 |
| **Program 1.3: Supporting a strong resources sector** | | | | | |
| Administered expenses |  |  |  |  |  |
| Ordinary annual services (Appropriation Bill No. 1) | 63,925 | 128,101 | 84,710 | 52,744 | 38,334 |
| Special accounts | 15,433 | 18,049 | 18,798 | 17,344 | 17,836 |
| Special appropriations | 60 | 60 | 60 | 60 | 60 |
| Expenses not requiring appropriation in the Budget year (c) | 3,767 | 3,003 | 2,763 | 2,754 | 2,777 |
| **Administered Total** | **83,185** | **149,213** | **106,331** | **72,902** | **59,007** |
| Departmental expenses |  |  |  |  |  |
| Departmental appropriation | 69,107 | 69,476 | 59,957 | 56,505 | 54,974 |
| s74 external revenue (a) | 288 | - | - | - | - |
| Expenses not requiring appropriation in the Budget year (b) | 4,785 | 4,624 | 3,416 | 3,349 | 3,349 |
| **Departmental Total** | **74,180** | **74,100** | **63,373** | **59,854** | **58,323** |
| **Total expenses for Program 1.3** | **157,365** | **223,313** | **169,704** | **132,756** | **117,330** |
| **Outcome 1 Totals by appropriation type** | | | | | |
| Administered expenses |  |  |  |  |  |
| Ordinary annual services (Appropriation Bill No. 1) | 2,617,012 | 2,873,554 | 2,593,034 | 1,829,035 | 1,768,026 |
| Less payments to corporate entities | (1,280,331) | (1,340,720) | (1,339,326) | (1,223,388) | (1,239,384) |
| Special Accounts | 15,433 | 18,049 | 18,798 | 17,344 | 17,836 |
| Special appropriations | 34,632 | 41,430 | 39,834 | 39,017 | 39,387 |
| Less payments to corporate entities | (34,572) | (41,370) | (39,774) | (38,957) | (39,327) |
| Expenses not requiring appropriation in the Budget year (c) | 3,767 | 3,003 | 2,763 | 2,754 | 2,777 |
| Payments to corporate entities | 1,314,903 | 1,382,090 | 1,379,100 | 1,262,345 | 1,278,711 |
| **Administered Total** | **2,670,844** | **2,936,036** | **2,654,429** | **1,888,150** | **1,828,026** |
| Departmental expenses |  |  |  |  |  |
| Departmental appropriation | 502,005 | 525,875 | 448,556 | 424,133 | 412,583 |
| s74 external revenue (a) | 88,092 | 66,859 | 62,775 | 57,465 | 55,821 |
| Special accounts | 8,142 | 6,197 | 5,536 | 5,512 | 5,512 |
| Expenses not requiring appropriation in the Budget year (b) | 41,244 | 39,863 | 29,451 | 28,869 | 28,869 |
| **Departmental Total** | **639,483** | **638,794** | **546,318** | **515,979** | **502,785** |
| **Total expenses for Outcome 1** | **3,310,327** | **3,574,830** | **3,200,747** | **2,404,129** | **2,330,811** |

Table 2.1.1: Budgeted expenses for Outcome 1 (continued)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021­22 | 2022­23 | 2023­24 | 2024­25 | 2025­26 |
|  | Estimated | Budget | Forward | Forward | Forward |
|  | actual |  | estimate | estimate | estimate |
|  | $'000 | $'000 | $'000 | $'000 | $'000 |
| **Movement of administered funds between years** (d) |  |  |  |  |  |
| **Outcome 1:** |  |  |  |  |  |
| **Program 1.2** |  |  |  |  |  |
| Supply Chain Resilience Initiative | 5,400 | - | (5,400) | - | - |
| **Program 1.3** |  |  |  |  |  |
| Offshore Electricity Registrar | (89) | 89 | - | - | - |
| **Total movement of administered funds** | **5,311** | **89** | **(5,400)** | **-** | - |
|  |  |  |  |  |  |
|  | 2021­22 | 2022­23 |  |  |  |
| **Average staffing level (number)** | 2,626 | 2,782 |  |  |  |

1. Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act.
2. Expenses not requiring appropriation in the Budget year are made up of depreciation / amortisation expenses, audit fees, and approved operating losses.
3. Expenses not requiring appropriation relate to expenses for restoration provisions associated with Ranger Rehabilitation and depreciation and amortisation expenses for the National Offshore Petroleum Titles Administrator.
4. Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

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: Program components of Outcome 1

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021­22 | 2022­23 | 2023­24 | 2024­25 | 2025­26 |
| Estimated | Budget | Forward | Forward | Forward |
| actual |  | estimate | estimate | estimate |
| $'000 | $'000 | $'000 | $'000 | $'000 |
| *Program 1.1: Investing in science, technology and commercialisation* | | | | | |
| **Annual administered expenses:** |  |  |  |  |  |
| Access to World-leading Astronomy Infrastructure | 13,250 | 13,407 | 13,497 | 18,612 | 13,643 |
| Antarctic Science Collaboration Initiative | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 |
| Australian Quantum Ecosystem (a) | - | nfp | - | - | - |
| Boosting Female Founders Initiative | 17,472 | 13,268 | 12,202 | 5,900 | - |
| Building a World-class Onshore MRNA Ecosystem | 1,500 | 1,500 | - | - | - |
| Business Research and Innovation Initiative | 16,022 | 5,875 | 6,030 | 484 | 7,038 |
| Cooperative Research Centres Program | 189,395 | 199,374 | 193,117 | 197,070 | 193,540 |
| Digital Productivity | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 |
| Global Science and Technology Diplomacy Fund | 19,599 | 15,391 | 14,400 | 10,840 | 10,840 |
| Innovation Investment Fund Committee | 140 | 147 | 155 | 163 | 171 |
| Inspiring All Australians in STEM | 12,518 | 20,963 | 24,683 | 23,922 | 20,509 |
| National Carp Control Plan | 1,839 | 1,838 | - | - | - |
| National Quantum Strategy | 6 | 7,012 | 7,012 | 7,012 | 7,012 |
| National Research Centre for Disaster Resilience | 8,000 | 8,000 | 8,000 | 9,000 | 9,000 |
| Research and Development Tax Incentive | 5,700 | 5,700 | 5,700 | 5,700 | 5,700 |
| Square Kilometre Array Radio Telescope Project | 146,115 | 100,521 | 68,444 | 34,827 | 44,470 |
| **Total annual administered expenses** | **438,056** | **399,496** | **359,740** | **320,030** | **318,423** |
| **Total expenses for Program 1.1** | **438,056** | **399,496** | **359,740** | **320,030** | **318,423** |

Table 2.1.2: Program components of Outcome 1 (continued)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021­22 | 2022­23 | 2023­24 | 2024­25 | 2025­26 |
| Estimated | Budget | Forward | Forward | Forward |
| actual |  | estimate | estimate | estimate |
| $'000 | $'000 | $'000 | $'000 | $'000 |
| *Program 1.2: Growing innovative and competitive businesses, industries and regions* | | | | | |
| **Annual administered expenses:** |  |  |  |  |  |
| ACE EV Group Advanced Manufacturing Facility and Vehicle to the Grid Trial | 2,500 | - | - | - | - |
| Additional Support for Manufacturing and Supply Chains | 76,800 | 143,993 | 157,598 | 12,098 | 1,098 |
| Advanced Manufacturing Growth Fund | 1,920 | - | - | - | - |
| Artificial Intelligence Action Plan | 22,176 | 40,568 | 42,338 | 22,304 | 8,104 |
| Artificial Intelligence Capability Fund | 300 | - | - | - | - |
| Asialink Business | 2,997 | 3,099 | - | - | - |
| Australian Business Number and Business Names Registration System - expansion | 50 | 50 | 50 | 50 | 50 |
| Australian Made Export Campaign | 1,500 | 1,000 | - | - | - |
| COVID-19 Response Package - PPE | 204 | - | - | - | - |
| Delivering Cyber Security Skills for a Digital Economy | 24,307 | 23,000 | 21,000 | - | - |
| Diesel Exhaust Fluid Security | 29,953 | - | - | - | - |
| Digital Skills Finder Platform | 1,250 | - | - | - | - |
| Empowering Businesses to Go Digital | 410 | - | - | - | - |
| Encouraging Innovation in Advanced Manufacturing | 2,466 | - | - | - | - |
| Entrepreneurs' Programme | 131,994 | 145,645 | 127,143 | 127,994 | 135,634 |
| Geocoded National Address File (a) | 6,451 | 6,580 | 6,711 | nfp | nfp |
| Growing Australia's Space Industry | 8,500 | 44,500 | 63,000 | 59,000 | 15,000 |
| International Space Investment | 8,109 | 8,891 | 5,500 | 5,000 | 5,000 |
| Manufacturing Modernisation Fund | 47,800 | 13,350 | - | - | - |
| Modern Manufacturing Initiative | 420,901 | 520,000 | 340,000 | - | - |
| Mossman Mill Transition Program | 3,524 | 1,000 | - | - | - |
| National Innovation Games | 808 | - | - | - | - |

Table 2.1.2: Program components of Outcome 1 (continued)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021­22 | 2022­23 | 2023­24 | 2024­25 | 2025­26 |
| Estimated | Budget | Forward | Forward | Forward |
| actual |  | estimate | estimate | estimate |
| $'000 | $'000 | $'000 | $'000 | $'000 |
| *Program 1.2: Growing innovative and competitive businesses, industries and regions* | | | | | |
| Protecting Australia's National Interest in Critical and Emerging Technologies Standards | - | 632 | 632 | 632 | 632 |
| Securing Urea Supply for Transport and Agriculture (a) | nfp | nfp | nfp | nfp | nfp |
| SME Export Hubs | 1,687 | 357 | - | - | - |
| Space Infrastructure Fund | 4,300 | 600 | - | - | - |
| Standards and Conformance Program | - | 1,100 | 1,300 | 1,300 | 1,750 |
| Supply Chain Resilience Initiative | 17,400 | 45,000 | 39,600 | - | - |
| Support for an Australian Fashion Certification Trade Mark | 285 | - | - | - | - |
| Support for Industry Service Organisations program | 5,289 | 5,255 | 4,386 | 4,495 | 4,617 |
| Support the National Space Mission for Earth Observation (a) | nfp | nfp | nfp | nfp | nfp |
| Thermochemical Conversion Technology Trial Facility (a) | 5,013 | 617 | nfp | nfp | nfp |
| Using Blockchain Technology to Reduce Business Compliance Costs | 5,806 | - | - | - | - |
| **Total annual administered expenses** | **834,700** | **1,005,237** | **809,258** | **232,873** | **171,885** |
| **Total expenses for Program 1.2** | **834,700** | **1,005,237** | **809,258** | **232,873** | **171,885** |

Table 2.1.2: Program components of Outcome 1 (continued)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021­22 | 2022­23 | 2023­24 | 2024­25 | 2025­26 |
| Estimated | Budget | Forward | Forward | Forward |
| actual |  | estimate | estimate | estimate |
| $'000 | $'000 | $'000 | $'000 | $'000 |
| *Program 1.3: Supporting a strong resources sector* | | | | | |
| **Annual administered expenses:** |  |  |  |  |  |
| Advancing Research and Development for Critical Minerals | 1,250 | 1,000 | 1,000 | - | - |
| Beetaloo Basin Drilling Program | 20,000 | 30,000 | - | - | - |
| Critical Minerals Accelerator Initiative | - | 50,000 | 37,500 | 37,500 | 37,500 |
| Critical Minerals - Support for Supply Chains | 2,000 | - | - | - | - |
| Global Mining Challenge Program | 250 | 250 | 250 | 250 | - |
| Long Term Handling of the Northern Endeavour (a) | nfp | nfp | nfp | nfp | - |
| Maralinga Maintenance | 251 | 253 | 261 | 256 | 258 |
| Maralinga Site Remediation (a) | nfp | nfp | nfp | nfp | nfp |
| National Critical Minerals Research and Development Centre | - | 8,900 | 8,900 | 8,900 | - |
| Offshore Electricity Registrar | 516 | 89 | - | - | - |
| Onshore Gas Social and Economic Research Fund | 4,609 | 2,913 | 2,913 | - | - |
| Petroleum Royalties Administration | 40 | 40 | 40 | 40 | 40 |
| Positioning the Northern Land Council to deliver in the Beetaloo | 1,058 | 543 | 546 | - | - |
| Resources and METS Industry Market Access Program | 1,000 | 1,000 | 1,000 | 1,000 | - |
| Radioactive Waste Management | 19,181 | 25,337 | 31,764 | 4,262 | - |
| Rum Jungle Mine Site - Environmental Rehabilitation (a) | - | nfp | nfp | nfp | nfp |
| Shaping Australia to Capture the Global Hydrogen Opportunity | 2,000 | 240 | - | - | - |
| South Asian LNG Partnership | - | 536 | 536 | 536 | 536 |
| Strategic Basin Plans | 11,770 | 7,000 | - | - | - |
| Support for Ukraine (a) | nfp | - | - | - | - |
| **Total annual administered expenses** | **63,925** | **128,101** | **84,710** | **52,744** | **38,334** |

Table 2.1.2: Program components of Outcome 1 (continued)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021­22 | 2022­23 | 2023­24 | 2024­25 | 2025­26 |
| Estimated | Budget | Forward | Forward | Forward |
| actual |  | estimate | estimate | estimate |
| $'000 | $'000 | $'000 | $'000 | $'000 |
| *Program 1.3: Supporting a strong resources sector* | | | | | |
| **Special appropriation:** |  |  |  |  |  |
| *Offshore Minerals Act 1994* | 60 | 60 | 60 | 60 | 60 |
| **Total special appropriation expenses** | **60** | **60** | **60** | **60** | **60** |
| **Special account expenses:** |  |  |  |  |  |
| National Offshore Petroleum Titles Administrator | 15,433 | 18,049 | 18,798 | 17,344 | 17,836 |
| **Total special account expenses** | **15,433** | **18,049** | **18,798** | **17,344** | **17,836** |
| **Expenses not requiring appropriation:** |  |  |  |  |  |
| National Offshore Petroleum Titles Administrator (b) | 2,333 | 1,865 | 1,930 | 1,749 | 1,974 |
| Ranger Rehabilitation (c) | 1,434 | 1,138 | 833 | 1,005 | 803 |
| **Total expenses not requiring appropriation in the Budget year** | **3,767** | **3,003** | **2,763** | **2,754** | **2,777** |
| **Total expenses for Program 1.3** | **83,185** | **149,213** | **106,331** | **72,902** | **59,007** |

1. The financial impact is not for publication (nfp) due to commercial-in-confidence considerations.
2. Expenses not requiring appropriation relate to depreciation and amortisation expenses for the National Offshore Petroleum Titles Administrator.
3. Expenses not requiring appropriation relate to expenses for restoration provisions for Ranger Rehabilitation.

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  
2022­23 Budget measures have created new programs or materially changed existing programs.

|  |  |  |
| --- | --- | --- |
| Outcome 1 – Support economic growth, productivity and job creation for all Australians by investing in science, technology and commercialisation, growing innovative and competitive businesses, industries and regions, and supporting resources | | |
| **Program 1.1 – Investing in science, technology and commercialisation**  This program aims to facilitate the development and uptake of new ideas and technology and translate them into commercial outcomes and enhanced productivity.  The department will measure and report on its progress towards the following intended results of the activity:   * Supporting and capitalising on national science expertise to drive innovation, enhance productivity and generate globally competitive solutions across the economy to improve Australia’s 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, commercialisation and translation of research, and access to early stage finance, and encouraging collaboration between industry and the research sector, including through Australia’s 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.   Some of the measures listed below do not have a target, where it is not practicable to provide one. | | |
| **Key Activities (a)** | Activity 1.1: Investing in science, technology and commercialisation | |
| **Year** | **Performance measures** | **Expected Performance Results** |
| Current year  2021–22 | R&D expenditure registered by entities with the department in order to claim the R&D Tax Incentive through their annual tax returns. | 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.  Results: On track |
| Number of business-research collaborations facilitated by departmental programs. | Year-on-year increase.  Results:On track |
| Proportion of Australians who consider STEM skills important when considering employment | ≥ 87%  Results:On track |
| Australia’s national system of measurement is trusted nationally and internationally. | Results:On track |
| **Year** | **Performance measures** | **Planned Performance Results** |
| Budget Year 2022–23 | Number of business-research collaborations facilitated by portfolio programs | Year-on-year increase |
| Application for registration of research and development activities through the Research and Development Tax Incentive (R&DTI) are processed within:   * 40 business days for first time registrants * 20 business days for registrants that have applied within 6 months after the end of the income period * 80 business days for registrations submitted from 6 to 10 months after the end of the income period | 95% companies processed within the allotted timeframes |
| Proportion of Australians who consider STEM skills important when considering employment | Young Australians: ≥ 87%  Parents: ≥ 88%  Teachers and Career Advisors: ≥ 89% |
| Raising awareness of the importance of STEM through the delivery of portfolio initiatives | Target not practicable, qualitative assessment |
| Australia’s national system of measurement is trusted nationally and internationally | Target not practicable, qualitative assessment |
| Forward Estimates  2023–26 | As per 2022–23 | As per 2022–23 |
| Material changes to Program 1.1 resulting from 2022–23 Budget Measures: Nil | | |
| **Program 1.2 – Growing innovative and competitive businesses, industries and regions**  This program aims 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.  The department will measure and report on its progress towards the following intended results of the activity:   * Empowering Australian businesses to strengthen, grow, innovate, digitise and commercialise, supported by a competitive business environment. * Developing a modern, competitive and advanced manufacturing sector, investing in areas of competitive strength to create jobs, support economic growth and improve economic resilience. * Driving export growth and strengthen and diversify supply chains and markets, attract private sector investment and capture new and emerging opportunities. * Encouraging the adoption of digital technologies by Australian businesses to underpin productivity gains, growth, and resilience. * Supporting Australia becoming a leading digital nation by 2030 including by enabling the development of emerging technologies and initiatives such as the National Block Chain Roadmap, the AI Ethics Framework, and the National Quantum Strategy. * Supporting the growth and transformation of the Australian space industry as outlined in the Advancing Space: Australian Civil Space Strategy 2019‑2028. | | |
| **Key Activities (a)** | Activity 1.2: Growing innovative and competitive businesses, industries and regions | |
| **Year** | **Performance measures** | **Expected Performance Results** |
| Current year  2021–22 | Investment leveraged through portfolio manufacturing initiatives. | Year-on-year increase  Results:On track |
| Instances of support provided to businesses in priority sectors | Year-on-year increase  Results: On track |
| Number of regional areas where businesses have received support. | Year-on-year maintenance or increase  Results:On track |
| The median time to complete a grant application for a merit, eligibility or competitive grant. | Year-on-year decrease  Results:On track |
| 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%  Results:On track |
| Total number of jobs created by the digitally intensive industries. | Year-on-year increase  Results:On track |
| **Year** | **Performance measures** | **Planned Performance Results** |
| Budget Year 2022–23 | Investment leveraged through portfolio manufacturing initiatives | Year-on-year increase |
| Instances of support provided to businesses in priority sectors | Year-on-year increase |
| Number of regional areas where businesses have received support | Year-on-year maintenance or increase |
| The median time to complete a grant application for a merit, eligibility or competitive grant | Year-on-year decrease |
| Proportion of anti-dumping Preliminary Affirmative Determination (PAD) reports, or status reports explaining that there are insufficient grounds to issue a PAD, made on or before day 60 of an anti-dumping / countervailing investigation | 100% |
| Develop and implement flexible approaches in the regulation of Australia’s space activities | Year-on-year improvement |
| Total number of jobs created by the digitally intensive industries | Year-on-year increase |
| Industry engagement with portfolio initiatives to lift digital capability and adopt technologies | Year-on-year increase |
| Proportion of major projects that are compliant with their approved Australian Industry Participation (AIP) plans | 100% |
| Forward Estimates  2023–26 | As per 2022–23 | As per 2022–23 |
| Material changes to Program 1.2 resulting from 2022–23 Budget Measures: Nil | | |
| **Program 1.3 – Supporting a strong resources sector**  This program aims to support the sustainable development of the resources sector, attract private sector investment and encourage innovative technologies.  The department will measure and report on its progress towards the following intended results of the activity:   * Supporting investment and further exploration in the resources sector. * Growing Australia’s resource sector, 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. * Supporting the efficient and effective regulation of Australia’s offshore petroleum and greenhouse gas sectors.   Some of the measures listed below do not have a target, where it is not practicable to provide one. | | |
| **Key Activities (a)** | Activity 2.1: Supporting a strong resources sector | |
| **Year** | **Performance measures** | **Expected Performance Results** |
| Current year  2021–22 | Identify and remove regulatory and administrative barriers that impose unnecessary costs and delays to resources projects | Results:On track, qualitative assessment |
| Total expenditure on resources exploration. | Year-on-year increase  Results:On track |
| Grow Australia’s critical minerals potential, including by supporting development of downstream capacity. | Year-on-year increase  Results:On track |
| **Year** | **Performance measures** | **Planned Performance Results** |
| Budget Year 2022–23 | Identify and remove regulatory and administrative barriers that impose unnecessary costs and delays to resources projects | Target not practicable, qualitative assessment |
| NOPTA’s published assessment timeframes for applications made under the Offshore Petroleum and Greenhouse Storage Act 2006 (OPGGSA) | NOPTA’s published timeframes are met 90% of the time. |
| Total expenditure on resources exploration | Year-on-year increase |
| Annual release of offshore acreage for resources exploration investment | Release of new acreage |
| Grow Australia’s critical minerals sector, including by supporting development of downstream processing capacity | Year on year increase in the number, progress and total capital expenditure of critical minerals projects |
| International engagement activities aimed at growing Australia’s critical mineral sector | Target not practicable, qualitative assessment |
| Forward Estimates  2023–26 | As per 2022–23 | As per 2022–23 |
| Material changes to Program 1.3 resulting from 2022–23 Budget Measures: Nil | | |

1. 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 outputs, efficiency and effectiveness over time. The department is committed to continuous improvement and any refinements to performance criteria will be reflected in the 2022–23 Corporate Plan. 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 policies for the benefit of all Australians.

**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** |
| 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 Policies   Commonwealth Scientific and Industrial Research Organisation   * Program 1 – Scientific and Industrial Research and Infrastructure |
| **Contribution to Outcome 2 made by linked programs**  The portfolio agencies’ programs contribute to reducing Australia’s greenhouse gas emissions and effective global action on climate change, and supporting technological innovation in clean and renewable energy through developing and implementing a national response to climate change. |
| **Australian Taxation Office** |
| **Program**   * Program 1.1 – Australian Taxation Office |
| **Contribution to Outcome 2 made by linked programs**  The Australian Taxation Office administers the Carbon Sink Forest Tax measure, which makes a tax deduction available to carbon sequestration tree-planting projects. This contributes to reducing Australia’s greenhouse gas emissions. |
| **Bureau of Meteorology** |
| **Program**   * Program 1.1 – Bureau of Meteorology |
| **Contribution to Outcome 2 made by linked programs**  The Bureau of Meteorology works collaboratively with the department to provide weather and climate information, to support priority investment areas and research needs for nationally significant infrastructure. |
| **Department of Agriculture, Water and the Environment** |
| **Program**   * Program 1.1 – Sustainable Management of Natural Resources and the Environment * Program 3.2 – Sustainable Management – Natural Resources * Program 3.3 – Forestry Industry |
| **Contribution to Outcome 2 made by linked programs**  The Department of Agriculture, Water and the Environment (DAWE) is responsible for policies and programs on biodiversity conservation; sustainable natural resource management, climate science and adaptation; and sustainable and productive agricultural and forestry industries. DAWE collaborates with the department to promote complementary outcomes for emissions reductions, the environment and productivity, including through implementation of the International Partnership for Blue Carbon and the Asia Pacific Rainforest Partnership. DAWE also collaborates with the department on programs related to climate risk disclosure by Australian Government agencies. |
| **Department of Foreign Affairs and Trade** |
| **Program**   * Program 1.1 – Foreign Affairs and Trade Operations |
| **Contribution to Outcome 2 made by linked programs**  The Department of Foreign Affairs and Trade (DFAT) leads international climate change negotiations for the Government under the United Nations Framework Convention on Climate Change. The department works collaboratively with DFAT in formulating advice to government on these matters and representing Australia at United Nations Framework Convention on Climate Change meetings, and related bodies such as the Intergovernmental Panel on Climate Change. DFAT also delivers a number of Australian Government funded projects that support climate change capacity development projects in developing countries. These key programs include the Climate Resilient by Nature Indo-Pacific Knowledge Hub, the Australian Climate Finance Partnership, the Business Partnerships Platform, and the Pacific Blue Carbon Program.  DFAT supports the department to deliver the Indo-Pacific Carbon Offset Scheme, including by providing diplomatic support to develop bilateral partnerships under the scheme. |
| **Department of Infrastructure, Transport, Regional Development and Communications** |
| **Programs**   * Program 2.1 – Surface Transport * Program 2.3 – Air Transport |
| **Contribution to Outcome 2 made by linked programs**  The Department of Infrastructure, Transport, Regional Development and Communications (DITRDC) and the department work collaboratively towards reducing emissions from transport. DITRDC leads participation and negotiations in: the International Civil Aviation Organization's Carbon Offsetting and Reduction Scheme for International Aviation and the International Maritime Organisation, assessing measures and the frameworks for reducing international aviation and maritime emissions. This work includes energy efficiency, alternative fuels, linkages to carbon markets and standards for carbon unit eligibility. DITRDC has responsibility for maintaining and updating the Green Vehicle Guide, which provides consumer information on tailpipe CO2 emissions from vehicles. |

##### **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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021­22 | 2022­23 | 2023­24 | 2024­25 | 2025­26 |
|  | Estimated | Budget | Forward | Forward | Forward |
|  | actual |  | estimate | estimate | estimate |
|  | $'000 | $'000 | $'000 | $'000 | $'000 |
| **Program 2.1: Reducing Australia's greenhouse gas emissions** | | | | | |
| Administered expenses |  |  |  |  |  |
| Ordinary annual services (Appropriation Bill No. 1) |  |  |  |  |  |
| Activating Regional Hydrogen Export Hubs | 3,500 | 60,750 | 84,000 | 38,500 | 25,000 |
| Biofuels - Monitoring, Compliance and Enforcement for Fuel Quality | 100 | 100 | 100 | 100 | 100 |
| Carbon Capture, Use and Storage Development Fund | 24,800 | 20,000 | - | - | - |
| Emissions Reduction and New Investments Under the Technology Investment Roadmap | 174,749 | 133,675 | 178,124 | 150,035 | 251,354 |
| Energy and Emissions Reduction – Further Investment in Low Emissions Technologies | 5,000 | 36,000 | 83,500 | 29,500 | 22,500 |
| Hydrogen Strategy and Implementation | 1,247 | 521 | - | - | - |
| Soil Carbon and Livestock Methane | 4,300 | 3,028 | 2,100 | 1,000 | - |
| Offshore Electricity Infrastructure Framework (a) | - | 1,215 | - | - | - |
| Patent Box for Low Emissions Technology | - | 1,000 | 1,000 | 1,000 | 1,000 |
| **Administered Total** | **213,696** | **256,289** | **348,824** | **220,135** | **299,954** |
| Departmental expenses |  |  |  |  |  |
| Departmental appropriation | 77,160 | 84,024 | 68,194 | 62,142 | 52,935 |
| s74 external revenue (b) | 2,576 | 5,251 | 3,735 | 3,712 | 4,025 |
| Expenses not requiring appropriation in the budget year (c) | 562 | 1,135 | 1,456 | 1,678 | 1,678 |
| **Departmental Total** | **80,298** | **90,410** | **73,385** | **67,532** | **58,638** |
| **Total expenses for Program 2.1** | **293,994** | **346,699** | **422,209** | **287,667** | **358,592** |

Table 2.2.1: Budgeted expenses for Outcome 2 (continued)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021­22 | 2022­23 | 2023­24 | 2024­25 | 2025­26 |
|  | Estimated | Budget | Forward | Forward | Forward |
|  | actual |  | estimate | estimate | estimate |
|  | $'000 | $'000 | $'000 | $'000 | $'000 |
| **Program 2.2: Developing clean energy technology** | | | | | |
| Administered expenses |  |  |  |  |  |
| Ordinary annual services (Appropriation Bill No. 1) | 124,312 | 299,972 | 238,238 | 236,612 | 203,695 |
| *Less payments to corporate entities* | (124,312) | (299,972) | (238,238) | (236,612) | (203,695) |
| Special appropriations |  |  |  |  |  |
| *Australian Renewable Energy Agency Act 2011* | 304,836 | - | - | - | - |
| *Less payments to corporate entities* | (304,836) | - | - | - | - |
| Payments to corporate entities | 429,148 | 299,972 | 238,238 | 236,612 | 203,695 |
| **Administered Total** | **429,148** | **299,972** | **238,238** | **236,612** | **203,695** |
| Departmental expenses |  |  |  |  |  |
| Departmental appropriation | 7,939 | 9,147 | 8,528 | 10,201 | 10,317 |
| **Departmental Total** | **7,939** | **9,147** | **8,528** | **10,201** | **10,317** |
| **Total expenses for Program 2.2** | **437,087** | **309,119** | **246,766** | **246,813** | **214,012** |
| **Outcome 2 Totals by appropriation type** | | | | | |
| Administered expenses |  |  |  |  |  |
| Ordinary annual services (Appropriation Bill No. 1) | 213,696 | 256,289 | 348,824 | 220,135 | 299,954 |
| Payments to corporate entities | 429,148 | 299,972 | 238,238 | 236,612 | 203,695 |
| **Administered Total** | **642,844** | **556,261** | **587,062** | **456,747** | **503,649** |
| Departmental expenses |  |  |  |  |  |
| Departmental appropriation | 85,099 | 93,171 | 76,722 | 72,343 | 63,252 |
| s74 external revenue (b) | 2,576 | 5,251 | 3,735 | 3,712 | 4,025 |
| Expenses not requiring appropriation in the budget year (c) | 562 | 1,135 | 1,456 | 1,678 | 1,678 |
| **Departmental Total** | **88,237** | **99,557** | **81,913** | **77,733** | **68,955** |
| **Total expenses for Outcome 2** | **731,081** | **655,818** | **668,975** | **534,480** | **572,604** |

Table 2.2.1: Budgeted expenses for Outcome 2 (continued)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021­22 | 2022­23 | 2023­24 | 2024­25 | 2025­26 |
|  | Estimated | Budget | Forward | Forward | Forward |
|  | actual |  | estimate | estimate | estimate |
|  | $'000 | $'000 | $'000 | $'000 | $'000 |
| **Movement of administered funds between years (d)** |  |  |  |  |  |
| **Outcome 2:** |  |  |  |  |  |
| Emissions Reduction and New Investments Under the Technology Investments Roadmap | (6,600) | 21,350 | 26,650 | 22,100 | (63,500) |
| **Total movement of administered funds** | **(6,600)** | **21,350** | **26,650** | **22,100** | **(63,500)** |
|  |  |  |  |  |  |
|  | 2021­22 | 2022­23 |  |  |  |
| **Average staffing level (number)** | 249 | 266 |  |  |  |
|  |  |  |  |  |  |

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

1. Funding for this program will be transferred to a special account once the special account is established.
2. Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act 2013.
3. Expenses not requiring appropriation in the Budget year are made up of depreciation expenses.
4. Figures displayed as negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

Table 2.2.2: Program components of Outcome 2

Outcome 2 programs are not broken down by components; therefore Table 2.2.2 is not presented.

**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 2022­23 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**  This program aims to shape the global response to climate change and achieve Australia’s greenhouse gas emissions reduction targets.  The department will measure and report on its progress towards the following intended results of the activity:   * Implementing Australia’s Long Term Emissions Reduction Plan. * Delivering cost‑effective emissions reduction opportunities across the economy including in hard‑to‑abate sectors. | | |
| **Key Activities (a)** | |  | | --- | | Activity 3.1: Reducing Australia’s greenhouse gas emissions | | |
| **Year** | **Performance measures** | **Expected Performance Results** |
| Current year  2021–22 | Number of businesses participating in carbon neutral certification | Year on year increase  Result:On track |
| Australia’s emissions and projected emissions are on track to meet international commitments | Australia meets its international emission reduction commitment targets  Result: On track |
| Legislated Large-scale Renewable Energy Target of 33,000 GWh of eligible renewable electricity generation is met. | 33,000 GWh per year  Result:On track |
| **Year** | **Performance measures** | **Planned Performance Results** |
| Budget Year 2022–23 | Number of certifications held by businesses participating in Climate Active | Year-on-year increase |
| Proportion of GEMS registration applications processed by the GEMS regulator within 14 days from the time of application | 99% in each year |
| Australia’s emissions and projected emissions are on track to meet international commitments | Australia meets its international emission reduction commitment targets |
| Forward Estimates  2023–26 | As per 2022–23 | As per 2022–23 |
| Material changes to Program 2.1 resulting from 2022–23 Budget Measures: Nil | | |
| **Program 2.2 – Developing clean energy technology**  This program aims to support technological innovation in clean and renewable energy to reduce Australia’s greenhouse gas emissions.  The department will measure and report on its progress towards the following intended results of the activity:   * Supporting the uptake of priority low emission technologies, including hydrogen, by implementing the Technology Investment Roadmap and the National Hydrogen Strategy, and utilising the Australian Renewable Energy Agency, the Clean Energy Finance Corporation and the Clean Energy Regulator. | | |
| **Key Activities (a)** | Activity 3.2: Developing clean energy technology | |
| **Year** | **Performance measures** | **Expected Performance Results** |
| Current year  2021–22 | Australian Government expenditure on low emission technologies and co-financing leveraged | Leverage $3-$5 of new investment for each dollar of Commonwealth funding on average over the decade to 2030  Result:On track |
| **Year** | **Performance measures** | **Planned Performance Results** |
| Budget Year 2022–23 | Investment leveraged through portfolio low emissions technology initiatives | Leverage $3- $5 of new investment for each dollar of Commonwealth funding on average over the decade to 2030 |
| Forward Estimates  2023–26 | As per 2022–23 | As per 2022–23 |
| Material changes to Program 2.2 resulting from 2022–23 Budget Measures: Nil | | |

1. 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 outputs, efficiency and effectiveness over time. The department is committed to continuous improvement and any refinements to performance criteria will be reflected in the 2022–23 Corporate Plan. 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.

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

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

#### Linked programs

|  |
| --- |
| **Portfolio agencies**  **Australian Renewable Energy Agency**  **Clean Energy Finance Corporation**  **Clean Energy Regulator**  **Climate Change Authority** |
| **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 – Scientific and Industrial Research and Infrastructure |
| **Contribution to Outcome 3 made by linked programs**  The portfolio agencies’ programs contribute to supporting the affordable, reliable, secure and competitive operation of energy markets for the long-term benefit of the Australian community through improving Australia’s energy supply, efficiency, quality, performance and productivity. |
| **Australian Competition and Consumer Commission** |
| **Program**   * Program 1.1 – Australian Competition and Consumer Commission * Program 1.2 – Australian Energy Regulator |
| **Contribution to Outcome 3 made by linked programs**  The Australian Competition and Consumer Commission (ACCC) contributes to affordable, reliable, secure and competitive operations of energy markets by monitoring electricity, gas and fuel prices though public reporting, and its authorisation process, which allowed energy companies to cooperate during the COVID-19 pandemic to maintain reliable supply. The ACCC and Australian Energy Regulator (AER) also work collaboratively with the department on the implementation and monitoring of energy market policy, including the Consumer Data Right, the Default Market Offer and Reference Price, and Big Stick Legislation.  The department works collaboratively with the AER to promote efficient investment, operation and use of energy infrastructure and services for the long-term interests of consumers. This includes through the development and maintenance of consumer services such as the Australian Government’s Energy Made Easy price comparator website. The department facilitates the work streams of the Energy National Cabinet Reform Committee and the Energy Ministers’ Meetings in developing electricity, gas and retail rules which the AER is responsible for enforcing. |
| **Department of Foreign Affairs and Trade** |
| **Program**   * Program 1.1 – Foreign Affairs and Trade Operations |
| **Contribution to Outcome 3 made by linked programs**  The Department of Foreign Affairs and Trade (DFAT) provides diplomatic support to the department on matters relating to compliance with the International Energy Agency treaty. DFAT and the department also collaborate on promotion of Australian expertise in energy market regulation and operation. |
| **Department of Home Affairs** |
| **Programs**   * Program 1.2 – National Security and Criminal Justice * Program 3.2 – Border Management |
| **Contribution to Outcome 3 made by linked programs**  The Department of Home Affairs and the department 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 helps manage risks to Australia’s critical energy infrastructure by administering critical infrastructure security legislation, and by engaging with critical infrastructure owners and operators on security issues. |
| **Department of Infrastructure, Transport, Regional Development and Communications** |
| **Program**   * Program 3.1 – Regional Development |
| **Contribution to Outcome 3 made by linked programs**  The department 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 and local businesses. |
| **Department of the Treasury** |
| **Program**   * Program 1.1 – Department of the Treasury |
| **Contribution to Outcome 3 made by linked programs**  In response to the Productivity Commission’s Inquiry into Data Availability and Use, the Department of the Treasury (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. Treasury also supports the ongoing implementation of Commonwealth energy market policies, including the Default Market Offer and Big Stick Legislation. |

##### **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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021­22 | 2022­23 | 2023­24 | 2024­25 | 2025­26 |
|  | Estimated | Budget | Forward | Forward | Forward |
|  | actual |  | estimate | estimate | estimate |
|  | $'000 | $'000 | $'000 | $'000 | $'000 |
| **Program 3.1: Supporting reliable, secure and affordable energy** | | | | | |
| Administered expenses |  |  |  |  |  |
| Ordinary annual services (Appropriation Bill No. 1) |  |  |  |  |  |
| Boosting Australia's Fuel Security | 80,000 | 105,000 | 75,000 | - | - |
| Business Energy Advice Program | 3,671 | - | - | - | - |
| Consumer Data Right in the Energy Sector | 5,373 | - | - | - | - |
| Contribution to the International Energy Agency | 2,000 | - | - | - | - |
| Energy and Emissions Reduction – Further Investment in Affordable and Reliable Power | - | 55,170 | 30,000 | - | - |
| Energy Efficiency Programs | 620 | 620 | 620 | 620 | 620 |
| Energy Efficient Communities Program | 20,928 | - | - | - | - |
| Energy Use Data Model for Better Forecasting | 2,853 | - | - | - | - |
| Establish a Renewable Microgrid Incorporating Hydrogen in the Daintree Community | 750 | 16,200 | 1,800 | - | - |
| Funding for Refinery Upgrades | 39,000 | 73,000 | 120,000 | 70,000 | - |
| Further Support for CopperString 2.0 Project | 1,100 | - | - | - | - |
| GEMS National Legislative Framework | 5,832 | 5,832 | 5,832 | 5,832 | 5,832 |
| Hotel Energy Uplift Program | 9,941 | - | - | - | - |
| Hydrogen Ready Gas Infrastructure Program | 11,700 | 7,000 | - | - | - |
| Improving Cyber Security in the Energy Sector | 600 | - | - | - | - |
| International Energy Agency Compliance - Collective Action Response (a) | nfp | nfp | nfp | nfp | nfp |
| Micro-grids - Regional and Remote Communities | 22,605 | 8,202 | 4,297 | - | - |
| Portland Aluminium Smelter Program | - | 19,200 | 19,200 | 19,200 | 19,200 |
| Powering Communities Program | 10,228 | - | - | - | - |
| Supporting Reliable Energy Infrastructure | 4,077 | - | - | - | - |

Table 2.3.1: Budgeted expenses for Outcome 3 (continued)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021­22 | 2022­23 | 2023­24 | 2024­25 | 2025­26 |
|  | Estimated | Budget | Forward | Forward | Forward |
|  | actual |  | estimate | estimate | estimate |
|  | $'000 | $'000 | $'000 | $'000 | $'000 |
| Supporting the Port Kembla Power Station | 30,000 | - | - | - | - |
| Temporary Refinery Production Payment Program | 41,494 | - | - | - | - |
| **Total ordinary annual services** | **292,772** | **290,224** | **256,749** | **95,652** | **25,652** |
| Expenses not requiring appropriation in the budget year |  |  |  |  |  |
| Interconnector Funding - delivering reliable and affordable energy | 528 | - | - | - | - |
| International Energy Agency Compliance - Collective Action Response (a) | nfp | - | - | - | - |
| **Total expenses not requiring appropriation in the budget year** | **528** | **-** | **-** | **-** | **-** |
| Special appropriations |  |  |  |  |  |
| Fuel Security Service Payment (a) | nfp | nfp | nfp | nfp | - |
| **Total special appropriations** | **nfp** | **nfp** | **nfp** | **nfp** | **-** |
| **Administered Total** | **293,300** | **290,224** | **256,749** | **95,652** | **25,652** |
| Departmental expenses |  |  |  |  |  |
| Departmental appropriation | 101,306 | 100,487 | 73,983 | 56,264 | 40,582 |
| Special accounts | 2,646 | 203 | - | - | - |
| Expenses not requiring appropriation in the budget year (b) | 1,544 | 2,357 | 2,554 | 2,914 | 2,914 |
| **Departmental Total** | **105,496** | **103,047** | **76,537** | **59,178** | **43,496** |
| **Total expenses for Program 3.1** | **398,796** | **393,271** | **333,286** | **154,830** | **69,148** |
| **Outcome 3 Totals by appropriation type** | | | | | |
| Administered expenses |  |  |  |  |  |
| Ordinary annual services  (Appropriation Bill No. 1) | 292,772 | 290,224 | 256,749 | 95,652 | 25,652 |
| Special appropriations | nfp | nfp | nfp | nfp | - |
| Expenses not requiring appropriation in the budget year | 528 | - | - | - | - |
| **Administered Total** | **293,300** | **290,224** | **256,749** | **95,652** | **25,652** |
| Departmental expenses |  |  |  |  |  |
| Departmental appropriation | 101,306 | 100,487 | 73,983 | 56,264 | 40,582 |
| Special accounts | 2,646 | 203 | - | - | - |
| Expenses not requiring appropriation in the budget year (b) | 1,544 | 2,357 | 2,554 | 2,914 | 2,914 |
| **Departmental Total** | **105,496** | **103,047** | **76,537** | **59,178** | **43,496** |
| **Total expenses for Outcome 3** | **398,796** | **393,271** | **333,286** | **154,830** | **69,148** |
|  |  |  |  |  |  |
|  | 2021­22 | 2022­23 |  |  |  |
| **Average staffing level (number)** | 309 | 308 |  |  |  |

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

1. The financial impact is not for publication (nfp) due to commercial-in-confidence considerations.
2. Expenses not requiring appropriation in the Budget year are made up of depreciation expenses.

Table 2.3.2: Program components of Outcome 3

Outcome 3 programs are not broken down by components; therefore Table 2.3.2 is not presented.

**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 2022­23 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**  This program aims 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.  The department will measure and report on its progress towards the following intended results of the activity:   * Working with states, territories and industry, to ensure energy affordability, reliability, security and efficiency, including by: * Increasing competition and consumer empowerment in the energy sector. * 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. * Focusing energy efficiency investment – by governments, business and households – under a set of clearly articulated principles focused on consumer choice, affordability and technology. * Accelerating the development of the wholesale gas market to ensure the affordability of gas through implementing the Government’s Gas‑Fired Recovery Plan. | | |
| **Key Activities (a)** | Activity 4.1: Supporting reliable, secure and affordable energy | |
| **Year** | **Performance measures** | **Expected Performance Results** |
| Current year  2021–22 | Lower energy prices | Work to maintain wholesale price < $70 per MWh in the National Electricity Market  Domestic gas market prices lower than liquefied natural gas (LNG) netback price.  Result:On track overall.  Achieved for gas prices for the period 1 July to 30 December 2021. |
| The liquid fuel market is in supply-demand balance | The Liquid Fuel Emergency Act is not triggered.  Result: On track. This had not been triggered during the period 1July to 30 December 2021. |
| **Year** | **Performance measures** | **Planned Performance Results** |
| Budget Year 2022–23 | Australia’s security of supply of quality liquid fuels | Average days of stocks of petrol, diesel and jet fuel that meet the Australian fuel quality standards are not lower than the 2018 and 2019 average, and by 2024-25 are 40% higher than the 2018 and 2019 average for diesel |
| Lower energy prices | Work to maintain wholesale price < $70 per MWh in the National Electricity Market  Domestic gas market prices lower than liquefied natural gas (LNG) netback price) |
| Change in average Mega Joules (MJ) per m2 consumed by office buildings as they obtain successive Building Energy Efficiency Certificates (BEECs) under the Commercial Building Disclosure (CBD) program | Reduction in MJ per m2 consumed across all office buildings rated in the current period, compared with their previous BEECs under the CBD program |
| Forward Estimates  2023–26 | As per 2022–23 | As per 2022–23 |
| Material changes to Program 3.1 resulting from 2022–23 Budget Measures: Nil | | |

1. 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 outputs, efficiency and effectiveness over time. The department is committed to continuous improvement and any refinements to performance criteria will be reflected in the 2022–23 Corporate Plan. 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.

