



Australian Government

Department of Industry,
Science and Resources

Annual Report

2021–22

| [Industry.gov.au/AnnualReport22](https://industry.gov.au/AnnualReport22)

Department of
Industry, Science,
Energy and Resources
ANNUAL REPORT 2021–22

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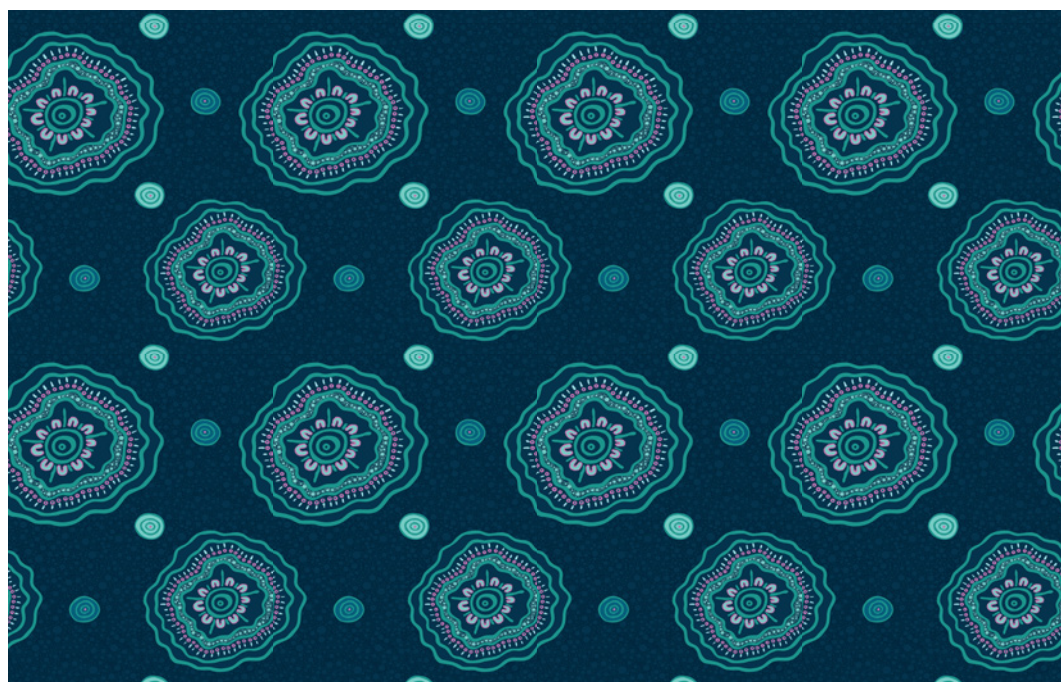
Acknowledgement of Country

Our department recognises the First Peoples of this nation and their ongoing connection to culture and Country. We acknowledge First Nations Peoples as the Traditional Owners, Custodians and Lore Keepers of the world's oldest living culture and pay respects to their Elders past, present and emerging.

Meeting place icon by employee Amy Huggins.

Title: Connection to Country, 2021

Artist Shaenice Allan



ABOUT THIS REPORT

This report provides information on the activities of the Department of Industry, Science, Energy and Resources during the 2021–22 financial year.

Reporting framework

This report addresses the annual reporting requirements of:

- the *Public Governance, Performance and Accountability Act 2013*
- the Public Governance, Performance and Accountability Rule 2014
- certain legislation administered by the department.

Contact officer

Questions about or feedback on this report can be addressed to:

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Accessing this report

This report can be accessed electronically:

- by downloading it from the Department of Industry, Science and Resources website at www.industry.gov.au/AnnualReport22
- through the Transparency Portal at transparency.gov.au.

A limited number of hardcopies are also available. Enquiries should be directed to the contact officer.

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PART A:
DEPARTMENT OF
INDUSTRY, SCIENCE,
ENERGY AND RESOURCES



Australian Government

Department of Industry, Science and Resources

OFFICE OF THE SECRETARY
MEGHAN QUINN PSM

The Hon Madeleine King
Minister for Resources and
Northern Australia
Parliament House
Canberra ACT 2600

The Hon Ed Husic MP
Minister for Industry
and Science
Parliament House
Canberra ACT 2600

The Hon Tim Ayres
Assistant Minister
for Manufacturing
Parliament House
Canberra ACT 2600

Dear Ministers

This Annual Report covers the activities of the former Department of Industry, Science, Energy and Resources for the year ended 30 June 2022.

On 1 July 2022, as part of machinery of government changes, responsibility for climate change and energy functions were transitioned to a new entity, the Department of Climate Change, Energy, the Environment and Water, and remaining functions became the responsibility of the Department of Industry, Science and Resources.

As the Accountable Authority of the Department of Industry, Science and Resources, I am pleased to present this Annual Report.

The report has been prepared in accordance with all applicable obligations of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), including section 46, which requires that you table the report in Parliament. The report reflects the matters dealt with by the department, and legislation administered by the department (Appendix A1) as at 30 June 2022.

The Annual Performance Statements in Chapter 2 of this report are prepared in accordance with paragraph 39(1)(a) of the PGPA Act. They accurately present the department's performance for the 2021–22 financial year in accordance with subsection 39(2) of the PGPA Act.

The report includes the department's audited financial statements, prepared in accordance with the Public Governance, Performance and Accountability (Financial Reporting) Rule 2015 (Financial Reporting Rule).

I certify that the department has prepared divisional fraud and corruption risk assessments and a fraud and corruption control plan; has in place fraud prevention, detection, investigation and reporting mechanisms that meet its needs; and has taken all reasonable measures to appropriately deal with fraud.