## **Section 3****: Budgeted financial statements**

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2022-23 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 2022-23 is $762.1 million.

**Expenses**

Total departmental expenses budgeted for in 2022-23 are $841.4 million, comprising $430.3 million for employee expenses, $324.9 million for suppliers, $76.3 million for depreciation and amortisation, $6.8 million for grants and $3.2 million for finance costs and other expenses.

**Income**

Total departmental own‑source income budgeted for in 2022-23 is $78.6 million, comprising $69.3 million from sales of goods and rendering of services, $2.8 million from rental income and $6.5 million from other independent sources.

Revenue from government for 2022-23 is budgeted at $715.4 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 2022-23 are $668.8 million, comprising $516.0 million non‑financial assets and $152.8 million financial assets.

Non­‑financial assets include $335.3 million for land and buildings, $126.5 million for intangibles, $43.9 million for property, plant and equipment, $2.1 million for inventories, and $8.2 million in other assets. Financial assets consist of $109.8 million for receivables, $28.9 million for cash, and $14.1 million in other financial assets.

**Liabilities**

Total departmental liabilities budgeted for in 2022-23 are $444.6 million, comprising $250.2 million in interest‑bearing liabilities, $129.9 million in provisions and $64.5 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 2022-23 are $4.3 billion, represented by $1.7 billion in payments to corporate entities, $2.0 billion in grants and subsidies, $567.4 million in suppliers, $8.8 million in employee benefits, $2.9 million in write‑downs and impairments and depreciation and amortisation, and $0.2 million in finance costs.

**Income**

Total administered income budgeted for in 2022-23 is $1.4 billion, represented by $1.2 billion in royalties, $172.5 million in dividends, $56.9 million in fees from regulatory services, $10.5 million in interest, $9.9 million in other non-taxation revenue and $5.2 million in fees.

**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 2022-23 are $29.8 billion, represented by $23.9 billion in investments, $5.8 billion in cash and receivables, $99.6 million in accrued revenue, and $12.7 million in non‑financial assets.

**Liabilities**

Total administered liabilities budgeted for in 2022-23 are $451.5 million, represented by $366.8 million in provisions, $81.6 million in payables and $3.1 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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021­22 | 2022­23 | 2023­24 | 2024­25 | 2025­26 |
|  | Estimated | Budget | Forward | Forward | Forward |
|  | actual |  | estimate | estimate | estimate |
|  | $'000 | $'000 | $'000 | $'000 | $'000 |
| **EXPENSES** |  |  |  |  |  |
| Employee benefits | 418,937 | 430,257 | 367,868 | 367,871 | 350,435 |
| Suppliers | 327,203 | 324,878 | 263,026 | 211,331 | 192,147 |
| Grants | 7,308 | 6,800 | 5,500 | 5,550 | 5,200 |
| Depreciation and amortisation | 76,344 | 76,263 | 65,504 | 65,560 | 65,210 |
| Finance costs | 3,284 | 3,060 | 2,730 | 2,438 | 2,123 |
| Other expenses | 140 | 140 | 140 | 140 | 121 |
| **Total expenses** | **833,216** | **841,398** | **704,768** | **652,890** | **615,236** |
| **LESS:** |  |  |  |  |  |
| **OWN-SOURCE INCOME** |  |  |  |  |  |
| **Own-source revenue** |  |  |  |  |  |
| Sale of goods and rendering of services | 87,291 | 69,287 | 63,588 | 58,148 | 56,726 |
| Rental Income | 3,377 | 2,823 | 2,922 | 3,029 | 3,120 |
| Other revenue | 8,890 | 6,465 | 5,547 | 5,550 | 5,550 |
| **Total own-source revenue** | **99,558** | **78,575** | **72,057** | **66,727** | **65,396** |
| **Gains** |  |  |  |  |  |
| Other gains | 670 | 675 | 680 | 680 | 680 |
| **Total gains** | **670** | **675** | **680** | **680** | **680** |
| **Total own-source income** | **100,228** | **79,250** | **72,737** | **67,407** | **66,076** |
| **Net (cost of)/contribution by services** | **(732,988)** | **(762,148)** | **(632,031)** | **(585,483)** | **(549,160)** |
| Revenue from Government | 664,471 | 715,411 | 596,948 | 551,202 | 515,784 |
| **Surplus/(deficit) attributable to the Australian Government** | **(68,517)** | **(46,737)** | **(35,083)** | **(34,281)** | **(33,376)** |
| **OTHER COMPREHENSIVE INCOME** |  |  |  |  |  |
| **Total other comprehensive income** | **-** | **-** | **-** | **-** | **-** |
| **Total comprehensive income/(loss) attributable to the Australian Government** | **(68,517)** | **(46,737)** | **(35,083)** | **(34,281)** | **(33,376)** |

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** | | |  |  |  |
|  | 2021­22 | 2022­23 | 2023­24 | 2024­25 | 2025­26 |
|  | Estimated | Budget | Forward | Forward | Forward |
|  | actual |  | estimate | estimate | estimate |
|  | $'000 | $'000 | $'000 | $'000 | $'000 |
| **Total comprehensive income/(loss) excluding depreciation/ amortisation expenses previously funded through revenue appropriations, depreciation on ROU assets, principal repayments on leased assets** | (21,059) | 270 | - | - | - |
| plus: depreciation/amortisation expenses previously funded through revenue appropriations (a) | (42,680) | (42,680) | (32,781) | (32,781) | (32,781) |
| plus: depreciation/amortisation expenses for ROU assets (b) | (33,664) | (33,583) | (32,723) | (32,779) | (32,429) |
| less: principal repayments on leased assets (b) | (28,886) | (29,256) | (30,421) | (31,279) | (31,834) |
| **Total comprehensive income/(loss) - as per the statement of comprehensive income** | (68,517) | (46,737) | (35,083) | (34,281) | (33,376) |

Prepared on Australian Accounting Standards basis.

1. From 2010-11, the Government introduced net cash appropriation arrangements where Bill 1 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 Bill 1 equity appropriations. For information regarding DCB, please refer to Table 3.5 Departmental Capital Budget Statement.
2. Applies leases under AASB 16 Leases.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021­22 | 2022­23 | 2023­24 | 2024­25 | 2025­26 |
|  | Estimated | Budget | Forward | Forward | Forward |
|  | actual |  | estimate | estimate | estimate |
|  | $'000 | $'000 | $'000 | $'000 | $'000 |
| **ASSETS** |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |
| Cash and cash equivalents | 28,797 | 28,862 | 28,873 | 28,911 | 28,949 |
| Trade and other receivables | 89,506 | 109,823 | 109,364 | 109,438 | 109,425 |
| Accrued Revenue | 36,861 | 14,091 | 14,091 | 14,091 | 14,091 |
| ***Total financial assets*** | ***155,164*** | ***152,776*** | ***152,328*** | ***152,440*** | ***152,465*** |
| **Non-financial assets** |  |  |  |  |  |
| Land and buildings | 363,651 | 335,277 | 303,821 | 280,655 | 248,034 |
| Property, plant and equipment | 41,913 | 43,907 | 39,423 | 33,636 | 27,881 |
| Intangibles | 101,604 | 126,536 | 144,109 | 154,907 | 161,795 |
| Inventories | 2,118 | 2,118 | 2,118 | 2,118 | 2,118 |
| Other non-financial assets | 8,170 | 8,170 | 8,170 | 8,170 | 8,170 |
| ***Total non-financial assets*** | ***517,456*** | ***516,008*** | ***497,641*** | ***479,486*** | ***447,998*** |
| **Total assets** | **672,620** | **668,784** | **649,969** | **631,926** | **600,463** |
| **LIABILITIES** |  |  |  |  |  |
| **Payables** |  |  |  |  |  |
| Suppliers | 54,783 | 54,713 | 54,713 | 54,713 | 54,713 |
| Grants | 695 | 695 | 695 | 695 | 695 |
| Other payables | 10,221 | 9,063 | 8,848 | 8,960 | 8,985 |
| ***Total payables*** | ***65,699*** | ***64,471*** | ***64,256*** | ***64,368*** | ***64,393*** |
| **Interest bearing liabilities** |  |  |  |  |  |
| Leases | 275,567 | 250,176 | 222,599 | 202,471 | 171,950 |
| ***Total interest bearing liabilities*** | ***275,567*** | ***250,176*** | ***222,599*** | ***202,471*** | ***171,950*** |
| **Provisions** |  |  |  |  |  |
| Employee provisions | 126,964 | 126,964 | 126,964 | 126,964 | 126,964 |
| Other provisions | 2,941 | 2,941 | 2,941 | 2,941 | 2,941 |
| ***Total provisions*** | ***129,905*** | ***129,905*** | ***129,905*** | ***129,905*** | ***129,905*** |
| **Total liabilities** | **471,171** | **444,552** | **416,760** | **396,744** | **366,248** |
| **Net assets** | **201,449** | **224,232** | **233,209** | **235,182** | **234,215** |
| **EQUITY\*** |  |  |  |  |  |
| **Parent entity interest** |  |  |  |  |  |
| Contributed equity | 668,185 | 737,705 | 781,765 | 818,019 | 850,428 |
| Reserves | 20,432 | 20,432 | 20,432 | 20,432 | 20,432 |
| Retained surplus (accumulated deficit) | (487,168) | (533,905) | (568,988) | (603,269) | (636,645) |
| ***Total parent entity interest*** | ***201,449*** | ***224,232*** | ***233,209*** | ***235,182*** | ***234,215*** |
| **Total equity** | **201,449** | **224,232** | **233,209** | **235,182** | **234,215** |

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 2022­23)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Retained earnings  $'000 | Asset revaluation reserve  $'000 | Contributed equity/ capital  $'000 | Total equity  $'000 |
| **Opening balance as at 1 July 2022** |  |  |  |  |
| Balance carried forward from previous period | (487,168) | 20,432 | 668,185 | 201,449 |
| ***Adjusted opening balance*** | ***(487,168)*** | ***20,432*** | ***668,185*** | ***201,449*** |
| **Comprehensive income** |  |  |  |  |
| Surplus/(deficit) for the period | (46,737) | - | - | (46,737) |
| ***Total comprehensive income*** | ***(46,737)*** | ***-*** | ***-*** | ***(46,737)*** |
| of which: |  |  |  |  |
| Attributable to the Australian  Government | (46,737) | - | - | (46,737) |
| **Transactions with owners** |  |  |  |  |
| ***Contributions by owners*** |  |  |  |  |
| Equity injection – Appropriation | - | - | 39,114 | 39,114 |
| Departmental Capital Budget | - | - | 30,406 | 30,406 |
| ***Subtotal transactions with owners*** | ***-*** | ***-*** | ***69,520*** | ***69,520*** |
| **Estimated closing balance as at 30 June 2023** | **(533,905)** | **20,432** | **737,705** | **224,232** |
| **Closing balance attributable to the Australian Government** | **(533,905)** | **20,432** | **737,705** | **224,232** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021­22 | 2022­23 | 2023­24 | 2024­25 | 2025­26 |
|  | Estimated | Budget | Forward | Forward | Forward |
|  | actual |  | estimate | estimate | estimate |
|  | $'000 | $'000 | $'000 | $'000 | $'000 |
| **OPERATING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Appropriations | 784,551 | 793,711 | 665,593 | 615,187 | 575,643 |
| Sale of goods and rendering of services | 92,758 | 72,110 | 66,510 | 61,177 | 59,846 |
| Net GST received | 32,543 | 29,624 | 20,231 | 17,055 | 16,215 |
| Other | 6,092 | 5,307 | 5,332 | 5,662 | 5,575 |
| ***Total cash received*** | ***915,944*** | ***900,752*** | ***757,666*** | ***699,081*** | ***657,279*** |
| **Cash used** |  |  |  |  |  |
| Employees | 418,937 | 430,257 | 367,868 | 367,871 | 350,435 |
| Suppliers | 356,916 | 353,897 | 281,627 | 227,706 | 207,682 |
| Grants | 7,308 | 6,800 | 5,500 | 5,550 | 5,200 |
| s74 External Revenue transferred to the OPA | 92,758 | 72,110 | 66,510 | 61,177 | 59,846 |
| Interest payments on lease liability | 3,284 | 3,060 | 2,730 | 2,438 | 2,123 |
| Other | 140 | 140 | 140 | 140 | 121 |
| ***Total cash used*** | ***879,343*** | ***866,264*** | ***724,375*** | ***664,882*** | ***625,407*** |
| **Net cash from/(used by)**  **operating activities** | **36,601** | **34,488** | **33,291** | **34,199** | **31,872** |
| **INVESTING ACTIVITIES** |  |  |  |  |  |
| **Cash used** |  |  |  |  |  |
| Purchase of property, plant,  equipment and intangibles | 67,841 | 70,950 | 44,293 | 36,254 | 32,409 |
| ***Total cash used*** | ***67,841*** | ***70,950*** | ***44,293*** | ***36,254*** | ***32,409*** |
| **Net cash from/(used by) investing activities** | **(67,841)** | **(70,950)** | **(44,293)** | **(36,254)** | **(32,409)** |
| **FINANCING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Appropriations – contributed equity | 60,318 | 65,783 | 41,434 | 33,372 | 32,409 |
| ***Total cash received*** | ***60,318*** | ***65,783*** | ***41,434*** | ***33,372*** | ***32,409*** |
| Cash used |  |  |  |  |  |
| Principal payments on lease liability | 28,886 | 29,256 | 30,421 | 31,279 | 31,834 |
| ***Total cash used*** | ***28,886*** | ***29,256*** | ***30,421*** | ***31,279*** | ***31,834*** |
| **Net cash from/(used by) financing activities** | **31,432** | **36,527** | **11,013** | **2,093** | **575** |
| **Net increase/(decrease) in cash held** | **192** | **65** | **11** | **38** | **38** |
| Cash and cash equivalents at the beginning of the reporting period | 28,605 | 28,797 | 28,862 | 28,873 | 28,911 |
| **Cash and cash equivalents at the end of the reporting period** | **28,797** | **28,862** | **28,873** | **28,911** | **28,949** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021­22 | 2022­23 | 2023­24 | 2024­25 | 2025­26 |
|  | Estimated | Budget | Forward | Forward | Forward |
|  | actual |  | estimate | estimate | estimate |
|  | $'000 | $'000 | $'000 | $'000 | $'000 |
| **NEW CAPITAL APPROPRIATIONS** |  |  |  |  |  |
| Departmental capital budget – Appropriation Bill No. 1 | 27,432 | 30,406 | 28,238 | 28,460 | 28,655 |
| Equity injections – Appropriation Bill No. 2 | 36,328 | 39,114 | 15,822 | 7,794 | 3,754 |
| **Total new capital appropriations** | **63,760** | **69,520** | **44,060** | **36,254** | **32,409** |
| ***Provided for:*** |  |  |  |  |  |
| Purchase of non-financial assets | 63,760 | 69,520 | 44,060 | 36,254 | 32,409 |
| ***Total Items*** | ***63,760*** | ***69,520*** | ***44,060*** | ***36,254*** | ***32,409*** |
| **PURCHASE OF NON-FINANCIAL ASSETS** |  |  |  |  |  |
| Funded by capital appropriations (a) | 39,182 | 40,544 | 16,055 | 7,794 | 3,754 |
| Funded by capital appropriations – DCB (b) | 28,659 | 30,406 | 28,238 | 28,460 | 28,655 |
| **TOTAL** | **67,841** | **70,950** | **44,293** | **36,254** | **32,409** |
| **RECONCILIATION OF CASH**  **USED TO ACQUIRE ASSETS**  **TO ASSET MOVEMENT TABLE** |  |  |  |  |  |
| Total purchases | 85,693 | 74,815 | 47,137 | 47,405 | 33,722 |
| less: ROU Additions | (17,852) | (3,865) | (2,844) | (11,151) | (1,313) |
| **Total cash used to acquire assets** | **67,841** | **70,950** | **44,293** | **36,254** | **32,409** |

Prepared on Australian Accounting Standards basis.

1. Includes both current Bill 2 and prior Act 2/4/6 appropriations.
2. Includes purchases from current and previous years' Departmental Capital Budgets (DCBs).

Table 3.6: Statement of asset movements (Budget year 2022­23)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Buildings | Other | Computer | Total |
|  |  | property, | software |  |
|  |  | plant & | and |  |
|  |  | equipment | Intangibles |  |
|  | $'000 | $'000 | $'000 | $'000 |
| **As at 1 July 2022** |  |  |  |  |
| Gross book value | 124,101 | 63,251 | 226,192 | 413,544 |
| Gross book value - ROU assets | 358,141 | 3,804 | - | 361,945 |
| Accumulated depreciation/amortisation and impairment | (22,356) | (22,583) | (124,588) | (169,527) |
| Accumulated depreciation/amortisation and impairment - ROU assets | (96,235) | (2,559) | - | (98,794) |
| **Opening net book balance** | **363,651** | **41,913** | **101,604** | **507,168** |
| **Capital asset additions** |  |  |  |  |
| **Estimated expenditure on new or replacement assets** |  |  |  |  |
| By purchase - appropriation equity (a) | 11,573 | 16,875 | 42,502 | 70,950 |
| By purchase - other - ROU assets | 3,865 | - | - | 3,865 |
| **Total additions** | **15,438** | **16,875** | **42,502** | **74,815** |
| **Other movements** |  |  |  |  |
| Depreciation/amortisation expense | (10,830) | (14,280) | (17,570) | (42,680) |
| Depreciation/amortisation on ROU assets | (32,982) | (601) | - | (33,583) |
| **Total other movements** | **(43,812)** | **(14,881)** | **(17,570)** | **(76,263)** |
| **As at 30 June 2023** |  |  |  |  |
| Gross book value | 135,674 | 80,126 | 268,694 | 484,494 |
| Gross book value - ROU assets | 362,006 | 3,804 | - | 365,810 |
| Accumulated depreciation/amortisation and impairment | (33,186) | (36,863) | (142,158) | (212,207) |
| Accumulated depreciation/amortisation and impairment - ROU assets | (129,217) | (3,160) | - | (132,377) |
| **Closing net book balance** | **335,277** | **43,907** | **126,536** | **505,720** |

Prepared on Australian Accounting Standards basis.

'Appropriation equity' refers to equity injections provided through Appropriation Bill (No. 2) 2022­23 and to funding provided through Appropriation Bill (No. 1) 2022­23 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)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021­22 | 2022­23 | 2023­24 | 2024­25 | 2025­26 |
|  | Estimated | Budget | Forward | Forward | Forward |
|  | actual |  | estimate | estimate | estimate |
|  | $'000 | $'000 | $'000 | $'000 | $'000 |
| **EXPENSES** |  |  |  |  |  |
| Employee benefits | 7,961 | 8,810 | 7,928 | 8,086 | 8,248 |
| Suppliers | 740,734 | 567,369 | 445,382 | 278,742 | 249,549 |
| Grants and subsidies | 1,601,038 | 2,040,179 | 1,818,938 | 907,677 | 734,905 |
| Finance costs | 103 | 166 | 255 | 1,025 | 820 |
| Depreciation and amortisation | 2,333 | 1,865 | 1,930 | 1,749 | 1,974 |
| Write-down and impairment of assets | 1,368 | 1,002 | 603 | - | - |
| Payments to corporate Commonwealth entities | 1,744,051 | 1,682,062 | 1,617,338 | 1,498,957 | 1,482,406 |
| **Total expenses administered on behalf of Government** | **4,097,588** | **4,301,453** | **3,892,374** | **2,696,236** | **2,477,902** |
| **LESS:** |  |  |  |  |  |
| **OWN-SOURCE INCOME** |  |  |  |  |  |
| **Own-source revenue** |  |  |  |  |  |
| **Taxation revenue** |  |  |  |  |  |
| Indirect tax | 550 | 550 | 550 | 550 | 550 |
| ***Total taxation revenue*** | ***550*** | ***550*** | ***550*** | ***550*** | ***550*** |
| **Non-taxation revenue** |  |  |  |  |  |
| Fees from regulatory services | 50,042 | 56,924 | 55,775 | 54,958 | 55,328 |
| Fees | 5,000 | 5,194 | 4,850 | 4,867 | 4,867 |
| Interest | 11,043 | 10,520 | 9,626 | 699 | 251 |
| Dividends | 162,881 | 172,489 | 246,600 | 253,400 | 269,300 |
| Royalties | 1,323,560 | 1,190,735 | 1,050,407 | 883,188 | 658,304 |
| Other non­taxation revenue | - | 9,944 | 1,198 | 1,231 | 1,265 |
| ***Total non-taxation revenue*** | ***1,552,526*** | ***1,445,806*** | ***1,368,456*** | ***1,198,343*** | ***989,315*** |
| **Total own-source revenue administered on behalf of Government** | **1,553,076** | **1,446,356** | **1,369,006** | **1,198,893** | **989,865** |
| **Gains** |  |  |  |  |  |
| Other Gains | 548 | - | - | 567 | 656 |
| **Total gains administered on behalf of government** | **548** | **-** | **-** | **567** | **656** |
| **Total income** | **1,553,624** | **1,446,356** | **1,369,006** | **1,199,460** | **990,521** |
| **Net (cost of)/ contribution by services** | **(2,543,964)** | **(2,855,097)** | **(2,523,368)** | **(1,496,776)** | **(1,487,381)** |
| **OTHER COMPREHENSIVE INCOME** |  |  |  |  |  |
| **Total other comprehensive income** | **-** | **-** | **-** | **-** | **-** |
| **Total comprehensive**  **income/(loss)** | **(2,543,964)** | **(2,855,097)** | **(2,523,368)** | **(1,496,776)** | **(1,487,381)** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021­22 | 2022­23 | 2023­24 | 2024­25 | 2025­26 |
|  | Estimated | Budget | Forward | Forward | Forward |
|  | actual |  | estimate | estimate | estimate |
|  | $'000 | $'000 | $'000 | $'000 | $'000 |
| **ASSETS** |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |
| Cash in special accounts | 5,944,987 | 5,558,136 | 5,442,345 | 5,293,518 | 5,179,536 |
| Receivables | 226,328 | 197,003 | 202,894 | 64,462 | 42,585 |
| Other investments | 21,533,021 | 23,934,264 | 24,359,713 | 24,714,409 | 24,662,308 |
| Accrued revenue | 110,559 | 99,598 | 87,501 | 73,600 | 54,860 |
| ***Total financial assets*** | ***27,814,895*** | ***29,789,001*** | ***30,092,453*** | ***30,145,989*** | ***29,939,289*** |
| **Non-financial assets** |  |  |  |  |  |
| Land and buildings | 5,033 | 4,177 | 4,819 | 3,599 | 2,133 |
| Property, plant and equipment | 49 | 625 | 453 | 281 | 364 |
| Intangibles | 4,690 | 7,490 | 7,731 | 7,874 | 8,038 |
| Prepayments | 410 | 410 | 410 | 410 | 410 |
| ***Total non-financial assets*** | ***10,182*** | ***12,702*** | ***13,413*** | ***12,164*** | ***10,945*** |
| **Total assets administered on behalf of Government** | **27,825,077** | **29,801,703** | **30,105,866** | **30,158,153** | **29,950,234** |
| **LIABILITIES** |  |  |  |  |  |
| Payables |  |  |  |  |  |
| Suppliers | 30,454 | 28,784 | 28,784 | 28,784 | 28,784 |
| Grants | 61,871 | 51,343 | 51,343 | 51,343 | 51,343 |
| Other payables | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 |
| ***Total payables*** | ***93,825*** | ***81,627*** | ***81,627*** | ***81,627*** | ***81,627*** |
| **Interest bearing liabilities** |  |  |  |  |  |
| Leases | 4,149 | 3,131 | 4,030 | 2,930 | 1,745 |
| ***Total interest bearing liabilities*** | ***4,149*** | ***3,131*** | ***4,030*** | ***2,930*** | ***1,745*** |
| **Provisions** |  |  |  |  |  |
| Employee provisions | 2,204 | 2,204 | 2,204 | 2,204 | 2,204 |
| Rehabilitation provision | 477,924 | 364,560 | 237,290 | 112,045 | 32,098 |
| ***Total provisions*** | ***480,128*** | ***366,764*** | ***239,494*** | ***114,249*** | ***34,302*** |
| **Total liabilities administered on behalf of Government** | **578,102** | **451,522** | **325,151** | **198,806** | **117,674** |
| **Net assets/(liabilities)** | **27,246,975** | **29,350,181** | **29,780,715** | **29,959,347** | **29,832,560** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021­22 | 2022­23 | 2023­24 | 2024­25 | 2025­26 |
| Estimated | Budget | Forward | Forward | Forward |
| actual |  | estimate | estimate | estimate |
| $'000 | $'000 | $'000 | $'000 | $'000 |
| **OPERATING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Interest | 405 | 3,680 | 274 | 182 | 91 |
| Dividends | 162,881 | 172,489 | 246,600 | 253,400 | 269,300 |
| Fees | 8,906 | 550 | 550 | 550 | 550 |
| Royalties | 1,275,260 | 1,201,696 | 1,056,040 | 891,116 | 671,970 |
| Net GST received | 214,254 | 197,663 | 158,740 | 88,308 | 92,079 |
| Other | 13,135 | 20,429 | 28,513 | 28,072 | 47,728 |
| Levy receipts | 34,572 | 41,370 | 39,774 | 38,957 | 39,327 |
| ***Total cash received*** | ***1,709,413*** | ***1,637,877*** | ***1,530,491*** | ***1,300,585*** | ***1,121,045*** |
| **Cash used** |  |  |  |  |  |
| Suppliers | 700,053 | 612,251 | 469,451 | 296,777 | 266,353 |
| Grants and subsidies paid | 1,769,141 | 2,194,895 | 1,953,609 | 977,950 | 810,180 |
| Employees | 7,961 | 8,810 | 7,928 | 8,086 | 8,248 |
| Payments to corporate entities | 1,744,051 | 1,682,062 | 1,617,338 | 1,498,957 | 1,482,406 |
| Interest payments on lease liability | 37 | 30 | 25 | 20 | 17 |
| Other | 116,552 | 113,500 | 127,500 | 126,250 | 80,750 |
| ***Total cash used*** | ***4,337,795*** | ***4,611,548*** | ***4,175,851*** | ***2,908,040*** | ***2,647,954*** |
| **Net cash from/(used by) operating activities** | **(2,628,382)** | **(2,973,671)** | **(2,645,360)** | **(1,607,455)** | **(1,526,909)** |
| **INVESTING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Repayments of loans and advances | 900 | 34,025 | 2,025 | 139,025 | 170,325 |
| Interest | 1,434 | 1,138 | 833 | 491 | 147 |
| Other (a) | 460,000 | 300,000 | 605,000 | 320,000 | 390,000 |
| ***Total cash received*** | ***462,334*** | ***335,163*** | ***607,858*** | ***459,516*** | ***560,472*** |
| **Cash used** |  |  |  |  |  |
| Advances and loans made | 32,000 | - | - | - | - |
| Investments | 914,347 | 1,746,163 | 166,280 | - | - |
| Purchase of property, plant, equipment and intangibles | 2,165 | 4,385 | 690 | 500 | 755 |
| Investments in Corporate Commonwealth Entities | 861,705 | 973,673 | 927,913 | 640,600 | 567,571 |
| ***Total cash used*** | ***1,810,217*** | ***2,724,221*** | ***1,094,883*** | ***641,100*** | ***568,326*** |
| **Net cash from/(used by)**  **investing activities** | **(1,347,883)** | **(2,389,058)** | **(487,025)** | **(181,584)** | **(7,854)** |

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021­22 | 2022­23 | 2023­24 | 2024­25 | 2025­26 |
| Estimated | Budget | Forward | Forward | Forward |
| actual |  | estimate | estimate | estimate |
| $'000 | $'000 | $'000 | $'000 | $'000 |
| **FINANCING ACTIVITIES** |  |  |  |  |  |
| **Cash used** |  |  |  |  |  |
| Principal payments on lease liability | 985 | 1,018 | 1,052 | 1,100 | 1,185 |
| ***Total cash used*** | ***985*** | ***1,018*** | ***1,052*** | ***1,100*** | ***1,185*** |
| **Net cash from/(used by) financing activities** | **(985)** | **(1,018)** | **(1,052)** | **(1,100)** | **(1,185)** |
| ***Net increase/ (decrease) in cash held*** | ***(3,977,250)*** | ***(5,363,747)*** | ***(3,133,437)*** | ***(1,790,139)*** | ***(1,535,948)*** |
| Cash and cash equivalents at beginning of reporting period | 5,724,109 | 5,944,987 | 5,558,136 | 5,442,345 | 5,293,518 |
| Cash from Official Public Account for: |  |  |  |  |  |
| Appropriations | 4,207,528 | 4,470,563 | 4,023,926 | 2,759,758 | 2,543,195 |
| Appropriation - Administered assets and liabilities | 1,632,512 | 2,034,353 | 386,820 | 220,000 | 90,000 |
| Equity appropriation - corporate entities | 55,652 | 116,568 | 115,808 | 78,495 | 35,466 |
| GST appropriations | 214,254 | 197,663 | 158,740 | 88,308 | 92,079 |
| ***Total cash from Official Public Account*** | ***6,109,946*** | ***6,819,147*** | ***4,685,294*** | ***3,146,561*** | ***2,760,740*** |
| Cash to Official Public Account for: |  |  |  |  |  |
| Appropriations | (1,696,664) | (1,610,563) | (1,506,883) | (1,414,916) | (1,076,370) |
| GST appropriations | (214,254) | (197,663) | (158,740) | (88,308) | (92,079) |
| Return of contributed equity | (900) | (34,025) | (2,025) | (2,025) | (170,325) |
| ***Total cash to Official Public Account*** | ***(1,911,818)*** | ***(1,842,251)*** | ***(1,667,648)*** | ***(1,505,249)*** | ***(1,338,774)*** |
| **Cash and cash equivalents at end of reporting period** | **5,944,987** | **5,558,136** | **5,442,345** | **5,293,518** | **5,179,536** |

Prepared on Australian Accounting Standards basis.

1. Return of funds to the Clean Energy Finance Corporation Special Account.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021­22 | 2022­23 | 2023­24 | 2024­25 | 2025­26 |
|  | Estimated | Budget | Forward | Forward | Forward |
|  | actual |  | estimate | estimate | estimate |
|  | $'000 | $'000 | $'000 | $'000 | $'000 |
| **NEW CAPITAL APPROPRIATIONS** |  |  |  |  |  |
| Administered Assets and Liabilities – Act 2 and Bill 4 | 848,920 | 1,822,635 | 158,337 | - | - |
| **Total new capital appropriations** | **848,920** | **1,822,635** | **158,337** | **-** | **-** |
| **Provided for:** |  |  |  |  |  |
| *Purchase of non-financial assets* | 1,410 | 2,945 | 540 | - | - |
| *Other Items* | 847,510 | 1,819,690 | 157,797 | - | - |
| ***Total Items*** | 848,920 | 1,822,635 | 158,337 | - | - |
| **PURCHASE OF NON-FINANCIAL ASSETS** |  |  |  |  |  |
| Funded by capital appropriations | 1,165 | 3,190 | 540 | - | - |
| Funded by special accounts | 1,000 | 1,195 | 150 | 500 | 755 |
| **TOTAL** | **2,165** | **4,385** | **690** | **500** | **755** |
| **RECONCILIATION OF CASH**  **USED TO ACQUIRE ASSETS**  **TO ASSET MOVEMENT TABLE** |  |  |  |  |  |
| Total purchases | 5,918 | 4,385 | 2,641 | 500 | 755 |
| *Less: ROU additions* | 3,753 | - | 1,951 | - | - |
| **Total cash used to acquire assets** | **2,165** | **4,385** | **690** | **500** | **755** |

Prepared on Australian Accounting Standards basis.

Table 3.11: Statement of administered asset movements (2022­23 Budget year)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Land | Buildings | Other | Computer | Total |
|  |  |  | property, | software |  |
|  |  |  | plant & | and |  |
|  |  |  | equipment | Intangibles |  |
|  | $'000 | $'000 | $'000 | $'000 | $'000 |
| **As at 1 July 2022** |  |  |  |  |  |
| Gross book value | 548 | 1,200 | 627 | 15,897 | 18,272 |
| Gross book value - ROU assets | - | 6,969 | - | - | 6,969 |
| Accumulated depreciation/amortisation and impairment | - | (864) | (578) | (11,207) | (12,649) |
| Accumulated depreciation/amortisation and impairment - ROU assets | - | (2,820) | - | - | (2,820) |
| **Opening net book balance** | **548** | **4,485** | **49** | **4,690** | **9,772** |
| **CAPITAL ASSET ADDITIONS** |  |  |  |  |  |
| **Estimated expenditure on new or replacement assets** |  |  |  |  |  |
| By purchase – appropriation equity (a) | - | - | - | 3,190 | 3,190 |
| By purchase – other - special account | - | 400 | 695 | 100 | 1,195 |
| **Total additions** | **-** | **400** | **695** | **3,290** | **4,385** |
| **Other movements** |  |  |  |  |  |
| Depreciation/amortisation expense | - | (316) | (119) | (490) | (925) |
| Depreciation/amortisation on ROU assets | - | (940) | - | - | (940) |
| **Total other movements** | **-** | **(1,256)** | **(119)** | **(490)** | **(1,865)** |
| **As at 30 June 2023** |  |  |  |  |  |
| Gross book value | 548 | 1,600 | 1,322 | 19,187 | 22,657 |
| Gross book value - ROU | - | 6,969 | - | - | 6,969 |
| Accumulated depreciation/amortisation and impairment | - | (1,180) | (697) | (11,697) | (13,574) |
| Accumulated depreciation/amortisation and impairment - ROU assets | - | (3,760) | - | - | (3,760) |
| **Closing net book balance** | **548** | **3,629** | **625** | **7,490** | **12,292** |

Prepared on Australian Accounting Standards basis.

1. 'Appropriation equity' refers to Administered Assets and Liabilities appropriations provided through Appropriation Bill (No.2) 2022-23.

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Australian Institute of Marine Science

Entity resources and planned performance

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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 3 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 2022-23, AIMS will focus on delivering 9 research outcomes:

* Baseline, status and trend data that are the trusted information base for stakeholder decisions.
* More information for stakeholders produced through autonomous and automated technologies and processes.
* Science that underpins conservation and management of threatened and endangered marine species.
* Models of environmental condition and function that are used to manage tropical marine ecosystems.
* Improved health for tropical marine ecosystems via AIMS’ solutions that mitigate local, regional and cumulative pressures.
* Coral reef condition forecasts based on knowledge of recovery, acclimatisation and adaptation.
* Restoration science and scalable technologies that help coral reefs resist, adapt to, and recover from climate change impacts.
* Advanced data analysis workflows and knowledge delivery systems that improve stakeholder use of AIMS information.
* Decision support tools that are used by stakeholders for management decisions and policies.

In addition, AIMS will:

* Implement the following projects:
  + $26.5 million to remediate the AIMS Cape Cleveland wharf in Far North Queensland, and ongoing resourcing of $1.5 million per annum to maintain the wharf.
  + $37.1 million over three years to ensure AIMS is resourced to continue its significant and critical contribution to marine science that protects and preserves our oceans, including $5.3 million for the detailed design of a replacement for the Research Vessel Cape Ferguson.
  + $36.3 million from the National Collaborative Research Infrastructure Strategy (NCRIS) to expand the National Sea Simulator.
* Act as the managing entity and undertake research, in conjunction with consortium partners, to progress 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 1’ 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 2022­23 as at Budget March 2022

|  |  |  |
| --- | --- | --- |
|  | *2021­22 Estimated actual*  *$'000* | 2022­23 Estimate  $'000 |
| **Opening balance/cash reserves at 1 July** | *53,165* | 52,376 |
| **Funds from Government** |  |  |
| Annual appropriations - ordinary annual services (a) (b) |  |  |
| Outcome 1 | *45,548* | 63,193 |
| Annual appropriations - other services (c) |  |  |
| Equity injection | *-* | 17,550 |
| Other | *11,563* | 1,505 |
| Total annual appropriations | *57,111* | 82,248 |
| **Total funds from Government** | ***57,111*** | **82,248** |
| **Funds from other sources** |  |  |
| Interest | *450* | 322 |
| Sale of goods and services | *32,856* | 34,073 |
| Other | *3,320* | 7,492 |
| **Total funds from other sources** | ***36,626*** | **41,887** |
| **Total net resourcing for AIMS** | ***146,902*** | **176,511** |
|  |  |  |
|  | *2021­22* | 2022­23 |
| **Average staffing level (number)** | 273 | 300 |

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

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

1. Appropriation Bill (No. 1) 2022­23.
2. 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.
3. Appropriation Bill (No. 2) 2022­23.

### 1.3 **Budget measures**

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

Table 1.2: AIMS 2022­23 Budget measures  
Part 1: Measures announced since the 2021­22 Mid-Year Economic and Fiscal Outlook (MYEFO)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Program | 2021­22  $'000 | 2022­23  $'000 | 2023­24  $'000 | 2024­25  $'000 | 2025­26  $'000 |
| **Payment measures** |  |  |  |  |  |  |
| Australian Institute of Marine Science - additional funding (a) | 1 |  |  |  |  |  |
| Departmental Payment |  | - | 10,191 | 13,335 | 1,480 | 1,500 |
| **Total** |  | **-** | **10,191** | **13,335** | **1,480** | **1,500** |
| **Total payment measures** |  |  |  |  |  |  |
| Departmental |  | - | 10,191 | 13,335 | 1,480 | 1,500 |
| **Total** |  | **-** | **10,191** | **13,335** | **1,480** | **1,500** |

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.

1. This measure includes a decision taken but not yet announced in the 2021-22 MYEFO, with the following impact: 2021-22 $6.1 million; 2022-23 $18.3 million; and 2023-24 $12.7 million.

## **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** |
| --- |
| **Program**   * Program 1.1 – Investing in science, technology and commercialisation |
| **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 and commercialisation. |
| **Department of Education, Skills and Employment** |
| **Program**   * Program 2.6 – Research Capacity |
| **Contribution to Outcome 1 made by linked program**  The Department of Education, Skills and Employment contributes to Outcome 1 through its policies and programs to invest in Australia’s research capacity, including the National Collaborative Research Infrastructure Strategy. |
| **Department of Agriculture, Water and the Environment** |
| **Program**   * Program 1.1 – Sustainable Management of Natural Resources and the  Environment |
| **Contribution to Outcome 1 made by linked program**  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. |

##### **Budgeted expenses for Outcome 1**

This table shows how much AIMS 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:** Growth of knowledge to support protection and sustainable development of Australia's marine resources through innovative marine science and technology | | | | | |
|  | 2021-22 Estimated actual  $'000 | 2022-23  Budget  $'000 | 2023-24 Forward estimate  $'000 | 2024-25 Forward estimate  $'000 | 2025-26  Forward estimate  $'000 |
| **Program 1.1: Marine Research** | | | | | |
| Revenue from Government |  |  |  |  |  |
| Ordinary annual services  (Appropriation Bill No. 1) | 49,548 | 59,193 | 60,172 | 48,843 | 49,462 |
| Expenses not requiring  appropriation in the budget year (a) | 5,464 | 6,663 | 7,014 | 13,736 | 13,410 |
| Revenues from other independent  sources | 36,729 | 41,967 | 32,503 | 36,391 | 37,451 |
| **Total expenses for Program 1** | **91,741** | **107,823** | **99,689** | **98,970** | **100,323** |
| **Outcome 1 totals by resource type** | | | | | |
| Revenue from Government |  |  |  |  |  |
| Ordinary annual services  (Appropriation Bill No. 1) | 49,548 | 59,193 | 60,172 | 48,843 | 49,462 |
| Expenses not requiring  appropriation in the budget year (a) | 5,464 | 6,663 | 7,014 | 13,736 | 13,410 |
| Revenues from other independent  sources | 36,729 | 41,967 | 32,503 | 36,391 | 37,451 |
| **Total expenses for Outcome 1** | **91,741** | **107,823** | **99,689** | **98,970** | **100,323** |
|  |  |  |  |  |  |
|  | 2021-22 | 2022-23 |  |  |  |
| **Average staffing level (number)** | 273 | 300 |  |  |  |

1. Expenses not requiring appropriation in the Budget year are made up depreciation / amortisation expenses and other expenses not requiring an appropriation.

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 measure for Outcome 1

Table 2.1.2 details the performance measures for each program associated with Outcome 1. It also provides the related key activities as expressed in the current corporate plan where further detail is provided about the delivery of the activities related to the program, the context in which these activities are delivered and how the performance of these activities will be measured. Where relevant, details of 2022-23 Budget measures that have created new programs or materially changed existing programs are provided.

|  |  |  |
| --- | --- | --- |
| **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. | | |
| **Key Activities** | AIMS delivers Program 1 by providing:   * Baseline, status and trend data that are the trusted information base for stakeholder decisions. * More information for stakeholders produced through autonomous and automated technologies and processes. * Science that underpins conservation and management of threatened and endangered marine species. * Models of environmental condition and function that are used to manage tropical marine ecosystems. * Improved tropical marine ecosystem health via AIMS’ solutions that mitigate local, regional and cumulative pressures. * Future coral reef condition forecasts based on knowledge of recovery, acclimatisation and adaptation. * Restoration science and scalable technologies that help coral reefs resist, adapt to, and recover from climate change impacts. * Advanced data analysis workflows and knowledge delivery systems that improve stakeholder use of AIMS information. * Decision support tools that are used by stakeholders for management decisions and policies. | |
| **Year** | **Performance measures** | **Expected Performance Results** |
| Current year  2021-22 | 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 the amount of research commissioned by stakeholders. |

|  |  |  |
| --- | --- | --- |
|  | Maintain or increase current standings for scientific excellence, innovation and impact. | Maintain acknowledged domestic and global high standing in relevant fields of research and confidence of key stakeholders in research outputs. |
| Deliver research advice and scientific products that are critical for stakeholders to assess the impacts of natural and human pressures on sensitive marine ecosystems. | Maintain or increase the number of peer reviewed publications, datasets and derived knowledge products that are used by stakeholders and are publicly available. |
| Increase research capability, capacity, impact and science diplomacy through participation in formal national and international collaborations, joint ventures, partnerships and strategic alliances. | Maintain or increase 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. |
| Improve research outcomes and impact through increased Traditional Owner engagement in the planning and delivery of coastal research and development. | Increase the percentage of projects with Indigenous engagement in the planning and delivery phases. |
| Reduce AIMS’ environmental footprint. | 20 per cent reduction in AIMS’ carbon emissions compared with 2017-18.  15 per cent reduction in AIMS’ waste to landfill compared with 2018-19. |
| Optimal utilisation of research infrastructure assets. | Maintain or increase usage of research infrastructure. |
| **Year** | **Performance measures** | **Planned Performance Results** |
| Budget Year 2022-23 | AIMS research creates a positive triple bottom line contribution (impact value) to Australia. | Minimum two case studies. |
| Deliver strategic and applied research and monitoring that addresses national research priorities and stakeholder needs. | Achieve revenue budget from stakeholder commissioned research. |
| Maintain or increase current standings for scientific excellence, innovation and impact. | Maintain acknowledged domestic and global high standing in relevant fields of research, and confidence of key stakeholders in research outputs. |
| Deliver research advice and scientific products that are critical for stakeholders to assess the impacts of natural and human pressures on sensitive marine ecosystems. | Maintain or increase the number of peer reviewed publications and other knowledge products, and make datasets or data products publicly available. |

|  |  |  |
| --- | --- | --- |
|  | Increase research capability, capacity, impact and science diplomacy through participation in formal national and international collaborations, joint ventures, partnerships and strategic alliances. | Maintain or increase the number and scale of domestic and international research partnerships, collaborations, joint ventures and strategic alliances.  Specialist advice and expertise provided by AIMS is used by relevant advisory panels and committees. |
| Improve research outcomes and impact through increasing Traditional Owner engagement in the planning and delivery of coastal research and development. | Improve research outcomes and impact through increasing Traditional Owner engagement in the planning and delivery of coastal research and development. |
| Reduce AIMS’ environmental footprint. | 20% reduction in AIMS’ carbon emissions compared with 2017-18.  20% cent reduction in AIMS’ waste to landfill compared with 2018-19. |
| Optimise use of research infrastructure assets. | Maintain or increase use of research infrastructure. |
| Forward Estimates  2023-26 | As per 2022-23. | As per 2022-23. |
| Material changes to Program 1 resulting from 2022-23 Budget Measures: Nil | | |

## **Section 3****: Budgeted financial statements**

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2022­23 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

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).