Yours sincerely

A handwritten signature in black ink, appearing to read 'ME Quinn'.

Meghan Quinn PSM

14 October 2022



CHAPTER 1

PORTFOLIO AND DEPARTMENTAL OVERVIEW

Secretary's review

I am pleased to release the *Department of Industry, Science, Energy and Resources Annual Report 2021-22*. I acknowledge the way the department supported the previous government's response to several challenges over the year. These included the ongoing impact of COVID-19 and international events that disrupted important supply chains. As we adjust our work to align with the machinery of government changes and support the new government's priorities, we will continue to deliver results for Australia across our portfolio responsibilities.

The portfolio's programs represented strong investment in Australia's manufacturing and science capability, new energy technologies and resource development, as well as in emerging technologies in fields like quantum, AI and space. We supported job creation and growth in metropolitan and regional Australia by leveraging our extensive AusIndustry network. We stimulated the deployment of low-emissions technology to allow Australia to realise the benefits of new and existing clean energy as we work towards net zero.

Our scientific and technical activities strengthened economic prosperity and innovation. Through our international partnerships and collaboration we continued our commitment to leveraging Australia's strengths.

We supported growth in Australia's critical minerals sector, taking advantage of our natural resources and building supply chains through strategic partnerships.

We collaborated across government to make real changes that improved the lives of Australians. This included supporting Australia's waste management and recycling industries and making sure building access standards were fit for purpose to better meet the needs of people with disability.

We continued to promote science engagement through grants, prizes and sponsorships that encourage the broader community to engage with science. This included hybrid delivery of youth-focused science events to connect young people through science in the face of COVID-19 restrictions.

Professor Eddie Holmes received the 2021 Prime Minister's Prize for Science in recognition of his 30 years of work on viruses, including being the first person to share the COVID-19 virus genome publicly. This raised the profile of Australian scientists at home and overseas.

Supporting women to thrive in high-paying and essential STEM jobs remained as one of our priorities. The Superstars of STEM initiative improved the visibility of women in STEM by providing media training, mentoring and networking.

We worked with others to improve Australia's research capability, including with Australia's Chief Scientist Dr Cathy Foley AO PSM and the Department of the Prime Minister and Cabinet. This positioned the National Science and Technology Council to provide timely and authoritative scientific advice on emerging issues and priorities.

To support businesses to invest and create jobs we supported new and developed industries and continued our business outreach. We were on the ground immediately following the floods that affected northern New South Wales and south-east Queensland at the beginning of 2022, working with other agencies to provide customised support to affected businesses.

High priority was given to strengthening Australia's supply chain resilience this year. We worked with industry to address vulnerabilities in supply chains for critical products. These included medicines, agricultural production chemicals, personal protective equipment (PPE), semiconductors, water treatment chemicals and telecommunication equipment.

This year we celebrated the 10th anniversary of the Research and Development Tax Incentive (R&DTI) program. The program was the Australian Government's main mechanism to stimulate Australian industry investment in research and development (R&D). It has supported well over 30,000 companies in its lifetime, attracting between 2,000 and 3,000 businesses to register for the first time each year.

We continue to work towards the goal of Australia becoming a major producer and exporter of clean hydrogen by 2030. With over 90 hydrogen projects announced around the country, Australia has a world-leading pipeline of clean hydrogen projects, positioning it to be a major global hydrogen exporter.

The National Measurement Institute (NMI) continued to deliver essential measurement standards and services that underpin business continuity, sovereign capability and international trade. This included consultation on the measurement frameworks needed for hydrogen vehicle refuelling and electric vehicle recharging systems in preparation for hydrogen and electric vehicle uptake.

To build long-term productivity, growth and sustainability, we engaged across sectors to secure our supply chains and support sustainability projects and clean technology. This included microgrid solutions to address the unique power supply challenges in regional and remote communities.

In June 2022, the Australian Government submitted its updated Nationally Determined Contribution under the Paris Agreement. This included a new emissions reduction target of achieving 43% below 2005 levels by 2030. The Powering Australia plan gives a roadmap to decarbonise each sector. We have begun implementing the plan's suite of new measures across the economy to meet the 2030 target and drive the transition to net zero.

Over the year, we expanded the number of countries we were working with to address climate change and were pleased to join our Quad partners—the United States, Japan and India—to cooperate on advancing a clean hydrogen partnership and clean energy supply chains in the Indo-Pacific region.

Our people are integral to our ability to deliver for the Australian community. In the past year, we continued to adapt to a post-COVID environment with an increased focus on:

- wellbeing and a hybrid work environment that reached beyond capital cities
- diversity and helping all staff to feel confident and comfortable bringing their whole selves to work

We completed our Innovate Reconciliation Action Plan (RAP) and look forward to launching our Stretch RAP program in 2022–23. Our first Indigenous affirmative measures recruitment process was a great success, resulting in 28 job placements across the department. We will use a similar approach in 2022–23 to build an affirmative measures process for people with a disability.