AIMS’ estimated actual, budgeted and forward estimate financial statements are impacted by a number of measures which are a mixture of operational and capital funding to support financial sustainability and maintain and grow key research infrastructure.

1. Financial Sustainability

AIMS is to receive additional appropriation over the 2021-22 to 2023-24 years. This additional funding will ensure AIMS is resourced to continue its significant, and critical, contribution to national marine science.

1. National Sea Simulator

AIMS received a grant from the National Collaborative Research Infrastructure Strategy (NCRIS) to expand and operate the National Sea Simulator. The grant commenced in June 2021 and will fund expansion of the facility, base line operations of the expanded facility and operation of a proportion of the existing facility with fully funded competitive access for meritorious science. The grant will enable research that supports nationally important programs such as the Reef 2050 Long Term Sustainability Plan and the Reef Restoration and Adaption Program.

1. **Wharf Remediation**

AIMS has received funding to complete detailed design and construction of a new wharf at the Cape Cleveland facility near Townsville, Queensland. The wharf will re-establish critical research infrastructure for AIMS that had been lost due to siltation arising from a major change in coastal sediment transport conditions. It will return to operation the only major research vessel access facility located in a scientific protected zone in Australia.

1. Replacement Vessel

AIMS has received funding to complete the detailed design for replacement of AIMS research vessels, the RV Cape Ferguson. This vessel - a dedicated coastal class research platforms operating in northern Australia - is reaching the end of its design life. The new vessel design will provide a flexible platform that supports future marine monitoring technologies, green operation, and collection of underway data to support long term data sets and knowledge gaps.

**Budgeted Departmental Income Statement**

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

AIMS is projecting a loss of $3.4 million in 2022-23. The loss includes unfunded depreciation expenses relating to assets for which capital was previously provided by the Government partially offset by additional financial sustainability revenue from Government.

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 including impacts of COVID-19.

**Budgeted Departmental Balance Sheet**

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

The National SeaSimulator NCRIS funding is being provided as an equity injection showing a reversal of the previous decline across the remainder of the forward estimates in last years’ Portfolio Budget Statements.

**Budgeted Departmental Statement of Cash Flows**

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

AIMS’ level of cash for the budget year remains strong with the additional funding and declines over the forward estimates in line with the losses in the income statement.

**Budgeted Departments 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. It also includes capital expenditure relating to construction of the National Sea Simulator expansion.

### 3.2 Budgeted financial statements tables

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021­22 Estimated actual  $'000 | 2022­23  Budget  $'000 | 2023­24 Forward estimate  $'000 | 2024­25 Forward estimate  $'000 | 2025­26 Forward estimate  $'000 |
| **EXPENSES** |  |  |  |  |  |
| Employee benefits | 38,822 | 45,275 | 43,447 | 37,763 | 37,974 |
| Suppliers | 39,237 | 47,696 | 41,034 | 45,255 | 46,809 |
| Depreciation and amortisation | 13,560 | 14,754 | 15,085 | 15,808 | 15,483 |
| Finance costs | 19 | 18 | 16 | 15 | 14 |
| Losses from asset sales | 103 | 80 | 107 | 129 | 43 |
| **Total expenses** | **91,741** | **107,823** | **99,689** | **98,970** | **100,323** |
| **LESS:** |  |  |  |  |  |
| **OWN-SOURCE INCOME** |  |  |  |  |  |
| **Own-source revenue** |  |  |  |  |  |
| Sale of goods and rendering of services | 32,856 | 34,073 | 31,695 | 35,608 | 36,688 |
| Interest | 450 | 322 | 301 | 254 | 320 |
| Other | 3,320 | 7,492 | 400 | 400 | 400 |
| **Total own-source revenue** | **36,626** | **41,887** | **32,396** | **36,262** | **37,408** |
| **Gains** |  |  |  |  |  |
| Sale of assets | 103 | 80 | 107 | 129 | 43 |
| **Total gains** | **103** | **80** | **107** | **129** | **43** |
| **Total own-source income** | **36,729** | **41,967** | **32,503** | **36,391** | **37,451** |
| **Net (cost of)/contribution by**  **services** | **55,012** | **65,856** | **67,186** | **62,579** | **62,872** |
| Revenue from Government | 49,548 | 59,193 | 60,172 | 48,843 | 49,462 |
| **Surplus/(deficit) attributable to the**  **Australian Government** | **(5,464)** | **(6,663)** | **(7,014)** | **(13,736)** | **(13,410)** |
| **Total comprehensive income/(loss)**  **attributable to the Australian**  **Government** | **(5,464)** | **(6,663)** | **(7,014)** | **(13,736)** | **(13,410)** |
|  |  |  |  |  |  |
| **Note: Impact of net cash appropriation arrangements** | | |  |  |  |
| **Total comprehensive income/(loss)**  **- as per statement of**  **Comprehensive Income** | **(5,464)** | **(6,663)** | **(7,014)** | **(13,736)** | **(13,410)** |
| plus: depreciation/amortisation  expenses for ROU assets (a) | 76 | 68 | 51 | 51 | 51 |
| less: Lease principal repayments (a) | (108) | (79) | (43) | (45) | (47) |
| **Net Cash Operating Surplus/(Deficit)** | **(5,496)** | **(6,674)** | **(7,006)** | **(13,730)** | **(13,406)** |

Prepared on Australian Accounting Standards basis.

1. Applies leases under AASB 16 Leases.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021­22 Estimated actual  $'000 | 2022­23  Budget  $'000 | 2023­24 Forward estimate  $'000 | 2024­25 Forward estimate  $'000 | 2025­26 Forward estimate  $'000 |
| **ASSETS** |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |
| Cash and cash equivalents | 250 | 250 | 250 | 250 | 250 |
| Trade and other receivables | 5,682 | 6,101 | 7,216 | 7,396 | 8,028 |
| Other investments | 56,126 | 39,182 | 34,843 | 17,541 | 10,508 |
| Other financial assets | 4,818 | 4,750 | 2,878 | 3,922 | 3,481 |
| ***Total financial assets*** | ***66,876*** | ***50,283*** | ***45,187*** | ***29,109*** | ***22,267*** |
| **Non-financial assets** |  |  |  |  |  |
| Land and buildings | 102,787 | 131,124 | 143,766 | 140,934 | 137,646 |
| Property, plant and equipment | 49,763 | 52,718 | 49,886 | 53,669 | 51,416 |
| Intangibles | 3,925 | 3,620 | 3,350 | 3,055 | 2,754 |
| Inventories | 302 | 373 | 315 | 342 | 354 |
| Other non-financial assets | 3,947 | 4,212 | 3,781 | 3,806 | 3,751 |
| ***Total non-financial assets*** | ***160,724*** | ***192,047*** | ***201,098*** | ***201,806*** | ***195,921*** |
| **Total assets** | **227,600** | **242,330** | **246,285** | **230,915** | **218,188** |
| **LIABILITIES** |  |  |  |  |  |
| **Payables** |  |  |  |  |  |
| Suppliers | 6,738 | 8,330 | 7,035 | 4,702 | 4,942 |
| Other payables | 6,752 | 7,076 | 6,601 | 7,281 | 7,488 |
| ***Total payables*** | ***13,490*** | ***15,406*** | ***13,636*** | ***11,983*** | ***12,430*** |
| **Interest bearing liabilities** |  |  |  |  |  |
| Leases | 764 | 685 | 642 | 597 | 550 |
| ***Total interest bearing liabilities*** | ***764*** | ***685*** | ***642*** | ***597*** | ***550*** |
| **Provisions** |  |  |  |  |  |
| Employee provisions | 14,787 | 15,305 | 15,488 | 15,552 | 15,835 |
| Other provisions | 17 | - | - | - | - |
| ***Total provisions*** | ***14,804*** | ***15,305*** | ***15,488*** | ***15,552*** | ***15,835*** |
| **Total liabilities** | **29,058** | **31,396** | **29,766** | **28,132** | **28,815** |
| **Net assets** | **198,542** | **210,934** | **216,519** | **202,783** | **189,373** |
| **EQUITY\*** |  |  |  |  |  |
| **Parent entity interest** |  |  |  |  |  |
| Contributed equity | 113,142 | 132,197 | 144,796 | 144,796 | 144,796 |
| Reserves | 109,018 | 109,018 | 109,018 | 109,018 | 109,018 |
| Retained surplus (accumulated  deficit) | (23,618) | (30,281) | (37,295) | (51,031) | (64,441) |
| ***Total parent entity interest*** | ***198,542*** | ***210,934*** | ***216,519*** | ***202,783*** | ***189,373*** |
| **Total equity** | **198,542** | **210,934** | **216,519** | **202,783** | **189,373** |

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 2022­23)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Retained  earnings  $'000 | Asset  revaluation  reserve  $'000 | Contributed  equity/  capital  $'000 | Total  equity  $'000 |
| **Opening balance as at 1 July 2022** |  |  |  |  |
| Balance carried forward from  previous period | (23,618) | 109,018 | 113,142 | 198,542 |
| ***Adjusted opening balance*** | ***(23,618)*** | ***109,018*** | ***113,142*** | ***198,542*** |
| **Comprehensive income** |  |  |  |  |
| Surplus/(deficit) for the period | (6,663) | - | - | (6,663) |
| ***Total comprehensive income*** | ***(6,663)*** | ***-*** | ***-*** | ***(6,663)*** |
| of which: |  |  |  |  |
| Attributable to the Australian  Government | (6,663) | - | - | (6,663) |
| **Transactions with owners** |  |  |  |  |
| ***Contributions by owners*** |  |  |  |  |
| Equity Injection - Appropriation | - | - | 17,550 | 17,550 |
| Equity Injection - Other | - | - | 1,505 | 1,505 |
| ***Sub-total transactions with***  ***owners*** | ***-*** | ***-*** | ***19,055*** | ***19,055*** |
| **Estimated closing balance as at**  **30 June 2023** | ***(30,281)*** | ***109,018*** | ***132,197*** | ***210,934*** |
| **Closing balance attributable to**  **the Australian Government** | **(30,281)** | **109,018** | **132,197** | **210,934** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021­22 Estimated actual  $'000 | 2022­23  Budget  $'000 | 2023­24 Forward estimate  $'000 | 2024­25 Forward estimate  $'000 | 2025­26 Forward estimate  $'000 |
| **OPERATING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Appropriations | 49,548 | 59,193 | 60,172 | 48,843 | 49,462 |
| Sale of goods and rendering of  services | 27,873 | 34,023 | 30,124 | 35,124 | 36,264 |
| Interest | 411 | 270 | 275 | 228 | 320 |
| Other | 3,572 | 7,560 | 2,272 | 356 | 841 |
| ***Total cash received*** | ***81,404*** | ***101,046*** | ***92,843*** | ***84,551*** | ***86,887*** |
| **Cash used** |  |  |  |  |  |
| Employees | 37,181 | 44,750 | 43,257 | 37,689 | 37,692 |
| Suppliers | 36,001 | 46,440 | 41,840 | 47,640 | 46,526 |
| Interest payments on lease liability | 19 | 18 | 16 | 15 | 14 |
| ***Total cash used*** | ***73,201*** | ***91,208*** | ***85,113*** | ***85,344*** | ***84,232*** |
| **Net cash from/(used by)**  **operating activities** | **8,203** | **9,838** | **7,730** | **(793)** | **2,655** |
| **INVESTING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Proceeds from sale of assets | 103 | 80 | 107 | 129 | 43 |
| Transfer from Investments | - | 16,944 | 4,339 | 17,302 | 7,033 |
| ***Total cash received*** | ***103*** | ***17,024*** | ***4,446*** | ***17,431*** | ***7,076*** |
| **Cash used** |  |  |  |  |  |
| Purchase of property, plant and  equipment and intangibles | 16,550 | 45,838 | 24,732 | 16,593 | 9,684 |
| Transfer to investments | 28,126 | - | - | - | - |
| ***Total cash used*** | ***44,676*** | ***45,838*** | ***24,732*** | ***16,593*** | ***9,684*** |
| **Net cash from/(used by)**  **investing activities** | **(44,573)** | **(28,814)** | **(20,286)** | **838** | **(2,608)** |
| **FINANCING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Contributed equity | 11,563 | 19,055 | 12,599 | - | - |
| ***Total cash received*** | ***11,563*** | ***19,055*** | ***12,599*** | ***-*** | ***-*** |
| **Cash used** |  |  |  |  |  |
| Principal payments on lease liability | 108 | 79 | 43 | 45 | 47 |
| ***Total cash received*** | ***108*** | ***79*** | ***43*** | ***45*** | ***47*** |
| **Net cash from/(used by)**  **financing activities** | **11,455** | **18,976** | **12,556** | **(45)** | **(47)** |
| **Net increase/(decrease) in cash**  **held** | **(24,915)** | **-** | **-** | **-** | **-** |
| Cash and cash equivalents at the  beginning of the reporting period | 25,165 | 250 | 250 | 250 | 250 |
| **Cash and cash equivalents at**  **the end of the reporting period** | **250** | **250** | **250** | **250** | **250** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021­22 Estimated actual  $'000 | 2022­23  Budget  $'000 | 2023­24 Forward estimate  $'000 | 2024­25 Forward estimate  $'000 | 2025­26 Forward estimate  $'000 |
| **NEW CAPITAL APPROPRIATIONS** |  |  |  |  |  |
| Equity injections - Bill 2 | - | 17,550 | 12,599 | - | - |
| **Total new capital appropriations** | **-** | **17,550** | **12,599** | **-** | **-** |
| ***Provided for:*** |  |  |  |  |  |
| *Purchase of non-financial assets* | - | 17,550 | 12,599 | - | - |
| ***Total Items*** | **-** | **17,550** | **12,599** | **-** | **-** |
| **PURCHASE OF NON-FINANCIAL**  **ASSETS** |  |  |  |  |  |
| Funded from capital appropriations (a) | 2,067 | 15,483 | 12,599 | - | - |
| Funded internally from departmental  resources (b) | 14,483 | 30,355 | 12,133 | 16,593 | 9,684 |
| **TOTAL** | **16,550** | **45,838** | **24,732** | **16,593** | **9,684** |
| **RECONCILIATION OF CASH USED**  **TO ACQUIRE ASSETS TO ASSET**  **MOVEMENT TABLE** |  |  |  |  |  |
| Total purchases | 16,550 | 45,838 | 24,732 | 16,593 | 9,684 |
| **Total cash used to acquire assets** | **16,550** | **45,838** | **24,732** | **16,593** | **9,684** |

Prepared on Australian Accounting Standards basis.

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

* own source revenue receipts;
* internally developed assets; and
* proceeds from the sale of assets.

Table 3.6: Statement of departmental asset movements (Budget year 2022­23)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Buildings  $'000 | Other  property,  plant and  equipment  $'000 | Computer  software and  intangibles  $'000 | Total  $'000 |
| **As at 1 July 2022** |  |  |  |  |
| Gross book value | 108,397 | 58,721 | 8,437 | 175,555 |
| Gross book value - ROU assets | 962 | - | - | 962 |
| Accumulated depreciation/  amortisation and impairment | (6,386) | (8,958) | (4,512) | (19,856) |
| Accumulated depreciation/amortisation and  impairment - ROU assets | (186) | - | - | (186) |
| **Opening net book balance** | **102,787** | **49,763** | **3,925** | **156,475** |
| **Capital asset additions** |  |  |  |  |
| **Estimated expenditure on new**  **or replacement assets** |  |  |  |  |
| By purchase - other | 34,531 | 10,990 | 300 | 45,821 |
| **Total additions** | **34,531** | **10,990** | **300** | **45,821** |
| **Other movements** |  |  |  |  |
| Depreciation/amortisation expense | (6,126) | (7,955) | (605) | (14,686) |
| Depreciation/amortisation on  ROU assets | (68) | - | - | (68) |
| **Total other movements** | **(6,194)** | **(7,875)** | **(605)** | **(14,674)** |
| **As at 30 June 2023** |  |  |  |  |
| Gross book value | 142,928 | 68,827 | 8,737 | 220,492 |
| Gross book value - ROU assets | 962 | - | - | 962 |
| Accumulated depreciation/  amortisation and impairment | (12,512) | (16,109) | (5,117) | (33,738) |
| Accumulated depreciation/amortisation and  impairment - ROU assets | (254) | - | - | (254) |
| **Closing net book balance** | **131,124** | **52,718** | **3,620** | **187,462** |

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 2022­23)

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

Department o

Australian Nuclear Science and Technology Organisation

Entity resources and planned performance

Australian Nuclear Science and Technology Organisation

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# Australian Nuclear Science and Technology Organisation

## **Section 1****: Entity overview and resources**

### Strategic direction statement

The Australian Nuclear Science and Technology Organisation (ANSTO) is a corporate Commonwealth entity within the Industry, Science, Energy and Resources Portfolio. The organisation’s primary functions are set out in the *Australian Nuclear Science and Technology Organisation Act 1987*.

ANSTO is Australia’s national nuclear research and development organisation, and the centre of Australian nuclear expertise. ANSTO operates a large proportion of Australia’s landmark research infrastructure, including the OPAL multipurpose reactor, the Australian Synchrotron, the Australian Centre for Neutron Scattering (ACNS), and the Centre for Accelerator Science (CAS). Thousands of researchers from across Australia and around the world partner with ANSTO to tackle complex problems that improve human health, save lives, build Australian industries and protect the environment.

ANSTO is the centre of nuclear medicine production in Australia. On average ANSTO’s radioisotopes provide 10,000-12,000 nuclear medicine procedures that benefit Australians each week battling cancer and other diseases. ANSTO’s daily operations are critical to the health and wellbeing of the nation.

In 2022-23, ANSTO will deliver the first part of a multi-phased project for a new world-leading nuclear medicine manufacturing facility to be built at its Lucas Heights campus in Southern Sydney. This will replace the existing facility that is nearing the end of its useful life and thus will safeguard Australia’s sovereign capability to produce vital nuclear medicines. The new facility will provide Australian patients with technetium, lutetium, and iodine-based products, and will have the flexibility to respond to market and technological changes. The modern design will also enable greater process automation than is possible with the existing facility, leading to improvements in efficiency, quality, and, importantly, the highest levels of production and personal safety.

The 2022-23 Budget provides ANSTO with additional funding of $28 million from 2022-23 to 2023-24 to support the production of life saving nuclear medicine to Australians.

In 2022-23, ANSTO will continue to provide expert advice and support to the Nuclear‑Powered Submarine Taskforce, baselining and augmenting Australia’s nuclear stewardship capabilities and credentials. ANSTO has established a small, multidisciplinary team of experts to support this work. In addition, ANSTO will continue to prioritise activities and research to support Australia’s response to the unprecedented challenges the country is facing including:

* ANSTO scientists and its collaborators utilising our unique infrastructure such as the Synchrotron to better understand the structure of viruses, including Covid-19 which, in turn, assists in developing vaccines and treatments.
* Understanding climate change (including contributions to Australia’s critical Antarctic research program) and its impact on Australia and its neighbours.
* Conducting research into Australian bushfires to assist with planning, mitigation, and response to extreme bushfire events.
* Prioritising water research and partnering with communities to provide a scientific basis for managing and sustaining Australia’s precious groundwater resources.

ANSTO’s Australian Synchrotron continues its partner-funded $95 million BR-GHT beamline expansion program, with eight new beamlines being constructed. This will nearly double the Synchrotron’s capacity and enable broader engagement with researchers and industry in a range of applications: from high-tech manufacturing, including aerospace and transport, to health, including drug development and medical implants. This investment supports the $520 million of operational funding provided by the Australian Government.

More information on ANSTO, its strategic objectives, and major activities can be found in ANSTO’s corporate plan at: https://www.ansto.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.

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: ANSTO resource statement – Budget estimates for 2022­23 as at Budget March 2022

|  |  |  |
| --- | --- | --- |
|  | *2021­22 Estimated actual*  *$'000* | 2022­23 Estimate  $'000 |
| **Opening balance/cash reserves at 1 July** | *33,153* | 33,154 |
| **Funds from Government** |  |  |
| Annual appropriations - ordinary annual services (a)(c) |  |  |
| Outcome 1 | *279,506* | 289,790 |
| Annual appropriations - other services (b)(c) |  |  |
| Equity injection | *50,187* | 43,169 |
| Total annual appropriations | *329,693* | 332,959 |
| **Total funds from Government** | ***329,693*** | **332,959** |
| **Funds from other sources** |  |  |
| Interest | *1,144* | 930 |
| Sale of goods and services | *86,491* | 96,099 |
| Other | *35,962* | 24,667 |
| **Total funds from other sources** | ***123,597*** | **121,696** |
| **Total net resourcing for ANSTO** | **486,443** | **487,809** |
|  |  |  |
|  | *2021­22* | 2022­23 |
| **Average staffing level (number)** | *1,350* | 1,363 |

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

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

1. Appropriation Bill (No. 1) 2022­23.
2. Appropriation Bill (No. 2) 2022­23.
3. 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 2022­23 Budget measures  
Part 1: Measures announced after the 2021­22 Mid-Year Economic and Fiscal Outlook (MYEFO)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Program | 2021-22  $'000 | 2022­23  $'000 | 2023­24  $'000 | 2024­25  $'000 | 2025­26  $'000 |
| **Payment measures** |  |  |  |  |  |  |
| Critical Minerals Strategy - implementation | 1 |  |  |  |  |  |
| Departmental payment |  | - | 1,583 | 1,900 | 1,427 | - |
| **Total** |  | **-** | **1,583** | **1,900** | **1,427** | **-** |
| **Total payment measures** |  |  |  |  |  |  |
| Departmental |  | - | 1,583 | 1,900 | 1,427 | - |
| **Total** |  | **-** | **1,583** | **1,900** | **1,427** | **-** |

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.

ANSTO also received $28 million across 2022-23 and 2023-24 to support nuclear medicine production.

## **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-publications/corporate-plan

The most recent annual performance statement can be found at:

https://www.ansto.gov.au/annual-report

### 2.1 Budgeted expenses and performance for Outcome 1

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

#### Linked programs

|  |
| --- |
| **Department of Industry, Science, Energy and Resources** |
| **Programs**  • Program 1.1 – Investing in science, technology and commercialisation  • 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 programs supporting science and commercialisation, and the sustainability of development of the resources sector. |
| **Department of Education, Skills and Employment** |
| **Programs**  • Program 2.6 – Research Capacity |
| **Contribution to Outcome 1 made by linked programs**  The Department of Education, Skills and Employment contributes to Outcome 1 through its policies and programs to invest in Australia’s research capacity, including the National Collaborative Research Infrastructure Strategy. |
| **Department of Defence** |
| **Programs**  • Program 2.5 – Navy Capabilities |
| **Contribution to Outcome 1 by linked program**  The Department of Defence contributes to Outcome 1 through its use of ANSTO’s expertise and advice in the support of the Nuclear-Powered Submarine Taskforce, with a focus on including baselining and augmenting Australia's nuclear stewardship capabilities and credentials. |

##### **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 | | | | | |
|  | 2021­22 Estimated actual  $'000 | 2022­23  Budget  $'000 | 2023­24 Forward estimate  $'000 | 2024­25 Forward estimate  $'000 | 2025­26 Forward estimate  $'000 |
| **Program 1: Science and Technology Solutions** | | | | | |
| Revenue from Government |  |  |  |  |  |
| Ordinary annual services  (Appropriation Bill No. 1) | 279,506 | 289,790 | 293,329 | 275,213 | 282,445 |
| Expenses not requiring  appropriation in the budget year (a) | 30,361 | (2,632) | (38,694) | (26,344) | (25,668) |
| Revenues from other independent  sources | 150,628 | 121,696 | 81,216 | 119,147 | 119,137 |
| **Total expenses for Program 1** | **460,495** | **408,854** | **335,851** | **368,016** | **375,914** |
| **Outcome 1 totals by resource type** | | | | | |
| Revenue from Government |  |  |  |  |  |
| Ordinary annual services  (Appropriation Bill No. 1) | 279,506 | 289,790 | 293,329 | 275,213 | 282,445 |
| Expenses not requiring  appropriation in the budget year (a) | 30,361 | (2,632) | (38,694) | (26,344) | (25,668) |
| Revenues from other independent  sources | 150,628 | 121,696 | 81,216 | 119,147 | 119,137 |
| **Total expenses for Outcome 1** | **460,495** | **408,854** | **335,851** | **368,016** | **375,914** |
|  |  |  |  |  |  |
|  | 2021­22 | 2022­23 |  |  |  |
| **Average staffing level (number)** | 1,350 | 1,363 |  |  |  |

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

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 measure for Outcome 1

Table 2.1.2 details the performance measures for each program associated with Outcome 1. It also provides the related key activities as expressed in the current corporate plan where further detail is provided about the delivery of the activities related to the program, the context in which these activities are delivered and how the performance of these activities will be measured. Where relevant, details of 2022-23 Budget measures that have created new programs or materially changed existing programs are provided.

| **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. | | |
| **Key Activities (a)** | Key activities reported in the current corporate plan that relate to this program:   * Ensure the reliable and sustainable supply of nuclear medicines, products and services. * Five-year research and development strategy for successful innovation in health * Current Research Information System and Portal (CRISP) project. * Form strategic partnerships and collaborations to leverage more effective research outcomes for Australia and the world. * Operate world-class research infrastructure, and leverage capabilities to support translational research that delivers real-life benefits and impact. * Develop and produce new radioisotopes through working collaboratively with partners using our nuclear-related expertise. * Use knowledge incubation, research translation, and collaboration within the Innovation Precinct to produce real-world benefits. * Deliver expert advice to Local, State and Federal Governments and related stakeholders to support the national interest. * Participate in global and regional nuclear discussions to ensure that Australia remains a leader in the applications of nuclear science and technology. * Grow a more informed generation of Australians who understand the benefits of nuclear science and technology. * Provide an inclusive environment that empowers our people and supports a culture of collaboration and engagement. * Train and develop the next generation of specialised nuclear professionals. | |
| **Year** | **Performance measures** | **Expected Performance Results** |
| Current year  2021-22 | Full utilisation of landmark infrastructure. | OPAL Research Reactor: days at power  Target: 290 days  Forecast actual: 302  Australian Synchrotron: percentage utilisation  Target: 95%  Forecast actual: 98%  Neutron beam instruments: percentage utilisation  Target: 85%  Forecast actual: 64% (b)  Accelerators: percentage of utilisation  Target: 65%  Forecast actual: 55% (c)  National deuteration facility percentage utilisation  Target: 90%  Forecast actual: 89%  User satisfaction (Net Promoter Score) across all facilities:  Target: 90%  Forecast actual: 91% |
| Ensure the reliable and sustainable supply of nuclear medicines. | ANM (Mo-99): delivery in full and on time (d)  Target: 95% or greater  Forecast actual: 96%  ANSTO Nuclear Medicine Production Facility: delivery in full and on time (d)  Target: 95% or greater  Forecast actual: 93% (e)  NTD Silicon delivery in full and on time  Target: 95% or greater  Forecast actual: 84% |
| Deliver and translate research that has scientific and industrial impact. | Publications undertaken with national and international collaborators  Target: 95% or greater  Forecast actual: 96%  Case studies demonstrating the impact of our research  Target: eight case studies for reporting period  Forecast actual: eight case studies for reporting period  Total publications per calendar year (ANSTO only, ANSTO with national and/or international co-authors or both)  Target: 600 or greater  Forecast actual: 594  External revenue from research and research services (excluding National Collaborative Research Infrastructure Strategy, NCRIS Grants)  Target: $5m  Forecast actual; $6.3m  New jobs created each year within the Innovation Precinct  Target: 10  Forecast actual: Target achieved |
| Ensure a highly reliable, safe and secure environment. | Improvement in safety culture  Target: increase in Opportunities for Improvement to Actual Incidents recorded  Forecast actual: Target achieved  Improvement in site-wide safety  Target: year on year decrease in class 1, 2, and 3 incidents.  Forecast actual: Target achieved  Class 1 – damage that permanently alters a person’s life  Class 2 – Damage that temporarily alters a person’s life  Class 3 – inconveniences in person’s life or 105 days/shifts off work |
| Providing expert advice and being a trusted advisor. | Australian Government Stakeholder satisfaction – Federal, State and Local Government  Target: 75%  Forecast actual: Target achieved  Case studies to highlight and assess the impact of ANSTO’s engagement with Government-related stakeholders  Target: 4 or more cases studies per annum  Forecast actual: Target achieved  Facilitation of Australian participation and leadership in International Atomic Energy Agency (IAEA) and Regional Cooperative Agreement (RCA) programs  Target: Participation in 80 per cent of RCA active projects  Forecast actual: Target achieved  Target: leading at least 1 RCA project  Forecast actual: Target achieved  Target: Participation in at least 10 IAEA coordinated research projects relevant to nuclear applications.  Forecast actual: Target achieved  Case studies to highlight and assess the impact of ANSTO engagement with international stakeholders  Target: at least 2 per annum  Forecast actual: Target achieved |
| Share with the general public research outcomes enabled by ANSTO. | Target: at least 36 stories published on the ANSTO website per annum  Forecast Actual: Target achieved |
| Offer a range of resources for teachers and student to support the national science curriculum outcomes for years 3 to 12. | Target: Deliver at least six national programs per annum  Forecast actual: Target achieved |
| Increase accessibility of STEM teacher training programs. | Target: Deliver teacher professional development days in all states and territories  Forecast actual: 6 sessions (f) |
| Conduct educational tours and science experiences at ANSTO’s Sydney and Melbourne campuses. | Target: At least 15,000 visitors per annum  Forecast actual: 8,000 (g) |
| Leadership teams – representation. | Target:  Female: 40%  Male: 40%  Discretionary: 20%  Forecast actual  Female: 25%  Male: 75% |
| ANSTO wide – representation. | Target:  Female: 40%  Male: 40%  Discretionary: 20%  Forecast actual  Female: 32%  Male: 68% |
| Postgraduates supervised. | Target: 120  Forecast actual: 156 |
| **Year** | **Performance measures** | **Planned Performance Results** |
| Budget Year  2022-23 | Full utilisation of landmark infrastructure. | OPAL Research Reactor: days at power  Target: 300 days  Australian Synchrotron: percentage utilisation  Annual Target: 95%  Neutron beam instruments: percentage utilisation  Annual Target: 85%  Accelerators: percentage utilisation  Annual Target: 65%  National deuteration facility percentage utilisation  Annual Target: 90%  User satisfaction (Net Promoter Score) across all facilities:  Annual Target: 90% |
| Ensure the reliable and sustainable supply of nuclear medicines. | ANM (Mo-99): delivery in full and on time  Target: 95% or greater  ANSTO Nuclear Medicine Production Facility: delivery in full and on time  Target: 95% or greater  NTD Silicon delivery in full and on time  Target: 95% or greater |
| Deliver and translate research that has scientific and industrial impact. | Publications undertaken with national and international collaborators  Target: 95 per cent or greater  Case studies demonstrating the impact of our research  Target: eight case studies for reporting period  Total publications (ANSTO only, ANSTO with national and/or international co-authors or both)  Target: 600 or greater  External revenue from research and research services (excluding National Collaborative Research Infrastructure Strategy, NCRIS Grants)  Target: $5.25m |
| Ensure a highly reliable, safe and secure environment. | Improvement in safety culture  Target: increase in Opportunities for Improvement to Actual Incidents recorded  Improvement in site-wide safety  Target: year on year decrease in class 1, 2, and 3 incidents. |
| Providing expert advice and being a trusted advisor. | Australian Government Stakeholder satisfaction – Federal, State and Local Government  Target: 75%  Case studies to highlight and assess the impact of ANSTO’s engagement with Government-related stakeholders  Target: 4 or more cases studies per annum  Facilitation of Australian participation and leadership in International Atomic Energy Agency (IAEA) and Regional Cooperative Agreement (RCA) programs  Target: Participation in 80% of RCA active projects  Target: leading at least 1 RCA project  Target: Participation in at least 10 IAEA projects relevant to nuclear applications.  Case studies to highlight and assess the impact of ANSTO engagement with international stakeholders  Target: at least 2 per annum |
| Share with the general public research outcomes enabled by ANSTO. | Target: at least 36 stories published on the ANSTO website per annum |
| Offer a range of resources for teachers and student to support the national science curriculum outcomes for years 3 to 12. | Target: Deliver at least six national programs per annum |
| Increase accessibility of STEM teacher training programs. | Target: Deliver six teacher professional development sessions |
| Conduct educational tours and science experiences at ANSTO’s Sydney and Melbourne campuses. | Target: At least 15,000 visitors per annum |
| Leadership teams - representation. | Target:  Female: 40%  Male: 40%  Discretionary: 20% |
| ANSTO wide - representation. | Target:  Female: 40%  Male: 40%  Discretionary: 20% |
| Postgraduates supervised. | Target: 120 |
| Forward Estimates  2023-26 | As per 2022-23. | OPAL Research Reactor: days at power  2023-24 Target: 200 days (h)  2024-25 Target: 300 days  2025-26 Target: 260 days  Australian Synchrotron: percentage utilisation  Annual Target: 95%  Neutron beam instruments: percentage utilisation  Annual Target: 85%  Accelerators: percentage utilisation  Annual Target: 65%  National deuteration facility percentage utilisation  Annual Target: 90%  User satisfaction (Net Promoter Score) across all facilities:  Annual Target: 90% |
| ANM (Mo-99): delivery in full and on time  Annual Target: 95%or greater  ANSTO Nuclear Medicine Production Facility: delivery in full and on time  Annual Target: 95% or greater  NTD Silicon delivery in full and on time  Target: 95%or greater |
| Publications undertaken with national and international collaborators  Annual Target: 95% or greater  Case studies demonstrating the impact of our research  Annual Target: eight case studies for reporting period  Total publications (ANSTO only, ANSTO with national and/or international co-authors or both)  Target: 600 or greater  External revenue from research and research services (excluding National Collaborative Research Infrastructure Strategy, NCRIS Grants)  2023-24 Target: $5.5m  2024-25 Target: $5.75m  2025-26 Target: $6m |
| Improvement in safety culture  Target: increase in Opportunities for Improvement to Actual Incidents recorded  Improvement in site-wide safety  Target: year on year decrease in class 1, 2, and 3 incidents. |
| Australian Government Stakeholder satisfaction – Federal, State and Local Government  Target: 75%  Case studies to highlight and assess the impact of ANSTO’s engagement with Government-related stakeholders  Target: 4 or more cases studies per annum  Facilitation of Australian participation and leadership in International Atomic Energy Agency (IAEA) and Regional Cooperative Agreement (RCA) programs  Target: Participation in 80 per cent of RCA active projects  Target: leading at least 1 RCA project  Target: Participation in at least 10 IAEA projects relevant to nuclear applications. projects  Case studies to highlight and assess the impact of ANSTO engagement with international stakeholders  Target: at least 2 per annum |
| Target: at least 36 stories published on the ANSTO website per annum |
| Target: Deliver at least six national programs per annum |
| Target: Deliver teacher professional development days in all states and territories |
| Target: At least 15,000 visitors per annum |
| Leadership team representation  Target:  Female: 40%  Male: 40%  Discretionary: 20% |
| ANSTO wide representation  Target:  Female: 40%  Male: 40%  Discretionary: 20% |
| Postgraduates supervised  2023-24 Target: 140  2024-25 Target: 150  2025-26 Target: 160 |
| Material changes to Program 1 resulting from 2022-23 Budget Measures: Nil | | |

1. Further details and a full list of ANSTO’s key activities and performance criteria can be found in ANSTO’s 2021-2022 Corporate Plan.
2. The target for ANSTO’s nuclear beam instruments will not be achieved due to the impact of COVID-19, including restrictions to user access and travel, and unplanned outages due to aging equipment.
3. The target for ANSTO’s accelerators will not be achieved due to the impact of COVID-19, including restriction of use to only critical and essential projects.
4. ANSTO has revised its performance criteria for nuclear medicine manufacturing away from theoretical patient doses to delivery in full and on time (DIFOT), an industry standard and customer-centric performance indicator of the overall supply performance of ANSTO Nuclear Medicine.
5. The ANSTO Nuclear Medicine Production Facility target will not be achieved due to COVID-19 restrictions adversely affecting staffing and supply chain capacity.
6. Due to COVID-19 training sessions were run on-line.
7. Tours did not operate for five months due to COVID-19.
8. The decreased days at power in 2023-24 is due to an extended maintenance shutdown of the OPAL Reactor to replace the cold neutron source.

## **Section 3****: Budgeted financial statements**

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2022­23 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

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 2022-23 are estimated at $414.1 million compared to the estimate for 2021‑22 of $399.8 million. Total revenue in 2022-23 is estimated to be $411.5 million (including appropriation) compared to the estimate of $430.1 million for 2021-22, a decrease of $18.6 million.

**Budgeted Departmental Balance Sheet**

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

Financial assets decreased from $273.5 million in 2021-22 to $243.9 million in 2022-23. 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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021­22 Estimated actual  $'000 | 2022­23  Budget  $'000 | 2023­24 Forward estimate  $'000 | 2024­25 Forward estimate  $'000 | 2025­26 Forward estimate  $'000 |
| **EXPENSES** |  |  |  |  |  |
| Employee benefits | 165,199 | 170,821 | 168,998 | 169,315 | 169,315 |
| Suppliers | 136,419 | 140,288 | 136,934 | 137,273 | 130,357 |
| Grants | 3,158 | 3,267 | 3,267 | 3,267 | 3,267 |
| Depreciation and amortisation | 86,472 | 91,131 | 95,326 | 102,135 | 115,597 |
| Finance costs | 8,525 | 8,611 | 8,714 | 8,714 | 8,714 |
| **Total expense** | **399,773** | **414,118** | **413,239** | **420,704** | **427,250** |
| **LESS:** |  |  |  |  |  |
| **OWN-SOURCE INCOME** |  |  |  |  |  |
| **Own-source revenue** |  |  |  |  |  |
| Sale of goods and rendering of service | 87,346 | 88,459 | 54,671 | 92,602 | 92,592 |
| Interest | 1,144 | 930 | 1,303 | 1,303 | 1,303 |
| Rental income | 7,195 | 7,195 | 7,195 | 7,195 | 7,195 |
| Royalties | 3,847 | 4,069 | 4,069 | 4,069 | 4,069 |
| Other | 51,096 | 21,043 | 13,978 | 13,978 | 13,978 |
| **Total own-source revenue** | **150,628** | **121,696** | **81,216** | **119,147** | **119,137** |
| **Total own-source income** | **150,628** | **121,696** | **81,216** | **119,147** | **119,137** |
| **Net (cost of)/contribution by services** | **(249,145)** | **(292,422)** | **(332,023)** | **(301,557)** | **(308,113)** |
| Revenue from Government | 279,506 | 289,790 | 293,329 | 275,213 | 282,445 |
| **Surplus/(deficit) attributable to the**  **Australian Government** | **30,361** | **(2,632)** | **(38,694)** | **(26,344)** | **(25,668)** |
| **Total comprehensive income/(loss)** | **30,361** | **(2,632)** | **(38,694)** | **(26,344)** | **(25,668)** |
| **Total comprehensive income/(loss)**  **attributable to the Australian**  **Government** | **30,361** | **(2,632)** | **(38,694)** | **(26,344)** | **(25,668)** |
|  |  |  |  |  |  |
| **Note: Impact of net cash appropriation arrangements** | |  |  |  |  |
| **Total comprehensive income/(loss)**  **- as per statement of**  **Comprehensive Income** | **30,361** | **(2,632)** | **(38,694)** | **(26,344)** | **(25,668)** |
| plus: depreciation/amortisation  expenses for ROU assets (a) | 145 | 147 | 149 | 151 | 28 |
| less: lease principal repayments (a) | 124 | 126 | 128 | 121 | 121 |
| **Net Cash Operating Surplus/ (Deficit)** | **30,382** | **(2,611)** | **(38,673)** | **(26,314)** | **(25,761)** |

1. Applies leases under AASB 16 Leases.

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021­22 Estimated actual  $'000 | 2022­23  Budget  $'000 | 2023­24 Forward estimate  $'000 | 2024­25 Forward estimate  $'000 | 2025­26 Forward estimate  $'000 |
| **ASSETS** |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |
| Cash and cash equivalents | 33,154 | 33,286 | 37,976 | 37,976 | 37,976 |
| Trade and other receivables | 42,293 | 42,185 | 55,695 | 55,695 | 55,695 |
| Other investments | 197,333 | 167,757 | 131,628 | 72,243 | 76,110 |
| Other financial assets | 704 | 704 | 704 | 704 | 704 |
| ***Total financial assets*** | ***273,484*** | ***243,932*** | ***226,003*** | ***166,618*** | ***170,485*** |
| **Non-financial assets** |  |  |  |  |  |
| Land and buildings | 368,836 | 419,057 | 466,309 | 487,073 | 488,151 |
| Property, plant and equipment | 891,087 | 929,004 | 941,627 | 910,795 | 892,049 |
| Intangibles | 66,335 | 61,853 | 62,074 | 64,696 | 67,467 |
| Inventories | 48,985 | 48,985 | 48,985 | 48,985 | 48,985 |
| Tax assets | 802 | 802 | 802 | 802 | 802 |
| Other non-financial assets | 9,050 | 9,050 | 9,050 | 9,050 | 9,050 |
| ***Total non-financial assets*** | ***1,385,095*** | ***1,468,751*** | ***1,528,847*** | ***1,521,401*** | ***1,506,504*** |
| **Total assets** | **1,658,579** | **1,712,683** | **1,754,850** | **1,688,019** | **1,676,989** |
| **LIABILITIES** |  |  |  |  |  |
| **Payables** |  |  |  |  |  |
| Suppliers | 25,511 | 25,490 | 25,469 | 25,439 | 25,532 |
| Other payables | 27,046 | 27,046 | 27,046 | 27,046 | 27,046 |
| ***Total payables*** | ***52,557*** | ***52,536*** | ***52,515*** | ***52,485*** | ***52,578*** |
| **Interest bearing liabilities** |  |  |  |  |  |
| Leases | 3,657 | 3,668 | 3,679 | 3,558 | 3,437 |
| ***Total interest bearing liabilities*** | ***3,657*** | ***3,668*** | ***3,679*** | ***3,558*** | ***3,437*** |
| **Provisions** |  |  |  |  |  |
| Employee provisions | 54,337 | 54,337 | 54,337 | 54,337 | 54,337 |
| Other provisions | 785,634 | 799,211 | 831,281 | 770,556 | 770,556 |
| ***Total provisions*** | ***839,971*** | ***853,548*** | ***885,618*** | ***824,893*** | ***824,893*** |
| **Total liabilities** | **896,185** | **909,752** | **941,812** | **880,936** | **880,908** |
| **Net assets** | **762,394** | **802,931** | **813,038** | **807,083** | **796,081** |
| **EQUITY\*** |  |  |  |  |  |
| **Parent entity interest** |  |  |  |  |  |
| Contributed equity | 971,521 | 1,014,690 | 1,063,491 | 1,083,880 | 1,098,546 |
| Reserves | 513,405 | 513,405 | 513,405 | 513,405 | 513,405 |
| Retained surplus (accumulated  deficit) | (722,532) | (725,164) | (763,858) | (790,202) | (815,870) |
| ***Total parent entity interest*** | ***762,394*** | ***802,931*** | ***813,038*** | ***807,083*** | ***796,081*** |
| **Total equity** | **762,394** | **802,931** | **813,038** | **807,083** | **796,081** |

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 2022­23)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Retained  earnings  $'000 | Asset  revaluation  reserve  $'000 | Other  reserves  $'000 | Contributed  equity/  capital  $'000 | Total  equity  $'000 |
| **Opening balance as at 1 July 2022** |  |  |  |  |  |
| Balance carried forward from  previous period | (722,532) | 503,406 | 9,999 | 971,521 | 762,394 |
| ***Adjusted opening balance*** | ***(722,532)*** | ***503,406*** | ***9,999*** | ***971,521*** | **762,394** |
| **Comprehensive income** |  |  |  |  |  |
| Surplus/(deficit) for the period | (2,632) | - | - | - | (2,632) |
| ***Total comprehensive income*** | ***(2,632)*** | ***-*** | ***-*** | ***-*** | ***(2,632)*** |
| of which: |  |  |  |  |  |
| Attributable to the Australian  Government | (2,632) | - | - | - | (2,632) |
| ***Contributions by owners*** |  |  |  |  |  |
| Equity injection - Appropriation | - | - | - | 43,169 | 43,169 |
| ***Sub-total transactions with owners*** | ***-*** | ***-*** | ***-*** | ***43,169*** | ***43,169*** |
| **Estimated closing balance as at**  **30 June 2023** | **(725,164)** | **503,406** | **9,999** | **1,014,690** | **802,931** |
| **Closing balance attributable to**  **the Australian Government** | **(725,164)** | **503,406** | **9,999** | **1,014,690** | **802,931** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021­22 Estimated actual  $'000 | 2022­23  Budget  $'000 | 2023­24 Forward estimate  $'000 | 2024­25 Forward estimate  $'000 | 2025­26 Forward estimate  $'000 |
| **OPERATING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Receipts from Government | 279,506 | 289,790 | 293,329 | 275,213 | 282,445 |
| Sale of goods and rendering of  services | 86,491 | 96,099 | 61,866 | 99,797 | 99,787 |
| Interest | 1,144 | 930 | 1,303 | 1,303 | 1,303 |
| Other | 35,962 | 24,667 | 18,047 | 18,047 | 18,047 |
| ***Total cash received*** | ***403,103*** | ***411,486*** | ***374,545*** | ***394,360*** | ***401,582*** |
| **Cash used** |  |  |  |  |  |
| Employees | 165,199 | 170,821 | 168,998 | 169,315 | 169,315 |
| Suppliers | 136,440 | 140,309 | 136,955 | 137,303 | 130,264 |
| Interest payments on lease liability | 13 | 13 | 13 | 13 | 13 |
| Other | 7,006 | 7,335 | 7,336 | 7,336 | 3,267 |
| ***Total cash used*** | ***308,658*** | ***318,478*** | ***313,302*** | ***313,967*** | ***302,859*** |
| **Net cash from/(used by)**  **operating activities** | **94,445** | **93,008** | **61,243** | **80,393** | **98,723** |
| **INVESTING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Proceeds from sales of financial  instruments | 436,343 | 436,343 | 423,453 | 430,000 | 450,000 |
| ***Total cash received*** | ***436,343*** | ***436,343*** | ***423,453*** | ***430,000*** | ***450,000*** |
| **Cash used** |  |  |  |  |  |
| Purchase of property, plant and  equipment and intangibles | 128,781 | 165,603 | 127,845 | 160,046 | 109,401 |
| Purchase of financial instruments | 442,316 | 406,767 | 387,324 | 370,615 | 453,867 |
| ***Total cash used*** | ***571,097*** | ***572,370*** | ***515,169*** | ***530,661*** | ***563,268*** |
| **Net cash from/(used by)**  **investing activities** | **(134,754)** | **(136,027)** | **(91,716)** | **(100,661)** | **(113,268)** |

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021­22 Estimated actual  $'000 | 2022­23  Budget  $'000 | 2023­24 Forward estimate  $'000 | 2024­25 Forward estimate  $'000 | 2025­26 Forward estimate  $'000 |
| **FINANCING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Contributed equity | 50,187 | 43,169 | 48,801 | 20,389 | 14,666 |
| ***Total cash received*** | ***50,187*** | ***43,169*** | ***48,801*** | ***20,389*** | ***14,666*** |
| **Cash used** |  |  |  |  |  |
| Principal payments on lease liability | 124 | 126 | 128 | 121 | 121 |
| ***Total cash used*** | ***124*** | ***126*** | ***128*** | ***121*** | ***121*** |
| **Net cash from/(used by)**  **financing activities** | 50,063 | 43,043 | 48,673 | 20,268 | 14,545 |
| **Net increase/(decrease) in cash**  **held** | **9,754** | **24** | **18,200** | **-** | **-** |
| Cash and cash equivalents at the  beginning of the reporting period | 33,153 | 33,154 | 33,286 | 37,976 | 37,976 |
| **Cash and cash equivalents at**  **the end of the reporting period** | **33,154** | **33,286** | **37,976** | **37,976** | **37,976** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021­22 Estimated actual  $'000 | 2022­23  Budget  $'000 | 2023­24 Forward estimate  $'000 | 2024­25 Forward estimate  $'000 | 2025­26 Forward estimate  $'000 |
| **NEW CAPITAL APPROPRIATIONS** |  |  |  |  |  |
| Equity injections - Bill 2 | 50,187 | 43,169 | 47,269 | 20,389 | 14,666 |
| **Total new capital appropriations** | **50,187** | **43,169** | **47,269** | **20,389** | **14,666** |
| ***Provided for:*** |  |  |  |  |  |
| *Purchase of non-financial assets* | *(50,187)* | *(43,169)* | *(47,269)* | *(20,389)* | *(14,666)* |
| ***Total items*** | ***(50,187)*** | ***(43,169)*** | ***(47,269)*** | ***(20,389)*** | ***(14,666)*** |
| **PURCHASE OF NON-FINANCIAL**  **ASSETS** |  |  |  |  |  |
| Funded by capital appropriations (a) | (50,187) | *(43,169)* | (47,269) | (20,389) | (14,666) |
| Funded internally from departmental  resources (b) | (86,399) | (134,056) | (108,014) | (74,300) | (86,034) |
| **TOTAL** | **(136,586)** | **(177,225)** | **(155,283)** | **(94,689)** | **(100,700)** |
| **RECONCILIATION OF CASH USED**  **TO ACQUIRE ASSETS TO ASSET**  **MOVEMENT TABLE** |  |  |  |  |  |
| Total purchases | (136,586) | (177,225) | (155,283) | (94,689) | (100,700) |
| **Total cash used to acquire assets** | **(136,586)** | **(177,225)** | **(155,283)** | **(94,689)** | **(100,700)** |

Prepared on Australian Accounting Standards basis.

1. Includes both current Bill 2 and prior Act 2/4/6 appropriations.
2. Includes the following s74 external receipts:

* sponsorship, subsidy, gifts or similar contribution;
* internally developed assets;
* own-source revenue; and
* proceeds from the sale of assets.

Table 3.6: Statement of departmental asset movements (Budget year 2022­23)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Land  $'000 | Buildings  $'000 | Other  property,  plant and  equipment  $'000 | Computer  software and  intangibles  $'000 | Total  $'000 |
| **As at 1 July 2022** |  |  |  |  |  |
| Gross book value | 201,500 | 193,477 | 993,629 | 135,603 | 1,524,209 |
| Gross book value - ROU assets | - | 4,019 | - | - | 4,019 |
| Accumulated depreciation/  amortisation and impairment | - | (29,721) | (102,542) | (69,268) | (201,531) |
| Accumulated depreciation/amortisation  and impairment - ROU assets | - | (439) | - | - | (439) |
| **Opening net book balance** | **201,500** | **167,336** | **891,087** | **66,335** | **1,326,258** |
| **Capital asset additions** |  |  |  |  |  |
| **Estimated expenditure on new**  **or replacement assets** |  |  |  |  |  |
| By purchase - appropriation equity (a) | - | 59,169 | 113,481 | 2,000 | 174,650 |
| By purchase - appropriation equity -  ROU assets | - | 137 | - | - | 137 |
| **Total additions** | **-** | **59,306** | **113,481** | **2,000** | **174,787** |
| **Other movements** |  |  |  |  |  |
| Depreciation/amortisation expense | - | (8,938) | (75,564) | (6,482) | (90,984) |
| Depreciation/amortisation on  ROU assets | - | (147) | - | - | (147) |
| **Total other movements** |  | **(9,085)** | **(75,564)** | **(6,482)** | **(91,131)** |
| **As at 30 June 2023** |  |  |  |  |  |
| Gross book value | 201,500 | 252,646 | 1,107,110 | 137,603 | 1,698,859 |
| Gross book value - ROU assets | - | 4,156 | - | - | 4,156 |
| Accumulated depreciation/  amortisation and impairment | - | (38,659) | (178,106) | (75,750) | (292,515) |
| Accumulated depreciation/amortisation  and impairment - ROU assets | - | (586) | - | - | (586) |
| **Closing net book balance** | **201,500** | **217,557** | **929,004** | **61,853** | **1,409,914** |

Prepared on Australian Accounting Standards basis.

1. 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2022­23.

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 2022­23)

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

Department o

Australian Renewable Energy Agency

Entity resources and planned performance

Australian Renewable Energy Agency

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# Australian Renewable Energy Agency

## **Section 1****: Entity overview and resources**

### Strategic direction statement

The Australian Renewable Energy Agency (ARENA) is a corporate Commonwealth entity. ARENA’s purpose is to support improvements in the competitiveness and supply of renewable energy and other low emissions technologies by providing financial assistance and sharing knowledge, to accelerate innovation that benefits all Australians.

Since the 2021-22 Budget, the Government has expanded the mandate of ARENA through the Australian Renewable Energy Agency (Implementing the Technology Investment Roadmap) Regulations 2021 (the Regulations). The Regulations prescribe a function of providing financial assistance in relation to priority low emissions technologies, with a focus on the five priority low emissions technologies and the corresponding stretch goals identified in the Government’s first Low Emissions Technology Statement (LETS). The Regulations also prescribe a function of providing financial assistance in relation to five targeted programs announced in the 2020-21 Budget: Freight Efficiency Assistance Grants, the Freight Energy Productivity Trial Program, the Future Fuels Fund, the Industrial Energy Transformation Studies Program and the Regional Australia Microgrid Pilots Program.

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.
* Supporting low emissions technologies, as outlined in the Government’s first Low Emissions Technology Statement.
* The storage and sharing of knowledge and information about renewable energy and other low emissions technologies.

ARENA also collects, analyses, interprets and disseminates information and knowledge about renewable energy and other low emission technologies; and provides advice to the Minister for Industry, 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.

ARENA is working with other government agencies and industry bodies, with a focus on the next generation of energy technologies, to accelerate the transition to a lower emissions economy. ARENA’s investments are expected to make a significant contribution to achieving the goals in the Government’s Low Emissions Technology Investment 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 1’ 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 2022­23 as at Budget March 2022

|  |  |  |
| --- | --- | --- |
|  | *2021­22 Estimated actual*  *$'000* | 2022­23 Estimate  $'000 |
| **Opening balance/cash reserves at 1 July** | *139,033* | 261,820 |
| **Funds from Government** |  |  |
| Annual appropriations - ordinary annual services (a) (b) |  |  |
| Outcome 1 | *117,173* | 289,450 |
| Total annual appropriations | *117,173* | 289,450 |
| Amounts received from related entities |  |  |
| Amounts from portfolio department (c) | *304,836* | - |
| Total amounts received from related entities | *304,836* | - |
| **Total funds from Government** | ***422,009*** | **289,450** |
| **Funds from other sources** |  |  |
| Interest | *600* | 800 |
| Other | *1,600* | 500 |
| **Total funds from other sources** | ***2,200*** | **1,300** |
| **Total net resourcing for ARENA** | ***563,242*** | **552,570** |
|  |  |  |
|  | *2021­22* | 2022­23 |
| **Average staffing level (number) (d)** | *2* | 2 |

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

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

1. Appropriation Bill (No. 1) 2022-23.
2. ARENA is not directly appropriated as it is a corporate Commonwealth entity. Appropriations are made to the Department of Industry, Science, Energy and Resources and then paid to ARENA and are considered departmental for all purposes.
3. ARENA receives funding through a special appropriation which is administered through the Department of Industry, Science, Energy and Resources.
4. The agency has only two employees, the Chief Executive Officer and Chief Financial Officer. Under section 62 of the ARENA Act all other staff necessary to assist the Agency must be persons employed under the *Public Services Act 1999* who are employed by the Department of Industry, Science, Energy and Resources 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 2022­23 budget measures  
Part 1: Measures announced after the 2021­22 Mid-Year Economic and Fiscal Outlook (MYEFO)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Program | 2021­22  $'000 | 2022­23  $'000 | 2023­24  $'000 | 2024­25  $'000 | 2025­26  $'000 |
| **Payment measures** |  |  |  |  |  |  |
| Energy and Emissions Reduction | 1.1 |  |  |  |  |  |
| Departmental payment |  | - | 165 | 19,657 | 30,887 | 33,250 |
| **Total** |  | **-** | **165** | **19,657** | **30,887** | **33,250** |
| **Total payment measures** |  |  |  |  |  |  |
| Departmental |  | - | 165 | 19,657 | 30,887 | 33,250 |
| **Total** |  | **-** | **165** | **19,657** | **30,887** | **33,250** |

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 ARENA 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

|  |
| --- |
| **Department of the Industry, Science, Energy and Resources** |
| **Programs**   * Program 2.1 – Reducing Australia’s greenhouse gas emissions * Program 2.2 – Developing clean energy technology * Program 3.1 – Supporting reliable, secure and affordable energy |
| **Contribution to Outcome 1 made by linked programs**  The Department of Industry, Science, Energy and Resources contributes to Outcome 1 by developing policies for the research, development, demonstration, deployment and commercialisation of renewable energy technologies. ARENA implements these policies. |
| **Clean Energy Finance Corporation** |
| **Program**   * Program 1.1 – Clean Energy Finance Corporation |
| **Contribution to Outcome 1 made by linked program**  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 other low emissions technologies. |

##### **Budgeted expenses for Outcome 1**

This table shows how much ARENA 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:** 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 | | | | | |
|  | 2021­22 Estimated actual  $'000 | 2022­23  Budget  $'000 | 2023­24 Forward estimate  $'000 | 2024­25 Forward estimate  $'000 | 2025­26 Forward estimate  $'000 |
| **Program 1.1: Australian Renewable Energy Agency** | | | | | |
| Revenue from Government |  |  |  |  |  |
| Payment from related entities | 304,031 | 292,303 | 275,569 | 258,429 | 239,880 |
| Expenses not requiring  appropriation in the budget year (a) | 1,453 | 1,167 | 1,167 | 1,167 | 1,100 |
| Revenues from other independent  sources | 2,200 | 1,400 | 1,300 | 1,300 | 1,000 |
| **Total expenses for Program 1** | **307,684** | **294,870** | **278,036** | **260,896** | **241,980** |
| **Outcome 1 totals by resource type** | | | | | |
| Revenue from Government |  |  |  |  |  |
| Payment from related entities | 304,031 | 292,303 | 275,569 | 258,429 | 239,880 |
| Expenses not requiring  appropriation in the budget year (a) | 1,453 | 1,167 | 1,167 | 1,167 | 1,100 |
| Revenues from other independent sources | 2,200 | 1,400 | 1,300 | 1,300 | 1,000 |
| **Total expenses for Outcome 1** | **307,684** | **294,870** | **278,036** | **260,896** | **241,980** |
|  |  |  |  |  |  |
|  | 2021­22 | 2022­23 |  |  |  |
| **Average staffing level (number) (b)** | 2 | 2 |  |  |  |

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

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 measure for Outcome 1

Table 2.1.2 details the performance measure for each program associated with Outcome 1. It provides the related key activities as expressed in the current corporate plan where further detail is provided about the delivery of the related activities related to the program, the context in which these activities are delivered and how the performance of these activities will be measured. Where relevant, details of 2022-23 Budget measures that have created new programs or materially changed existing programs are provided.

|  |  |  |
| --- | --- | --- |
| **Outcome 1: Support improvements in the competitiveness and supply of renewable energy and other low emissions technologies 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 researchers, 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. | | |
| **Key activities (a)** | **Activity 1.1**: Provide financial assistance to Australian researchers, innovators and businesses for projects that align with our strategic priorities.  **Activity 1.2**: Maximise the value of ongoing projects through effective project delivery, knowledge sharing and supporting collaboration. | |
| **Year** | **Performance measure** | **Expected Performance Results** |
| Current year  2021-22 | **For Activity 1.1 - Financial assistance**: ARENA -funded project increase supply of renewable energy. | Total energy production from ARENA-funded demonstration and deployment projects is at least 80% of that intended at time of commitment.  On track |
| **For Activity 1.2** – Knowledge sharing and collaboration: ARENA shares knowledge to enhance the competitiveness of renewable energy technologies. | At least 75% of stakeholders surveyed report that knowledge shared by ARENA has informed part of their decision-making processes (b).  On track |
| **Year** | **Performance measure** | **Planned Performance Results** |
| Budget year  2022-23 | **For Activity 1.1 - Financial assistance**: ARENA -funded project increase supply of renewable energy. | Each year ARENA contractually commits to at least 5 deployment and demonstration projects that increase the supply of renewable energy or renewable energy storage.  **Financial assistance expected result:** More competitive renewable energy choices for Australian consumers and businesses. |
| **For Activity 1.2** – Knowledge sharing and collaboration: ARENA shares knowledge to enhance the competitiveness of renewable energy technologies. | At least 50% of survey responses note that knowledge shared by ARENA has informed part of their decision-making processes (c)  **Knowledge sharing and collaboration expected result:** Industry learns more quickly. Government, regulatory bodies and the public are better informed to navigate the energy transition. |
| Forward estimates 2023-26 | As per 2022–23 | As per 2022–23 |
| Material changes to Program 1.1 resulting from 2022-23 Budget Measures: Nil | | |

1. Refers to updated key activities that will be reflected in the 2022-23 ARENA Corporate Plan.
2. Survey data for the 2021-22 financial year will be available in May 2022 and reported in the ‘Annual Performance Statement’ in the 2021-22 ARENA Annual Report.
3. ARENA has revised the methodology used to interpret survey responses. The target of 75% has been revised to 50% for the 2022-23 to reflect the revised methodology. Additional details will be provided in the 2022-23 ARENA Corporate Plan.

## **Section 3****: Budgeted financial statements**

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2022­23 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

ARENA receives funding through a special account for funds legislated under the ARENA Act and an annual appropriation for ongoing and lapsing programs. The legislated funding available to ARENA will be fully drawn down by 30 June 2022, to support grant payments to projects funded through its Advancing Renewables Program.

Funds received via annual appropriation for other programs are received as scheduled based on estimates on grant payments for each program over the program’s duration.

While grant payments are set out in the funding agreement entered into with the grant recipients, the timing of these payments can vary significantly due to complexities in the technological, regulatory and social environments in which the grant projects are undertaken. The timing variances affect the expenditure side of ARENA’s financial statements.

ARENA reviews its grant payments forecast regularly to ensure that the budgeted financial statements reflect the latest grant expense profile in the budget and forward estimates. The movements in the grant expense profile create periodic surpluses or deficits in the forward estimate periods. These periodic surpluses or deficits are expected to balance out over the lifetime of ARENA’s funding, which currently ends in 2031-32.

Table 3.1 provides the latest forecast in grants and operating expenses.

### 3.2 Budgeted financial statements tables

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021­22 Estimated actual  $'000 | 2022­23  Budget  $'000 | 2023­24 Forward estimate  $'000 | 2024­25 Forward estimate  $'000 | 2025­26 Forward estimate  $'000 |
| **EXPENSES** |  |  |  |  |  |
| Employee benefits | 1,298 | 1,350 | 1,377 | 1,405 | 1,432 |
| Suppliers | 29,147 | 30,041 | 32,780 | 33,812 | 33,836 |
| Grants | 275,774 | 262,300 | 242,700 | 224,500 | 205,600 |
| Depreciation and amortisation | 1,453 | 1,167 | 1,167 | 1,167 | 1,100 |
| Finance costs | 12 | 12 | 12 | 12 | 12 |
| **Total expenses** | **307,684** | **294,870** | **278,036** | **260,896** | **241,980** |
| **LESS:** |  |  |  |  |  |
| **OWN-SOURCE INCOME** |  |  |  |  |  |
| **Own-source revenue** |  |  |  |  |  |
| Interest | 600 | 900 | 800 | 800 | 500 |
| Other | 1,600 | 500 | 500 | 500 | 500 |
| **Total own-source revenue** | **2,200** | **1,400** | **1,300** | **1,300** | **1,000** |
| **Gains** |  |  |  |  |  |
| Other | 5,193 | 5,560 | 5,587 | 4,624 | 4,721 |
| **Total gains** | **5,193** | **5,560** | **5,587** | **4,624** | **4,721** |
| **Total own-source income** | **7,393** | **6,960** | **6,887** | **5,924** | **5,721** |
| **Net (cost of)/contribution by**  **services** | **300,291** | **287,910** | **271,149** | **254,972** | **236,259** |
| Revenue from Government | 422,009 | 289,450 | 229,186 | 228,222 | 200,676 |
| **Surplus/(deficit) attributable to the**  **Australian Government** | **121,718** | **1,540** | **(41,463)** | **(26,750)** | **(35,583)** |
| **OTHER COMPREHENSIVE INCOME** |  |  |  |  |  |
| Changes in asset revaluation surplus | 500 | 500 | 500 | - | - |
| **Total other comprehensive income** | **500** | **500** | **500** | **-** | **-** |
| **Total comprehensive income/(loss)** | **122,218** | **2,040** | **(41,464)** | **(26,750)** | **(35,583)** |
| **Total comprehensive income/(loss)**  **attributable to the Australian**  **Government** | **122,218** | **2,040** | **(41,463)** | **(26,750)** | **(35,583)** |
|  |  |  |  |  |  |
| **Note: Impact of net cash appropriation arrangements** | | |  |  |  |
|  | 2021­22 Estimated actual  $'000 | 2022­23  Budget  $'000 | 2023­24 Forward estimate  $'000 | 2024­25 Forward estimate  $'000 | 2025­26 Forward estimate  $'000 |
| **Total comprehensive income/(loss)**  **- as per statement of**  **Comprehensive Income** | **122,218** | **2,040** | **(41,463)** | **(26,750)** | **(35,583)** |
| plus: depreciation/amortisation  expenses for ROU assets (a) | 1,020 | 1,050 | 1,050 | 1,050 | 1,050 |
| less: lease principal repayments (a) | 12 | 12 | 12 | 12 | 12 |
| **Net Cash Operating Surplus/ (Deficit)** | **123,226** | **3,078** | **(40,425)** | **(25,712)** | **(34,545)** |

Prepared on Australian Accounting Standards basis.

(a) Applies leases under AASB 16 Leases.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021­22 Estimated actual  $'000 | 2022­23  Budget  $'000 | 2023­24 Forward estimate  $'000 | 2024­25 Forward estimate  $'000 | 2025­26 Forward estimate  $'000 |
| **ASSETS** |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |
| Cash and cash equivalents | 261,820 | 267,584 | 227,038 | 200,455 | 164,612 |
| Trade and other receivables | 3,500 | 1,500 | 1,500 | 1,500 | 1,500 |
| Other investments | 32,111 | 32,611 | 33,111 | 33,111 | 33,111 |
| ***Total financial assets*** | ***297,431*** | ***301,695*** | ***261,649*** | ***235,066*** | ***199,223*** |
| **Non-financial assets** |  |  |  |  |  |
| Land and buildings | 5,000 | 4,000 | 3,000 | 2,000 | 1,000 |
| Property, plant and equipment | 191 | 524 | 357 | 190 | 390 |
| Other non-financial assets | 141 | 41 | 41 | 41 | 41 |
| ***Total non-financial assets*** | ***5,332*** | ***4,565*** | ***3,398*** | ***2,231*** | ***1,431*** |
| **Total assets** | **302,763** | **306,260** | **265,047** | **237,297** | **200,654** |
| **LIABILITIES** |  |  |  |  |  |
| **Payables** |  |  |  |  |  |
| Suppliers | 675 | 650 | 650 | 650 | 650 |
| Grants | 1,292 | 3,750 | 5,000 | 5,000 | 5,000 |
| Other payables | 61 | 65 | 65 | 65 | 65 |
| ***Total payables*** | ***2,028*** | ***4,465*** | ***5,715*** | ***5,715*** | ***5,715*** |
| **Interest bearing liabilities** |  |  |  |  |  |
| Leases | 5,000 | 4,000 | 3,000 | 2,000 | 1,000 |
| ***Total interest bearing liabilities*** | ***5,000*** | ***4,000*** | ***3,000*** | ***2,000*** | ***1,000*** |
| **Provisions** |  |  |  |  |  |
| Employee provisions | 340 | 360 | 360 | 360 | 360 |
| ***Total provisions*** | ***340*** | ***360*** | ***360*** | ***360*** | ***360*** |
| **Total liabilities** | **7,368** | **8,825** | **9,075** | **8,075** | **7,015** |
| **Net assets** | ***295,395*** | ***297,435*** | ***255,972*** | ***229,222*** | ***193,639*** |
| **EQUITY\*** |  |  |  |  |  |
| **Parent entity interest** |  |  |  |  |  |
| Reserves | 247 | 247 | 247 | 247 | 247 |
| Retained surplus / (accumulated  deficit) | 295,148 | 297,188 | 255,725 | 228,975 | 193,392 |
| ***Total parent entity interest*** | ***295,395*** | ***297,435*** | ***255,972*** | ***229,222*** | ***193,639*** |
| **Total Equity** | **295,395** | **297,435** | **255,972** | **229,222** | **193,639** |

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 2022­23)

|  |  |  |  |
| --- | --- | --- | --- |
|  | Retained  earnings  $'000 | Asset  revaluation  reserve  $'000 | Total  equity  $'000 |
| **Opening balance as at 1 July 2022** |  |  |  |
| Balance carried forward from  previous period | 295,148 | 247 | 295,395 |
| ***Adjusted opening balance*** | ***295,148*** | ***247*** | ***295,395*** |
| **Comprehensive income** |  |  |  |
| Other Comprehensive income | 500 | - | 500 |
| Surplus/(deficit) for the period | 1,540 | - | 1,540 |
| ***Total comprehensive income*** | ***2,040*** | ***-*** | ***2,040*** |
| of which: |  |  |  |
| Attributable to the Australian  Government | 2,040 | - | 2,040 |
| **Estimated closing balance as at**  **30 June 2023** | **297,188** | **247** | **297,435** |
| **Closing balance attributable to**  **the Australian Government** | **297,188** | **247** | **297,435** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021­22 Estimated actual  $'000 | 2022­23  Budget  $'000 | 2023­24 Forward estimate  $'000 | 2024­25 Forward estimate  $'000 | 2025­26 Forward estimate  $'000 |
| **OPERATING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Receipts from Government | 422,009 | 289,450 | 229,186 | 228,222 | 200,676 |
| Interest | 650 | 925 | 750 | 850 | 650 |
| Net GST received | 29,500 | 29,207 | 24,078 | 22,252 | 19,962 |
| Other | 1,600 | 500 | 300 | 500 | 500 |
| ***Total cash received*** | ***453,759*** | ***320,082*** | ***254,314*** | ***251,824*** | ***221,788*** |
| **Cash used** |  |  |  |  |  |
| Employees | 1,281 | 1,325 | 1,351 | 1,377 | 1,408 |
| Suppliers | 23,954 | 24,481 | 27,193 | 29,188 | 29,115 |
| Grants | 274,389 | 260,000 | 240,000 | 224,500 | 205,600 |
| Net GST paid | 29,833 | 26,450 | 24,754 | 22,280 | 20,146 |
| Interest payments on lease liability | 12 | 12 | 12 | 12 | 12 |
| ***Total cash used*** | ***329,469*** | ***312,268*** | ***293,310*** | ***277,357*** | ***256,281*** |
| **Net cash from/(used by)**  **operating activities** | **124,290** | **7,814** | **(38,996)** | **(25,533)** | **(34,493)** |
| **INVESTING ACTIVITIES** |  |  |  |  |  |
| **Cash used** |  |  |  |  |  |
| Purchase of property, plant, and  equipment and intangibles | - | 500 | - | - | 300 |
| Investments | 500 | 500 | 500 | - | - |
| ***Total cash used*** | ***500*** | ***1,000*** | ***500*** | ***-*** | ***300*** |
| **Net cash from/(used by)**  **investing activities** | **(500)** | **(1,000)** | **(500)** | **-** | **(300)** |
| **FINANCING ACTIVITIES** |  |  |  |  |  |
| **Cash used** |  |  |  |  |  |
| Principal payments on lease liability | 1,003 | 1,050 | 1,050 | 1,050 | 1,050 |
| ***Total cash used*** | ***1,003*** | ***1,050*** | ***1,050*** | ***1,050*** | ***1,050*** |
| **Net cash from/(used by)**  **financing activities** | **(1,003)** | **(1,050)** | **(1,050)** | **(1,050)** | **(1,050)** |
| **Net increase/(decrease) in cash**  **held** | **122,787** | **5,764** | **(40,546)** | **(26,583)** | **(35,843)** |
| Cash and cash equivalents at the  beginning of the reporting period | 139,033 | 261,820 | 264,584 | 227,038 | 200,455 |
| **Cash and cash equivalents at**  **the end of the reporting period** | **261,820** | **267,584** | **227,038** | **200,455** | **164,611** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021­22 Estimated actual  $'000 | 2022­23  Budget  $'000 | 2023­24 Forward estimate  $'000 | 2024­25 Forward estimate  $'000 | 2025­26 Forward estimate  $'000 |
| **PURCHASE OF NON-FINANCIAL**  **ASSETS** |  |  |  |  |  |
| Funded internally from departmental  resources (a) | - | 500 | - | - | 300 |
| **TOTAL** | **-** | **500** | **-** | **-** | **300** |
| **RECONCILIATION OF CASH USED**  **TO ACQUIRE ASSETS TO ASSET**  **MOVEMENT TABLE** |  |  |  |  |  |
| Total purchases | - | 500 | - | - | 300 |
| **Total cash used to acquire assets** | **-** | **500** | **-** | **-** | **300** |

Prepared on Australian Accounting Standards basis.

1. 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.

Table 3.6: Statement of departmental asset movements (Budget year 2022­23)

|  |  |  |  |
| --- | --- | --- | --- |
|  | Buildings  $'000 | Other  property,  plant and  equipment  $'000 | Total  $'000 |
| **As at 1 July 2022** |  |  |  |
| Gross book value | 5,000 | 2,405 | 7,405 |
| Accumulated depreciation/amortisation and  impairment - ROU assets | - | (2,214) | (2,214) |
| **Opening net book balance** | **5,000** | **191** | **5,191** |
| **CAPITAL ASSET ADDITIONS** |  |  |  |
| **Estimated expenditure on new**  **or replacement assets** |  |  |  |
| By purchase - appropriation ordinary  annual services (a) | - | 500 | 500 |
| **Total additions** | **-** | **500** | **500** |
| **Other movements** |  |  |  |
| Depreciation/amortisation expenses |  | (167) | (167) |
| Depreciation/amortisation on  ROU assets | (1,000) | - | (1,000) |
| **Total other movements** | **(1,000)** | **(167)** | **(1,167)** |
| **As at 30 June 2022** |  |  |  |
| Gross book value | - | 2,905 | 2,905 |
| Gross book value - ROU assets | 5,000 | - | 5,000 |
| Accumulated depreciation/amortisation and  impairment | - | (2,381) | (2,381) |
| Accumulated depreciation/amortisation and  impairment - ROU assets | (1,000) | - | (1,000) |
| **Closing net book balance** | **4,000** | **524** | **4,524** |

Prepared on Australian Accounting Standards basis.

1. "Appropriation ordinary annual services" refers to funding provided through Appropriation Bill (No.1) 2022-2023 for depreciation/amortisation expenses, DCB or other operational expenses.

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 2022­-23)

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

Department o

Clean Energy Finance Corporation

Entity resources and planned performance

Clean Energy Finance Corporation

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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, 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 a 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, the Australian Energy Market Operator, other Australian Government entities, and state and territory governments, for the purposes of facilitating its investment function.

To support the Government’s Technology Investment Roadmap (Roadmap) and related Low Emissions Technology Statements (LETS), the Corporation has structured the business to align with the Roadmap, including incorporating the Roadmap and LETS into its corporate plans.

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:

* $1.0 billion of investment finance over 10 years for the Reef Funding Program.
* $1.0 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 using 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.

The Clean Energy Finance Corporation Amendment (Grid Reliability Fund) Bill 2020, currently before the Parliament will make available up to $1.0 billion additional capital to the CEFC to support investment in grid reliability.

Significant changes since the 2021-­22 Budget include the proposed $500 million Low Emissions Technology Commercialisation Fund (LETCF) to support commercialisation of technologies identified through the Government’s Technology Investment Roadmap and Low Emissions Technology Statements. The LETCF is expected to be funded by a new $500 million Special Account appropriation.

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 in 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 the size of their exposure.
* Supporting the fledgling innovation ecosystem surrounding clean energy technologies through direct investment in early-stage technologies, through the Clean Energy Innovation Fund and through the recently created specialist fund manager, Virescent Ventures.
* Working with the finance sector to develop new financial products and deliver them 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.

*Coronavirus (COVID-19) impact*

The coronavirus (COVID-19) pandemic, as well as measures to slow the spread of the virus, has had a significant impact on global economies, supply chains, and equity, debt and commodity markets. CEFC has considered these impacts in preparing its forecasts, but these estimates and outcomes are subject to change as better information becomes available.

*Market impacts of Ukraine conflict*

The Russian invasion of Ukraine and associated sanctions measures are already having an impact on both energy market prices (e.g. oil and gas price dependent commodities) and in financial markets. The primary work on estimates was prepared before the war began. Given its interplay at the nexus of energy and finance, the CEFC believes that there will be some impacts on the current portfolio and pipeline of future investments; however, with events continuing to rapidly unfold, it is too early to make a completely informed judgement as to the duration, full impact and extent of these.

### 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 1’ 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 2022­23 as at Budget March 2022

|  |  |  |
| --- | --- | --- |
|  | *2021­22 Estimated actual*  *$'000* | 2022­23 Estimate  $'000 |
| **Opening balance/cash reserves at 1 July (a) (b)** | *774,351* | 335,636 |
| **Funds from Government** |  |  |
| Amounts received from related entities |  |  |
| Amounts from portfolio department (c)(d) | *4,532* | 8,821 |
| Total amounts received from related entities | *4,532* | 8,821 |
| **Total funds from Government** | ***4,532*** | **8,821** |
| **Funds from other sources** |  |  |
| Interest and dividends | *166,882* | 178,501 |
| **Total funds from other sources** | ***166,882*** | **178,501** |
| **Total net resourcing for CEFC** | ***945,765*** | **522,958** |
|  |  |  |
|  | *2021­22* | 2022­23 |
| **Average staffing level (number)** | *150* | 155 |

All figures shown above are GST exclusive – these may not match figures in the cash flow statement. Prepared on a resourcing (i.e. appropriations available) basis.

1. The Corporation is not directly appropriated as it is a corporate Commonwealth entity as defined under the *Public Governance, Performance and Accountability Act 2013*.
2. The Corporation does not hold the special account itself and therefore does not have a balance carried forward from earlier years. Under the CEFC Act, the CEFC is able to draw on the cumulative funds available in the Special Account, which amounted to $5.174 billion at 1 July 2021.
3. Amounts forecast to be received from the Department of Industry, Science, Energy and Resources relate to funding of the estimated expenses associated with the GRF and, in 2022-23, LETCF.
4. An additional $2,607k, to fund the estimated expenses associated with the LETCF in 2021-22, is expected to be received through the 2021-22 Annual Appropriation Bill No.3. The annual appropriation received from this bill will be recognised in a future Portfolio Budget statement but only after the Bill has received Royal Assent.

### 1.3 Budget measures

There are no new Budget measures relating to CEFC 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 the CEFC 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://www.cefc.com.au/annual-report-2021/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 Industry, Science, Energy and Resources** |
| **Programs**   * Program 2.1 – Reducing Australia’s greenhouse gas emissions * Program 2.2 – Developing clean energy technology * Program 3.1 – Supporting reliable, secure and affordable energy |
| **Contribution to Outcome 1 made by linked programs**  The Department of Industry, Science, Energy and Resources 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.  The department also supports 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.  The Clean Energy Finance Corporation contributes to these programs by facilitating increased flows of finance into the clean energy sector. |
| **Department of Agriculture, Water and the Environment** |
| **Programs**   * Program 1.1 – Sustainable Management of Natural Resources and the Environment * Program 1.6 – Management of Hazardous Wastes, Substances and Pollutants |
| **Contribution to Outcome 1 made by linked programs**  The Clean Energy Finance Corporation contributes to policies that reduce waste and increase domestic recycling capacity. CEFC makes available funding to the Clean Energy Innovation Fund and Reef Funding Program. Through the Australian Recycling Investment Fund, CEFC provides flows of finance into clean energy technologies that support the recycling of waste, in particular wastes that are — or by 1 July 2024 will be — banned for export. |

|  |
| --- |
| **Australian Renewable Energy Agency** |
| **Program**   * Program 1.1 – Australian Renewable Energy Agency |
| **Contribution to Outcome 1 made by linked program**  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 the competitiveness of renewable energy and related technologies. |
| **Great Barrier Reef Marine Park Authority** |
| **Program**   * Program 1.1 – Great Barrier Reef Marine Park Authority |
| **Contribution to Outcome 1 made by linked program**  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 invests in clean energy projects delivered in the Great Barrier Reef catchment region. In targeting the financing of clean energy projects and businesses in the region, the Reef Funding Program supports delivery of the Australian and Queensland governments’ *Reef 2050 Plan*. |

##### **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 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 | | | | | |
|  | 2021­22 Estimated actual  $'000 | 2022­23  Budget  $'000 | 2023­24 Forward estimate  $'000 | 2024­25 Forward estimate  $'000 | 2025­26 Forward estimate  $'000 |
| **Program 1: Clean Energy Finance Corporation** | | | | | |
| Revenue from Government |  |  |  |  |  |
| Ordinary annual services (a) | 7,139 | 8,821 | 9,053 | 8,390 | 3,019 |
| Expenses not requiring appropriation in the  budget year (b) | 79,472 | 92,805 | 107,053 | 95,475 | 119,669 |
| Revenues from other independent sources | 47,128 | 55,559 | 57,331 | 60,453 | 67,822 |
| **Total expenses for Program 1.1** | **133,739** | **157,185** | **173,437** | **164,318** | **190,510** |
| **Outcome 1 totals by resource type** | | | | | |
| Revenue from Government |  |  |  |  |  |
| Ordinary annual services (a) | 7,139 | 8,821 | 9,053 | 8,390 | 3,019 |
| Expenses not requiring appropriation in the  budget year (b) | 79,472 | 92,805 | 107,053 | 95,475 | 119,669 |
| Revenues from other independent sources | 47,128 | 55,559 | 57,331 | 60,453 | 67,822 |
| **Total expenses for Outcome 1** | **133,739** | **157,185** | **173,437** | **164,318** | **190,510** |
|  |  |  |  |  |  |
|  | 2021-22 | 2022-23 |  |  |  |
| **Average staffing level (number)** | 150 | 155 |  |  |  |

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

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 measure for Outcome 1

Table 2.1.2 below details the performance measures for each program associated with Outcome 1. It also provides the related key activities as expressed in the current corporate plan where further detail is provided about the delivery of the activities related to the program, the context in which these activities are delivered and how the performance of these activities will be measured. Where relevant, details of 2022-23 Budget measures that have created new programs or materially changed existing programs are provided.

|  |  |  |
| --- | --- | --- |
| **Outcome 1 – Facilitate increased flows of finance into Australia’s clean energy sector, applying commercial rigour to investing in renewable energy, low emissions and energy efficiency technologies, building industry capacity, and disseminating information to industry stakeholders** | | |
| **Program 1.1- Clean Energy Finance Corporation**  The Clean Energy Finance Corporation’s mission is: “To accelerate Australia’s transformation towards a more competitive economy in a carbon constrained world, by acting as a catalyst to increase investment in emissions reduction” through:   * Investing directly and indirectly, while also attracting private sector investment into clean energy technologies and projects. * Applying commercial rigour and using financial products and structures to address the barriers inhibiting private sector investment in the sector. | | |
| **Key Activities** | The Corporation helps mobilise investment in renewable energy, low emissions and energy efficiency projects and technologies in Australia, as well as into businesses and services that produce the required inputs. It uses financial products and structures to address the barriers inhibiting investment at the demonstration, commercialisation, and deployment stages of innovation.  The Corporation works with private sector financiers and project sponsors to facilitate and leverage increased flows of finance into the clean energy sector. In undertaking its investment activities, the Corporation must consider the potential effect on other market participants and the efficient operation of the Australian financial and energy markets.  The Corporation shares knowledge and expertise with project sponsors, lenders, and the broader industry, helping build capacity within the private sector.  The Corporation is being directed to focus particular attention on investing debt and equity in:   1. 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. 2. Renewable energy, low emissions and energy efficiency projects and businesses that improve liveability, accessibility, and productivity of cities. 3. Clean energy technology projects and businesses that support the delivery of the Government’s Reef 2050 Plan. 4. 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. 5. Investments that support reliability and security of electricity supply.   The Corporation can also provide up to $300m per annum of concessionality in relation to loans issued at below market interest rates and has a limited scope to provide guarantees where appropriate and unavoidable. The Corporation must ensure the total value of guarantees at any time does not exceed 5% of the total amount that has been credited to the Special Account under section 46 of the Act.  The Corporation is not a grant making organisation. It seeks to generate positive financial returns, and this is expressed in the Investment Mandate as a target portfolio benchmark rate of return. The Corporation therefore makes investments with a commercial approach, based on careful risk assessment and appropriate terms, with an expectation that such investments will be repaid. The Corporation undertakes its investment activity responsibly and manages risk to minimise the likelihood of losses. | |
| **Year** | **Performance measures** | **Expected Performance Results** |
| Current year  2021-22 | Be financially sustainable and maintain an investment portfolio that, over the longer term, facilitates emissions reductions, generates positive financial returns within risk appetite.  Free Cash Flows from Operations (FCFO) after implied costs of government funding – ‘paying our way’.  *Target: $20m - $30m*  Total Operating Result adjusted for: (1) GRF and Innovation Fund revaluations, (2) loan modification and concessionality charges and associated unwinds, (3) bond revaluations.  *Target: $95m - $120m* | *$20m - $30m*  *$115m - $125m* |
| Increase investment in clean energy technologies and infrastructure.  Commitments to renewable energy, energy efficiency and low emission technology transactions (including grid, Investment Mandate areas of focus and the Technology Roadmap)  *Target: $1.0bn - $1.5bn* | *$1.1b - $1.5b* |
| Carbon emission reduction from FY2022 new investments.  *Target: 0.6MtCO2e p.a. - 1.0MtCO2e p.a.* | *1.3MtCO2e p.a. - 1.4MtCO2e p.a.* |
| Increase private sector capital flowing to the Australian clean energy sector and attract new investor classes into the sector.  *Target: 2.5:1 - 3:1* | *2.5:1 - 3:1* |
| Amount of new capital leveraged / unlocked that invests in Australian clean energy technology, business model or financial structures / products for the first time.  *Target: $250m – $400m* | *$300m – $400m* |

|  |  |  |
| --- | --- | --- |
| **Year** | **Performance measures** | **Planned Performance Results** |
| Budget Year  2022-23 | Be financially sustainable and maintain an investment portfolio that, over the longer term, facilitates emissions reductions, generates positive financial returns within risk appetite.   * Free Cash Flows from Operations (FCFO) after implied costs of government funding – ‘paying our way’. * Total Operating Result adjusted for: (1) GRF, LETCF and Innovation Fund revaluations, (2) loan modification and concessionality charges and associated unwinds, (3) bond revaluations. | *> $0m*  *$100m - $120m* |
| Increase investment in clean energy technologies and infrastructure.  Commitments to renewable energy, energy efficiency and low emission technology transactions (including grid, Investment Mandate areas of focus and the Technology Roadmap). | *$1.0b - $1.5b* |
| Carbon emission reduction from FY2023 new investments. | 0.6MtCO2e p.a. - 0.8MtCO2e p.a. |
| Increase private sector capital flowing to the Australian clean energy sector and attract new investor classes into the sector. | *2.5:1 - 3:1* |
| *Expected to be updated if the Grid Reliability Fund and the Low Emissions Technology Commercialisation Fund are legislated and to reflect consequential investment mandate directions anticipated to be received during 2021-22.* |  |
| Forward Estimates  2023-26 | As per 2022-23.  *Expected to be updated if the Grid Reliability Fund and the Low Emissions Technology Commercialisation Fund are legislated and to reflect consequential investment mandate directions anticipated to be received during 2021-22.* |  |
| Material changes to Program 1.1 resulting from 2022-23 Budget Measures: Nil | | |

## **Section 3****: Budgeted financial statements**

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2022-23 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 and write down and impairment of assets. 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:

*Interest rates*

The Corporation is in the business of making loans and is therefore impacted significantly by movements in market interest rates. Market rates of interest have dropped significantly over the last few years, and this has resulted in (a) a number of CEFC financed projects being refinanced at lower market-based rates of interest, some of which have been refinanced by the private sector (particularly those that have been de-risked through completion of construction) and some of which the CEFC has refinanced, and (b) lower rates of return (income) in new investments (both debt and equity). Although market interest rates have begun to increase recently, any resulting increase in CEFC’s revenue is delayed due to the significant portion of the Corporation’s existing interest-bearing investments earning fixed interest rates.