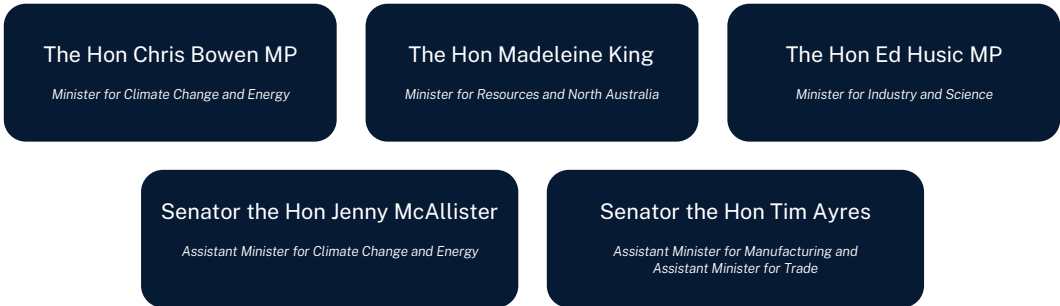
The achievements in my review represent a sample of accomplishments of this portfolio over the past 12 months, and I encourage you to explore the highlights section in Chapter 2. The full report gives an overview of our contribution to economic and productivity growth and job creation for all Australians.

The relationships built across our industry, science, resources, climate change and energy functions place us in good stead to work towards transitioning the Australian economy to net zero by 2050. I am confident that we will continue to serve the Australian community with the same professionalism and commitment in 2022–23.

Portfolio overview

Ministers

Figure 1: Responsible Ministers



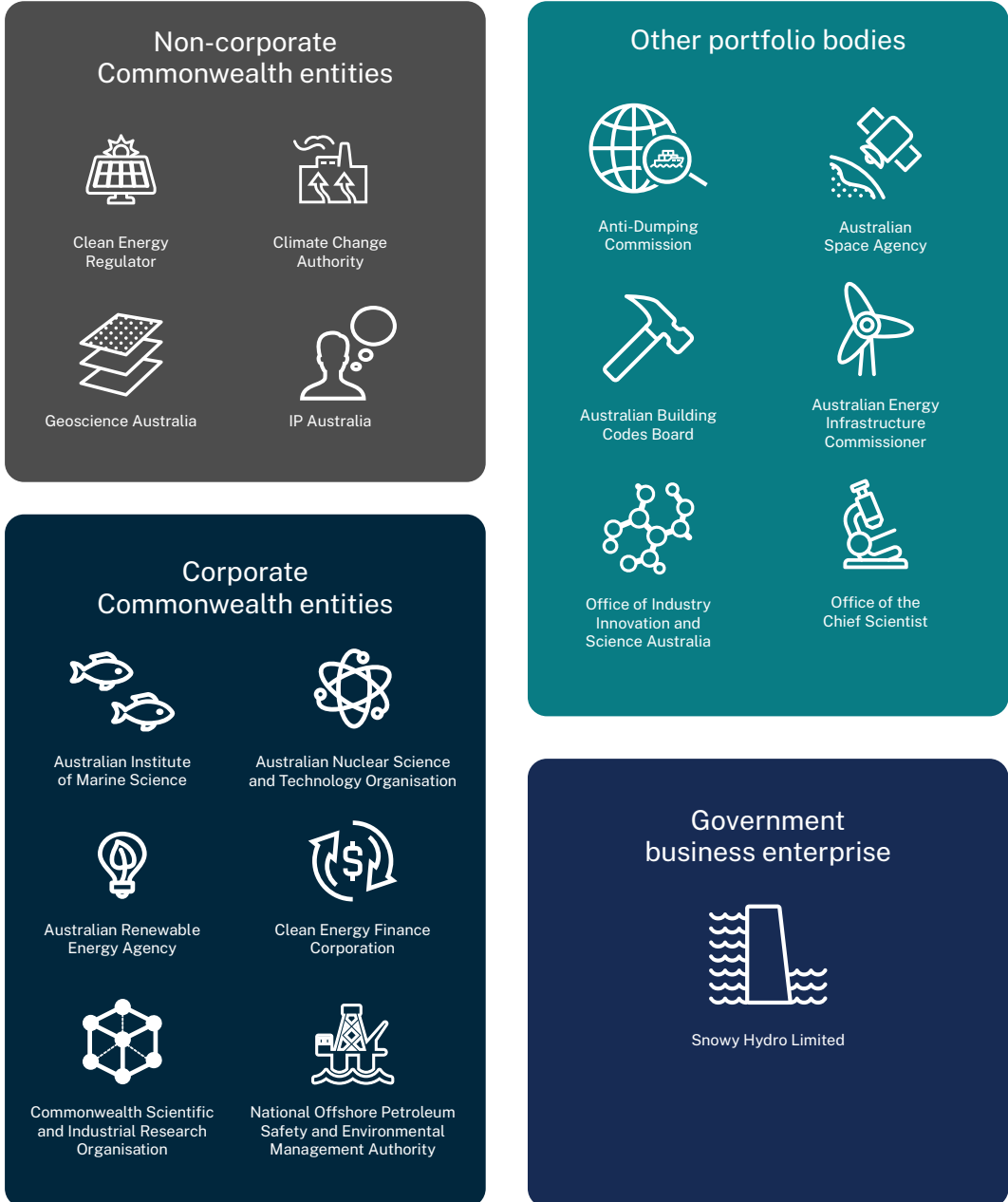
A new government was sworn in on 23 May 2022 following the 2022 federal election; and on 23 June 2022, the Governor-General, acting on the advice of the Federal Executive Council, made an Administrative Arrangements Order to commence on 1 July 2022. The responsible ministers as at 30 June 2022 were:

- the Hon Chris Bowen MP, Minister for Climate Change and Energy
- the Hon Madeleine King MP, Minister for Resources and Minister for Northern Australia
- the Hon Ed Husic MP, Minister for Industry and Science
- Senator the Hon Jenny McAllister, Assistant Minister for Climate Change and Energy
- Senator the Hon Tim Ayres, Assistant Minister for Manufacturing and Assistant Minister for Trade.