*Concession loan discount*

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

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

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

*Impairment*

1. Loans

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

1. Equity Investments

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.

The Corporation is also in the business of investing in equity in more mature companies, businesses and projects. In some situations it may be necessary for the Corporation to take a lower rate of return than the risk of the project would indicate is appropriate for a commercial investor. For example, this may be a subordinated return or a period of lower returns in the early years of a project. The Corporation does this in limited situations, and only when it is necessary to ensure the project proceeds, as this will trigger a write-down in the fair value of the Corporation’s equity investment.

*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 and was issued by the then Hon Angus Taylor MP, Minister for Energy and Emissions Reduction, and Senator the Hon Mathias Cormann, the then 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 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 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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021­22 Estimated actual  $'000 | 2022­23  Budget  $'000 | 2023­24 Forward estimate  $'000 | 2024­25 Forward estimate  $'000 | 2025­26 Forward estimate  $'000 |
| **EXPENSES** |  |  |  |  |  |
| Employee benefits | 38,817 | 43,140 | 44,241 | 46,301 | 48,169 |
| Suppliers | 15,440 | 21,219 | 22,127 | 22,532 | 22,662 |
| Depreciation and amortisation | 3,972 | 5,555 | 5,303 | 5,239 | 6,198 |
| Concessional loan discount | 35,000 | 42,854 | 66,708 | 46,708 | 56,708 |
| Other financing costs | 10 | 21 | 16 | 10 | 10 |
| Write-down and impairment of assets | 40,500 | 44,396 | 35,042 | 43,528 | 56,763 |
| **Total expenses** | **133,739** | **157,185** | **173,437** | **164,318** | **190,510** |
| **LESS:** |  |  |  |  |  |
| **OWN-SOURCE INCOME** |  |  |  |  |  |
| **Own-source revenue** |  |  |  |  |  |
| Unwind of concessional loan discount | 12,261 | 13,748 | 16,201 | 17,091 | 21,744 |
| Interest | 147,619 | 146,051 | 153,134 | 157,224 | 162,483 |
| Dividends | 30,320 | 38,789 | 41,888 | 43,868 | 47,633 |
| **Total own-source revenue** | **190,200** | **198,588** | **211,223** | **218,183** | **231,860** |
| **Gains** |  |  |  |  |  |
| Fair Value Gain on Investments | 41,000 | - | - | - | - |
| **Total gains** | **41,000** | **-** | **-** | **-** | **-** |
| **Total own-source income** | **231,200** | **198,588** | **211,223** | **218,183** | **231,860** |
| **Net (cost of)/contribution by**  **services** | **97,461** | **41,403** | **37,786** | **53,865** | **41,350** |
| Revenue from Government | 7,139 | 8,821 | 9,053 | 8,390 | 3,019 |
| **Surplus/(deficit) attributable to the**  **Australian Government** | **104,600** | **50,224** | **46,839** | **62,255** | **44,369** |
| **Total comprehensive income/(loss)**  **attributable to the Australian**  **Government** | **104,600** | **50,224** | **46,839** | **62,255** | **44,369** |

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** | | | | | |
|  | 2021­22 Estimated actual  $'000 | 2022­23  Budget  $'000 | 2023­24 Forward estimate  $'000 | 2024­25 Forward estimate  $'000 | 2025­26 Forward estimate  $'000 |
| **Total comprehensive income/(loss)**  **- as per statement of**  **Comprehensive Income** | **104,600** | **50,224** | **46,839** | **62,255** | **44,369** |
| plus: depreciation/amortisation expenses  for ROU assets (a) | 2,051 | 2,555 | 2,373 | 2,363 | 3,165 |
| less: lease principal repayments (a) | (1,960) | (2,499) | (2,357) | (2,431) | (2,388) |
| **Net Cash Operating Surplus/ (Deficit)** | **104,691** | **50,280** | **46,855** | **62,187** | **45,146** |
|  |  |  |  |  |  |
| **Reconciliation of the impact of significant non-cash concessionality income and charges and fair value adjustments** | | | | | |
| **Total comprehensive income/(loss)**  **attributable to the Australian**  **Government** | **104,600** | **50,224** | **46,839** | **62,255** | **44,369** |
| **Add** concessional loan discount | 35,000 | 42,854 | 66,708 | 46,708 | 56,708 |
| **Less** unwind of concessional loan  discount | (12,261) | (13,748) | (16,201) | (17,091) | (21,744) |
| Net non-cash concessionality impact | 22,739 | 29,106 | 50,507 | 29,617 | 34,964 |
| **Add** write-down and impairment of  assets | 40,500 | 44,396 | 35,042 | 43,528 | 56,763 |
| **Less** Fair Value Gains | (41,000) | - | - | - | - |
| Net adjustments to investment carrying  values | (500) | 44,396 | 35,042 | 43,528 | 56,763 |
| **Total comprehensive income**  **attributable to the Australian Government after eliminating significant non-cash**  **adjustments** | **126,839** | **123,726** | **132,388** | **135,400** | **136,096** |

Prepared on Australian Accounting Standards basis.

1. Applies leases under AASB 16 Leases.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021­22 Estimated actual  $'000 | 2022­23  Budget  $'000 | 2023­24 Forward estimate  $'000 | 2024­25 Forward estimate  $'000 | 2025­26 Forward estimate  $'000 |
| **ASSETS** |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |
| Cash and cash equivalents | 335,636 | 314,684 | 331,535 | 255,122 | 337,960 |
| Advances and loans | 2,961,651 | 3,318,688 | 3,332,498 | 3,601,117 | 3,719,546 |
| Investment in shares | 1,243,053 | 1,313,853 | 1,427,771 | 1,652,336 | 1,667,870 |
| Investments in other interest  bearing securities | 1,125,525 | 1,254,769 | 1,347,666 | 1,240,213 | 1,255,580 |
| Investment in derivative  financial instruments | 11,303 | 11,303 | 11,303 | 11,303 | 11,303 |
| Trade and other receivables | 23,056 | 30,452 | 30,042 | 29,882 | 30,548 |
| Investments accounted for  under the equity method | 441,949 | 505,106 | 533,017 | 526,352 | 480,942 |
| ***Total financial assets*** | ***6,142,173*** | ***6,748,855*** | ***7,013,832*** | ***7,316,325*** | ***7,503,749*** |
| **Non-financial assets** |  |  |  |  |  |
| Land and buildings | 4,574 | 9,269 | 6,896 | 4,733 | 7,568 |
| Property, plant and equipment | 2,276 | 4,749 | 4,113 | 3,221 | 2,356 |
| Intangibles | 713 | 590 | 424 | 385 | 417 |
| Other non-financial assets | 407 | 407 | 407 | 407 | 407 |
| ***Total non-financial assets*** | ***7,970*** | ***15,015*** | ***11,840*** | ***8,746*** | ***10,748*** |
| **Total assets** | **6,150,143** | **6,763,870** | **7,025,672** | **7,325,071** | **7,514,497** |
| **LIABILITIES** |  |  |  |  |  |
| **Payables** |  |  |  |  |  |
| Suppliers | 2,860 | 2,860 | 2,860 | 2,860 | 3,242 |
| Employee payables | 12,939 | 13,398 | 13,890 | 14,336 | 14,336 |
| Other payables | 39,267 | 40,324 | 49,890 | 46,682 | 44,625 |
| ***Total payables*** | ***55,066*** | ***56,582*** | ***66,640*** | ***63,878*** | ***62,203*** |
| **Interest bearing liabilities** |  |  |  |  |  |
| Leases | 4,924 | 9,675 | 7,318 | 5,087 | 8,699 |
| Derivative Liabilities | 5,002 | 5,002 | 5,002 | 5,002 | 5,002 |
| ***Total interest bearing liabilities*** | ***9,926*** | ***14,677*** | ***12,320*** | ***10,089*** | ***13,701*** |
| **Provisions** |  |  |  |  |  |
| Employee provisions | 4,502 | 4,633 | 4,790 | 4,822 | 5,365 |
| Other provisions | 8,158 | 8,158 | 8,158 | 8,158 | 8,630 |
| ***Total provisions*** | ***12,660*** | ***12,791*** | ***12,948*** | ***12,980*** | ***13,995*** |
| **Total liabilities** | **77,652** | **84,050** | **91,908** | **86,947** | **89,899** |
| **Net assets** | **6,072,491** | **6,679,820** | **6,933,764** | **7,238,124** | **7,424,598** |
| **EQUITY\*** |  |  |  |  |  |
| **Parent entity interest** |  |  |  |  |  |
| Contributed equity | 5,259,416 | 5,816,521 | 6,023,626 | 6,265,731 | 6,407,836 |
| Reserves | (1,428) | (1,428) | (1,428) | (1,428) | (1,428) |
| Retained surplus / (accumulated  deficit) | 814,503 | 864,727 | 911,566 | 973,821 | 1,018,190 |
| ***Total parent entity interest*** | ***6,072,491*** | ***6,679,820*** | ***6,933,764*** | ***7,238,124*** | ***7,424,598*** |
| **Total Equity** | **6,072,491** | **6,679,820** | **6,933,764** | **7,238,124** | **7,424,598** |

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 2022­23)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Retained  earnings  $'000 | Asset  revaluation  reserve  $'000 | Other  reserves  $'000 | Contributed  equity/  capital  $'000 | Total  equity  $'000 |
| **Opening balance as at 1 July 2022** |  |  |  |  |  |
| Balance carried forward from  previous period | 814,503 | (1,428) |  | 5,259,416 | 6,072,491 |
| ***Adjusted opening balance*** | ***814,503*** | ***(1,428)*** | ***-*** | ***5,259,416*** | ***6,072,491*** |
| **Comprehensive income** |  |  |  |  |  |
| Surplus/(deficit) for the period | 50,224 | - | - | - | 50,224 |
| ***Total comprehensive income*** | ***50,224*** | ***-*** | ***-*** | ***-*** | ***50,224*** |
| of which: |  |  |  |  |  |
| Attributable to the Australian  Government | 50,224 |  |  |  | 50,224 |
| **Transactions with owners** |  |  |  |  |  |
| ***Distribution to owners*** |  |  |  |  |  |
| Return to CEFC Special Account  held by portfolio department | - | - | - | (300,000) | (300,000) |
| ***Contributions by owners*** |  |  |  |  |  |
| Equity Injection  from CEFC Special Account | - | - | - | 530,000 | 530,000 |
| Equity Injection  from GRF Special Account (a) | - | - | - | 285,000 | 285,000 |
| Equity Injection  from LETCF Special Account (a) | - | - | - | 42,105 | 42,105 |
| ***Sub-total transactions with***  ***owners*** | ***-*** | ***-*** | ***-*** | ***557,105*** | ***557,105*** |
| **Estimated closing balance as at**  **30 June 2023** | **864,727** | **(1,428)** | **-** | **5,816,521** | **6,679,820** |
| **Closing balance attributable to**  **the Australian Government** | **864,727** | **(1,428)** | **-** | **5,816,521** | **6,679,820** |

Prepared on Australian Accounting Standards basis.

1. Budgeted drawings from the Grid Reliability Fund and Low Emissions Technology Commercialisation Fund Special Accounts to be established upon passing of the relevant Legislation.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021­22 Estimated actual  $'000 | 2022­23  Budget  $'000 | 2023­24 Forward estimate  $'000 | 2024­25 Forward estimate  $'000 | 2025­26 Forward estimate  $'000 |
| **OPERATING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Receipts from Government | 7,139 | 8,821 | 9,053 | 8,390 | 3,019 |
| Interest | 122,070 | 139,422 | 164,064 | 155,546 | 159,701 |
| Dividends | 33,354 | 38,789 | 41,888 | 43,868 | 47,633 |
| ***Total cash received*** | ***162,563*** | ***187,032*** | ***215,005*** | ***207,804*** | ***210,353*** |
| **Cash used** |  |  |  |  |  |
| Employees | 36,712 | 42,550 | 43,592 | 45,823 | 47,626 |
| Suppliers | 15,440 | 21,219 | 22,127 | 22,532 | 22,280 |
| Interest payments on lease liability | 10 | 21 | 16 | 10 | 10 |
| ***Total cash used*** | ***52,162*** | ***63,790*** | ***65,735*** | ***68,365*** | ***69,916*** |
| **Net cash from/(used by)**  **operating activities** | **110,401** | **123,242** | **149,270** | **139,439** | **140,437** |
| **INVESTING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Repayments of loans and  advances | 1,013,701 | 382,436 | 840,861 | 565,605 | 661,723 |
| Other investing cash receipts  for policy purposes | 375,195 | 215,514 | 295,912 | 340,883 | 617,860 |
| ***Total cash received*** | ***1,388,896*** | ***597,950*** | ***1,136,773*** | ***906,488*** | ***1,279,583*** |
| **Cash used** |  |  |  |  |  |
| Purchase of property plant, and  equipment and intangibles | 2,083 | 5,350 | 2,128 | 1,945 | 2,200 |
| Advances and loans made | 1,212,529 | 775,817 | 921,186 | 879,311 | 832,469 |
| Other investing cash payments  for policy purposes | 1,067,493 | 515,583 | 550,626 | 480,758 | 642,230 |
| ***Total cash used*** | ***2,282,105*** | ***1,296,750*** | ***1,473,940*** | ***1,362,014*** | ***1,476,899*** |
| **Net cash from/(used by)**  **investing activities** | **(893,209)** | **(698,800)** | **(337,167)** | **(455,526)** | **(197,316)** |

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021­22 Estimated actual  $'000 | 2022­23  Budget  $'000 | 2023­24 Forward estimate  $'000 | 2024­25 Forward estimate  $'000 | 2025­26 Forward estimate  $'000 |
| **FINANCING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Contributed equity |  |  |  |  |  |
| from CEFC Special Account | 600,000 | 530,000 | 550,000 | 300,000 | 400,000 |
| from GRF Special Account | 185,000 | 285,000 | 220,000 | 220,000 | 90,000 |
| from LETCF Special Account | 21,053 | 42,105 | 42,105 | 42,105 | 42,105 |
| ***Total cash received*** | ***806,053*** | ***857,105*** | ***812,105*** | ***562,105*** | ***532,105*** |
| **Cash used** |  |  |  |  |  |
| Principal payments on lease liability | 1,960 | 2,499 | 2,357 | 2,431 | 2,388 |
| Return to CEFC Special Account  held by portfolio department | 460,000 | 300,000 | 605,000 | 320,000 | 390,000 |
| ***Total cash used*** | ***461,960*** | ***302,499*** | ***607,357*** | ***322,431*** | ***392,388*** |
| **Net cash from/(used by)**  **financing activities** | **344,093** | **554,606** | **204,748** | **239,674** | **139,717** |
| **Net increase/(decrease) in cash**  **held** | **(438,715)** | **(20,952)** | **16,851** | **(76,413)** | **82,838** |
| Cash and cash equivalents at the  beginning of the reporting period | 774,351 | 335,636 | 314,684 | 331,535 | 255,122 |
| **Cash and cash equivalents at**  **the end of the reporting period** | **335,636** | **314,684** | **331,535** | **255,122** | **337,960** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021­22 Estimated actual  $'000 | 2022­23  Budget  $'000 | 2023­24 Forward estimate  $'000 | 2024­25 Forward estimate  $'000 | 2025­26 Forward estimate  $'000 |
| **PURCHASE OF NON-FINANCIAL**  **ASSETS** |  |  |  |  |  |
| Funded internally from departmental  resources | 2,083 | 5,350 | 2,128 | 1,945 | 2,200 |
| **TOTAL** | **2,083** | **5,350** | **2,128** | **1,945** | **2,200** |
| **RECONCILIATION OF CASH USED**  **TO ACQUIRE ASSETS TO ASSET**  **MOVEMENT TABLE** |  |  |  |  |  |
| Total purchases | 2,083 | 5,350 | 2,128 | 1,945 | 2,200 |
| **Total cash used to acquire assets** | **2,083** | **5,350** | **2,128** | **1,945** | **2,200** |

Prepared on Australian Accounting Standards basis.

Table 3.6: Statement of departmental asset movements (Budget year 2022­23)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Buildings  $'000 | Other  property,  plant and  equipment  $'000 | Computer  software and  intangibles  $'000 | Total  $'000 |
| **As at 1 July 2022** |  |  |  |  |
| Gross book value | - | 4,639 | 2,568 | 7,207 |
| Gross book value - ROU assets | 8,682 | - | - | 8,682 |
| Accumulated depreciation/  amortisation and impairment | - | (2,363) | (1,855) | (4,218) |
| Accumulated depreciation/amortisation  and impairment - ROU assets | (4,108) | - | - | (4,108) |
| **Opening net book balance** | **4,574** | **2,276** | **713** | **7,563** |
| **Capital asset additions** |  |  |  |  |
| **Estimated expenditure on new**  **or replacement assets** |  |  |  |  |
| By purchase - other | - | 3,900 | 1,450 | 5,350 |
| By purchase - other - ROU assets | 7,250 | - | - | 7,250 |
| **Total additions** | **7,250** | **3,900** | **1,450** | **12,600** |
| **Other movements** |  |  |  |  |
| Depreciation/amortisation expense | - | (1,427) | (1,573) | (3,000) |
| Depreciation/amortisation on  ROU assets | (2,555) | - | - | (2,555) |
| ROU assets gross book value | (2,679) | - | - | (2,679) |
| ROU assets accumulated depreciation | 2,679 | - | - | 2,679 |
| **Total other movements** | **(2,555)** | **(1,427)** | **(1,573)** | **(5,555)** |
| **As at 30 June 2023** |  |  |  |  |
| Gross book value | - | 8,539 | 4,018 | 12,557 |
| Gross book value - ROU assets | 13,253 | - | - | 13,253 |
| Accumulated depreciation/  amortisation and impairment | - | (3,790) | (3,428) | (7,218) |
| Accumulated depreciation/amortisation  and impairment - ROU assets | (3,984) | - | - | (3,984) |
| **Closing net book balance** | **9,269** | **4,749** | **590** | **14,608** |

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 2022­23)

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

Department o

Clean Energy Regulator

Entity resources and planned performance

Clean Energy Regulator

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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 CERis responsible for the following Outcomes:

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.

Outcome 2: Contribute to the sustainable management of Australia’s biodiversity through the administration of market-based mechanisms that incentivise the preservation and improvement of diverse ecosystems.

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 address climate change while maintaining energy security and affordability.

* The Emissions Reduction Fund, established under the [*Carbon Credits (Carbon Farming Initiative) Act 2011*](http://www.comlaw.gov.au/Series/C2011A00101), provides incentives for a range of organisations and individuals to adopt new practices and technologies to reduce their emissions.
* The Safeguard Mechanism ensures that emissions reductions paid for through the Emissions Reduction Fund are not offset by significant increases in emissions above business-as-usual levels. Together with the reporting obligations under the *National Greenhouse and Energy Reporting Act 2007,* the Safeguard Mechanism provides 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*](http://www.comlaw.gov.au/Series/C2007A00175), is a single national framework for reporting and disseminating company information about greenhouse gas emissions, energy production, energy consumption and other information specified under the legislation.
* The Renewable Energy Target, established by the *Renewable Energy (Electricity) Act 2000*, encourages the additional generation of electricity from renewable sources, reduce emissions of greenhouse gases in the electricity sector and ensures that renewable energy sources are ecologically sustainable.
* The Australian National Registry of Emissions Units, established by the *Australian National Registry of Emissions Units Act 2011*, is a secure electronic registry system that tracks the location and ownership of units issued under the Kyoto Protocol and the Emissions Reduction Fund.

CER is also responsible for the following new initiatives, one of which is a new biodiversity regulatory scheme and the others which actively leverage the existing schemes of the agency to build a vibrant voluntary carbon market and streamline participation.

* The Agriculture Biodiversity Stewardship Market Bill when passed by Parliament will establish the legal framework for a national voluntary agriculture biodiversity stewardship market. It introduces a tradeable biodiversity certificate to Australian farmers who use their land to improve biodiversity. The CER will support the lead agency, the Department of Agriculture, Water and the Environment, and administer this scheme.
* A Guarantee of Origin certification scheme to enable Australian businesses to sell verified low emissions hydrogen from renewable sources, and fossil fuels with substantial carbon capture and storage, domestically and to the world.
* An Australian Carbon Exchange to accelerate the emergence of an online exchange trade market for emissions offsets. This may include the provision of trading, clearing and settlement services, and a register of offset units, to complement the current ‘over the counter’ market.
* The Corporate Emissions Reduction Transparency report, a voluntary initiative for participating National Greenhouse and Energy Reporting corporations to demonstrate the net annual emissions and energy position, support their climate action claims and encourage voluntary participation in Australian’s carbon markets.

CER’s strategies for delivering these outcomes and achieving its purpose are to:

* Invest in knowing scheme participants and communicating with them in a way which meets their needs. Use education and guidance materials to help potential participants understand how to participate in and comply with our schemes. Set clear and consistent expectations with participants. Further develop tools that assist them to self-select only if they have adequate capacity and capability to meet the requirements and achieve the anticipated results. Manage non-compliance and influence participants 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 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 purpose, objectives, planning priorities and key performance indicators is detailed in the Clean Energy Regulator Corporate Plan at [www.cleanenergyregulator.gov.au](http://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 1 and Outcome 2’ tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: CER resource statement – Budget estimates for 2022­23 as at Budget March 2022

|  |  |  |
| --- | --- | --- |
|  | *2021­22 Estimated actual*  *$'000* | 2022­23 Estimate  $'000 |
| **Departmental** |  |  |
| Annual appropriations - ordinary annual services (a) |  |  |
| Prior year appropriations available (b) | *28,079* | 21,438 |
| Departmental appropriation (c) | *86,503* | 120,710 |
| s74 External Revenue (d) | *-* | 6,100 |
| Departmental capital budget (e) | *1,143* | 1,153 |
| Prior year appropriations available (b) | *1,927* | - |
| Equity injection (f) | *6,681* | 16,637 |
| Total departmental annual appropriations | *124,333* | 166,038 |
| ***Total departmental resourcing*** | ***124,333*** | ***166,038*** |
| **Administered** |  |  |
| Annual appropriations - ordinary annual services (a) |  |  |
| Prior year appropriations available (b) | *47,331* | 47,331 |
| Outcome 1 | *240,732* | 242,209 |
| Total administered annual appropriations | 288,063 | 289,540 |
| *Total administered special appropriations* | *395,674* | 523 |
| Special accounts (g) |  |  |
| Opening balance | *68* | 68 |
| Non-appropriation receipts | *3,500* | 3,500 |
| Total special account receipts | 3,568 | 3,568 |
| ***Total administered resourcing*** | ***687,305*** | **293,631** |
| **Total resourcing for CER** | ***811,638*** | **459,669** |
|  |  |  |
|  | *2021­22* | 2022­23 |
| **Average staffing level (number) (h)** | *335* | 347 |

All figures shown above are GST exclusive – these may not match figures in the cash flow statement. Prepared on a resourcing (i.e. appropriations available) basis.

1. Appropriation Bill (No. 1) 2022­23.
2. There is no appropriation subject to administrative quarantine by Finance or withheld under section 51 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).
3. Excludes departmental capital budget (DCB) and $0.411m which will be received through the 2021-22 Annual Appropriation Bill No.3. The annual appropriations received from these bills will be recognised in a future PB Statement but only after the Bills have received Royal Assent.
4. Estimated External Revenue receipts under section 74 of the PGPA Act.
5. 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'.
6. Appropriation Bill (No. 2) 2022-23.
7. For further information on special accounts, please refer to Budget Paper No. 4 - Agency Resourcing.
8. 1.7 ASL will be received through the 2021-22 Annual Appropriation Bill No.3. The annual appropriations received from these bills will be recognised in a future PB Statement but only after the Bills have received Royal Assent.

### 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 2022­23 budget measures  
Part 1: Measures announced after the 2021­22 Mid-Year Economic and Fiscal Outlook (MYEFO)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Program | 2021­22  $'000 | 2022­23  $'000 | 2023­24  $'000 | 2024­25  $'000 | 2025­26  $'000 |
| **Receipt measures** |  |  |  |  |  |  |
| Energy and Emissions Reduction (a) | 1.1 |  |  |  |  |  |
| Administered receipt |  | nfp | nfp | nfp | nfp | nfp |
| **Total** |  | **nfp** | **nfp** | **nfp** | **nfp** | **nfp** |
| **Total receipt measures** |  |  |  |  |  |  |
| Administered |  | nfp | nfp | nfp | nfp | nfp |
| **Total** |  | **nfp** | **nfp** | **nfp** | **nfp** | **nfp** |
| **Payment measures** |  |  |  |  |  |  |
| Commonwealth's Deregulation Agenda (b) | 1.1 |  |  |  |  |  |
| Departmental payment |  | - | - | - | - | - |
| **Total** |  | **-** | **-** | **-** | **-** | **-** |
| Energy and Emissions Reduction | 1.1 |  |  |  |  |  |
| Departmental payment |  | - | 11,600 | 800 | 500 | - |
| **Total** |  | **-** | **11,600** | **800** | **500** | **-** |
| **Total payment measures** |  |  |  |  |  |  |
| Departmental |  | - | 11,600 | 800 | 500 | - |
| **Total** |  | **-** | **11,600** | **800** | **500** | **-** |

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

1. The financial impact for this measure is not for publication (nfp) due to commercial sensitivities.
2. This measure was a decision taken but not yet announced in the 2021-22 MYEFO, with the following impact: 2021-22 $6.5 million; 2022-23 $13.3 million; 2023-24 $8.2 million; 2024-25 $5.8 million and 2025-26 $1.0 million. The lead entity for this measure is the Prime Minister and Cabinet.

## **Section 2: Outcomes and planned performance**

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

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

**Note:**

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

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

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

The most recent annual performance statement can be found at:

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

### 2.1 Budgeted expenses and performance for Outcome 1

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

#### Linked programs

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

##### **Budgeted expenses for Outcome 1**

This table shows how much CER 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 | | | | | |
|  | 2021­22 Estimated actual  $'000 | 2022­23  Budget  $'000 | 2023­24 Forward estimate  $'000 | 2024­25 Forward estimate  $'000 | 2025­26 Forward estimate  $'000 |
| **Program 1: Clean Energy Regulator** | | | | | |
| Administered expenses |  |  |  |  |  |
| Ordinary annual services  (Appropriation Bill No. 1) | 240,732 | 242,209 | 255,909 | 300,512 | 226,203 |
| Special appropriations |  |  |  |  |  |
| *Renewable Energy (Electricity) Act 2000* | 276,482 | 523 | 509 | 509 | 509 |
| **Administered total** | **517,214** | **242,732** | **256,418** | **301,021** | **226,712** |
| Departmental expenses |  |  |  |  |  |
| Departmental appropriation | 92,732 | 111,637 | 90,807 | 87,670 | 81,190 |
| s74 External Revenue (a) | - | 6,100 | - | - | - |
| Expenses not requiring appropriation  in the budget year (b) | 3,132 | 2,740 | 3,421 | 5,834 | 6,285 |
| **Departmental total** | **95,864** | **120,477** | **94,228** | **93,504** | **87,475** |
| **Total expenses for Program 1** | **613,078** | **363,209** | **350,646** | **394,525** | **314,187** |
| **Outcome 1 totals by resource type** | | | | | |
| Administered expenses |  |  |  |  |  |
| Ordinary annual services  (Appropriation Bill No. 1) | 240,732 | 242,209 | 255,909 | 300,512 | 226,203 |
| Special appropriations |  |  |  |  |  |
| *Renewable Energy (Electricity) Act 2000* | 276,482 | 523 | 509 | 509 | 509 |
| **Administered total** | **517,214** | **242,732** | **256,418** | **301,021** | **226,712** |
| Departmental expenses |  |  |  |  |  |
| Departmental appropriation | 92,732 | 111,637 | 90,807 | 87,670 | 81,190 |
| s74 External Revenue (a) | - | 6,100 | - | - | - |
| Expenses not requiring appropriation  in the budget year (b) | 3,132 | 2,740 | 3,421 | 5,834 | 6,285 |
| **Departmental total** | **95,864** | **120,477** | **94,228** | **93,504** | **87,475** |
| **Total expenses for Outcome1** | **613,078** | **363,209** | **350,646** | **394,525** | **314,187** |
|  |  |  |  |  |  |
|  | 2021­22 | 2022­23 |  |  |  |
| **Average staffing level (number)** | 335 | 337 |  |  |  |

1. Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act 2013.
2. Expenses not requiring appropriation in the Budget year are 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 measure for Outcome 1

Table 2.1.2 details the performance measures for each program associated with Outcome 1. It also provides the related key activities as expressed in the current corporate plan where further detail is provided about the delivery of the activities related to the program, the context in which these activities are delivered and how the performance of these activities will be measured. Where relevant, details of 2022-23 Budget measures that have created new programs or materially changed existing programs are provided.

| **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. | | |
| **Key Activities (a)** | Key activities reported in the current corporate plan that relate to this program. | |
| **Year** | **Performance measures (b)** | **Expected Performance Results** |
| Current year  2021-22 | Proportion of contracted carbon abatement delivered. | On track.  **Against a target of:** 90% of contracted carbon abatement with fixed delivery contracts is delivered on time. |
| Compliance levels by regulated and liable entities. | On track.  **Against a target of:** ≥ 95% of regulated and liable entities are materially compliant with their statutory obligations. |
| Development of new methods for the Emissions Reduction Fund. | On track.  **Against a target of:** Methods are to be developed within 12 months. |
| **Year** | **Performance measures (b)** | **Planned Performance Results** |
| Budget Year 2022-23 | Proportion of contracted carbon abatement delivered. | 90% of contracted carbon abatement with fixed delivery contracts is delivered on time. |
| Compliance levels by regulated and liable entities. | ≥ 95% of regulated and liable entities are materially compliant with their statutory obligations. |
| Development of new methods for the Emissions Reduction Fund. | Methods are to be developed within 12 months. |
| Forward Estimates  2023-26 | As per 2022-23 | As per 2022-23 |
| Material changes to Program 1.1 resulting from 2022-23 Budget Measures: Nil | | |

1. Refers to updated key activities that will be reflected in the 2022-23 Corporate Plan.
2. Performance measures for Outcome 1 are derived from the key performance indicators identified in the Clean Energy Regulator Corporate Plan 2022-26.

### 2.2 Budgeted expenses and performance for Outcome 2

|  |
| --- |
| **Outcome 2** – Contribute to the sustainable management of Australia’s biodiversity through the administration of market based mechanisms that incentivise the preservation and improvement of diverse ecosystems |

#### Linked programs

| **Department of Agriculture, Water and the Environment** |
| --- |
| **Programs**   * Program 1.1 – Sustainable Management of Natural Resources and the Environment. * Program 3.2 – Sustainable Management – Natural Resources |
| **Contribution to Outcome 2 made by linked programs**  The Department of Agriculture, Water and the Environment will work with the CER to establish legislation to underpin a voluntary biodiversity stewardship market. This will enable farmers who undertake biodiversity activities to gain access to new income streams whilst contributing to environmental outcomes. |

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

This table shows how much CER 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**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Outcome 2:** Contribute to the sustainability management of Australia's biodiversity through the administration of market based mechanisms that incentivise the preservation and improvement of diverse ecosystems. | | | | | |
|  | 2021­22 Estimated actual  $'000 | 2022­23  Budget  $'000 | 2023­24 Forward estimate  $'000 | 2024­25 Forward estimate  $'000 | 2025­26 Forward estimate  $'000 |
| **Program 1: Clean Energy Regulator** | | | | | |
| Departmental expenses |  |  |  |  |  |
| Departmental appropriation | - | 3,255 | - | - | - |
| Expenses not requiring appropriation  in the budget year (a) | - | - | 802 | 802 | 802 |
| **Departmental total** | - | 3,255 | 802 | 802 | 802 |
| **Total expenses for Program 1** | **-** | **3,255** | **802** | **802** | **802** |
| **Outcome 2 totals by resource type** | | | | | |
| Departmental expenses |  |  |  |  |  |
| Departmental appropriation | - | 3,255 | - | - | - |
| Expenses not requiring appropriation  in the budget year (a) | - | - | 802 | 802 | 802 |
| **Departmental total** | - | 3,255 | 802 | 802 | 802 |
| **Total expenses for Outcome1** | **-** | **3,255** | **802** | **802** | **802** |
|  |  |  |  |  |  |
|  | 2021­22 | 2022­23 |  |  |  |
| **Average staffing level (number)** | - | 10 |  |  |  |

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

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

Table 2.2.2: Performance measure for Outcome 2

Table 2.2.2 details the performance measures for each program associated with Outcome 2. It also provides the related key activities as expressed in the current corporate plan where further detail is provided about the delivery of the activities related to the program, the context in which these activities are delivered and how the performance of these activities will be measured. Where relevant, details of 2022-23 Budget measures that have created new programs or materially changed existing programs are provided.

| Outcome 2 – Contribute to the sustainable management of Australia’s biodiversity through the administration of market based mechanisms that incentivise the preservation and improvement of diverse ecosystems | | |
| --- | --- | --- |
| **Program 2.1**  Effective and efficient regulation of the voluntary biodiversity market based scheme that contributes to improving Australia’s biodiversity. | | |
| **Key Activities (a)** | Key activities reported in the current corporate plan that relate to this program. | |
| **Year** | **Performance measures (b)** | **Expected Performance Results** |
| Current year  2021-22 | N/A | N/A |
| **Year** | **Performance measures (b)** | **Planned Performance Results** |
| Budget Year 2022-23 | Biodiversity stewardship projects are established and administered in accordance with approved protocols and legislative requirements. | 75% of biodiversity projects are registered within legislated deadlines. |
| Forward Estimates  2023-26 | As per 2022-23 | As per 2022-23 |
| Material changes to Program 2.1 resulting from 2022-23 Budget Measures: Nil | | |

1. Refers to updated key activities that will be reflected in the 2022-23 Corporate Plan.
2. Performance measures for Outcome 2 are derived from the key performance indicators identified in the Clean Energy Regulator Corporate Plan 2022-26.

## **Section 3****: Budgeted financial statements**

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2022­23 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 2022-23. 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 2022-23 is $117.2 million (2021-22: $95.4 million).

Budgeted Revenue from Government in 2022-23 is estimated at $114.9 million (2021‑22: $92.7 million).

**Budgeted Departmental Balance Sheet**

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

The net assets position in 2022-23 is estimated to increase by $15.5 million to $40.6 million due to continued investment by the government in the replacement and development of new IT system capability. Total net assets and equity continue to increase in 2023-24 and then stabilise remaining years as a result of contributed equity received for recent budget measures.

**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 2022-23 is estimated to be $17.8 million.

**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.

### 3.2 Budgeted financial statements tables

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021­22 Estimated actual  $'000 | 2022­23  Budget  $'000 | 2023­24 Forward estimate  $'000 | 2024­25 Forward estimate  $'000 | 2025­26 Forward estimate  $'000 |
| **EXPENSES** |  |  |  |  |  |
| Employee benefits | 42,307 | 44,916 | 42,359 | 41,865 | 41,865 |
| Suppliers | 46,587 | 72,711 | 45,033 | 42,320 | 35,770 |
| Depreciation and amortisation (a) | 6,819 | 5,575 | 7,158 | 9,681 | 10,252 |
| Finance costs | 151 | 530 | 480 | 440 | 390 |
| Losses from asset sales |  |  |  |  |  |
| **Total expenses** | **95,864** | **123,732** | **95,030** | **94,306** | **88,277** |
| **LESS:** |  |  |  |  |  |
| **OWN-SOURCE INCOME** |  |  |  |  |  |
| **Own-source revenue** |  |  |  |  |  |
| Sale of goods and rendering of  services | - | 6,100 | - | - | - |
| **Total own-source income** | **-** | **6,100** | **-** | **-** | **-** |
| **Gains** |  |  |  |  |  |
| Other | 425 | 425 | 425 | 425 | 425 |
| **Total gains** | **425** | **425** | **425** | **425** | **425** |
| **Total own-source income** | **425** | **6,525** | **425** | **425** | **425** |
| **Net (cost of)/contribution by**  **services** | **(95,439)** | **(117,207)** | **(94,605)** | **(93,881)** | **(87,852)** |
| Revenue from Government | 92,732 | 114,892 | 90,807 | 87,670 | 81,190 |
| **Surplus/(deficit) attributable to the**  **Australian Government** | **(2,707)** | **(2,315)** | **(3,798)** | **(6,211)** | **(6,662)** |
| **Total comprehensive income/(loss)** | **(2,707)** | **(2,315)** | **(3,798)** | **(6,211)** | **(6,662)** |
| **Total comprehensive income/(loss)**  **attributable to the Australian**  **Government** | **(2,707)** | **(2,315)** | **(3,798)** | **(6,211)** | **(6,662)** |

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** | | |  |  |  |
|  | 2021­22 Estimated actual  $'000 | 2022­23  Budget  $'000 | 2023­24 Forward estimate  $'000 | 2024­25 Forward estimate  $'000 | 2025­26 Forward estimate  $'000 |
| **Total comprehensive income/(loss)**  **- as per statement of**  **Comprehensive Income** | **(2,707)** | **(2,315)** | **(3,798)** | **(6,211)** | **(6,662)** |
| plus: depreciation/amortisation  expenses previously funded  through revenue appropriations (a) | 3,013 | 3,185 | 4,768 | 7,291 | 7,862 |
| plus: depreciation/amortisation  expenses for ROU assets (b) | 3,806 | 2,390 | 2,390 | 2,390 | 2,390 |
| less: lease principal repayments (b) | 4,112 | 3,260 | 3,360 | 3,470 | 3,590 |
| **Net Cash Operating Surplus/ (Deficit)** | **-** | **-** | **-** | **-** | **-** |

Prepared on Australian Accounting Standards basis.

1. From 2010-11, the Government introduced net cash appropriation arrangements. This involved Bill 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations. For information regarding DCBs, please refer to Table 3.5 Departmental Capital Budget Statement.
2. Applies leases under AASB 16 Leases.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021­22 Estimated actual  $'000 | 2022­23  Budget  $'000 | 2023­24 Forward estimate  $'000 | 2024­25 Forward estimate  $'000 | 2025­26 Forward estimate  $'000 |
| **ASSETS** |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |
| Cash and cash equivalents | 335 | 335 | 335 | 335 | 335 |
| Trade and other receivables | 20,789 | 21,527 | 21,527 | 21,527 | 21,527 |
| Other financial assets | 5,818 | 5,818 | 5,818 | 5,818 | 5,818 |
| ***Total financial assets*** | ***26,942*** | ***27,680*** | ***27,680*** | ***27,680*** | ***27,680*** |
| **Non-financial assets** |  |  |  |  |  |
| Land and buildings | 36,906 | 33,302 | 29,698 | 26,094 | 22,490 |
| Property, plant and equipment | 2,430 | 2,159 | 1,888 | 1,617 | 1,346 |
| Intangibles | 11,524 | 26,876 | 33,707 | 30,953 | 25,753 |
| Other non-financial assets | 568 | 568 | 568 | 568 | 568 |
| ***Total non-financial assets*** | ***51,428*** | ***62,905*** | ***65,861*** | ***59,232*** | ***50,157*** |
| **Total assets** | **78,370** | **90,585** | **93,541** | **86,912** | **77,837** |
| **LIABILITIES** |  |  |  |  |  |
| **Payables** |  |  |  |  |  |
| Suppliers | 3,223 | 3,223 | 3,223 | 3,223 | 3,223 |
| Other payables | 994 | 994 | 994 | 994 | 994 |
| ***Total payables*** | ***4,217*** | ***4,217*** | ***4,217*** | ***4,217*** | ***4,217*** |
| **Interest bearing liabilities** |  |  |  |  |  |
| Leases | 35,739 | 32,479 | 29,119 | 25,649 | 22,059 |
| ***Total interest bearing liabilities*** | ***35,739*** | ***32,479*** | ***29,119*** | ***25,649*** | ***22,059*** |
| **Provisions** |  |  |  |  |  |
| Employee provisions | 13,245 | 13,245 | 13,245 | 13,245 | 13,245 |
| ***Total provisions*** | ***13,245*** | ***13,245*** | ***13,245*** | ***13,245*** | ***13,245*** |
| **Total liabilities** | **53,201** | **49,941** | **46,581** | **43,111** | **39,521** |
| **Net assets** | **25,169** | **40,644** | **46,960** | **43,801** | **38,316** |
| **EQUITY\*** |  |  |  |  |  |
| **Parent entity interest** |  |  |  |  |  |
| Contributed equity | 96,338 | 114,128 | 124,242 | 127,294 | 128,471 |
| Reserves | 9,598 | 9,598 | 9,598 | 9,598 | 9,598 |
| Retained surplus / (accumulated  deficit) | (80,767) | (83,082) | (86,880) | (93,091) | (99,753) |
| ***Total parent entity interest*** | ***25,169*** | ***40,644*** | ***46,960*** | ***43,801*** | ***38,316*** |
| **Total Equity** | **25,169** | **40,644** | **46,960** | **43,801** | **38,316** |

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 2022­23)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Retained  earnings  $'000 | Asset  revaluation  reserve  $'000 | Contributed  equity/  capital  $'000 | Total  equity  $'000 |
| **Opening balance as at 1 July 2022** |  |  |  |  |
| Balance carried forward from  previous period | (80,767) | 9,598 | 96,338 | 25,169 |
| **Comprehensive income** |  |  |  |  |
| Surplus/(deficit) for the period | (2,315) | - | - | (2,315) |
| ***Total comprehensive income*** | ***(2,315)*** | ***-*** | ***-*** | ***(2,315)*** |
| **Transactions with owners** |  |  |  |  |
| ***Contributions by owners*** |  |  |  |  |
| Equity injection - Appropriation | - | - | 16,637 | 16,637 |
| Departmental Capital Budget (DCB) | - | - | 1,153 | 1,153 |
| ***Sub-total transactions with***  ***owners*** | ***-*** | ***-*** | **17,790** | **17,790** |
| **Estimated closing balance as at**  **30 June 2023** | **(83,082)** | **9,598** | **114,128** | **40,644** |
| **Closing balance attributable to**  **the Australian Government** | **(83,082)** | **9,598** | **114,128** | **40,644** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021­22 Estimated actual  $'000 | 2022­23  Budget  $'000 | 2023­24 Forward estimate  $'000 | 2024­25 Forward estimate  $'000 | 2025­26 Forward estimate  $'000 |
| **OPERATING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Appropriations | 95,482 | 114,892 | 90,807 | 87,670 | 81,190 |
| Sale of goods and rendering of  services | - | 6,100 | - | - | - |
| Net GST received | 2,662 | 2,629 | 2,679 | 3,685 | 3,395 |
| ***Total cash received*** | ***98,144*** | ***123,621*** | ***93,486*** | ***91,355*** | ***84,585*** |
| **Cash used** |  |  |  |  |  |
| Employees | 42,307 | 44,916 | 42,359 | 41,865 | 41,865 |
| Suppliers | 48,824 | 74,915 | 47,287 | 45,580 | 38,740 |
| Interest payments on lease liability | 151 | 530 | 480 | 440 | 390 |
| ***Total cash used*** | ***91,282*** | ***120,361*** | ***90,126*** | ***87,885*** | ***80,995*** |
| **Net cash from/(used by)**  **operating activities** | **6,862** | **3,260** | **3,360** | **3,470** | **3,590** |
| **INVESTING ACTIVITIES** |  |  |  |  |  |
| **Cash used** |  |  |  |  |  |
| Purchase of property, plant and  equipment and intangibles | 11,312 | 17,052 | 10,114 | 3,052 | 1,177 |
| ***Total cash used*** | ***11,312*** | ***17,052*** | ***10,114*** | ***3,052*** | ***1,177*** |
| **Net cash from/(used by)**  **investing activities** | **(11,312)** | **(17,052)** | **(10,114)** | **(3,052)** | **(1,177)** |
| **FINANCING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Contributed equity | 8,562 | 17,052 | 10,114 | 3,052 | 1,177 |
| ***Total cash received*** | ***8,562*** | ***17,052*** | ***10,114*** | ***3,052*** | ***1,177*** |
| **Cash used** |  |  |  |  |  |
| Principal payments on lease liability | 4,112 | 3,260 | 3,360 | 3,470 | 3,590 |
| Other |  |  |  |  |  |
| ***Total cash used*** | ***4,112*** | ***3,260*** | ***3,360*** | ***3,470*** | ***3,590*** |
| **Net cash from/(used by)**  **financing activities** | **4,450** | **13,792** | **6,754** | **(418)** | **(2,413)** |
| **Net increase/(decrease) in cash**  **held** | **-** | **-** | **-** | **-** | **-** |
| Cash and cash equivalents at the  beginning of the reporting period | 335 | 335 | 335 | 335 | 335 |
| **Cash and cash equivalents at**  **the end of the reporting period** | **335** | **335** | **335** | **335** | **335** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021­22 Estimated actual  $'000 | 2022­23  Budget  $'000 | 2023­24 Forward estimate  $'000 | 2024­25 Forward estimate  $'000 | 2025­26 Forward estimate  $'000 |
| **NEW CAPITAL APPROPRIATIONS** |  |  |  |  |  |
| Capital budget - Bill 1 (DCB) | 1,143 | 1,153 | 1,159 | 1,169 | 1,177 |
| Equity injections - Bill 2 | 6,681 | 16,637 | 8,955 | 1,883 | - |
| **Total new capital appropriations** | **7,824** | **17,790** | **10,114** | **3,052** | **1,177** |
| ***Provided for:*** |  |  |  |  |  |
| *Purchase of non-financial assets* | *7,824* | *17,790* | *10,114* | *3,052* | *1,177* |
| ***Total Items*** | ***7,824*** | ***17,790*** | ***10,114*** | ***3,052*** | ***1,177*** |
| **PURCHASE OF NON-FINANCIAL**  **ASSETS** |  |  |  |  |  |
| Funded by capital appropriations (a) | 6,681 | 15,899 | 8,955 | 1,883 | - |
| Funded by capital appropriation -  DCB (b) | 1,143 | 1,153 | 1,159 | 1,169 | 1,177 |
| Funded internally from departmental  resources (c) | 3,488 | - | - | - | - |
| **TOTAL** | **11,312** | **17,052** | **10,114** | **3,052** | **1,177** |
| **RECONCILIATION OF CASH USED**  **TO ACQUIRE ASSETS TO ASSET**  **MOVEMENT TABLE** |  |  |  |  |  |
| Total purchases | 47,122 | 17,052 | 10,114 | 3,052 | 1,177 |
| less: ROU Additions | 25,060 | - | - | - | - |
| less: gifted assets / lease incentives | 10,750 | - | - | - | - |
| **Total cash used to acquire assets** | **11,312** | **17,052** | **10,114** | **3,052** | **1,177** |

Prepared on Australian Accounting Standards basis.

1. Includes both current Bill 2 and prior Act 2/4/6 appropriations and special capital appropriations.
2. Includes purchases from current and previous years' Departmental Capital Budgets (DCBs).
3. Includes purchases from current and prior year cash reserves.

Table 3.6: Statement of departmental asset movements (Budget year 2022­23)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Buildings  $'000 | Other  property,  plant and  equipment  $'000 | Computer  software and  intangibles  $'000 | Total  $'000 |
| **As at 1 July 2022** |  |  |  |  |
| Gross book value | 12,750 | 4,285 | 72,160 | 89,195 |
| Gross book value - ROU assets | 25,060 | - | - | 25,060 |
| Accumulated depreciation/  amortisation and impairment | (304) | (1,855) | (60,636) | (62,795) |
| Accumulated depreciation/amortisation and  impairment - ROU assets | (600) | - | - | (600) |
| **Opening net book balance** | **36,906** | **2,430** | **11,524** | **50,860** |
| **Capital asset additions** |  |  |  |  |
| **Estimated expenditure on new**  **or replacement assets** |  |  |  |  |
| By purchase - appropriation equity (a) | - | - | 17,052 | 17,052 |
| **Total additions** | **-** | **-** | **17,052** | **17,052** |
| **Other movements** |  |  |  |  |
| Depreciation/amortisation expense | (1,214) | (271) | (1,700) | (3,185) |
| Depreciation/amortisation on  ROU | (2,390) | - | - | (2,390) |
| **Total other movements** | **(3,604)** | **(271)** | **(1,700)** | **(5,575)** |
| **As at 30 June 2023** |  |  |  |  |
| Gross book value | 12,750 | 4,285 | 89,212 | 106,247 |
| Gross book value - ROU assets | 25,060 | - | - | 25,060 |
| Accumulated depreciation/  amortisation and impairment | (1,518) | (2,126) | (62,336) | (65,980) |
| Accumulated depreciation/amortisation and  impairment - ROU assets | (2,990) | - | - | (2,990) |
| **Closing net book balance** | **33,302** | **2,159** | **26,876** | **62,337** |

Prepared on Australian Accounting Standards basis.

1. 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2022­23.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021­22 Estimated actual  $'000 | 2022­23  Budget  $'000 | 2023­24 Forward estimate  $'000 | 2024­25 Forward estimate  $'000 | 2025­26 Forward estimate  $'000 |
| **EXPENSES** |  |  |  |  |  |
| Suppliers | 280,299 | 4,340 | 4,326 | 4,326 | 4,326 |
| Other expenses | 236,915 | 238,392 | 252,092 | 296,695 | 222,386 |
| **Total expenses administered on**  **behalf of Government** | **517,214** | **242,732** | **256,418** | **301,021** | **226,712** |
| **LESS:** |  |  |  |  |  |
| **OWN-SOURCE INCOME** |  |  |  |  |  |
| **Own-source revenue** |  |  |  |  |  |
| **Taxation revenue** |  |  |  |  |  |
| Other taxes | 277,213 | 1,229 | 1,229 | 1,229 | 1,229 |
| ***Total taxation revenue*** | ***277,213*** | ***1,229*** | ***1,229*** | ***1,229*** | ***1,229*** |
| **Non-taxation revenue** |  |  |  |  |  |
| Sale of goods and rendering of  services | 28,632 | 26,930 | 24,418 | 24,418 | 24,697 |
| Other revenue | nfp | nfp | nfp | nfp | nfp |
| ***Total non-taxation revenue*** | ***28,632*** | ***26,930*** | ***24,418*** | ***24,418*** | ***24,697*** |
| **Total own-source revenue**  **administered on behalf of**  **Government** | **305,845** | **28,159** | **25,647** | **25,647** | **25,926** |
| **Net (cost of)/contribution by**  **services** | **(211,369)** | **(214,573)** | **(230,771)** | **(275,374)** | **(200,786)** |
| **Total comprehensive income/(loss)** | **(211,369)** | **(214,573)** | **(230,771)** | **(275,374)** | **(200,786)** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021­22 Estimated actual  $'000 | 2022­23  Budget  $'000 | 2023­24 Forward estimate  $'000 | 2024­25 Forward estimate  $'000 | 2025­26 Forward estimate  $'000 |
| **ASSETS** |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |
| Cash and cash equivalents | 68 | 68 | 68 | 68 | 68 |
| Taxation receivables | 1,042 | 1,042 | 1,042 | 1,042 | 1,042 |
| Trade and other receivables | 103 | 103 | 103 | 103 | 103 |
| ***Total financial assets*** | ***1,213*** | ***1,213*** | ***1,213*** | ***1,213*** | ***1,213*** |
| **Non-financial assets** |  |  |  |  |  |
| Other non-financial assets | 69 | 69 | 69 | 69 | 69 |
| ***Total non-financial assets*** | ***69*** | ***69*** | ***69*** | ***69*** | ***69*** |
| **Total assets administered on behalf of Government** | ***1,282*** | ***1,282*** | ***1,282*** | ***1,282*** | ***1,282*** |
| **LIABILITIES** |  |  |  |  |  |
| **Payables** |  |  |  |  |  |
| Suppliers | 111 | 111 | 111 | 111 | 111 |
| Other payables | 47,114 | 47,114 | 47,114 | 47,114 | 47,114 |
| ***Total payables*** | ***47,225*** | ***47,225*** | ***47,225*** | ***47,225*** | ***47,225*** |
| **Provisions** |  |  |  |  |  |
| Other provisions | 860,625 | 860,625 | 860,625 | 860,625 | 860,625 |
| ***Total provisions*** | ***860,625*** | ***860,625*** | ***860,625*** | ***860,625*** | ***860,625*** |
| **Total liabilities administered on**  **behalf of Government** | **907,850** | **907,850** | **907,850** | **907,850** | **907,850** |
| **Net assets/(liabilities)** | **(906,568)** | **(906,568)** | **(906,568)** | **(906,568)** | **(906,568)** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021­22 Estimated actual  $'000 | 2022­23  Budget  $'000 | 2023­24 Forward estimate  $'000 | 2024­25 Forward estimate  $'000 | 2025­26 Forward estimate  $'000 |
| **OPERATING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Sales of goods and rendering  of services | 28,632 | 26,930 | 24,418 | 24,418 | 24,697 |
| Taxes | 277,213 | 1,229 | 1,229 | 1,229 | 1,229 |
| Net GST received | 382 | 382 | 382 | 382 | 382 |
| Other | nfp | nfp | nfp | nfp | nfp |
| ***Total cash received*** | ***306,227*** | ***28,541*** | ***26,029*** | ***26,029*** | ***26,308*** |
| **Cash used** |  |  |  |  |  |
| Suppliers | 280,299 | 4,340 | 4,326 | 4,326 | 4,326 |
| Net GST paid | 382 | 382 | 382 | 382 | 382 |
| Other | 356,107 | 238,392 | 252,092 | 296,695 | 222,386 |
| ***Total cash used*** | ***636,788*** | ***243,114*** | ***256,800*** | ***301,403*** | ***227,094*** |
| **Net cash from / (used by)**  **operating activities** | **(330,561)** | **(214,573)** | **(230,771)** | **(275,374)** | **(200,786)** |
| **FINANCING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Special Account | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 |
| ***Total cash received*** | ***3,500*** | ***3,500*** | ***3,500*** | ***3,500*** | ***3,500*** |
| **Cash used** |  |  |  |  |  |
| Special Account | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 |
| ***Total cash used*** | ***3,500*** | ***3,500*** | ***3,500*** | ***3,500*** | ***3,500*** |
| **Net cash from/(used by)**  **financing activities** | ***-*** | ***-*** | ***-*** | ***-*** | ***-*** |
| ***Net increase/(decrease) in***  ***cash held*** | ***(330,561)*** | ***(214,573)*** | ***(230,771)*** | ***(275,374)*** | ***(200,786)*** |
| Cash and cash equivalents at  beginning of reporting period | 68 | 68 | 68 | 68 | 68 |
| Cash from Official Public Account for: |  |  |  |  |  |
| - Appropriations | 636,788 | 243,114 | 256,800 | 301,403 | 227,094 |
| *Total cash from Official Public Account* | *636,788* | *243,114* | *256,800* | *301,403* | *227,094* |
| Cash to Official Public Account for: |  |  |  |  |  |
| - Appropriations | (305,845) | (28,159) | (25,647) | (25,647) | (25,926) |
| - GST Appropriation | (382) | (382) | (382) | (382) | (382) |
| *Total cash to Official Public Account* | (306,227) | (28,541) | (26,029) | (26,029) | (26,308) |
| **Cash and cash equivalents at**  **end of reporting period** | **68** | **68** | **68** | **68** | **68** |

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 2022­23)

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

Department o

Climate Change Authority

Entity resources and planned performance

Climate Change Authority

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# Climate Change Authority

## **Section 1****: Entity overview and resources**

### Strategic direction statement

The Climate Change Authority (CCA) is a non-corporate Commonwealth entity and a statutory agency operating under the *Climate Change Authority Act 2011.* The CCA is responsible for the Outcome:

* Provide expert advice to the Australian Government on climate change 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.

The CCA has amended its Outcome Statement to more accurately reflect, consistent with its legislation, that it can research and provide advice on all climate change matters.

### 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 1’ 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 2022­23 as at Budget March 2022

|  |  |  |
| --- | --- | --- |
|  | *2021­22 Estimated actual*  *$'000* | 2022­23 Estimate  $'000 |
| **Departmental** |  |  |
| Annual appropriations - ordinary annual services (a) |  |  |
| Prior year appropriations available | *-* | 200 |
| Departmental appropriation | *2,584* | 2,610 |
| s74 external revenue (b) | *500* | - |
| Total departmental annual appropriations | *3,084* | 2,810 |
| ***Total departmental resourcing*** | *3,084* | 2,810 |
| **Total resourcing for CCA** | ***3,084*** | **2,810** |
|  |  |  |
|  | *2021­22* | 2022­23 |
| **Average staffing level (number)** | *11* | 11 |

All figures shown above are GST exclusive - these may not match figures in the cash flow statement. Prepared on a resourcing (i.e. appropriations available) basis.

1. Appropriation Bill (No. 1) 2022­23.
2. Estimated External Revenue receipts under section 74 of the PGPA Act 2013.

### 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-plans>

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

<https://www.climatechangeauthority.gov.au/annual-reports>

### 2.1 Budgeted expenses and performance for Outcome 1

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

#### Linked programs

|  |
| --- |
| **Department of Industry, Science, Energy and Resources** |
| **Programs**   * Program 2.1 – Reducing Australia's greenhouse gas emissions * Program 3.1 – Supporting reliable, secure and affordable energy |
| **Contribution to Outcome 1 made by linked programs**  The Climate Change Authority supports the Department of Industry, Science, Energy and Resources in reducing Australia’s greenhouse gas emissions by providing independent climate change policy advice to the Government, including in relation to the energy sector. |
| **Bureau of Meteorology** |
| **Program**   * Program 1.1 – Bureau of Meteorology |
| **Contribution to Outcome 1 made by linked program**  The Climate Change Authority has a strategic relationship agreement with the Bureau for climate research and advice. |

##### **Budgeted expenses for Outcome 1**

This table shows how much CCA 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:** Provide expert advice to the Australian Government on climate change initiatives, including through conducting regular and specifically commissioned reviews and through undertaking climate change research | | | | | |
|  | 2021­22 Estimated actual  $'000 | 2022­23  Budget  $'000 | 2023­24 Forward estimate  $'000 | 2024­25 Forward estimate  $'000 | 2025­26 Forward estimate  $'000 |
| **Program 1.1: Reviewing Climate Change Policies** | | | | | |
| Departmental expenses |  |  |  |  |  |
| Departmental appropriation | 2,584 | 2,610 | 2,650 | 1,673 | 1,684 |
| s74 External Revenue (a) | 500 | - | - | - | - |
| **Departmental total** | **3,084** | **2,610** | **2,650** | **1,673** | **1,684** |
| **Total expenses for Program 1** | **3,084** | **2,610** | **2,650** | **1,673** | **1,684** |
| **Outcome 1 totals by resource type** | | | | | |
| Departmental expenses |  |  |  |  |  |
| Departmental appropriation | 2,584 | 2,610 | 2,650 | 1,673 | 1,684 |
| s74 External Revenue (a) | 500 | - | - | - | - |
| **Departmental total** | **3,084** | **2,610** | **2,650** | **1,673** | **1,684** |
| **Total expenses for Outcome 1** | **3,084** | **2,610** | **2,650** | **1,673** | **1,684** |
|  |  |  |  |  |  |
|  | 2021­22 | 2022­23 |  |  |  |
| **Average staffing level (number)** | 11 | 11 |  |  |  |

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

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 measure for Outcome 1

Table 2.1.2 details the performance measures for each program associated with Outcome 1. It also provides information on the related key activities as expressed in the current corporate plan, where further detail is provided about the delivery of the activities related to the program, the context in which these activities are delivered and how the performance of these activities will be measured. Where relevant, details of 2022-23 Budget measures that have created new programs or materially changed existing programs are provided.

|  |  |  |
| --- | --- | --- |
| **Outcome 1** – Provide expert advice to the Australian Government on climate change initiatives, including through conducting regular and specifically commissioned reviews and undertaking climate change research | | |
| **Program 1.1- Reviewing climate change policies**  The Climate Change Authority’s objective is to provide rigorous, independent and balanced advice to the Minister for Industry, 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. | | |
| **Key Activities** | Key activities reported in the current corporate plan that relate to this program include:   * Complete self-initiated research on enhancing Australia’s competitiveness in a decarbonising world. * Complete reviews of the Carbon Credits legislation and the National Greenhouse and Energy Reporting legislation by December 2023. * Complete other Special Reviews as requested by the Government or the Parliament. * Identify and undertake other self-generated research on climate change matters. | |
| **Year** | **Performance measures** | **Expected Performance Results** |
| Current year  2021-22 | The Authority’s reviews and research reports are timely, of high quality and used in public policy forums and discussions*.* | Reviews and research reports draw on the best available knowledge and are informed by a broad range of perspectives.  Forecast: On-track  The Authority’s analysis, findings and advice are communicated clearly and effectively.  Forecast: On-track  Reviews and research reports are provided by the due date.  Forecast: On-track  Research and review reports are relevant to the government and stakeholders of the day, and influence the public debate on climate change policy.  Forecast: On-track  Government considers the Authority’s findings and recommendations in developing and implementing policy.  Forecast: On-track |
| The Authority’s public consultation processes are transparent, accessible and are highly regarded by stakeholders. | Public consultation is comprehensive, representative and transparent.  Forecast: On-track |
| **Year** | **Performance measures** | **Planned Performance Results** |
| Budget Year 2022-23 | The Authority’s reviews and research reports are timely, of high quality and used in public policy forums and discussions. | Reviews and research reports draw on the best available knowledge and are informed by a broad range of perspectives.  Forecast: On-track  The Authority’s analysis, findings and advice are communicated clearly and effectively.  Forecast: On-track  Reviews and research reports are provided by the due date.  Forecast: On-track  Research and review reports are relevant to the government and stakeholders of the day, and influence the public debate on climate change policy.  Forecast: On-track  Government considers the Authority’s findings and recommendations in developing and implementing policy.  Forecast: On-track |
|  | The Authority’s public consultation processes are transparent, accessible and are highly regarded by stakeholders. | Public consultation is comprehensive, representative and transparent.  Forecast: On-track |
| Forward Estimates  2023-26 | As per 2022-23 | As per 2022-23 |
| Material changes to Program 1.1 resulting from 2022-23 Budget Measures: Nil | | |

## **Section 3****: Budgeted financial statements**

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2022­23 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 Authority’s operations to 30 June 2026.

### 3.2 Budgeted financial statements tables

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021­22 Estimated actual  $'000 | 2022­23  Budget  $'000 | 2023­24 Forward estimate  $'000 | 2024­25 Forward estimate  $'000 | 2025­26 Forward estimate  $'000 |
| **EXPENSES** |  |  |  |  |  |
| Employee benefits | 2,190 | 1,853 | 1,882 | 1,188 | 1,196 |
| Suppliers | 894 | 757 | 769 | 485 | 488 |
| **Total expenses** | **3,084** | **2,610** | **2,650** | **1,673** | **1,684** |
| **OWN-SOURCE INCOME** |  |  |  |  |  |
| **Own-source revenue** |  |  |  |  |  |
| Sale of goods and rendering of  services | 500 | - | - | - | - |
| **Total own-source revenue** | **500** | **-** | **-** | **-** | **-** |
| **Net (cost of)/contribution by**  **services** | **2,584** | **2,610** | **2,650** | **1,673** | **1,684** |
| Revenue from Government | 2,584 | 2,610 | 2,650 | 1,673 | 1,684 |
| **Surplus/(deficit) attributable to the**  **Australian Government** | **-** | **-** | **-** | **-** | **-** |
| **Total comprehensive income/(loss)**  **attributable to the Australian**  **Government** | **-** | **-** | **-** | **-** | **-** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021­22 Estimated actual  $'000 | 2022­23  Budget  $'000 | 2023­24 Forward estimate  $'000 | 2024­25 Forward estimate  $'000 | 2025­26 Forward estimate  $'000 |
| **ASSETS** |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |
| Cash and cash equivalents | 83 | 83 | 83 | 83 | 83 |
| Trade and other receivables | 1,222 | 1,222 | 1,222 | 1,222 | 1,222 |
| ***Total financial assets*** | ***1,305*** | ***1,305*** | ***1,305*** | ***1,305*** | ***1,305*** |
| **Non-financial assets** |  |  |  |  |  |
| Other non-financial assets | 8 | 8 | 8 | 8 | 8 |
| ***Total non-financial assets*** | ***8*** | ***8*** | ***8*** | ***8*** | ***8*** |
| **Total assets** | **1,313** | **1,313** | **1,313** | **1,313** | **1,313** |
| **LIABILITIES** |  |  |  |  |  |
| **Payables** |  |  |  |  |  |
| Suppliers | 243 | 243 | 243 | 243 | 243 |
| Other payables | 128 | 128 | 128 | 128 | 128 |
| ***Total payables*** | ***371*** | ***371*** | ***371*** | ***371*** | ***371*** |
| **Provisions** |  |  |  |  |  |
| Employee provisions | 399 | 399 | 399 | 399 | 399 |
| ***Total provisions*** | ***399*** | ***399*** | ***399*** | ***399*** | ***399*** |
| **Total liabilities** | **770** | **770** | **770** | **770** | **770** |
| **Net assets** | **543** | **543** | **543** | **543** | **543** |
| **EQUITY\*** |  |  |  |  |  |
| **Parent entity interest** |  |  |  |  |  |
| Contributed equity | 1,088 | 1,088 | 1,088 | 1,088 | 1,088 |
| Retained surplus (accumulated  deficit) | (545) | (545) | (545) | (545) | (545) |
| ***Total parent entity interest*** | ***543*** | ***543*** | ***543*** | ***543*** | ***543*** |
| **Total equity** | **543** | **543** | **543** | **543** | **543** |

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 2022­23)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Retained  earnings  $'000 | Asset  revaluation  reserve  $'000 | Other  reserves  $'000 | Contributed  equity/  capital  $'000 | Total  equity  $'000 |
| **Opening balance as at 1 July 2022** |  |  |  |  |  |
| Balance carried forward from  previous period | (545) | - | - | 1,088 | 543 |
| ***Adjusted opening balance*** | ***(545)*** | ***-*** | ***-*** | ***1,088*** | ***543*** |
| **Estimated closing balance as at**  **30 June 2023** | ***(545)*** | ***-*** | ***-*** | ***1,088*** | ***543*** |
| **Closing balance attributable to**  **the Australian Government** | **(545)** | **-** | **-** | **1,088** | **543** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021­22 Estimated actual  $'000 | 2022­23  Budget  $'000 | 2023­24 Forward estimate  $'000 | 2024­25 Forward estimate  $'000 | 2025­26 Forward estimate  $'000 |
| **OPERATING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Appropriations | 2,584 | 2,610 | 2,650 | 1,673 | 1,684 |
| Sale of goods and rendering of services | 500 | - | - | - | - |
| ***Total cash received*** | ***3,084*** | ***2,610*** | ***2,650*** | ***1,673*** | ***1,684*** |
| **Cash used** |  |  |  |  |  |
| Employees | 2,190 | 1,853 | 1,882 | 1,188 | 1,196 |
| Suppliers | 894 | 757 | 769 | 485 | 488 |
| ***Total cash used*** | ***3,084*** | ***2,610*** | ***2,650*** | ***1,673*** | ***1,684*** |
| Cash and cash equivalents at the  beginning of the reporting period | ***83*** | ***83*** | ***83*** | ***83*** | ***83*** |
| **Cash and cash equivalents at**  **the end of the reporting period** | **83** | **83** | **83** | **83** | **83** |

Prepared on Australian Accounting Standards basis.

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

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

Table 3.6: Statement of departmental asset movements (Budget year 2022-­23)

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 2022-­23)

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

Department o

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.

In pursuing this outcome, CSIRO embraces its distinct role as the national science agency. This includes delivering large-scale, mission directed, multi-disciplinary science and technology solutions, while also managing essential national research infrastructure and providing trusted advice to government and industry on challenges of national significance.

CSIRO’s research programs and commercial services are key mechanisms for delivering excellent science and achieving outcomes aligned with the Australian Government’s national science and technology priorities. CSIRO does this by working with government, industry, universities and others in the innovation system, to support existing industries to grow and to create new ones.

The capacity to deliver impact is underpinned by investing in and connecting to 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 are the following:

* Through leading science and technology, collaborative relationships and differentiated capability we encourage the translation of Australia’s world-class scientific research in order to deliver impactful solutions at scale.
* Maximising use of national research facilities and collections by Australian and international researchers, as well as by encouraging industry access to relevant research facilities and maintaining collections of national importance.
* Stimulating innovation for Australian industry, academia and government through investments that create new ventures and other outcomes by developing strategic R&D partnerships, STEM capability and delivering excellent customer experiences.
* Establishing stronger connections with top global research and technology peers.
* Providing the Australian Government with independent scientific and technical advice as required, and informing the policy making process to assist the Government in deciding how to best meet the challenges Australia faces.
* Delivering the CSIRO Innovation Fund 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.
* Maintaining science excellence in CSIRO research to deliver future impact.
* Promoting careers in science, investing in research training, and improving STEM education, to encourage career opportunities and research endeavours to support school students and teachers to understand how STEM is applied in the real world.

### 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 1’ 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 2022­23 as at Budget March 2022

|  |  |  |
| --- | --- | --- |
|  | *2021­22 Estimated actual*  *$'000* | 2022­23 Estimate  $'000 |
| **Opening balance/cash reserves at 1 July** | *496,423* | 512,974 |
| **Funds from Government** |  |  |
| Annual appropriations - ordinary annual services (a) (b) |  |  |
| Outcome 1 | *946,001* | 991,289 |
| Annual appropriations - other services (c) |  |  |
| Equity injection | *4,000* | 49,700 |
| Total annual appropriations (d) | *950,001* | *1,040,989* |
| **Total funds from Government** | ***950,001*** | **1,040,989** |
| **Funds from other sources** |  |  |
| Interest | *2,017* | 2,255 |
| Royalties | *46,545* | 44,635 |
| Sale of goods and services | *423,484* | 449,888 |
| Rental income | *6,801* | 5,298 |
| Proceeds from asset sales | *44,350* | 35,200 |
| Other | *52,922* | 65,718 |
| **Total funds from other sources** | ***576,119*** | **602,994** |
| **Total net resourcing for CSIRO** | ***2,022,543*** | **2,156,957** |
|  |  |  |
|  | *2021­22* | 2022­23 |
| **Average staffing level (number)** | *5,100* | 5,448 |

All figures shown above are GST exclusive – these may not match figures in the cash flow statement. Prepared on a resourcing (i.e. appropriations available) basis.

1. Appropriation Bill (No. 1) 2022-23.
2. $3.0 million will be received through Appropriation Bill (No.3) 2021-22. The annual appropriation received from this bill will be recognised in a future Portfolio Budget statement after the Bill has received Royal Assent.
3. Appropriation Bill (No. 2) 2022-23.
4. CSIRO 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 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 2022­23 budget measures  
Part 1: Measures announced after the 2021­22 Mid-Year Economic and Fiscal Outlook (MYEFO)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Program | 2021­22  $'000 | 2022­23  $'000 | 2023­24  $'000 | 2024­25  $'000 | 2025­26  $'000 |
| **Payment measures** |  |  |  |  |  |  |
| Comprehensive Strategic Partnership with India - new initiatives (a) | 1 |  |  |  |  |  |
| Departmental payment |  | - | - | - | - | - |
| **Total** |  | **-** | **-** | **-** | **-** | **-** |
| Critical Minerals Strategy - implementation | 1 |  |  |  |  |  |
| Departmental payment |  | - | 2,628 | 2,572 | 3,401 | - |
| **Total** |  | **-** | **2,628** | **2,572** | **3,401** | **-** |
| Investing in Australia's University Research Commercialisation (b) | 1 |  |  |  |  |  |
| Departmental payment |  | - | 9,255 | 9,250 | 9,389 | 9,520 |
| **Total** |  | **-** | **9,255** | **9,250** | **9,389** | **9,520** |
| Support for the Australian Space Industry (c) | 1 |  |  |  |  |  |
| Departmental payment |  | nfp | nfp | nfp | nfp | nfp |
| **Total** |  | **nfp** | **nfp** | **nfp** | **nfp** | **nfp** |
| **Total payment measures** |  |  |  |  |  |  |
| Departmental |  | nfp | 11,883 | 11,822 | 12,790 | 9,520 |
| **Total** |  | **nfp** | **11,883** | **11,822** | **12,790** | **9,520** |

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

1. This measure was a decision taken but not yet announced in the 2021-22 MYEFO, with the following impact: 2021-22 $1.6 million; 2022-23 $7.4 million; 2023-24 $11.1 million; 2024-25 $16.5 million and 2025-26 $6.7 million.
2. This measure was part of a decision taken but not yet announced in the 2021-22 MYEFO, with the following impact: 2021-22 $15.9 million; 2022-23 $32.8 million; 2023-24 $49.8 million; 2024-25 $52.3 million and 2025-26 $25.2 million. The lead entity for this measure is the Department of Education, Skills and Employment.
3. The payment for this measure is not for publication (nfp) due to commercial sensitivities.

## **Section 2: Outcomes and planned performance**

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

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

**Note:**

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

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

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

The most recent annual performance statement can be found at:

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

### 2.1 Budgeted expenses and performance for Outcome 1

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

#### Linked programs

|  |
| --- |
| **Department of Industry, Science, Energy and Resources** |
| **Programs**   * Program 1.1 - Investing in science, technology and commercialisation * Program 1.2 - Growing innovative and competitive businesses, industries and regions * Program 2.1 - Reducing Australia’s greenhouse gas emissions * Program 2.2 - Developing clean energy technology |
| **Contribution to Outcome 1 made by linked programs**  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 Industry Innovation and Science Australia and through policies, programs and the provision of funding in the areas of greenhouse gas emission reductions, climate science research and clean energy technology. |
| **Department of Agriculture, Water and the Environment** |
| **Programs**   * 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 programs**  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. This includes contributions to the operating costs of the Australian Centre for Disease Preparedness (formerly the Australian Animal Health Laboratory). |

|  |
| --- |
| **Department of Education, Skills and Employment** |
| **Program**   * Program 2.6 - Research Capacity |
| **Contribution to Outcome 1 made by linked program**  The Department of Education, Skills and Employment contributes to Outcome 1 through its policies and programs to invest in Australia’s research capacity, including the National Collaborative Research Infrastructure Strategy. |
| **Bureau of Meteorology** |
| **Program**   * Program 1.1 - Bureau of Meteorology |
| **Contribution to Outcome 1 made by linked program**  The Bureau of Meteorology contributes to Outcome 1 as a Hub partner, and co-research organisation, for the Climate Systems Hub of which CSIRO is the host organisation, and as a partner in the Australian Climate Service to deliver world-leading climate and natural disaster science, information and expertise*.* |
| **Geoscience Australia** |
| **Program**   * Program 1 – Geoscientific and Spatial Information Services |
| **Contribution to Outcome 1 made by linked program**  Geoscience Australia contributes to Outcome 1 as a partner in earth observation, marine and geological sciences. |

##### **Budgeted expenses for Outcome 1**

This table shows how much CSIRO intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by 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 | | | | | |
|  | 2021­22 Estimated actual  $'000 | 2022­23  Budget  $'000 | 2023­24 Forward estimate  $'000 | 2024­25 Forward estimate  $'000 | 2025­26 Forward estimate  $'000 |
| **Program 1: Science and Industrial Research and Infrastructure** | | | | | |
| Revenue from Government |  |  |  |  |  |
| Ordinary annual services  (Appropriation Bill No. 1) | 949,037 | 991,289 | 985,625 | 899,332 | 907,477 |
| Expenses not requiring appropriation  in the budget year (a) | 44,340 | 36,306 | 40,797 | 39,402 | 37,294 |
| Revenues from other independent  sources | 512,382 | 512,085 | 550,733 | 585,150 | 592,031 |
| **Total expenses for Program 1** | **1,505,759** | **1,539,680** | **1,577,155** | **1,523,884** | **1,536,802** |
| **Outcome 1 totals by resource type** | | | | | |
| Revenue from Government |  |  |  |  |  |
| Ordinary annual services  (Appropriation Bill No. 1) | 949,037 | 991,289 | 985,625 | 899,332 | 907,477 |
| Expenses not requiring appropriation  in the budget year (a) | 44,340 | 36,306 | 40,797 | 39,402 | 37,294 |
| Revenues from other independent  sources | 512,382 | 512,085 | 550,733 | 585,150 | 592,031 |
| **Total expenses for Outcome 1** | **1,505,759** | **1,539,680** | **1,577,155** | **1,523,884** | **1,536,802** |
|  |  |  |  |  |  |
| **Average staffing level (number)** | 2021­22 | 2022­23 |  |  |  |
|  | 5,100 | 5,448 |  |  |  |

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

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: Program components for Outcome 1**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Program 1.1: Scientific and Industrial Research and Infrastructure** | | | | | |
|  | 2021­22 Estimated actual  $'000 | 2022­23  Budget  $'000 | 2023­24 Forward estimate  $'000 | 2024­25 Forward estimate  $'000 | 2025­26 Forward estimate  $'000 |
| *Program 1: Science and Industrial Research and Infrastructure* | | | | | |
| Annual departmental expenses: |  |  |  |  |  |
| Research - Science | 789,719 | 827,013 | 823,995 | 741,444 | 758,323 |
| Research - National Facilities and  Collections | 159,318 | 164,276 | 161,630 | 157,888 | 149,154 |
| Revenues from other independent  sources | 512,382 | 512,085 | 550,733 | 585,150 | 592,031 |
| Expenses not requiring appropriation  in the Budget year (a) | 44,340 | 36,306 | 40,797 | 39,402 | 37,294 |
| **Total program expenses** | **1,505,759** | **1,539,680** | **1,577,155** | **1,523,884** | **1,536,802** |

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

Table 2.1.3: Performance measures for Outcome 1

Table 2.1.3 details the performance measures for each program associated with Outcome 1. It also provides the related key activities as expressed in the current corporate plan where further detail is provided about the delivery of the activities related to the program, the context in which these activities are delivered and how the performance of these activities will be measured. Where relevant, details of 2022-23 Budget measures that have created new programs or materially changed existing programs are provided.

|  |  |  |
| --- | --- | --- |
| **Outcome 1 – Innovative scientific and technology solutions to address national challenges and opportunities to benefit industry, the environment and the community, through scientific research and capability development, services and advice** | | |
| **Program 1- Scientific and Industrial Research and Infrastructure**  This program contributes to the outcome by providing scientific solutions, access to world-class research facilities and collections, and technical and advisory services to industry and government focusing on identifying pathways for adoption and delivery of impacts.  Research programs conduct scientific research aligned to the greatest challenges and encourage or facilitate the application and utilisation of results generated from collaborative solutions. The approach is driven by establishing collaborations and multidisciplinary research partnerships (with public and private sector organisations, other publicly funded research agencies, universities and schools) to integrate the best solution for CSIRO’s customers. Underpinned by science excellence and world-class talent, research programs also invest in frontier and cross-cutting science that reinvents and creates new industries for Australia, accelerating the scale and pace of adoption, while also building the next generation of talent.  CSIRO hosts national research facilities and collections on behalf of the scientific community to assist with the delivery of research. This research infrastructure is available for use by the Australian and international research communities and are accessible to industry.  Technical, educational and advisory services are also provided to industry, government and the community, which builds and supports capacity to adopt research and innovations, as well as STEM education and training across the national system. In addition, strategic investments are made in scientific research that addresses issues of national priority for Australia through a variety of mechanisms, such as the Science and Industry Endowment Fund (SIEF - established by Commonwealth legislation, the *Science and Industry Endowment Act 1926*), for the purpose of funding research activities, commercialisation of technologies and assistance to industry through research collaboration and capacity building. | | |
| **Key Activities** | CSIRO delivers Program 1 by:   * Providing advice and solutions that inform and protect society and the environment, help industry competitiveness, and improve the quality of goods and services for industry and consumers. * Providing products, technical and advisory services to industry and government. * Managing and operating the national facilities including the Australian Centre for Disease Preparedness, Australia Telescope National Facility, Marine National Facility and Pawsey Supercomputing Centre. * Managing and operating the Australian national research collections including the Australian National Fish Collection, Australian National Insect Collection, Australian National Herbarium, Australian National Wildlife Collection, National Tree Seed Collection, National Algae Culture Collection, and the Atlas of Living Australia, the portal to the collections, providing free online access. * Ensuring access, both nationally and internationally, to the national facilities and collections for the research community. * Collaborating with businesses (including large corporations and small and medium enterprises), public sector organisations (Federal, State & Local) and other publicly funded research agencies (PFRAs), universities, Cooperative Research Centres and Research Development Corporations. * 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. * Administering the Innovation Fund to support start-up businesses and a culture of innovation and entrepreneurship in Australia. * Education and outreach activities to develop increased knowledge of science and its applications for students, teachers and the Australian community. * Investing in science that contributes to Australia’s sustainable future, progresses experimental research and technology development, supports substantial scale research activities in the field of information and communications technology, and programs that attract students into STEM at school, higher and vocational education. * Investing SIEF funds in programs aligned with published strategic objectives that address national challenges and contribute to Australia’s sustainable future. | |
| **Year** | **Performance measures** | **Expected Performance Results** |
| Current year  2021-22 | Demonstrated value of benefits underpinned by an increasing annual portfolio of externally validated impact case studies capturing triple bottom line impacts | * Evidence of maintained or increased impact demonstrated by a minimum of 20 externally validated case studies. |
| Use of the national facilities and collections as measured through: successful astronomical observations, supercomputer core-hour use, outward loans of collections, and successful marine research days delivered. | * Minimum of 70% successful astronomical observations. * 90% core hours on Pawsey supercomputer facility. * 70% outward loans of collections (averaged over 5 years). * Minimum of 90% successful research days delivered on Marine National Facilities, subject to any COVID-19 restrictions. |
| **Year** | **Performance measures** | **Planned Performance Results** |
| Budget Year  2022-23 | Demonstrated value of benefits underpinned by an increasing annual portfolio of externally validated impact case studies capturing triple bottom line impacts. | * Evidence of maintained or increased impact demonstrated by a minimum of 20 externally validated case studies. |
| Facilities and collections achieve a threshold rate of successful usage, with lost time minimised. | * Minimum of 70% successful astronomical observations. * 90% core hours on Pawsey supercomputer facility. * 70% outward loans of collections (averaged over 5 years). * Minimum of 90% successful research days delivered on Marine National Facilities, subject to any COVID-19 restrictions. |
| Forward Estimates  2023-26 | As per 2022-­23 | As per 2022-­23 |
| Material changes to Program 1 resulting from 2022-23 Budget Measures: Nil | | |

## **Section 3****: Budgeted financial statements**

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2022­23 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 2022-23 is $991.3 million. This has increased from $957.5 million as reported in the Portfolio Additional Estimates Statements 2021-22 due to announced measures and the impact of an indexation update.

CSIRO is expecting an operating surplus in 2022-23 and 2024-25 predominantly due to revenue funding for the purchase of non-financial assets. CSIRO is expecting an operating loss in 2023-24 and 2025-26 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**

Other investments are estimated to increase in 2022-23 and the forward estimates as a result of expanding the CSIRO Innovation Fund Main Sequence Ventures as part of the measure, Investing in Australia’s University Research Commercialisation.

Land and buildings are estimated to decrease in 2022-23 from 2021-22 due to planned site divestment in line with the CSIRO 2019-29 Property Strategy and leased assets depreciating at a higher rate as the leases near their close.

Property, plant and equipment assets are estimated to increase in 2022-23 from 2021-22 due to an increase in budgeted asset acquisitions funded under the National Research Infrastructure Investment Plan announced in the 2018-19 Budget.

**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 2022-23 is $180.6 million; an increase from the $179.3 million reported in the Portfolio Additional Estimates Statements 2021-22. The movement is mainly due to an announced measure and an increase in estimated external revenue for the purchase of assets.