Portfolio entities

We worked closely with our portfolio specialised agencies and entities.

Figure 2: Portfolio entities



At 30 June 2022, the Industry, Science, Energy and Resources portfolio comprised:

- the Department of Industry, Science, Energy and Resources
- portfolio non-corporate Commonwealth entities
 - the Clean Energy Regulator
 - the Climate Change Authority
 - Geoscience Australia
 - IP Australia
- portfolio corporate Commonwealth entities
 - the Australian Institute of Marine Science (AIMS)
 - the Australian Nuclear Science and Technology Organisation (ANSTO)
 - the Australian Renewable Energy Agency (ARENA)
 - the Clean Energy Finance Corporation (CEFC)
 - the Commonwealth Scientific and Industrial Research Organisation (CSIRO)
 - the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA)
- other portfolio bodies
 - the Anti-Dumping Commission
 - the Australian Building Codes Board (ABCB)
 - the Australian Energy Infrastructure Commissioner
 - the Australian Space Agency (ASA)
 - the Office of Industry Innovation and Science Australia
 - the Office of the Chief Scientist
- Australian government business enterprise
 - Snowy Hydro Limited.

This annual report covers the Department of Industry, Science, Energy and Resources.

We include financial information related to other portfolio bodies in our financial statements, which are not disclosed separately.

We report on regulatory functions at Appendix A1 (Reports addressing special legislative requirements). These are not disclosed separately.

Departmental overview

Role and functions

We play an important role in the Australian Government's agenda to create jobs and build a stronger, more inclusive and sustainable economy. Our values guide the way we interact with each other, our partners, the community, and other stakeholders to support economic growth.

Figure 3: Our purposes and values support our vision to promote economic growth and job creation



Our vision

Supporting economic growth and job creation for all Australians.

Our purposes

Purpose 1: Science and industry

- Key activity 1.1: Investing in science, technology and commercialisation
- Key activity 1.2: Growing innovative and competitive businesses, industry and regions

Purpose 2: Resources

- Key activity 2.1: Supporting a strong resources sector

Purpose 3: Emissions reduction and clean energy

- Key activity 3.1: Reducing Australia's greenhouse gas emissions
- Key activity 3.2: Developing clean energy technology

Purpose 4: Energy

- Key activity 4.1: Supporting reliable, secure and affordable energy

Our values

- We are collaborative. We build influence with our stakeholders by listening to and being collegiate with them. We build and maintain constructive relationships with our peers, working to a common purpose.
- We are innovative. We are curious and think creatively about our environment in delivering for Australians.
- We are respectful. We are inclusive, leverage our diversity, and act with decency, honesty and openness.
- We strive for excellence. We are driven to influence and deliver outstanding outcomes. We harness our unique skills, knowledge and connections.

Organisational structure

Secretary

The accountable authority for 2021–22 was Mr David Fredericks PSM, Secretary, who occupied the position for the full financial year. Over 2021–22 no acting arrangements for the secretary were in place for 3 weeks or more.¹

The organisational structure that supported the Secretary is outlined below.

Deputy Secretary responsible for AusIndustry, Technology and National Security, Questacon and the National Measurement Institute

Mary Wiley-Smith. Over 2021–22 the following people acted in the role for a period of 3 weeks or more:

- Jane Urquhart–1 March 2022 to 1 April 2022
- Bruce Warrington–27 December 2021 to 21 January 2022.

Deputy Secretary responsible for Manufacturing, Industry Growth, and Science and Commercialisation

David Williamson. Over 2021–22 the following people acted in the role for a period of 3 weeks or more:

- Jane Urquhart–1 July 2021 to 28 February 2022.

¹ Department of Finance guidance states that periods of significant acting arrangement should be included but does not prescribe the length of period significant enough for inclusion in the annual report. The department determined less than 3 weeks as the cut off for the 2021–22 report.

Deputy Secretary responsible for International Climate and Technology, Climate Change, Critical Minerals and Major Projects and the Australian Radioactive Waste Agency

Jo Evans. Over 2021–22 the following people acted in the role for a period of 3 weeks or more:

- Anthea Long – 18 January 2022 to 4 February 2022
- Helen Bennett – 23 December 2021 to 14 January 2022.

Deputy Secretary responsible for Strategic Policy, Analysis and Insights, and Corporate and Digital

Luise McCulloch. Over 2021–22 no acting arrangements were in place for 3 weeks or more.

Deputy Secretary responsible for Onshore Resources, Offshore Resources and Liquid Fuels, Electricity and Energy

Sean Sullivan. Over 2021–22 the following people acted in the role for a period of 3 weeks or more:

- Duncan McIntyre – 20 December 2021 to 23 January 2022

Office holders for portfolio entities

The office holders of each portfolio entity at 30 June 2022 and those who held the office for 3 weeks or more over 2021–22 are listed below.