### 3.2 Budgeted financial statements tables

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021­22 Estimated actual  $'000 | 2022­23  Budget  $'000 | 2023­24 Forward estimate  $'000 | 2024­25 Forward estimate  $'000 | 2025­26 Forward estimate  $'000 |
| **EXPENSES** |  |  |  |  |  |
| Employee benefits | 843,586 | 858,701 | 874,257 | 874,744 | 874,898 |
| Suppliers | 477,987 | 504,096 | 527,095 | 474,897 | 488,188 |
| Depreciation and amortisation | 182,453 | 176,030 | 175,232 | 173,775 | 173,346 |
| Finance costs | 1,238 | 853 | 571 | 468 | 370 |
| Write-down and impairment of assets | 500 | - | - | - | - |
| Losses from asset sales | (5) | - | - | - | - |
| **Total expenses** | **1,505,759** | **1,539,680** | **1,577,155** | **1,523,884** | **1,536,802** |
| **LESS:** |  |  |  |  |  |
| **OWN-SOURCE INCOME** |  |  |  |  |  |
| **Own-source revenue** |  |  |  |  |  |
| Sale of goods and rendering of  services | 449,408 | 449,888 | 477,493 | 498,066 | 496,532 |
| Interest | 1,904 | 2,196 | 2,686 | 4,711 | 7,526 |
| Rental income | 6,801 | 5,298 | 8,521 | 7,984 | 7,984 |
| Royalties and licence fees | 46,545 | 44,635 | 47,860 | 50,260 | 50,260 |
| Other revenue | 52,922 | 65,718 | 38,773 | 127,229 | 38,329 |
| **Total own-source revenue** | **557,580** | **567,735** | **575,333** | **688,250** | **600,631** |
| **Gains** |  |  |  |  |  |
| Other | 98,389 | 13,637 | - | - | - |
| **Total gains** | **98,389** | **13,637** | **-** | **-** | **-** |
| **Total own-source income** | **655,969** | **581,372** | **575,333** | **688,250** | **600,631** |
| **Net (cost of)/contribution by**  **services** | **(849,790)** | **(958,308)** | **(1,001,822)** | **(835,634)** | **(936,171)** |
| Revenue from Government | 949,037 | 991,289 | 985,625 | 899,332 | 907,477 |
| **Surplus/(deficit) attributable to**  **the Australian Government** | **99,247** | **32,981** | **(16,197)** | **63,698** | **(28,694)** |
| **Total comprehensive income/**  **(loss) attributable to the**  **Australian Government** | **99,247** | **32,981** | **(16,197)** | **63,698** | **(28,694)** |
|  |  |  |  |  |  |
| **Note: Impact of net cash appropriation arrangements** | | |  |  |  |
| **Total comprehensive income/(loss)**  **- as per statement of**  **Comprehensive Income** | **99,247** | **32,981** | **(16,197)** | **63,698** | **(28,694)** |
| plus: depreciation/amortisation  expenses on ROU assets (a) | 27,818 | 15,840 | 15,604 | 14,803 | 15,129 |
| less: lease principal repayments (a) | 33,273 | 18,584 | 14,088 | 14,342 | 12,901 |
| **Net Cash Operating Surplus/**  **(Deficit)** | **93,792** | **30,237** | **(14,681)** | **64,159** | **(26,466)** |

1. Applies leases under AASB 16 Leases.

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021­22 Estimated actual  $'000 | 2022­23  Budget  $'000 | 2023­24 Forward estimate  $'000 | 2024­25 Forward estimate  $'000 | 2025­26 Forward estimate  $'000 |
| **ASSETS** |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |
| Cash and equivalents | 512,974 | 561,127 | 554,474 | 572,505 | 622,656 |
| Trade and other receivables | 86,549 | 86,490 | 86,490 | 86,490 | 86,490 |
| Other investments | 319,956 | 349,956 | 394,956 | 439,956 | 457,956 |
| ***Total financial assets*** | ***919,479*** | ***997,573*** | ***1,035,920*** | ***1,098,951*** | ***1,167,102*** |
| **Non-financial assets** |  |  |  |  |  |
| Land and buildings | 1,561,383 | 1,518,874 | 1,497,623 | 1,451,533 | 1,375,381 |
| Property, plant and equipment | 567,333 | 599,189 | 600,607 | 688,756 | 676,394 |
| Heritage and cultural assets | 9,952 | 9,952 | 9,952 | 9,952 | 9,952 |
| Investment property | 49,016 | 49,016 | 49,016 | 49,016 | 49,016 |
| Intangibles | 20,390 | 21,064 | 21,738 | 22,412 | 23,098 |
| Inventories | 1,315 | 1,315 | 1,315 | 1,315 | 1,315 |
| Other non-financial assets | 12,416 | 12,416 | 12,416 | 12,416 | 12,416 |
| ***Total non-financial assets*** | ***2,221,805*** | ***2,211,826*** | ***2,192,667*** | ***2,235,400*** | ***2,147,572*** |
| Assets held for sale | 5,200 | - | - | - | - |
| **Total assets** | **3,146,484** | **3,209,399** | **3,228,587** | **3,334,351** | **3,314,674** |
| **LIABILITIES** |  |  |  |  |  |
| **Payables** |  |  |  |  |  |
| Suppliers | 213,294 | 213,252 | 213,252 | 213,252 | 213,252 |
| Other payables | 16,034 | 16,034 | 16,034 | 16,034 | 16,034 |
| Deposits | 21,800 | 21,800 | 21,800 | 21,800 | 21,800 |
| ***Total payables*** | ***251,128*** | ***251,086*** | ***251,086*** | ***251,086*** | ***251,086*** |
| **Interest bearing liabilities** |  |  |  |  |  |
| Lease liabilities | 53,481 | 36,757 | 23,542 | 10,502 | 1,719 |
| ***Total Interest bearing***  ***liabilities*** | ***53,481*** | ***36,757*** | ***23,542*** | ***10,502*** | ***1,719*** |
| **Provisions** |  |  |  |  |  |
| Employee provisions | 268,771 | 268,771 | 268,771 | 268,771 | 268,771 |
| Other provisions | 59,776 | 56,776 | 53,776 | 50,776 | 47,776 |
| ***Total provisions*** | ***328,547*** | ***325,547*** | ***322,547*** | ***319,547*** | ***316,547*** |
| **Total liabilities** | **633,156** | **613,390** | **597,175** | **581,135** | **569,352** |
| **Net assets** | **2,513,328** | **2,596,009** | **2,631,412** | **2,753,216** | **2,745,322** |
| **EQUITY\*** |  |  |  |  |  |
| **Parent entity equity** |  |  |  |  |  |
| Contributed equity | 331,384 | 381,084 | 432,684 | 490,790 | 511,590 |
| Reserves | 1,572,466 | 1,572,466 | 1,572,466 | 1,572,466 | 1,572,466 |
| Retained surplus (accumulated  deficit) | 609,478 | 642,459 | 626,262 | 689,960 | 661,266 |
| **Total parent entity equity**  **interest** | ***2,513,328*** | ***2,596,009*** | ***2,631,412*** | ***2,753,216*** | ***2,745,322*** |
| **Total equity** | **2,513,328** | **2,596,009** | **2,631,412** | **2,753,216** | **2,745,322** |

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 2022­23)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Retained  earnings  $'000 | Asset  revaluation  reserve  $'000 | Other  reserves  $'000 | Contributed  equity/  capital  $'000 | Total  equity  $'000 |
| **Opening balance as at 1 July 2022** |  |  |  |  |  |
| Balance carried forward from  previous period | 609,478 | 1,572,725 | (259) | 331,384 | 2,513,328 |
| ***Adjusted opening balance*** | ***609,478*** | ***1,572,725*** | ***(259)*** | ***331,384*** | ***2,513,328*** |
| **Comprehensive income** |  |  |  |  |  |
| Surplus/(deficit) for the period |  |  |  |  |  |
| ***Total comprehensive income*** | 32,981 | - | - | - | 32,981 |
| of which: | ***32,981*** | ***-*** | ***-*** | ***-*** | ***32,981*** |
| Attributable to the Australian  Government | 32,981 | - | - | - | 32,981 |
| **Transactions with owners** |  |  |  |  |  |
| ***Contributions by owners*** |  |  |  |  |  |
| Equity Injection - Appropriation | - | - | - | 49,700 | 49,700 |
| ***Sub-total transactions with***  ***owners*** | ***-*** | ***-*** | ***-*** | ***49,700*** | ***49,700*** |
| **Estimated closing balance as at 30 June 2023** | **642,459** | **1,572,725** | **(259)** | **381,084** | **2,596,009** |
| **Closing Balance attributable**  **to the Australian**  **Government** | **642,459** | **1,572,725** | **(259)** | **381,084** | **2,596,009** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021­22 Estimated actual  $'000 | 2022­23  Budget  $'000 | 2023­24 Forward estimate  $'000 | 2024­25 Forward estimate  $'000 | 2025­26 Forward estimate  $'000 |
| **OPERATING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Receipts from Government | 949,037 | 991,289 | 985,625 | 899,332 | 907,477 |
| Sale of goods and  rendering of services | 614,119 | 624,208 | 632,812 | 754,893 | 654,856 |
| Interest | 2,017 | 2,255 | 2,686 | 4,711 | 7,526 |
| ***Total cash received*** | ***1,565,173*** | ***1,617,752*** | ***1,621,123*** | ***1,658,936*** | ***1,569,859*** |
| **Cash used** |  |  |  |  |  |
| Employees | 839,515 | 858,701 | 874,257 | 874,744 | 874,898 |
| Suppliers | 529,448 | 555,019 | 580,193 | 522,753 | 538,217 |
| Net GST paid | 9,910 | 10,788 | 10,067 | 26,498 | 14,722 |
| Interest payments on lease  liabilities | 1,238 | 853 | 571 | 468 | 370 |
| ***Total cash used*** | ***1,380,111*** | ***1,425,361*** | ***1,465,088*** | ***1,424,463*** | ***1,428,207*** |
| **Net cash from/(used by)**  **operating activities** | **185,062** | **192,391** | **156,035** | **234,473** | **141,652** |
| **INVESTING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Proceeds from sales of property  plant and equipment | 44,350 | 35,200 | 30,000 | 30,000 | 30,000 |
| ***Total cash received*** | ***44,350*** | ***35,200*** | ***30,000*** | ***30,000*** | ***30,000*** |
| **Cash used** |  |  |  |  |  |
| Purchase of property, plant  and equipment and intangibles | 151,588 | 180,554 | 185,200 | 245,206 | 111,400 |
| Purchase of financial  instruments | 32,000 | 30,000 | 45,000 | 45,000 | 18,000 |
| ***Total cash used*** | ***183,588*** | ***210,554*** | ***230,200*** | ***290,206*** | ***129,400*** |
| **Net cash from/(used by)**  **investing activities** | **(139,238)** | **(175,354)** | **(200,200)** | **(260,206)** | **(99,400)** |

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021­22 Estimated actual  $'000 | 2022­23  Budget  $'000 | 2023­24 Forward estimate  $'000 | 2024­25 Forward estimate  $'000 | 2025­26 Forward estimate  $'000 |
| **FINANCING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Contributed equity | 4,000 | 49,700 | 51,600 | 58,106 | 20,800 |
| ***Total cash received*** | ***4,000*** | ***49,700*** | ***51,600*** | ***58,106*** | ***20,800*** |
| **Cash used** |  |  |  |  |  |
| Principal payments on lease  liabilities | 33,273 | 18,584 | 14,088 | 14,342 | 12,901 |
| ***Total cash used*** | ***33,273*** | ***18,584*** | ***14,088*** | ***14,342*** | ***12,901*** |
| **Net cash from/(used by)**  **financing activities** | **(29,273)** | **31,116** | **37,512** | **43,764** | **7,899** |
| **Net increase/(decrease)**  **in cash held** | **16,551** | **48,153** | **(6,653)** | **18,031** | **50,151** |
| Cash and cash equivalents at the  beginning of the reporting period | 496,423 | 512,974 | 561,127 | 554,474 | 572,505 |
| **Cash and cash**  **equivalents at the end of**  **the reporting period** | **512,974** | **561,127** | **554,474** | **572,505** | **622,656** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021­22 Estimated actual  $'000 | 2022­23  Budget  $'000 | 2023­24 Forward estimate  $'000 | 2024­25 Forward estimate  $'000 | 2025­26 Forward estimate  $'000 |
| **NEW CAPITAL APPROPRIATIONS** |  |  |  |  |  |
| Equity injections - Bill 2 | 4,000 | 49,700 | 51,600 | 58,106 | 20,800 |
| **Total new capital appropriations** | **4,000** | **49,700** | **51,600** | **58,106** | **20,800** |
| **Provided for:** |  |  |  |  |  |
| *Purchase of non-financial assets* | *-* | *700* | *2,600* | *9,106* | *1,800* |
| *Other Items* | *4,000* | *49,000* | *49,000* | *49,000* | *19,000* |
| ***Total Items*** | ***4,000*** | ***49,700*** | ***51,600*** | ***58,106*** | ***20,800*** |
| **PURCHASE OF NON-FINANCIAL**  **ASSETS** |  |  |  |  |  |
| Funded by capital appropriations (a) | - | 700 | 2,600 | 9,106 | 1,800 |
| Funded internally from departmental  resources (b) | 151,588 | 179,854 | 182,600 | 236,100 | 109,600 |
| **TOTAL** | **151,588** | **180,554** | **185,200** | **245,206** | **111,400** |
| **RECONCILIATION OF CASH USED TO**  **ACQUIRE ASSETS TO ASSET**  **MOVEMENT TABLE** |  |  |  |  |  |
| Total purchases | 151,588 | 180,554 | 185,200 | 245,206 | 111,400 |
| **Total cash used to acquire assets** | **151,588** | **180,554** | **185,200** | **245,206** | **111,400** |

Prepared on Australian Accounting Standards basis.

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

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

Table 3.6: Statement of departmental asset movements (Budget year 2022­23)

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Land  $'000 | Buildings  $'000 | Property, plant and equipment  $'000 | Heritage  and cultural  $'000 | Investment  property  $'000 | Intangibles  $'000 | Land held for sale  $'000 | Total  $'000 |
| **As at 1 July 2022** |  |  |  |  |  |  |  |  |
| Gross book value | 367,496 | 2,831,787 | 1,321,362 | 150,061 | 49,016 | 64,808 | 5,200 | 4,789,730 |
| Gross book value - ROU assets | - | 291,546 | 4,710 | - | - | - | - | 296,256 |
| Accumulated depreciation/  amortisation and impairment | - | (1,757,893) | (756,525) | (140,109) | - | (44,418) | - | (2,698,945) |
| Accumulated depreciation/amortisation  and impairment - ROU assets | - | (171,553) | (2,214) | - | - | - | - | (173,767) |
| **Opening net book balance** | **367,496** | **1,193,887** | **567,333** | **9,952** | **49,016** | **20,390** | **5,200** | **2,213,274** |
| **Capital asset additions** |  |  |  |  |  |  |  |  |
| **Estimated expenditure on new**  **or replacement assets** |  |  |  |  |  |  |  |  |
| By purchase - appropriation equity (a) | - | - | 700 | - | - | - | - | 700 |
| By purchase - appropriation ordinary  annual services (b) | - | 26,500 | 49,500 | - | - | 4,000 | - | 80,000 |
| By purchase - other - ROU assets | - | 1,177 | 683 | - | - | - | - | 1,860 |
| By purchase - other | - | 58,204 | 41,650 | - | - | - | - | 99,854 |
| Assets received as gifts/donations | - | - | 13,637 | - | - | - | - | 13,637 |
| **Total additions** | **-** | **85,881** | **106,170** | **-** | **-** | **4,000** | **-** | **196,051** |
| **Other movements** |  |  |  |  |  |  |  |  |
| Depreciation/amortisation expense | - | (83,514) | (73,350) | - | - | (3,326) | - | (160,190) |
| Depreciation/amortisation on ROU  assets | - | (14,876) | (964) | - | - | - | - | (15,840) |
| Disposals | (30,000) | - | - | - | - | - | (5,200) | (35,200) |
| **Total other movements** | **(30,000)** | **(98,390)** | **(74,314)** | **-** | **-** | **(3,326)** | **(5,200)** | **(211,230)** |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
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|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
| **Table 3.6: Statement of departmental asset movements (2022-23 Budget year) (continued)** | | | | |  |  |  |  |
|  | Land  $'000 | Buildings  $'000 | Property, plant and equipment  $'000 | Heritage  and cultural  $'000 | Investment  property  $'000 | Intangibles  $'000 | Land held for sale  $'000 | Total  $'000 |
| **As at 30 June 2023** |  |  |  |  |  |  |  |  |
| Gross book value | 337,496 | 2,916,491 | 1,426,849 | 150,061 | 49,016 | 68,808 | - | 4,948,721 |
| Gross book value - ROU assets | - | 292,723 | 5,393 | - | - | - | - | 298,116 |
| Accumulated depreciation/  amortisation and impairment | - | (1,841,407) | (829,875) | (140,109) | - | (47,744) | - | (2,859,135) |
| Accumulated depreciation/  amortisation and impairment  - ROU assets | - | (186,429) | (3,178) | - | - | - | - | (189,607) |
| **Closing net book balance** | **337,496** | **1,181,378** | **599,189** | **9,952** | **49,016** | **21,064** | **-** | **2,198,095** |

Prepared on Australian Accounting Standards basis.

1. ‘Appropriation equity’ refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2022-23.
2. 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2022-23 for depreciation/amortisation expenses.

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 2022­23)

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

Department o

Geoscience Australia

Entity resources and planned performance

Geoscience Australia

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# Geoscience Australia

## **Section 1****: Entity overview and resources**

### 1.1 Strategic direction statement

Geoscience Australia is the national public sector geoscience organisation. Its 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.

Geoscience Australia supports evidence-based decisions through information, advice and services for a strong economy, resilient society and sustainable environment. Geoscience Australia delivers Earth sciences for Australia’s future.

During the budget and forward years Geoscience Australia will implement and progress Australian Government priorities and key budget measures.

The Australian Government has committed additional funding in the budget and forward years to improve global positioning information. Through the Positioning Australia program, Geoscience Australia is implementing a national system for open, reliable and high-accuracy positioning across Australia. A national network of ground stations and a Satellite Based Augmentation System will deliver positioning data accurate to 10 cm across Australia, and 3 to 5 cm in areas of mobile phone coverage.

The 4 year (2020-2024), $124.5 million Exploring for the Future (phase two) program will continue to deliver high quality data and information that improves the understanding of the nation’s resource potential. This is driving the next generation of mineral, energy and groundwater discoveries in Australia and identifying resources vital to meeting future challenges.

Geoscience Australia is supporting the Australian Government’s gas fired recovery agenda by delivering the Data Driven Discoveries initiative for the Cooper and Adavale basins. In November 2021, as part of the Government’s Cooper-Adavale Strategic Basin Plan, Geoscience Australia was allocated $30.9 million over four years to collect and publish new geoscientific data to drive exploration investment and unlock new Australian resources, supporting the Government’s objective of ensuring developments benefit all Australians including regional communities, domestic energy users and the broader Australian public.

Geoscience Australia has partnered with the Bureau of Meteorology, CSIRO and the Australian Bureau of Statistics to establish the Australian Climate Service. Funding announced in May 2021 of $209.7 million over 4 years to establish the Australian Climate Service will better connect and leverage the government’s extensive data, information and capabilities to inform climate and disaster risk management.

In the 2021-22 Budget, the Australian Government committed $40.2 million over 4 years to develop a Digital Atlas of Australia, as part of its commitment to making Australia a leading digital economy by 2030. The Digital Atlas of Australia will be a free, interactive geospatial map that will provide valuable data on Australia’s population, economy, employment, infrastructure, health, land and the environment. This will support governments, businesses and the community to make more informed decisions about planning, infrastructure and investment at the local and national level.

Geoscience Australia is continuing to support implementation of the Australian Government’s Civil Space Strategy by helping ensure the benefits of space data are realised on Earth, including through its work to connect the space and spatial sectors of the economy.  Geoscience Australia is working with the Australian Space Agency and other partners to support implementation of the National Space Mission for Earth Observations, including supporting the development of a series of Australian land imaging satellites. Geoscience Australia will continue to work with the Australian Space Agency to develop an equivalent technology roadmap for Positioning, Navigation and Timing.

Geoscience Australia is continuing to support implementation of the Australian Government’s Civil Space Strategy by helping ensure the benefits of space data are realised on Earth, including through its work to connect the space and spatial sectors of the economy.  The organisation is working with the Australian Space Agency and other partners to support implementation of the Earth Observations from Space Technology Roadmap, a document that provides the Australian space industry with guidance on opportunities for satellite technology development.  In 2022, Geoscience Australia will work with the Australian Space Agency to develop an equivalent technology roadmap for Positioning, Navigation and Timing.

Through the Digital Earth Australia program, Geoscience Australia will continue to provide free and open satellite data and derived information products to support Australian governments to make better decisions on policy, investment, management and operations, and Australian industry and business to create new capabilities that increase efficiency, productivity and employment opportunities across the Australian economy.

As part of the Australian Government’s National Critical Minerals Research and Development Centre, funding of $9.2 million has been allocated over three years to undertake research that will identify benefits to Australia’s critical mineral sector. The Centre will provide a national perspective to critical minerals research and development and in addressing technical challenges by bringing together Australia’s world-leading research capabilities of Geoscience Australia, CSIRO, and the Australian Nuclear Science and Technology Organisation.

Geoscience Australia will achieve its impacts with a focus on science excellence, optimising its data, fostering collaboration and strong partnerships, and providing a more diverse and inclusive workplace.

### 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 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 2022­23 as at Budget March 2022

|  |  |  |
| --- | --- | --- |
|  | *2021­22 Estimated actual*  *$'000* | 2022­23 Estimate  $'000 |
| **Departmental** |  |  |
| Annual appropriations - ordinary annual services (a) |  |  |
| Prior year appropriations available | *50,189* | 156,839 |
| Departmental appropriation (b) | *261,064* | 345,316 |
| s74 External Revenue (c) | *70,626* | 68,797 |
| Departmental capital budget (d) | *4,583* | 7,692 |
| Annual appropriations - other services - non-operating |  |  |
| Prior year appropriation available | *11,520* | 11,520 |
| Equity injection (e) | *7,127* | 9,594 |
| Total departmental annual appropriations | *405,109* | 599,758 |
| ***Total departmental resourcing*** | ***405,109*** | **599,758** |
| **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** | ***405,128*** | **599,777** |
|  |  |  |
|  | *2021­22* | 2022­23 |
| **Average staffing level (number)** | *605* | 600 |

All figures shown above are GST exclusive – these may not match figures in the cash flow statement. Prepared on a resourcing (i.e. appropriations available) basis.

1. Appropriation Bill (No. 1) 2022­23.
2. Excludes departmental capital budget (DCB).
3. Estimated external revenue receipts under section 74 of the PGPA Act*.*
4. Departmental capital budgets are not separately identified in Appropriation Bill (No.1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.
5. Appropriation Bill (No. 2) 2022­23.

### 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 2022­23 Budget measures  
Part 1: Measures announced after the 2021­22 Mid-Year Economic and Fiscal Outlook (MYEFO)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Program | 2021­22  $'000 | 2022­23  $'000 | 2023­24  $'000 | 2024­25  $'000 | 2025­26  $'000 |
| **Payment Measures** |  |  |  |  |  |  |
| Critical Minerals Strategy - implementation | 1 |  |  |  |  |  |
| Departmental payment |  | - | 3,543 | 3,420 | 2,277 | - |
| **Total** |  | **-** | **3,543** | **3,420** | **2,277** | **-** |
| Support for the Australian Space Industry (a) | 1 |  |  |  |  |  |
| Departmental payment |  | nfp | nfp | nfp | nfp | nfp |
| **Total** |  | **nfp** | **nfp** | **nfp** | **nfp** | **nfp** |
| **Total payment measures** |  |  |  |  |  |  |
| Departmental |  | nfp | 3,543 | 3,420 | 2,277 | nfp |
| **Total** |  | **nfp** | **3,543** | **3,420** | **2,277** | **nfp** |

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.

1. The payment for this measure is not for publication (nfp) due to commercial sensitivities.

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

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Program | 2021-22  $'000 | 2022-23  $'000 | 2023-24  $'000 | 2024-25  $'000 | 2025-26  $'000 |
| **Measures** |  |  |  |  |  |  |
| Critical Minerals - support for supply chains | 1 |  |  |  |  |  |
| Departmental payment |  | **-** | **-** | **-** | **-** | **-** |
| **Total** |  | **-** | **-** | **-** | **-** | **-** |
| Strategic Basin Plans - additional funding | 1 |  |  |  |  |  |
| Departmental payment |  | 1,380 | 7,402 | 8,024 | 14,098 | - |
| **Total** |  | **1,380** | **7,402** | **8,024** | **14,098** | **-** |
| Satellite Based Augmentation System – additional funding (a) | 1 |  |  |  |  |  |
| Departmental payment |  | (8,358) | 13,407 | 140,463 | 104,351 | 66,274 |
| Departmental receipt |  | nfp | nfp | nfp | nfp | nfp |
| **Total** |  | **nfp** | **nfp** | **nfp** | **nfp** | **nfp** |
| **Total measures** |  |  |  |  |  |  |
| Departmental |  | nfp | nfp | nfp | nfp | nfp |
| **Total** |  | **nfp** | **nfp** | **nfp** | **nfp** | **nfp** |

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.

1. The receipt for this measure are not for publication (nfp) due to legal sensitivities

## **Section 2: Outcomes and planned performance**

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

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

**Note:**

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

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

The most recent annual performance statement can be found at: <https://www.industry.gov.au/about-us/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**   * 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 |
| **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** |
| **Program**   * Program 1 – Bureau of Meteorology |
| **Contribution to Outcome 1 made by linked program**  The Bureau of Meteorology partners with Geoscience Australia to provide the Joint Australian Tsunami Warning Centre and to deliver world-leading science, information and expertise on climate and natural disaster risk through the Australian Climate Service. |
| **Commonwealth Scientific and Industrial Research Organisation** |
| **Program**   * Program 1 – Scientific and Industrial Research and Infrastructure |
| **Contribution to Outcome 1 made by linked program**  CSIRO partners with Geoscience Australia to progress the Australian Space Agency’s Earth Observation from Space Technology Roadmap, as part of the Advancing Space: Australian Civil Space Strategy 2019-28. |

**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 | | | | | |
|  | 2021­22 Estimated actual  $'000 | 2022­23  Budget  $'000 | 2023­24 Forward estimate  $'000 | 2024­25 Forward estimate  $'000 | 2025­26 Forward estimate  $'000 |
| **Program 1: Geoscientific and Spatial Information Services** | | | | | |
| Administered expenses |  |  |  |  |  |
| Ordinary annual services  (Appropriation Bill No. 1) | 19 | 19 | 19 | 19 | 19 |
| **Administered total** | **19** | **19** | **19** | **19** | **19** |
| Departmental expenses |  |  |  |  |  |
| Departmental appropriation | 261,064 | 345,316 | 305,591 | 266,791 | 256,210 |
| s74 External Revenue (a) | 72,885 | 71,567 | 55,168 | 50,703 | 49,016 |
| Expenses not requiring  appropriation in the Budget  year (b) | 13,986 | 13,879 | 12,820 | 12,107 | 10,674 |
| **Departmental total** | **347,935** | **430,762** | **373,579** | **329,601** | **315,900** |
| **Total expenses for program 1.1** | **347,954** | **427,238** | **370,178** | **327,343** | **315,919** |
| **Outcome 1 Totals by appropriation type** | | | | | |
| Administered expenses |  |  |  |  |  |
| Ordinary annual services  (Appropriation Bill No. 1) | 19 | 19 | 19 | 19 | 19 |
| **Administered total** | **19** | **19** | **19** | **19** | **19** |
| Departmental expenses |  |  |  |  |  |
| Departmental appropriation | 261,064 | 345,316 | 305,591 | 266,791 | 256,210 |
| s74 External Revenue (a) | 72,885 | 71,567 | 55,168 | 50,703 | 49,016 |
| Expenses not requiring  appropriation in the Budget  year (b) | 13,986 | 13,879 | 12,820 | 12,107 | 10,674 |
| **Departmental total** | **347,935** | **430,762** | **373,579** | **329,601** | **315,900** |
| **Total expenses for Outcome 1** | **347,954** | **430,781** | **373,598** | **329,620** | **315,919** |
|  |  |  |  |  |  |
|  | 2021­22 | 2022­23 |  |  |  |
| **Average staffing level (number)** | 605 | 600 |  |  |  |

1. Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act 2013*.*
2. Expenses not requiring appropriation in the Budget years are made up of depreciation expenses, amortisation expenses, make good expenses, audit fees and accounting treatment of accommodation lease expenses.

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 measure for Outcome 1

Table 2.1.2 details the performance measures for each program associated with Outcome 1. It also provides the related key activities as expressed in the current corporate plan where further detail is provided about the delivery of the activities related to the program, the context in which these activities are delivered and how the performance of these activities will be measured. Where relevant, details of 2022-23 Budget measures that have created new programs or materially changed existing programs are provided.

|  |  |  |
| --- | --- | --- |
| **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. | | |
| **Key Activities** | Geoscience Australia’s key activities, as reported in its corporate plan, are based on delivering value across six areas of national interest, with a seventh area focused on building internal performance and enabling functions.  Geoscience Australia’s key activities:   * Building Australia’s resources wealth * Supporting Australia’s community safety * Securing Australia’s water resources * Managing Australia’s marine jurisdictions * Creating a location-enabled Australia * Enabling an informed Australia * Trusted, sustainable and high performing | |
| **Year** | **Performance measures** | **Expected Performance Results** |
| Current year  2021-22 | Geoscience Australia’s products and services are underpinned by quality science, are fit-for purpose and meet stakeholder needs. | On Track  Geoscience Australia delivered a range of valued products and services that were fit-for-purpose, based on quality science and met stakeholder needs.  The development and delivery of Geoscience Australia’s work is guided by its science strategy and founded on the principles of science excellence.  Geoscience Australia delivered information on Australia’s geology and geography for government, industry and community decision making.  This work supports and enables informed decisions regarding the nation’s use of natural resources, the management of the environment, and community safety. |
| **Year** | **Performance measures** | **Planned Performance Results** |
| Budget Year  2022-23 | 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; stakeholders are satisfied with the information, data, products and services delivered. |
| Forward Estimates  2023-26 | As per 2022-23 | As per 2022-23 |
| Material changes to Program 1 resulting from 2022-23 Budget Measures: Nil | | |

## **Section 3****: Budgeted financial statements**

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2022­23 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

**Budgeted Departmental Income Statement**

Total revenues for 2022-23 are budgeted at $416.9 million, an increase of $82.9 million from estimated actual revenue in 2021-22. This is mainly due to an increase in appropriation revenue from the Australian Government, mainly comprised of:

* Satellite-Based Augmentation System – net increase of $65.2 million.
* Exploring for the Future (phase two) – increase of $6.3 million.
* Strategic Basin Plans – increase of $6.0 million.
* National Space Mission for Earth Observation – not for publication.
* Critical Minerals – virtual research and development centre – increase of $3.5 million.

The budgeted deficit for 2022-23 is $13.9 million. The deficit represents depreciation and amortisation of $10.2 million, which is not funded under the Government’s net cash appropriation arrangements, and depreciation and amortisation on right-of-use assets of $27.4 million, less principal payments on leased assets of $23.7 million.

**Budgeted Departmental Balance Sheet**

Geoscience Australia’s budgeted total assets of $503.7 million and total liabilities of $439.2 million in 2022-23 represent an increase of $89.0 million and $85.6 million respectively from 2021-22. This reflects an expected increase in appropriations receivable and supplier payables associated with recent measures.

**Budgeted Capital Budget Statement**

Planned capital expenditure for Geoscience Australia in 2022-23 is $17.3 million. This comprises capital expenditure funded from equity injections of $9.6 million and the departmental capital budget of $7.7 million.

**Budgeted Administered Income Statement**

Geoscience Australia will make one payment on behalf of the Australian Government in 2022-23, being a grant of $0.02 million for the International Geoscience Program.

**Budgeted Administered Balance Sheet**

Geoscience Australia does not expect to hold any administered assets or liabilities in 2021-22 and 2022-23.

### 3.2 Budgeted financial statements tables

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021­22 Estimated actual  $'000 | 2022­23  Budget  $'000 | 2023­24 Forward estimate  $'000 | 2024­25 Forward estimate  $'000 | 2025­26 Forward estimate  $'000 |
| **EXPENSES** |  |  |  |  |  |
| Employee benefits | 81,828 | 80,956 | 80,654 | 80,956 | 80,956 |
| Suppliers | 225,519 | 308,885 | 252,254 | 207,853 | 194,727 |
| Depreciation and amortisation (a) | 36,977 | 37,604 | 37,663 | 38,107 | 37,870 |
| Finance costs | 3,611 | 3,317 | 3,008 | 2,685 | 2,347 |
| **Total expenses** | **347,935** | **430,762** | **373,579** | **329,601** | **315,900** |
| **LESS:** |  |  |  |  |  |
| **OWN-SOURCE INCOME** |  |  |  |  |  |
| **Own-source revenue** |  |  |  |  |  |
| Sale of goods and rendering of  services | 69,855 | 68,535 | 52,134 | 47,667 | 45,987 |
| Sublease income | 401 | 401 | 401 | 401 | 401 |
| Other | 2,629 | 2,631 | 2,633 | 2,635 | 2,628 |
| **Total own-source revenue** | **72,885** | **71,567** | **55,168** | **50,703** | **49,016** |
| **Total own-source income** | **72,885** | **71,567** | **55,168** | **50,703** | **49,016** |
| **Net (cost of)/contribution by**  **services** | **(275,050)** | **(359,195)** | **(318,411)** | **(278,898)** | **(266,884)** |
| Revenue from Government | 261,064 | 345,316 | 305,391 | 266,791 | 256,210 |
| **Surplus/(deficit) attributable to the**  **Australian Government** | **(13,986)** | **(13,879)** | **(12,820)** | **(12,107)** | **(10,674)** |
| **Total comprehensive income/(loss)** | **(13,986)** | **(13,879)** | **(12,820)** | **(12,107)** | **(10,674)** |
| **Total comprehensive income/(loss)**  **attributable to the Australian**  **Government** | **(13,986)** | **(13,879)** | **(13,020)** | **(12,107)** | **(10,674)** |

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** | | | | | |
|  | 2021­22 Estimated actual  $'000 | 2022­23  Budget  $'000 | 2023­24 Forward estimate  $'000 | 2024­25 Forward estimate  $'000 | 2025­26 Forward estimate  $'000 |
| **Total comprehensive income/(loss)**  **- as per statement of**  **Comprehensive Income** | **-** | **-** | **-** | **-** | **-** |
| plus: depreciation/amortisation  expenses previously funded through  revenue appropriations (a) | 9,253 | 10,232 | 10,291 | 10,736 | 10,500 |
| plus: depreciation/amortisation  expenses for ROU assets (b) | 27,724 | 27,372 | 27,372 | 27,371 | 27,370 |
| less: Lease principal repayments (b) | 22,991 | 23,725 | 24,843 | 26,000 | 27,196 |
| **Net Cash Operating Surplus/ (Deficit)** | **13,986** | **13,879** | **12,820** | **12,107** | **10,674** |

1. 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.
2. Applies leases under AASB 16 Leases.

Prepared on Australian Accounting Standards basis

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021­22 Estimated actual  $'000 | 2022­23  Budget  $'000 | 2023­24 Forward estimate  $'000 | 2024­25 Forward estimate  $'000 | 2025­26 Forward estimate  $'000 |
| **ASSETS** |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |
| Cash and cash equivalents | 500 | 500 | 500 | 500 | 500 |
| Trade and other receivables | 70,293 | 176,944 | 128,149 | 82,448 | 85,702 |
| Other financial assets | 2,897 | 5,560 | 4,935 | 4,256 | 4,423 |
| ***Total financial assets*** | ***73,690*** | ***183,004*** | ***133,584*** | ***87,204*** | ***90,625*** |
| **Non-financial assets** |  |  |  |  |  |
| Land and buildings | 289,753 | 260,687 | 231,635 | 202,575 | 173,480 |
| Property, plant and equipment | 47,008 | 55,913 | 68,310 | 68,009 | 74,935 |
| Intangibles | 734 | 577 | 384 | 393 | 578 |
| Other non-financial assets | 3,577 | 3,577 | 3,577 | 3,577 | 3,577 |
| ***Total non-financial assets*** | ***341,072*** | ***320,754*** | ***303,906*** | ***274,554*** | ***252,570*** |
| **Total assets** | **414,762** | **503,758** | **437,490** | **361,758** | **343,195** |
| **LIABILITIES** |  |  |  |  |  |
| **Payables** |  |  |  |  |  |
| Suppliers | 10,270 | 118,008 | 67,321 | 19,365 | 21,214 |
| Other payables | 27,235 | 27,544 | 27,544 | 27,853 | 28,158 |
| ***Total payables*** | ***37,505*** | ***145,552*** | ***94,865*** | ***47,218*** | ***49,372*** |
| **Interest bearing liabilities** |  |  |  |  |  |
| Leases | *284,605* | *260,880* | *236,037* | *210,037* | *182,841* |
| ***Total interest bearing liabilities*** | ***284,605*** | ***260,880*** | ***236,037*** | ***210,037*** | ***182,841*** |
| **Provisions** |  |  |  |  |  |
| Employee provisions | 27,430 | 28,549 | 29,668 | 30,787 | 31,906 |
| Other provisions | 4,043 | 4,191 | 4,339 | 4,487 | 4,635 |
| ***Total provisions*** | **31,473** | **32,740** | **34,007** | **35,274** | **36,541** |
| **Total liabilities** | **353,583** | **439,172** | **364,909** | **292,529** | **268,754** |
| **Net assets** | **61,179** | **64,586** | **72,581** | **69,229** | **74,441** |
| **EQUITY\*** |  |  |  |  |  |
| **Parent entity interest** |  |  |  |  |  |
| Contributed equity | 63,334 | 80,620 | 101,435 | 110,190 | 126,076 |
| Reserves | 15,211 | 15,211 | 15,211 | 15,211 | 15,211 |
| Retained surplus (accumulated  deficit) | (17,366) | (31,245) | (44,065) | (56,172) | (66,846) |
| ***Total parent entity interest*** | **61,179** | **64,586** | **72,581** | **69,229** | **74,441** |
| **Total equity** | **61,179** | **64,586** | **72,581** | **69,229** | **74,441** |

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 2022­23)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Retained  earnings  $'000 | Asset  revaluation  reserve  $'000 | Contributed  equity/  capital  $'000 | Total  equity  $'000 |
| **Opening balance as at 1 July 2022** |  |  |  |  |
| Balance carried forward from  previous period | (17,366) | 15,211 | 63,334 | 61,179 |
| ***Adjusted opening balance*** | ***(17,366)*** | ***15,211*** | ***63,334*** | ***61,179*** |
| **Comprehensive income** |  |  |  |  |
| Other comprehensive income |  |  |  |  |
| Surplus/(deficit) for the period | (13,879) | - | - | (13,879) |
| ***Total comprehensive income*** | ***(13,879)*** | ***-*** | ***-*** | ***(13,879)*** |
| **Transactions with owners** |  |  |  |  |
| ***Contributions by owners*** |  |  |  |  |
| Equity injection - Appropriation | - | - | 9,594 | 9,594 |
| Departmental Capital Budget (DCB) | - | - | 7,692 | 7,692 |
| ***Sub-total transactions with***  ***owners*** | ***-*** | ***-*** | ***17,286*** | ***17,286*** |
| **Estimated closing balance as at**  **30 June 2023** | **(31,245)** | **15,211** | **80,620** | **64,586** |
| **Closing balance attributable to**  **the Australian Government** | **(31,245)** | **15,211** | **80,620** | **64,586** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021­22 Estimated actual  $'000 | 2022­23  Budget  $'000 | 2023­24 Forward estimate  $'000 | 2024­25 Forward estimate  $'000 | 2025­26 Forward estimate  $'000 |
| **OPERATING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Appropriations | 291,343 | 268,784 | 384,474 | 342,580 | 283,045 |
| Sale of goods and rendering of  services | 68,138 | 66,302 | 53,160 | 48,747 | 46,221 |
| Net GST received | 11,530 | 11,281 | 9,399 | 7,782 | 8,604 |
| Other | 2,487 | 2,495 | 2,526 | 2,526 | 2,525 |
| ***Total cash received*** | ***373,498*** | ***348,862*** | ***449,559*** | ***401,635*** | ***340,395*** |
| **Cash used** |  |  |  |  |  |
| Employees | 80,399 | 79,528 | 79,535 | 79,528 | 79,532 |
| Suppliers | 224,726 | 200,943 | 302,833 | 255,699 | 192,775 |
| Net GST paid | 11,530 | 11,281 | 9,399 | 7,782 | 8,604 |
| Interest payments on lease liability | 3,561 | 3,267 | 2,958 | 2,635 | 2,297 |
| s74 External Revenue  transferred to the OPA | 30,127 | 30,118 | 30,089 | 30,089 | 30,089 |
| Other | - | - | (98) | (98) | (98) |
| ***Total cash used*** | ***350,343*** | ***325,137*** | ***424,716*** | ***375,635*** | ***313,199*** |
| **Net cash from/(used by)**  **operating activities** | **23,155** | **23,725** | **24,843** | **26,000** | **27,196** |
| **INVESTING ACTIVITIES** |  |  |  |  |  |
| **Cash used** |  |  |  |  |  |
| Purchase of property, plant and  equipment and intangibles | 11,710 | 17,286 | 20,815 | 8,755 | 15,886 |
| ***Total cash used*** | ***11,710*** | ***17,286*** | ***20,815*** | ***8,755*** | ***15,886*** |
| ***Net cash from/(used by)***  ***investing activities*** | ***(11,710)*** | ***(17,286)*** | ***(20,815)*** | ***(8,755)*** | ***(15,886)*** |
| **FINANCING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Contributed equity | 11,710 | 17,286 | 20,815 | 8,755 | 15,886 |
| ***Total cash received*** | ***11,710*** | ***17,286*** | ***20,815*** | ***8,755*** | ***15,886*** |
| **Cash used** |  |  |  |  |  |
| Principal payments on lease liability | 22,991 | 23,725 | 24,843 | 26,000 | 27,196 |
| ***Total cash used*** | ***22,991*** | ***23,725*** | ***24,843*** | ***26,000*** | ***27,196*** |
| **Net cash from/(used by)**  **financing activities** | **(11,281)** | **(6,439)** | **(4,028)** | **(17,245)** | **(11,310)** |
| **Net increase/(decrease) in cash**  **held** | **164** | **-** | **-** | **-** | **-** |
| Cash and cash equivalents at the  beginning of the reporting period | 336 | 500 | 500 | 500 | 500 |
| **Cash and cash equivalents at**  **the end of the reporting period** | **500** | **500** | **500** | **500** | **500** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021­22 Estimated actual  $'000 | 2022­23  Budget  $'000 | 2023­24 Forward estimate  $'000 | 2024­25 Forward estimate  $'000 | 2025­26 Forward estimate  $'000 |
| **NEW CAPITAL APPROPRIATIONS** |  |  |  |  |  |
| Capital budget - Bill 1 (DCB) | 4,583 | 7,692 | 7,752 | 7,836 | 7,936 |
| Equity injections - Bill 2 | 7,127 | 9,594 | 13,063 | 919 | 7,950 |
| **Total new capital appropriations** | **11,710** | **17,286** | **20,815** | **8,755** | **15,886** |
| ***Provided for:*** |  |  |  |  |  |
| *Purchase of non-financial assets* | *11,710* | *17,286* | *20,815* | *8,755* | *15,886* |
| ***Total items*** | ***11,710*** | ***17,286*** | ***20,815*** | ***8,755*** | ***15,886*** |
| **PURCHASE OF NON-FINANCIAL**  **ASSETS** |  |  |  |  |  |
| Funded by capital appropriations (a) | 7,127 | 9,594 | 13,063 | 919 | 7,950 |
| Funded by capital appropriation -  DCB (b) | 4,583 | 7,692 | 7,752 | 7,836 | 7,936 |
| **TOTAL** | **11,710** | **17,286** | **20,815** | **8,755** | **15,886** |

Prepared on Australian Accounting Standards basis.

1. Includes both current Bill 2 and prior Act 2/4/6 appropriations.
2. Includes purchases from current and previous years' Departmental Capital Budgets (DCBs).

Table 3.6: Statement of departmental asset movements (Budget year 2022­23)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Land  $'000 | Buildings  $'000 | Other  property,  plant and  equipment  $'000 | Heritage  and  cultural  $'000 | Computer  software and  intangibles  $'000 | Total  $'000 |
| **As at 1 July 2022** |  |  |  |  |  |  |
| Gross book value | 1,165 | 23,558 | 53,856 | 3,196 | 7,919 | 89,694 |
| Gross book value - ROU assets | 824 | 351,385 | 172 | - | - | 352,381 |
| Accumulated depreciation/  amortisation and impairment | - | (4,511) | (10,105) | - | (7,185) | (21,801) |
| Accumulated  depreciation/amortisation  and impairment - ROU assets | (142) | (82,526) | (111) | - | - | (82,779) |
| **Opening net book balance** | **1,847** | **287,906** | **43,812** | **3,196** | **734** | **337,495** |
| **Capital asset additions** |  |  |  |  |  |  |
| **Estimated expenditure on new**  **or replacement assets** |  |  |  |  |  |  |
| By purchase - appropriation  equity (a) | - | 500 | 16,586 | - | 200 | 17,286 |
| **Total additions** | **-** | **500** | **16,586** | **-** | **200** | **17,286** |
| **Other movements** |  |  |  |  |  |  |
| Depreciation/amortisation  expense | - | (2,209) | (7,666) | - | (357) | (10,232) |
| Depreciation/amortisation  expense on ROU assets | (56) | (27,301) | (15) | - | - | (27,372) |
| **Total other movements** | **(56)** | **(29,510)** | **(7,681)** | **-** | **(357)** | **(37,604)** |
| **As at 30 June 2023** |  |  |  |  |  |  |
| Gross book value | 1,165 | 24,058 | 70,442 | 3,196 | 8,119 | 106,980 |
| Gross book value  - ROU assets | 824 | 351,385 | 172 | - | - | 352,381 |
| Accumulated depreciation/  amortisation and impairment | - | (6,720) | (17,771) | - | (7,542) | (32,033) |
| Accumulated depreciation/  amortisation and impairment  - ROU assets | (198) | (109,827) | (126) | - | - | (110,151) |
| **Closing net book balance** | **1,791** | **258,896** | **52,717** | **3,196** | **577** | **317,177** |

Prepared on Australian Accounting Standards basis.

1. ‘Appropriation equity’ refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2022­23 including Collection Development Acquisition Budget.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021­22 Estimated actual  $'000 | 2022­23  Budget  $'000 | 2023­24 Forward estimate  $'000 | 2024­25 Forward estimate  $'000 | 2025­26 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)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021­22 Estimated actual  $'000 | 2022­23  Budget  $'000 | 2023­24 Forward estimate  $'000 | 2024­25 Forward estimate  $'000 | 2025­26 Forward estimate  $'000 |
| **OPERATING ACTIVITIES** |  |  |  |  |  |
| **Cash used** |  |  |  |  |  |
| Grant | 19 | 19 | 19 | 19 | 19 |
| ***Total cash used*** | ***19*** | ***19*** | ***19*** | ***19*** | ***19*** |
| **Net cash from/(used by)**  **operating activities** | **(19)** | **(19)** | **(19)** | **(19)** | **(19)** |
| ***Net increase/(decrease) in cash***  ***held*** | ***(19)*** | ***(19)*** | ***(19)*** | ***(19)*** | ***(19)*** |
| **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 2022­23)

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

Department o

IP Australia

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# IP Australia

## **Section 1****: Entity overview and resources**

### Strategic direction statement

IP Australia is responsible for administering Australia’s registrable intellectual property (IP) rights system, specifically patents, trade marks, designs and plant breeder’s rights. IP Australia is a listed non-corporate Commonwealth entity and recovers more than 98 per cent of its costs by charging fees for its IP rights services in accordance with the Australian Government Charging Framework.

Granting exclusive IP rights fosters increased innovation, investment and trade in Australia, and by Australians overseas, 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’s Strategic Corporate Plan (the plan) guides the agency’s strategic direction in pursuit of its vision to create a world leading IP system building prosperity for Australia. The plan provides an overview of IP Australia’s purpose to ensure Australians benefit from great ideas; outlines the strategic objectives the agency wants to achieve; and details the key activities intended to deliver those objectives. The plan can be found at www.ipaustralia.gov.au.

IP Australia is committed to delivering and maintaining a world leading intellectual property system and services that are modern, effective, efficient and accessible. IP Australia promotes awareness of IP, regulates the IP attorney profession, provides advice to government on policy relating to the IP rights system and contributes to bilateral and multilateral negotiations and the development of cooperation programs to support the global IP system.