Table 1: Office holders for non-corporate Commonwealth entities

Non-corporate Commonwealth entities	Office holder
Clean Energy Regulator	David Parker (CEO)
Climate Change Authority	Brad Archer (CEO)
Geoscience Australia	Dr James Johnson (CEO)
IP Australia	Michael Schwager (Director General)

Table 2: Office holders for corporate Commonwealth entities

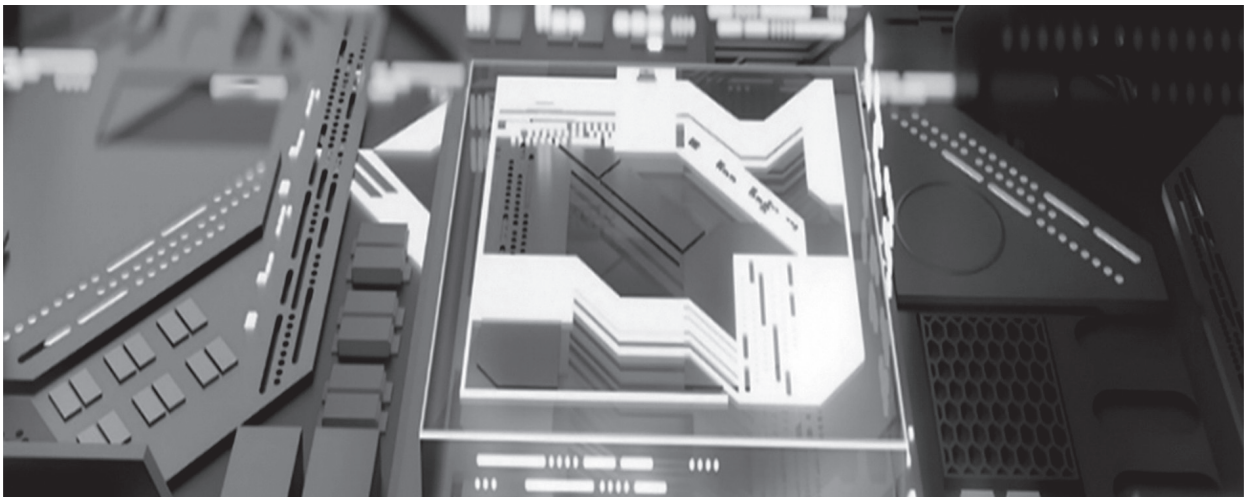
Corporate Commonwealth entities	Office holder
Australian Institute of Marine Science (AIMS)	Dr Paul Hardisty (CEO)
Australian Nuclear Science and Technology Organisation (ANSTO)	Shaun Jenkinson (CEO)
Australian Renewable Energy Agency (ARENA)	Darren Miller (CEO)
Clean Energy Finance Corporation (CEFC)	Ian Learmonth (CEO)
Commonwealth Scientific and Industrial Research Organisation (CSIRO)	Dr Larry Marshall (CEO)
National Offshore Petroleum Safety and Environment Management Authority (NOPSEMA)	Stuart Smith (CEO)

Table 3: Office holders for other portfolio bodies

Other portfolio bodies	Office holder
Anti-Dumping Commission	Dr Bradley Armstrong PSM (Commissioner)
Australian Building Codes Board (ABCB)	Gary Rake (CEO) (17 January 2022 to 30 June 2022) Neil Savery (1 Jul 2021 to 16 January 2022)
Australian Energy Infrastructure Commissioner	Andrew Dyer
Australian Space Agency	Enrico Palermo (CEO)
Office of Industry Innovation and Science Australia	Mardi Davis (Acting CEO) 3 June to 30 June 2022 Anthony McGregor (Acting CEO) (2 February to 3 June 2022) Jane Sexton (Acting CEO) (8 September 2021 to 1 February 2022) Kate Cameron (CEO) (1 July to 29 August 2021)
Office of the Chief Scientist	Dr Cathy Foley AO PSM (Chief Scientist)

Table 4: Office holders for Government business enterprise (GBE)

Government business enterprise	Office holder
Snowy Hydro Limited	Paul Broad (CEO)



CHAPTER 2

DEPARTMENTAL REPORT ON PERFORMANCE

Statement of preparation

I, Meghan Quinn, as the accountable authority of the Department of Industry, Science and Resources, present the Annual Performance Statements 2021–22 of the Department of Industry, Science, Energy and Resources as required under paragraph 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). In my opinion, the Annual Performance Statements are based on properly maintained records, accurately reflect our performance in the reporting period and comply with subsection 39(2) of the PGPA Act.

Meghan Quinn PSM

Secretary

14 October 2022

Our role

How we supported economic growth and job creation for all Australians.

Throughout 2021–22, we sought to maximise what we delivered on behalf of the Australian Government for Australians. We took actions to:

- leverage and build on Australia's strengths
- support businesses to invest and create jobs
- drive long-term productivity, growth and sustainability.

Our report on performance includes:

- a highlights section to showcase the breadth of our work and how we delivered tangible outcomes for Australians over the year
- the Annual Performance Statements 2021–22, through which we report our progress towards the purposes set out in the *Corporate Plan 2021–22* and *Portfolio Budget Statements 2021–2022*.

To assist the reader, a description of the structure of the performance statements and how they relate to the *Corporate Plan 2021–22* and *Portfolio Budget Statements 2021–2022* is included with the Annual Performance Statements.

Highlights

We are proud of what we achieved over 2021–22. The following gives a sample of our highlights for the year.

Leveraging and building on Australia's strengths

We worked to pursue economic prosperity, promote Australia's development of clean energy technologies, lead the way with AI and engage Australians from all walks of life in science. Through international partnerships and collaboration, we remained dedicated to making the most of Australia's strengths.

Transforming Australian manufacturing

Over the year we helped businesses scale up and commercialise new projects, create jobs and compete in global markets. Manufacturers showed they were keen to invest, with every dollar in grants funding leveraging around \$1.89 in private sector investment.

Case studies: Supporting Australian manufacturers to innovate and compete, meet their manufacturing challenges and grow.