IP Australia’s key focus areas for the budget and forward estimates include:

* Supporting jobs and growth by contributing to Australia’s economic recovery objectives.
* Delivering and maintaining high-quality and timely patents, trade marks, designs and plant breeder’s rights.
* Increasing the digital capabilities and dexterity of our workforce to support continuous improvement in the delivery of world leading and contemporary digital IP services.
* Providing targeted education and awareness offerings that demonstrate the benefits of IP rights ownership and facilitate greater understanding of the IP system.
* Continuing the policy work on the Australian designs and plant breeder’s rights systems to ensure they are fit for purpose and support the Australian economy now and in the future.
* Improving Australia’s IP system to promote the cultural integrity and economic potential of Indigenous Knowledge.
* Continuing to support Australians to export and invest through the agency’s international engagement activities.
* Enhancing data capability to ensure that IP Australia’s information is used to deliver, shape and inform policy making and services across government as well as for core business and customers.
* Establishing a sustainable innovation model that explores, tests and develops innovative solutions to benefit IP Australia’s customers.

### 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 1’ 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 2022­23 as at Budget March 2022

|  |  |  |
| --- | --- | --- |
|  | *2021­22 Estimated actual*  *$'000* | 2022­23 Estimate  $'000 |
| **Departmental** |  |  |
| Annual appropriations - ordinary annual services (a) |  |  |
| Departmental appropriation | *356* | 360 |
| Total departmental annual appropriations | *356* | 360 |
| Special accounts (b) |  |  |
| Opening balance | *52,937* | 65,316 |
| Appropriation receipts (c) | *356* | 360 |
| Non-appropriation receipts | *245,631* | 246,893 |
| Total special accounts | *298,924* | 312,569 |
| *less departmental appropriations drawn from annual/special*  *appropriations and credited to special accounts* | *356* | 360 |
| ***Total departmental resourcing*** | ***298,924*** | **312,569** |
| **Total resourcing for IP Australia** | ***298,924*** | **312,569** |
|  |  |  |
|  | *2021­22* | 2022­23 |
| **Average staffing level (number)** | *1,054* | 1,054 |

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

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

1. Appropriation Bill (No. 1) 2022­23.
2. Excludes trust moneys held in Services for Other Entities and Trust Moneys (SOETM) and other special accounts. For further information on special accounts, please refer to Budget Paper No. 4 - Agency Resourcing. Please also see Table 2.1 for further information on outcome and program expenses broken down by various funding sources, e.g. annual appropriations, special appropriations and special accounts.
3. Amounts credited to the special account from IP Australia's annual appropriations.

### 1.3 Budget measures

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

## **Section 2: Outcomes and planned performance**

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

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

**Note:**

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

The most recent corporate plan for IP Australia can be found at: https://www.ipaustralia.gov.au/ip-australia-corporate-plan-2021-22.

The most recent annual performance statement can be found at: https://www.industry.gov.au/data-and-publications/annual-report-2020-21.

### 2.1 Budgeted expenses and performance for Outcome 1

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

#### Linked programs

| **Department of Industry, Science, Energy and Resources** |
| --- |
| **Programs**   * Program 1.1 – Investing in science, technology and commercialisation * Program 1.2 – Growing innovative and competitive businesses, industries and regions |
| **Contribution to Outcome 1 made by linked programs**  The Department of Industry, Science, Energy and Resources contributes to Outcome 1 through its policies and programs supporting science and commercialisation and through the operation of the Office of the Chief Scientist and the Office of Innovation and Science Australia. |

##### **Budgeted expenses for Outcome 1**

This table shows how much IP Australia 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:** 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 | | | | | |
|  | 2021­22 Estimated actual  $'000 | 2022­23  Budget  $'000 | 2023­24 Forward estimate  $'000 | 2024­25 Forward estimate  $'000 | 2025­26 Forward estimate  $'000 |
| **Program 1: IP Rights Administration and Professional Registration** | | | | | |
| Departmental expenses |  |  |  |  |  |
| Special accounts | 214,873 | 218,413 | 225,141 | 230,017 | 235,587 |
| Expenses not requiring appropriation  in the Budget year (a) | 155 | 160 | 165 | 170 | 175 |
| **Departmental total** | 215,028 | 218,573 | 225,306 | 230,187 | 235,762 |
| **Total expenses for program 1** | **215,028** | **218,573** | **225,306** | **230,187** | **235,762** |
| **Program 2: Education and Awareness** | | | | | |
| Departmental expenses |  |  |  |  |  |
| Special accounts | 2,327 | 2,366 | 2,438 | 2,491 | 2,552 |
| **Departmental total** | 2,327 | 2,366 | 2,438 | 2,491 | 2,552 |
| **Total expenses for program 2** | **2,327** | **2,366** | **2,438** | **2,491** | **2,552** |
| **Program 3: Advice to Government and International Engagement** | | | | | |
| Departmental expenses |  |  |  |  |  |
| Departmental appropriation | 356 | 360 | 361 | 363 | 365 |
| Special accounts | 15,003 | 15,252 | 15,732 | 16,079 | 16,475 |
| **Departmental total** | 15,359 | 15,612 | 16,093 | 16,442 | 16,840 |
| **Total expenses for program 3** | **15,359** | **15,612** | **16,093** | **16,442** | **16,840** |
| **Outcome 1 Totals by appropriation type** | | | | | |
| Departmental expenses |  |  |  |  |  |
| Departmental appropriation | 356 | 360 | 361 | 363 | 365 |
| Special accounts | 232,203 | 236,031 | 243,311 | 248,587 | 254,614 |
| Expenses not requiring appropriation  in the Budget year (a) | 155 | 160 | 165 | 170 | 175 |
| **Departmental total** | 232,714 | 236,551 | 243,837 | 249,120 | 255,154 |
| **Total expenses for Outcome 1** | **232,714** | **236,551** | **243,837** | **249,120** | **255,154** |
|  |  |  |  |  |  |
|  | 2021­22 | 2022­23 |  |  |  |
| **Average staffing level (number)** | 1,054 | 1,054 |  |  |  |

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

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 measures for Outcome 1

Table 2.1.2 details the performance measures for each program associated with Outcome 1. It also provides the related key activities as expressed in the current corporate plan where further detail is provided about the delivery of the activities related to the program, the context in which these activities are delivered and how the performance of these activities will be measured. Where relevant, details of 2022-23 Budget measures that have created new programs or materially changed existing programs are provided.

|  |  |  |
| --- | --- | --- |
| 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**  IP Australia will deliver robust intellectual property (IP) rights that satisfy IP Australia’s customers in terms of timeliness and quality, and administer the professional registration system for persons practicing as Patent and/or Trade Marks Attorneys. | | |
| **Key Activities** | * Administer patents, trade marks, designs and plant breeder's rights legislation. * Administer the Trans-Tasman IP attorney regime for Australian and New Zealand patents attorneys, and Australian trade marks attorneys. | |
| **Year** | **Performance measures** | **Expected Performance Results** |
| Current year  2021-22 | Customer Service Charter and legislative commitments are met. | IP Australia expects to meet seven of 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. | IP Australia expects to achieve 100% of applications processed within the required timeframe. |
| **Year** | **Performance measures** | **Planned Performance Results** |
| Budget Year 2022-23 | IP Australia’s timeliness, quality, satisfaction, and availability commitments are met. | Meet the key organisational performance metrics for timeliness, quality, satisfaction and availability published in IP Australia’s 2022–23 Corporate Plan. |
| Forward Estimates  2023-26 | As per 2022-23 | As per 2022-23 |
| Material changes to Program 1 resulting from 2022-23 Budget Measures: Nil | | |
| **Program 2 – Education and Awareness**  IP Australia will facilitate understanding among its stakeholders of the value of IP, and access to the domestic and international intellectual property system in line with Australia’s interests. | | |
| **Key Activities** | * Deliver proactive outreach programs that inform and educate Australian businesses, with emphasis on small and medium enterprises. * Build and leverage partnerships with government, industry partners and universities to promote the IP system and maximise impact. | |

|  |  |  |
| --- | --- | --- |
| **Year** | **Performance measures** | **Expected Performance Results** |
| Current year  2021-22 | Improved awareness of the IP rights system measured by:   1. Effective delivery of public education and awareness programs, which promote the importance of IP and provide Australians with the tools they require to make informed decisions; and 2. Increase the level of customers’ knowledge of Australia’s IP system on the 2020-21 baseline (56%). | 1. IP Australia expects to achieve this measure as demonstrated by an upward trend of engagement across social media, an increase in newsletter subscribers, an increase in access to the IP Australia website education and resources page; and increased appetite for engagement and education sessions with identified partners across government, peak industry bodies and the university sector. 2. IP Australia expects to report a 4% increase to the percentage of customers who respond that their level of knowledge of the IP system is either adequate or extensive from the 2020-21 baseline of 56%. |
| **Year** | **Performance measures** | **Planned Performance Results** |
| Budget Year 2022-23 | Improved awareness of the IP rights system demonstrated by:   1. Effective delivery of public education and awareness programs, which promote the importance of IP and provide Australians with the tools they require to make informed decisions; and 2. Maintaining or increasing the level of customers’ knowledge of Australia’s IP system from the 2021-22 result. | 1. Meet the key performance metrics for public education and awareness programs published in IP Australia’s 2022-23 Corporate Plan. 2. An increase to the percentage of customers who respond that their level of knowledge of the IP system is either adequate or extensive from the 2021-22 result. |
| Forward Estimates  2023-26 | As per 2022-23 | As per 2022-23 |
| Material changes to Program 2 resulting from 2022-23 Budget Measures: Nil | | |
| **Program 3 – Advice to Government and International Engagement**  Supporting policy and legislative change to foster Australian innovation by shaping the development of the IP system both domestically and abroad. IP Australia engages internationally to influence the development of effective intellectual property systems in line with Australia’s interests. | | |
| **Key Activities** | * Provide high quality advice to the Government on the development of IP policy and legislation. * Engage internationally, working with bodies such as the World Intellectual Property Organization and other IP offices to influence IP policy and practice. | |
| **Year** | **Performance measures** | **Expected Performance Results** |
| Current year  2021-22 | 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.  IP Australia expects to meet the target of less than 10% requested to be redrafted.  IP Australia expects to meet the target of 100% of ministerial briefs and correspondence requested by the Minister’s Office are delivered within the agreed timeframes. |
| **Year** | **Performance measures** | **Planned Performance Results** |
| Budget Year 2022-23 | Provision of high-quality advice to the Australian Government on policy, legislation, ministerial correspondence and briefs. | Less than 10% of ministerial briefs and correspondence requested to be redrafted.  100% of ministerial briefs and correspondence requested by the Minister’s Office are delivered within the agreed timeframes. |
| Forward Estimates  2023-26 | As per 2022-23 | As per 2022-23 |
| Material changes to Program 3 resulting from 2022-23 Budget Measures: Nil | | |

## **Section 3****: Budgeted financial statements**

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2022­23 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

IP Australia is budgeting for an operating surplus of $11.0 million for 2022-23.

**Budgeted Departmental Income Statement**

Departmental revenue from contracts with customers in 2022-23 is estimated to be $243.3 million. The increase from the 2021-22 estimated actual of $242.5 million reflects forecasted growth in demand for IP Rights.

Rental income of $3.7 million is budgeted for 2022-23 and reflects income received from sub-leasing arrangements at Discovery House.

Revenue from Government for 2022-23 is budgeted at $0.4 million and reflects an appropriation for non-regulatory charging activities undertaken by IP Australia.

Total departmental expenses budgeted in 2022-23 are $236.6 million, comprising $139.2 million for employee benefits, $61.7 million for suppliers, $34.1 million for depreciation and amortisation and $1.6 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 for in 2022-23 are $356.5 million, comprising $81.5 million in financial assets and $274.9 million in non‑financial assets.

Financial assets consist of $78.1 million for cash and $3.5 million for receivables. Non‑financial assets include $138.3 million for land and buildings, $122.3 million for intangibles, $3.4 million for property, plant and equipment and $10.9 million in other assets.

**Liabilities**

Total departmental liabilities budgeted for in 2022-23 are $232.0 million, comprising $56.3 million in payables, $120.6 million in interest bearing liabilities (leases) and $55.0 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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021­22 Estimated actual  $'000 | 2022­23  Budget  $'000 | 2023­24 Forward estimate  $'000 | 2024­25 Forward estimate  $'000 | 2025­26 Forward estimate  $'000 |
| **EXPENSES** |  |  |  |  |  |
| Employee benefits | 137,900 | 139,209 | 143,168 | 147,299 | 151,630 |
| Suppliers | 58,145 | 61,665 | 63,727 | 63,829 | 64,926 |
| Depreciation and amortisation | 34,948 | 34,087 | 35,472 | 36,665 | 37,420 |
| Finance costs | 1,721 | 1,590 | 1,470 | 1,327 | 1,178 |
| **Total expenses** | **232,714** | **236,551** | **243,837** | **249,120** | **255,154** |
| **LESS:** |  |  |  |  |  |
| **OWN-SOURCE INCOME** |  |  |  |  |  |
| **Own-source revenue** |  |  |  |  |  |
| Revenue from contracts with customers | 242,464 | 243,337 | 248,617 | 253,893 | 256,920 |
| Rental income | 739 | 3,694 | 3,694 | 3,694 | 3,694 |
| Other | 155 | 160 | 165 | 170 | 175 |
| **Total own-source revenue** | **243,358** | **247,191** | **252,476** | **257,757** | **260,789** |
| **Total own-source income** | **243,358** | **247,191** | **252,476** | **257,757** | **260,789** |
| **Net (cost of)/contribution by**  **services** | **10,644** | **10,640** | **8,639** | **8,637** | **5,635** |
| Revenue from Government | 356 | 360 | 361 | 363 | 365 |
| **Surplus/(deficit) attributable to the**  **Australian Government** | **11,000** | **11,000** | **9,000** | **9,000** | **6,000** |
| **Total comprehensive income/(loss)** | **11,000** | **11,000** | **9,000** | **9,000** | **6,000** |
| **Total comprehensive income/(loss)**  **attributable to the Australian**  **Government** | **11,000** | **11,000** | **9,000** | **9,000** | **6,000** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021­22 Estimated actual  $'000 | 2022­23  Budget  $'000 | 2023­24 Forward estimate  $'000 | 2024­25 Forward estimate  $'000 | 2025­26 Forward estimate  $'000 |
| **ASSETS** |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |
| Cash and cash equivalents | 65,316 | 78,063 | 84,565 | 93,233 | 99,376 |
| Trade and other receivables | 2,959 | 3,456 | 3,833 | 4,066 | 4,197 |
| ***Total financial assets*** | ***68,275*** | ***81,519*** | ***88,398*** | ***97,299*** | ***103,573*** |
| **Non-financial assets** |  |  |  |  |  |
| Land and buildings | 153,948 | 138,331 | 122,484 | 106,441 | 90,274 |
| Property, plant and equipment | 3,291 | 3,449 | 3,414 | 3,212 | 2,904 |
| Intangibles | 115,911 | 122,283 | 132,693 | 142,273 | 151,328 |
| Other non-financial assets | 10,255 | 10,876 | 11,240 | 11,258 | 11,451 |
| ***Total non-financial assets*** | ***283,405*** | ***274,939*** | ***269,831*** | ***263,184*** | ***255,957*** |
| **Total assets** | **351,680** | **356,458** | **358,229** | **360,483** | **359,530** |
| **LIABILITIES** |  |  |  |  |  |
| **Payables** |  |  |  |  |  |
| Suppliers | 6,572 | 6,970 | 7,203 | 7,215 | 7,339 |
| Other payables | 48,970 | 49,362 | 49,791 | 50,220 | 50,648 |
| ***Total payables*** | ***55,542*** | ***56,332*** | ***56,994*** | ***57,435*** | ***57,987*** |
| **Interest bearing liabilities** |  |  |  |  |  |
| Leases | 131,170 | 120,595 | 109,497 | 98,327 | 86,601 |
| ***Total interest bearing liabilities*** | ***131,170*** | ***120,595*** | ***109,497*** | ***98,327*** | ***86,601*** |
| **Provisions** |  |  |  |  |  |
| Employee provisions | 51,480 | 55,043 | 58,250 | 62,233 | 66,454 |
| ***Total provisions*** | ***51,480*** | ***55,043*** | ***58,250*** | ***62,233*** | ***66,454*** |
| **Total liabilities** | **238,192** | **231,970** | **224,741** | **217,995** | **211,042** |
| **Net assets** | **113,488** | **124,488** | **133,488** | **142,488** | **148,488** |
| **EQUITY\*** |  |  |  |  |  |
| **Parent entity interest** |  |  |  |  |  |
| Contributed equity | 5,908 | 5,908 | 5,908 | 5,908 | 5,908 |
| Reserves | 2,949 | 2,949 | 2,949 | 2,949 | 2,949 |
| Retained surplus (accumulated  deficit) | 104,631 | 115,631 | 124,631 | 133,631 | 139,631 |
| ***Total parent entity interest*** | ***113,488*** | ***124,488*** | ***133,488*** | ***142,488*** | ***148,488*** |
| **Total equity** | **113,488** | **124,488** | **133,488** | **142,488** | **148,488** |

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 2022­23)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Retained  earnings  $'000 | Asset  revaluation  reserve  $'000 | Contributed  equity/  capital  $'000 | Total  equity  $'000 |
| **Opening balance as at 1 July 2022** |  |  |  |  |
| Balance carried forward from previous period | 104,631 | 2,949 | 5,908 | 113,488 |
| ***Adjusted opening balance*** | ***104,631*** | ***2,949*** | ***5,908*** | ***113,488*** |
| **Comprehensive income** |  |  |  |  |
| Surplus/(deficit) for the period | 11,000 | - | - | 11,000 |
| ***Total comprehensive income*** | ***11,000*** | ***-*** | ***-*** | ***11,000*** |
| of which: |  |  |  |  |
| Attributable to the Australian Government | 11,000 | - | - | 11,000 |
| **Estimated closing balance as at**  **30 June 2023** | **115,631** | **2,949** | **5,908** | **124,488** |
| **Closing balance attributable to**  **the Australian Government** | **115,631** | **2,949** | **5,908** | **124,488** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021­22 Estimated actual  $'000 | 2022­23  Budget  $'000 | 2023­24 Forward estimate  $'000 | 2024­25 Forward estimate  $'000 | 2025­26 Forward estimate  $'000 |
| **OPERATING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Appropriations | 356 | 360 | 361 | 363 | 365 |
| Sale of goods and rendering of  services | 244,650 | 246,989 | 252,400 | 257,785 | 260,930 |
| Net GST received | (280) | (63) | (37) | (2) | (19) |
| ***Total cash received*** | ***244,726*** | ***247,286*** | ***252,724*** | ***258,146*** | ***261,276*** |
| **Cash used** |  |  |  |  |  |
| Employees | 136,227 | 135,646 | 139,961 | 143,316 | 147,409 |
| Suppliers | 58,976 | 61,728 | 63,693 | 63,665 | 64,820 |
| Interest payments on lease liability | 1,721 | 1,590 | 1,470 | 1,327 | 1,178 |
| ***Total cash used*** | ***196,924*** | ***198,964*** | ***205,124*** | ***208,308*** | ***213,407*** |
| **Net cash from/(used by)**  **operating activities** | **47,802** | **48,322** | **47,600** | **49,838** | **47,869** |
| **INVESTING ACTIVITIES** |  |  |  |  |  |
| **Cash used** |  |  |  |  |  |
| Purchase of property, plant and  equipment and intangibles | 25,000 | 25,000 | 30,000 | 30,000 | 30,000 |
| ***Total cash used*** | ***25,000*** | ***25,000*** | ***30,000*** | ***30,000*** | ***30,000*** |
| **Net cash from/(used by)**  **investing activities** | **(25,000)** | **(25,000)** | **(30,000)** | **(30,000)** | **(30,000)** |
| **FINANCING ACTIVITIES** |  |  |  |  |  |
| **Cash used** |  |  |  |  |  |
| Principal payments on lease liability | 10,423 | 10,575 | 11,098 | 11,170 | 11,726 |
| ***Total cash used*** | ***10,423*** | ***10,575*** | ***11,098*** | ***11,170*** | ***11,726*** |
| **Net cash from/(used by)**  **financing activities** | ***(10,423)*** | ***(10,575)*** | ***(11,098)*** | ***(11,170)*** | ***(11,726)*** |
| **Net increase/(decrease) in cash**  **held** | **12,379** | **12,747** | **6,502** | **8,668** | **6,143** |
| Cash and cash equivalents at the  beginning of the reporting period | 52,937 | 65,316 | 78,063 | 84,565 | 93,233 |
| **Cash and cash equivalents at**  **the end of the reporting period** | **65,316** | **78,063** | **84,565** | **93,233** | **99,376** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021­22 Estimated actual  $'000 | 2022­23  Budget  $'000 | 2023­24 Forward estimate  $'000 | 2024­25 Forward estimate  $'000 | 2025­26 Forward estimate  $'000 |
| **PURCHASE OF NON-FINANCIAL**  **ASSETS** |  |  |  |  |  |
| Funded internally from departmental  resources (a) | 25,000 | 25,000 | 30,000 | 30,000 | 30,000 |
| **TOTAL** | **25,000** | **25,000** | **30,000** | **30,000** | **30,000** |
| **RECONCILIATION OF CASH USED**  **TO ACQUIRE ASSETS TO ASSET**  **MOVEMENT TABLE** |  |  |  |  |  |
| Total purchases | 25,000 | 25,000 | 30,000 | 30,000 | 30,000 |
| **Total cash used to acquire assets** | **25,000** | **25,000** | **30,000** | **30,000** | **30,000** |

Prepared on Australian Accounting Standards basis.

1. Includes the source of funding for own-source revenue receipts.

Table 3.6: Statement of departmental asset movements (Budget year 2022­23)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Buildings  $'000 | Other  property,  plant and  equipment  $'000 | Computer  software and  intangibles  $'000 | Total  $'000 |
| **As at 1 July 2022** |  |  |  |  |
| Gross book value | 34,750 | 11,738 | 250,669 | 297,157 |
| Gross book value - ROU assets | 159,898 | 1,081 | - | 160,979 |
| Accumulated depreciation/  amortisation and impairment | (3,675) | (8,430) | (134,758) | (146,863) |
| Accumulated depreciation/amortisation  and impairment - ROU assets | (37,025) | (1,098) | - | (38,123) |
| **Opening net book balance** | **153,948** | **3,291** | **115,911** | **273,150** |
| **Capital asset additions** |  |  |  |  |
| **Estimated expenditure on new**  **or replacement assets** |  |  |  |  |
| By purchase - other | 300 | 3,200 | 21,500 | 25,000 |
| **Total additions** | **300** | **3,200** | **21,500** | **25,000** |
| **Other movements** |  |  |  |  |
| Depreciation/amortisation expense | (3,587) | (3,042) | (15,128) | (21,757) |
| Depreciation/amortisation on  ROU assets | (12,330) | - | - | (12,330) |
| **Total other movements** | **(15,917)** | **(3,042)** | **(15,128)** | **(34,087)** |
| **As at 30 June 2023** |  |  |  |  |
| Gross book value | 35,050 | 14,938 | 272,169 | 322,157 |
| Gross book value - ROU assets | 159,898 | 1,081 | - | 160,979 |
| Accumulated depreciation/  amortisation and impairment | (7,262) | (11,472) | (149,886) | (168,620) |
| Accumulated depreciation/amortisation  and impairment - ROU assets | (49,355) | (1,098) | - | (50,453) |
| **Closing net book balance** | **138,331** | **3,449** | **122,283** | **264,063** |

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 2022­23)

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

Department o

National Offshore Petroleum Safety and Environmental Management Authority

Entity resources and planned performance

National Offshore Petroleum Safety and Environmental Management Authority

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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 under the Offshore Petroleum and Greenhouse Gas Storage Act 2006 (OPGGS Act) and as a corporate Commonwealth entity under the Public Governance, Performance and Accountability Act 2013 (PGPA Act). It operates on a cost recovery basis through levies and fees. NOPSEMA is an expertise-based regulator of occupational health and safety (OHS), well integrity and environmental management for all offshore petroleum operations in Commonwealth waters. Commonwealth waters comprise those areas beyond three nautical miles from the territorial sea baseline[[2]](#footnote-2). NOPSEMA regulates petroleum operations in coastal waters only where a state or territory has conferred regulatory powers and functions on NOPSEMA[[3]](#footnote-3). 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 2022-23, 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 improvements in industry performance while maintaining safety and environmental safeguards.
* Providing operational and regulatory advice to government on legislative development and reform initiatives.
* Further developing effective working relationships with stakeholders to aid understanding of relevant regulatory requirements.
* Progressing transparency and stakeholder engagement initiatives with a view to enhancing the community’s level of trust in NOPSEMA as a robust, fair, and transparent regulator.
* Providing a basis for conferral of powers and functions for coastal waters from states/territories and further regulatory streamlining opportunities within Commonwealth waters.
* Working with industry and other stakeholders to reduce the regulatory burden and unnecessary compliance costs.
* Collaborating with international regulatory counterparts on joint program initiatives and information sharing.

NOPSEMA’s Corporate Plan 2021-26 provides further details on the direction for the organisation. The corporate plan is prepared under the OPGGS Act and in compliance with the PGPA Act. It can be accessed at [www.nopsema.gov.au](http://www.nopsema.gov.au), together with information about the history of NOPSEMA.

In addition to regulating offshore petroleum activities, following passage of the Offshore Electricity Infrastructure Act 2021 NOPSEMA has been given the role and functions of the Offshore Infrastructure Regulator (the Regulator). The Regulator has primary responsibility for work health and safety, environmental management, infrastructure integrity and financial security for offshore infrastructure activities. The Regulator will also provide specialist technical advice to the Department of Agriculture, Water and the Environment to support the assessment of offshore renewable energy proposals under the Environment Protection and Biodiversity Conservation Act 1999. The Regulator will provide guidance and advice on how to comply with the regulatory requirements.

### 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 1’ 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 2022­23 as at Budget March 2022

|  |  |  |
| --- | --- | --- |
|  | *2021­22 Estimated actual*  *$'000* | 2022­23 Estimate  $'000 |
| **Opening balance/cash reserves at 1 July** | *20,461* | 17,348 |
| **Funds from Government** |  |  |
| Annual appropriations - ordinary annual services (a) |  |  |
| Outcome 1 | *667* | 2,149 |
| Annual appropriations - other services (b) |  |  |
| Equity injection |  | 6,149 |
| Total annual appropriations | *667* | *8,298* |
| Amounts received from related entities |  |  |
| Amounts from portfolio department (c) | *34,572* | 41,370 |
| Total amounts received from related entities | *34,572* | 41,370 |
| **Total funds from Government** | ***35,239*** | **49,668** |
| **Funds from other sources** |  |  |
| Interest | *207* | 187 |
| Other | *633* | 1,259 |
| **Total funds from other sources** | ***840*** | **1,446** |
| **Total net resourcing for NOPSEMA** | ***56,540*** | **68,462** |
|  |  |  |
|  | *2021­22* | 2022­23 |
| **Average staffing level (number)** | *135* | 135 |

All figures shown above are GST exclusive – these may not match figures in the cash flow statement. Prepared on a resourcing (i.e. appropriations available basis).

1. Appropriation Bill (No. 1) 2022-23.
2. Appropriation Bill (No. 2) 2022-23.
3. 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.$0.8 million will be received through the 2021‑22 Annual Appropriation Bill No.3 and $1.5 million will be received through 2021-22 Annual Appropriation Bill No.4. The annual appropriations received from these bills will be recognised in a future PB Statement but only after the Bills have received Royal Assent.

### 1.3 Budget measures

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

## **Section 2: Outcomes and planned performance**

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

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

**Note:**

Performance reporting requirements in the Portfolio Budget Statements are part of the 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/sites/default/files/documents/2021-08/A794061.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/2020-21

### 2.1 Budgeted expenses and performance for Outcome 1

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

#### Linked programs

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

##### **Budgeted expenses for Outcome 1**

This table shows how much the NOPSEMA 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:** 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 | | | | | |
|  | 2021­22 Estimated actual  $'000 | 2022­23  Budget  $'000 | 2023­24 Forward estimate  $'000 | 2024­25 Forward estimate  $'000 | 2025­26 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 |  |  |  |  |  |
| Ordinary annual services  (Appropriation Bill No.1) | 667 | 2,149 | 200 | - | - |
| Payment from related entities | 34,572 | 41,370 | 39,774 | 38,957 | 39,327 |
| Expenses not requiring  appropriation in the budget  year (a) | 3,272 | (2,504) | 1,928 | 4,204 | 4,576 |
| Revenues from other independent  sources | 700 | 1,329 | 895 | 695 | 695 |
| **Total expenses for Program 1** | **39,211** | **42,344** | **42,797** | **43,856** | **44,598** |
| **Outcome 1 totals by resource type** | | | | | |
| Revenue from Government |  |  |  |  |  |
| Ordinary annual services  (Appropriation Bill No. 1) | 667 | 2,149 | 200 | - | - |
| Payment from related entities | 34,572 | 41,370 | 39,774 | 38,957 | 39,327 |
| Expenses not requiring  appropriation in the budget  year (a) | 3,272 | (2,504) | 1,928 | 4,204 | 4,576 |
| Revenues from other independent  sources | 700 | 1,329 | 895 | 695 | 695 |
| **Total expenses for Outcome 1** | **39,211** | **42,344** | **42,797** | **43,856** | **44,598** |
|  |  |  |  |  |  |
|  | 2021­22 | 2022­23 |  |  |  |
| **Average staffing level (number)** | 135 | 135 |  |  |  |

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

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 measure for Outcome 1

Table 2.1.3 details the performance measures for each program associated with Outcome 1. It also provides the related key activities as expressed in the current corporate plan where further detail is provided about the delivery of the activities related to the program, the context in which these activities are delivered and how the performance of these activities will be measured. Where relevant, details of 2022-23 Budget measures that have created new programs or materially changed existing programs are provided.

| **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. | | |
| **Key Activities** | NOPSEMA delivers Program 1 by:   * Implementing risk-based assessment procedures for all legislated submissions. * Implementing risk-based inspection programs for all offshore petroleum activities. * Taking proportionate enforcement actions that facilitate duty holder return to compliance. * Undertaking investigations in response to potential and reported non-compliances. | |
| **Year** | **Performance measures** | **Expected Performance Results** |
| Current year  2021-22 | Assessments are undertaken in line with risk-based elements as per NOPSEMA policies | 100% |
| Risk-based inspections are conducted to meet policy targets | 100% |
| Enforcement actions are undertaken in accordance with the Enforcement Management Model | 100% |
| Incidents are investigated in accordance with NOPSEMA policies | 100% |
| **Year** | **Performance measures** | **Planned Performance Results** |
| Budget Year  2022-23 | As per 2021-22 | As per 2021-22 |
| Forward Estimates  2023-26 | As per 2021-22 | As per 2021-22 |
| Material changes to Program 1 resulting from 2022-23 Budget Measures: Nil | | |

## **Section 3****: Budgeted financial statements**

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2022­23 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

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 NOPSEMA 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 $34.8 million for 2022-23 has decreased by $8.3 million since the 2021-22 Portfolio Additional Estimates Statements were prepared.

Budgeted expenditure of $39.2 million for 2022-23 has increased by $1.4 million since the 2021-22 Portfolio Additional Estimates 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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021­22 Estimated actual  $'000 | 2022­23  Budget  $'000 | 2023­24 Forward estimate  $'000 | 2024­25 Forward estimate  $'000 | 2025­26 Forward estimate  $'000 |
| **EXPENSES** |  |  |  |  |  |
| Employee benefits | 30,563 | 33,953 | 32,897 | 33,555 | 34,226 |
| Suppliers | 4,954 | 5,590 | 5,293 | 5,174 | 5,256 |
| Depreciation and amortisation | 3,554 | 2,684 | 4,439 | 4,988 | 5,005 |
| Finance Costs | 140 | 117 | 168 | 139 | 111 |
| **Total expenses** | **39,211** | **42,344** | **42,797** | **43,856** | **44,598** |
| **LESS:** |  |  |  |  |  |
| **OWN-SOURCE INCOME** |  |  |  |  |  |
| **Own-source revenue** |  |  |  |  |  |
| Interest | 50 | 40 | 40 | 40 | 40 |
| Sublease interest income | 17 | 30 | 41 | 33 | 26 |
| Other | 633 | 1,259 | 814 | 622 | 629 |
| **Total own-source revenue** | **700** | **1,329** | **895** | **695** | **695** |
| **Total own-source income** | **700** | **1,329** | **895** | **695** | **695** |
| **Net (cost of)/contribution by**  **services** | **(38,511)** | **(41,015)** | **(41,902)** | **(43,161)** | **(43,903)** |
| Revenue from Government (a) | 36,072 | 43,519 | 39,974 | 38,957 | 39,327 |
| **Surplus/(deficit) attributable to the**  **Australian Government** | **(2,439)** | **2,504** | **(1,928)** | **(4,204)** | **(4,576)** |
| **Total comprehensive income/(loss)** | **(2,439)** | **2,504** | **(1,928)** | **(4,204)** | **(4,576)** |
| **Total comprehensive income/(loss)**  **attributable to the Australian**  **Government** | **(2,439)** | **2,504** | **(1,928)** | **(4,204)** | **(4,576)** |
|  |  |  |  |  |  |
| **Note: Impact of net cash appropriation arrangements** | |  |  |  |  |
| **Total comprehensive income/(loss)**  **- as per statement of**  **Comprehensive Income** | **(2,439)** | **(2,504)** | **1,928** | **4,204** | **4,576** |
| plus: depreciation/amortisation  expenses for ROU assets (b) | 2,534 | 1,051 | 1,639 | 1,639 | 1,639 |
| less: lease principal repayments (b) | 3,533 | 1,676 | 2,555 | 2,617 | 2,746 |
| **Net Cash Operating Surplus/ (Deficit)** | **(3,438)** | **(3,129)** | **1,012** | **3,226** | **3,469** |

Prepared on Australian Accounting Standards basis.

1. NOPSEMA became a corporate Commonwealth entity on 1 July 2014 and receives the majority of 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.
2. Applies leases under AASB 16.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021­22 Estimated actual  $'000 | 2022­23  Budget  $'000 | 2023­24 Forward estimate  $'000 | 2024­25 Forward estimate  $'000 | 2025­26 Forward estimate  $'000 |
| **ASSETS** |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |
| Cash and cash equivalents | 17,348 | 24,407 | 21,539 | 14,213 | 9,042 |
| Trade and other receivables | 4,867 | 6,690 | 6,008 | 6,524 | 5,781 |
| Other financial assets | 1,999 | 1,999 | 1,999 | 1,999 | 1,999 |
| ***Total financial assets*** | ***24,214*** | ***33,096*** | ***29,546*** | ***22,736*** | ***16,822*** |
| **Non-financial assets** |  |  |  |  |  |
| Land and buildings | 6,271 | 10,974 | 9,301 | 9,705 | 8,942 |
| Property, plant and equipment | 437 | 437 | 437 | 437 | 437 |
| Intangibles | 1,820 | 3,700 | 8,934 | 11,078 | 10,566 |
| Other non-financial assets | 607 | 607 | 607 | 607 | 607 |
| ***Total non-financial assets*** | ***9,135*** | ***15,718*** | ***19,279*** | ***21,827*** | ***20,552*** |
| **Total assets** | **33,349** | **48,814** | **48,825** | **44,563** | **37,374** |
| **LIABILITIES** |  |  |  |  |  |
| **Payables** |  |  |  |  |  |
| Suppliers | 445 | 445 | 445 | 445 | 445 |
| Other payables | 1,612 | 1,612 | 1,612 | 1,612 | 1,612 |
| ***Total payables*** | ***2,057*** | ***2,057*** | ***2,057*** | ***2,057*** | ***2,057*** |
| **Interest bearing liabilities** |  |  |  |  |  |
| Leases | 7,408 | 14,220 | 11,819 | 11,761 | 9,148 |
| ***Total interest bearing liabilities*** | ***7,408*** | ***14,220*** | ***11,819*** | ***11,761*** | ***9,148*** |
| **Provisions** |  |  |  |  |  |
| Employee provisions | 6,814 | 6,814 | 6,814 | 6,814 | 6,814 |
| Other provisions | 940 | 940 | 940 | 940 | 940 |
| ***Total provisions*** | ***7,754*** | ***7,754*** | ***7,754*** | ***7,754*** | ***7,754*** |
| **Total liabilities** | **17,219** | **24,031** | **21,630** | **21,572** | **18,959** |
| **Net assets** | **16,130** | **24,783** | **27,195** | **22,991** | **18,415** |
| **EQUITY\*** |  |  |  |  |  |
| **Parent entity interest** |  |  |  |  |  |
| Contributed equity | 896 | 7,045 | 11,385 | 11,385 | 11,385 |
| Retained surplus (accumulated  deficit) | 15,234 | 17,738 | 15,810 | 11,606 | 7,030 |
| ***Total parent entity interest*** | ***16,130*** | ***24,783*** | ***27,195*** | ***22,991*** | ***18,415*** |
| **Total equity** | **16,130** | **24,783** | **27,195** | **22,991** | **18,415** |

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 2022­23)

|  |  |  |  |
| --- | --- | --- | --- |
|  | Retained  earnings  $'000 | Contributed  equity/  capital  $'000 | Total  equity  $'000 |
| **Opening balance as at 1 July 2022** |  |  |  |
| Balance carried forward from previous period | 15,234 | 896 | 16,130 |
| ***Adjusted opening balance*** | ***15,234*** | ***896*** | ***16,130*** |
| **Comprehensive income** |  |  |  |
| Surplus/(deficit) for the period | 2,504 | - | 2,504 |
| ***Total comprehensive income*** | ***2,504*** | ***-*** | ***2,504*** |
| of which: |  |  |  |
| Attributable to the Australian Government | 2,504 | - | 2,504 |
| ***Contributions by owners*** |  |  |  |
| Equity injection - Appropriation | - | 6,149 | 6,149 |
| ***Sub-total transactions with owners*** | ***-*** | ***6,149*** | ***6,149*** |
| **Estimated closing balance as at 30 June 2023** | **17,738** | **7,045** | **24,783** |
| **Closing balance attributable to the Australian Government** | **17,738** | **7,045** | **24,783** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021­22 Estimated actual  $'000 | 2022­23  Budget  $'000 | 2023­24 Forward estimate  $'000 | 2024­25 Forward estimate  $'000 | 2025­26 Forward estimate  $'000 |
| **OPERATING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Receipts from Government | 36,072 | 43,519 | 39,974 | 38,957 | 39,327 |
| Sale of goods and rendering of  services | 1,155 | 941 | 911 | 33 | 26 |
| Interest | 50 | 40 | 40 | 40 | 40 |
| Other | 633 | 1,259 | 814 | 622 | 629 |
| ***Total cash received*** | ***37,910*** | ***45,759*** | ***41,739*** | ***39,652*** | ***40,022*** |
| **Cash used** |  |  |  |  |  |
| Employees | 30,563 | 33,953 | 32,897 | 33,555 | 34,226 |
| Suppliers | 5,787 | 5,590 | 5,293 | 5,174 | 5,256 |
| Interest payments on lease liability | 140 | 117 | 168 | 139 | 111 |
| ***Total cash used*** | ***36,490*** | ***39,660*** | ***38,358*** | ***38,868*** | ***39,593*** |
| **Net cash from/(used by)**  **operating activities** | **1,420** | **6,099** | **3,381** | **784** | **429** |
| **INVESTING ACTIVITIES** |  |  |  |  |  |
| **Cash used** |  |  |  |  |  |
| Purchase of property, plant and  equipment and intangibles | 1,000 | 3,513 | 8,034 | 5,493 | 2,854 |
| ***Total cash used*** | ***1,000*** | ***3,513*** | ***8,034*** | ***5,493*** | ***2,854*** |
| **Net cash from/(used by)**  **investing activities** | **(1,000)** | **(3,513)** | **(8,034)** | **(5,493)** | **(2,854)** |
| **FINANCING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Contributed equity | - | 6,149 | 4,340 | - | - |
| ***Total cash received*** | ***-*** | ***6,149*** | ***4,340*** | ***-*** | ***-*** |
| **Cash used** |  |  |  |  |  |
| Principal payments on lease liability | 3,533 | 1,676 | 2,555 | 2,617 | 2,746 |
| ***Total cash used*** | ***3,533*** | ***1,676*** | ***2,555*** | ***2,617*** | ***2,746*** |
| **Net cash from/(used by)**  **financing activities** | **(3,533)** | **4,473** | **1,785** | **(2,617)** | **(2,746)** |
| **Net increase/(decrease) in cash**  **held** | **(3,113)** | **7,059** | **(2,868)** | **(7,326)** | **(5,171)** |
| Cash and cash equivalents at the  beginning of the reporting period | 20,461 | 17,348 | 24,407 | 21,539 | 14,213 |
| **Cash and cash equivalents at**  **the end of the reporting period** | 17,348 | 24,407 | 21,539 | 14,213 | 9,042 |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2021­22 Estimated actual  $'000 | 2022­23  Budget  $'000 | 2023­24 Forward estimate  $'000 | 2024­25 Forward estimate  $'000 | 2025­26 Forward estimate  $'000 |
| **PURCHASE OF NON-FINANCIAL**  **ASSETS** |  |  |  |  |  |
| Funded by capital appropriations (a) | - | 6,149 | 4,340 | - | - |
| Funded internally from departmental  resources (b) (c) | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| **TOTAL** | **1,000** | **7,149** | **5,340** | **1,000** | **1,000** |
| **RECONCILIATION OF CASH USED**  **TO ACQUIRE ASSETS TO ASSET**  **MOVEMENT TABLE** |  |  |  |  |  |
| Total purchases | 1,000 | 7,149 | 5,340 | 1,000 | 1,000 |
| **Total cash used to acquire assets** | **1,000** | **7,149** | **5,340** | **1,000** | **1,000** |

Prepared on Australian Accounting Standards basis.

1. Appropriation Bill (No. 2) 2022-23.
2. Includes the following s74 external receipts:

* sponsorship, subsidy, gifts or similar contribution;
* internally developed assets;
* own-source revenue; and
* proceeds from the sale of assets.

1. NOPSEMA became a Corporate Commonwealth entity on 1 July 2014 and receives the majority of 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 departmental asset movements (Budget year 2022­23)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Buildings  $'000 | Other  property,  plant and  equipment  $'000 | Computer  software and  intangibles  $'000 | Total  $'000 |
| **As at 1 July 2022** |  |  |  |  |
| Gross book value | 4,960 | 3,782 | 9,769 | 18,511 |
| Gross book value - ROU assets | 13,164 | - | - | 13,164 |
| Accumulated depreciation/  amortisation and impairment | (1,717) | (3,345) | (7,949) | (13,011) |
| Accumulated depreciation/  amortisation and impairment - ROU assets | (10,136) | - | - | (10,136) |
| **Opening net book balance** | **6,271** | **437** | **1,820** | **8,528** |
| **Capital asset additions** |  |  |  |  |
| **Estimated expenditure on new**  **or replacement assets** |  |  |  |  |
| By purchase - other | - | 600 | 2,913 | 3,513 |
| By purchase - other - ROU assets | 8,488 | - | - | 8,488 |
| **Total additions** | **8,488** | **600** | **2,913** | **12,001** |
| **Other movements** |  |  |  |  |
| Depreciation/amortisation expense | (1,051) | (600) | (1,033) | (2,684) |
| Other - ROU assets | (2,734) |  |  | (2,734) |
| **Total other movements** | **(3,785)** | **(600)** | **(1,033)** | **(5,418)** |
| **As at 30 June 2023** |  |  |  |  |
| Gross book value | 4,960 | 4,382 | 12,682 | 22,024 |
| Gross book value - ROU assets | 18,918 | - | - | 18,918 |
| Accumulated depreciation/  amortisation and impairment | (2,768) | (3,945) | (8,982) | (15,695) |
| Accumulated depreciation/amortisation  and impairment - ROU assets | (10,136) | - | - | (10,136) |
| **Closing net book balance** | **10,974** | **437** | **3,700** | **15,111** |

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 2022­23)

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

1. This figure includes $1.0 billion in industry, energy and emissions reduction programs as part of the Government’s $7.1 billion *Energy Security and Regional Development Plan*. Funding for these programs is provided in the Infrastructure, Transport, Regional Development and Communications Portfolio Budget Statements. [↑](#footnote-ref-1)
2. Note: The territorial sea baseline varies depending upon the shape of the coastline in any given locality.

   See <http://www.ga.gov.au/scientific-topics/marine/jurisdiction/maritime-boundary-definitions> for a comprehensive description and maps. [↑](#footnote-ref-2)
3. Currently, only Victoria has conferred powers and functions for the regulation of health and safety and well integrity to NOPSEMA [↑](#footnote-ref-3)