Davidson Engineering

The Davidsons invented a farm fencing clip in a shed in rural Victoria. When their clips caught the attention of domestic and international customers on social media during the pandemic, their second-hand manufacturing equipment struggled to meet demand. Matching a \$100,000 manufacturing grant, the couple went into business as Davidson Engineering, buying new equipment to scale up production. The grant and ongoing support and advice from their AusIndustry regional manager helped them increase their sales to 2 million clips in 2020–21. They expect to triple this in 2022–23. Since 2018, Davidson Engineering's staff has grown from 4 to 7. The couple plan to employ up to 4 more people as the business continues to expand in both domestic and international markets.

CQ Field Mining Services

A full metal fabrication workshop based in Mackay, Queensland, CQ Field Mining Services had outgrown its facilities and was unable to meet growing domestic demand. It received a \$1 million manufacturing grant to fit out the facility with modern equipment. The grant also helped upskill its workforce to take advantage of increased market opportunity and onshore maintenance work.

With guidance and support from AusIndustry's Central Queensland Regional Manager, the business is now identifying new technology and improvements to business processes for continued growth. CQ Field Mining Services employs 350 people and will increase its workshop staff from 10 to 30 once the fit-out is complete. This is bringing more work into the Mackay region and helping the business grow domestically and internationally.

Australian Distilling Co.

Perth-based distiller James Young started out making craft gins and vodka as a solo operator in a small 36 m² shed in 2016. After receiving a \$100,000 manufacturing grant and working with AusIndustry facilitators and his local regional manager, James upgraded and expanded the production facility. This included installing a new still and bottling line. Australian Distilling Co. now employs 27 full-time staff. The business has grown more than 100% a year, expanded its range of Old Young's and Gingin Gin brands and has increased production with a second distillery.

Critical minerals

Australia is rich in critical minerals. We supported this growth sector building strategic partnerships including:

- a memorandum of understanding with the Republic of Korea on cooperation in critical mineral supply chains for minerals such as lithium, cobalt, nickel and graphite
- the Australia–India Critical Minerals Investment Partnership to support collaboration to identify opportunities for strategic investment in Australian critical minerals projects.

Advancing AI and quantum leaps

Australia punches above its weight in technology and science, as illustrated in AI. We support the development and adoption of secure, trusted and responsible AI to maintain Australia's globally competitive position in existing and emerging industries.

The National Artificial Intelligence Centre within CSIRO's Data61 runs Australia's efforts to:

- develop and adopt AI
- attract investment and worldleading specialists to supplement the existing deep and specialised AI workforce in Australia.

We developed Australia's Artificial Intelligence Ethics Framework, to ensure AI is safe, secure and responsible. Australia is also collaborating as a founding member of the Global Partnership on Artificial Intelligence.

International engagement with our partners on quantum technologies is central to continuing to support and accelerate the growth of Australia's quantum industry. We formalised a Joint Cooperation Statement on Quantum Information Science Technologies with the United States. We built relationships with quantum stakeholders in the United Kingdom and Japan. We also began looking for opportunities to further grow Australia's quantum industry.

Out of this world

The Australian Space Agency worked with Geoscience Australia, CSIRO, the Bureau of Meteorology and the Department of Defence, to lead Australia's inaugural national space program. This program will see Australia design, build and operate satellites for the first time. This work will carve out an important role for Australia internationally, with the satellites set to capture globally unique data.

Continuous development to improve Australian lives

We worked with more than 15 agencies to lead a whole-of-government response to the parliamentary inquiry report From Rubbish to Resources: Building a Circular Economy. The response, tabled on 17 February 2022, recognised the significant efforts underway to support Australia's waste management and recycling industries.

We reviewed the Disability (Access to Premises–Buildings) Standards 2010. The review was carried out to make sure the standards are current and support people with disability to fulfil their potential as equal members of inclusive and accessible communities. We also ensured that the standards were fit for purpose to help building certifiers, developers and managers fulfil their responsibilities to people with disability under the *Disability Discrimination Act 1992*.

The updated standards improve accessibility regulations, help people understand their rights and responsibilities, and increase consistency between Premises Standards and other disability standards.

Case study: Building sovereign health capability

Each week the Australian Nuclear Science and Technology Organisation (ANSTO) delivers around 12,500 doses of radioisotopes to over 250 hospitals and health care clinics across the country. These medicines are used in the diagnosis of cancers, neurodegenerative diseases and musculoskeletal conditions as well as lung and heart imaging and the treatment of some cancers. On average, all Australians will undergo a nuclear medicine procedure during their lives, ranging from imaging scans to treatment. However increasingly, Australia's locally made nuclear medicines are at risk because of outdated manufacturing infrastructure. Nuclear medicines have a short shelf life and cannot be reliably imported.

To secure Australia's long-term sovereign capability, we worked with ANSTO to develop an initial business case for a new nuclear medicine production facility. The Australian Government subsequently committed \$30 million for Phase 1 of the project (design and planning).

We expect the new nuclear medicine production facility will take around 8 years to commission. Through it, Australia will have ongoing sovereign capability in nuclear medicine manufacturing. ANSTO will be able to continue its research into new diagnostic and therapeutic agents to treat conditions such as cancer and cardiovascular disease and by working with Industry innovations in personalised medicine can be translated into improved patient outcomes.

ANTSO will support nearly 1,000 highly skilled jobs across the nuclear medicine sector, including in service delivery and manufacturing.

Our continued involvement in the nuclear medicine production facility will support Australia's sovereign health system and help Australia remain at the forefront of scientific research. This will support development and commercialisation of breakthrough technology, and create new opportunities for a highly skilled domestic workforce.

Women in STEM

Supporting women to participate or re-skill and thrive in high-paying and essential jobs in the STEM sector and growing the pool of future women STEM leaders remained a priority. Through the Boosting the Next Generation of Women in STEM program, \$42.4 million has been committed over 7 years to provide up to 500 university scholarships in partnership with industry. The first round of scholarships will be announced early in the 2022–23 financial year.

We also secured an additional \$6.7 million to extend successful gender equity initiatives, including the Superstars of STEM program delivered by Science and Technology Australia. This will continue to improve the visibility of women in STEM and provide media training, mentoring and networking for national cohorts of STEM professionals.

Case study: Growing the evidence base for gender equity, diversity and inclusion solutions that achieve systemic change

There is a long way to go when it comes to embedding genuine and sustainable gender equity, diversity and inclusion across the Australian tertiary education and research sector. In recognition of this, we fund the Science in Australia Gender Equity (SAGE) program.

An important element to monitoring change is to grow the evidence base through data collection. In April 2022, SAGE hosted its first virtual international conference: 'Diversity Interventions 2022 SAGE: Systemic approaches that work'. With more than 230 participants from Australia, UK, India and the USA – and 68 speakers across 43 sessions – academics, advocates and policymakers came together. Discussion topics included evidence-based programs that reduce gender inequity in universities and other workplaces.

We supported a practice-focused presentation for the Australian Institute of Marine Science and a session led by Women in STEM Ambassador Professor Lisa Harvey-Smith and her office on the National Evaluation Guide for STEM Gender Equity Programs. We also raised awareness of our STEM Equity Monitor – a national data report on girls and women in STEM. The monitor reports the current state of STEM gender equity in Australia, and measures changes and trends.

Engaging Australians in science

We continued to promote science engagement through grants, prizes and sponsorships that encourage the broader community to engage with science.

Professor Eddie Holmes received the 2021 Prime Minister's Prize for Science. The award was in recognition of Professor Holmes' 30 years of work on viruses. This included being the first person in the world to share the COVID-19 virus genome publicly, raising the profile of Australian scientists at home and overseas.

In response to COVID-19 restrictions, we supported the delivery of the National Youth Science Forum as a hybrid event. A record 630 students took part in 12 days of events, lectures and experiments – either in person or online. We also held 5 days of in-person talks by high-profile STEM professionals in Perth (where restrictions allowed). The 2022 National Youth Science Forum program included 2 Nobel laureates and several chief scientists. Other activities included:

- workshops with other leading scientists and STEM organisations
- careers days
- social events
- STEM challenges
- an evening with Dr Karl Kruszelnicki
- live crosses to research stations in Antarctica, the Natural History Museum in London and CERN in Switzerland.

We also supported 92 access and equity scholarships for students who would otherwise have found it difficult to attend.

Science Meets Parliament 2022 brought together Australian scientists and policymakers for a weeklong virtual professional development event for more than 500 scientists and technologists. It gave participants the opportunity to meet with 60 parliamentarians from all sides of politics and share information on some of the latest scientific breakthroughs.

Supporting Australia's research capability

Over the year, we worked closely with others to enhance Australia's research capability, both now and into the future. We worked with Australia's Chief Scientist, Dr Cathy Foley AO PSM and the Department of the Prime Minister and Cabinet, to position the National Science and Technology Council to provide timely scientific advice on emerging issues and priorities.

Case studies: Helping young Australians engage with STEM

STEM skills are foundational to future economic prosperity, productivity and international participation. It is critical that government and industry continue to work together to invest in the future of Australia's STEM skills to shape our future workforce and advances in technology. One of our core missions is to promote STEM skills and interest in science. The following are examples of how we progressed this agenda over 2021–22.

Hands-on science goes virtual!

With lockdowns continuing across Australia, Questacon scaled up its digital presence to support student, teacher and family STEM development, particularly for those taking part in at-home learning.

As part of Distance and Rural Technology (DART) Learning's Virtual Week in Canberra, Questacon hosted a one-hour webinar for schoolchildren across Australia. More than 13,000 participants connected to this webinar. Activities included encouraging budding young aerospace engineers to test and modify various paper plane designs to explore the science of flight.

By embracing new technologies during a time of uncertainty, Questacon increased access to STEM activities for families around the country. This continued to build awareness of Australia's STEM capability.

Using the lessons learned through COVID-19 lockdowns, Questacon is continuing to reach communities across Australia through hybrid STEM opportunities. This will help all Australians to access STEM education.

Engaging rural and remote communities in face-to-face science

When lockdowns lifted, students, teachers and communities were keen to move out from behind the screen and come together in person and find connections through science. The Questacon Science Circus brought STEM experiences to regional, rural and remote communities, overcoming technology barriers to improve access.

Questacon and its founding partner, the Australian National University (ANU), have been delivering face-to-face engagement in regional and remote communities through the Science Circus for over 36 years. In this time, Questacon has engaged with more than 2.5 million Australians in over 600 towns and 110 remote First Nations communities. The Science Circus is also a practical component of the ANU Master of Science Communication, which this year welcomed its 500th masters student.

Engineering is elementary

Teachers are building Australia's future workforce, but many have reported that they do not have the skills or confidence to teach engineering content in their classrooms. These teachers are keen to build their skills and content knowledge to more effectively teach STEM to their students. Investing in teacher skills means large-scale investment in future workforce skills.

This year, 285 teachers from 185 schools participated in Engineering is Elementary which was developed by the Museum of Science, Boston USA. The teacher-led program's whole-of-school approach is for teachers both with and without specialised STEM skills. This teacher-led program uses engineering design challenges to engage students – with a focus on high-quality professional learning activities. Post-workshop surveys have demonstrated the program's success in improving teachers' knowledge, skills and dispositions for teaching engineering in their classrooms. Most participants (90%) felt the workshops enhanced their capacity for STEM pedagogy and teaching practices, and 98% of teachers applied the programs in their classroom or school to some extent.

Questacon has delivered Engineering is Elementary in Australia in partnership with the Australian Defence Force since 2019. So far, more than 1,000 teachers in over 500 schools from every state and territory have participated in the program.

Mathematics is a key foundational skill

However, compared with previous decades, fewer Australian students are choosing to study higher-level mathematics in secondary school. The Australian Government's Inspiring Australia–Science Engagement Programme aims to inspire and engage young Australians in STEM subjects at school and university. This included opportunities to take part in international mathematics competitions.

The Australian Maths Trust receives \$25,000 in annual funding from the program to mentor and train students for the annual European Girls Mathematical Olympiad (EGMO). In the 2022 EGMO, the Australian team of 4 students came third overall out of the 57 countries taking part. Each Australian team member placed in the top 20 contestants. Australia has participated in the EGMO since 2018. This has resulted in expanded programs and more girls choosing to take part in problem-solving at the highest levels, with participants acting as role models for their peers.

Supporting businesses to invest and create jobs

We continued to pave the way for economic growth through business outreach and support of new and developed industries. We gave a variety of disaster relief, tax incentives and grants to support Australian businesses. This facilitated job creation in the clean energy and space sectors.

Disaster recovery

AusIndustry regional managers were on the ground in the immediate aftermath of the floods that affected northern New South Wales and south-east Queensland at the beginning of 2022. They worked with other government agencies to provide integrated and tailored support to affected businesses. This included participating in economic recovery disaster management committees coordinated by local councils, attending business recovery hubs and being involved in NSW Government Flood Roadshow events.

In response to natural disasters, AusIndustry's Strengthening Business service matched eligible business owners with a facilitator. This service helped them recover and strengthen their business systems, operations and strategies into the future. Over 2021–2022, the service:

- continued to give support to eligible businesses across 32 local government areas in New South Wales, Victoria and South Australia impacted by the Black Summer bushfires and COVID-19
- opened support to eligible businesses across 30 local government areas in New South Wales and Queensland impacted by the 2022 floods.

We continued to assist businesses with the ongoing impact of COVID-19. With expanded hours during peak outbreaks, we took around 110,000 COVID-19-related phone calls, emails, webchats and chatbot contacts from businesses needing help and advice. We connected them to appropriate support across all levels of government.

Business outreach and engagement

AusIndustry continued to engage and support Australian businesses by connecting them to relevant support and services across all levels of government, including through:

- business.gov.au, which logged 8.76 million digital interactions, with 70% of business owners preferring to access their business information online, saving them time and money
- the business contact centre, which engaged with nearly 200,000 customers, with 85% satisfied or highly satisfied with the service
- the AusIndustry Outreach Network, which engaged with over 5,000 businesses, giving referrals and guidance on relevant support programs and services for their business. We also shared valuable business and regional intelligence.

AusIndustry supported 2,996 unique businesses through 3,309 grants awarded in 2021–22. These grants were delivered across 58 different programs, with a total grant value of \$1.1 billion. This funding created jobs and drove improved capability through workforce upskilling, scaling up production, and supporting Australian businesses to expand into export markets.

Our new online Employment Contract Tool helps small business employers make an employment contract that complies with workplace laws. Since its launch in June 2021, it has been used by small businesses and first-time employers to streamline the creation of more than 35,000 contracts. This has saved businesses an estimated \$1.9 million by reducing their regulatory burden.

Case study: Putting the pieces together to help businesses reach their goals

Working out how to help a business is a lot like doing a jigsaw puzzle. All the pieces are in front of you, and the challenge is to see how they fit together to create the final image. This is the role of AusIndustry's Outreach Network. It delivers on-the-ground support for Australian businesses through its network of 27 local regional managers that are located right across the country.

Regional managers connect with Aussie businesses and listen to their individual needs. They also help businesses access support across all levels of government, and bring all the pieces together to help them achieve their goals.

One such business is Acora on the South Coast of New South Wales. This multigenerational company designs, manufactures and distributes sawmilling machinery and equipment for Australia and New Zealand. Helping to solve their particular puzzle was Illawarra and South Coast Regional Manager Peter Masterson.

When Peter first met Acora, he saw the company needed advice and guidance rather than just funding. He referred them to the Australian Government's Entrepreneurs' Programme, which helped improve company structure and identify opportunities for efficiencies and growth. From there, Acora accessed the Innovation Connections service to help them investigate how they could improve manufacturing processes by building stronger research relationships.

When Peter recognised Acora was ready for the next big step, he suggested they apply for funding through the Modern Manufacturing Strategy. Acora were successful and used this funding to install new systems to automate processes and revolutionise their business.

Over a 5-year relationship, AusIndustry helped Acora increase profits and become more productive and competitive. It has also helped the business employ 5 new staff.

Securing our supply chains

Bolstering Australia's supply chain resilience was a key whole-of-government priority this year. We worked with industry to analyse real and potential vulnerabilities in supply chains for critical products, including:

- medicines
- agricultural production chemicals
- personal protective equipment (PPE)
- semiconductors
- water treatment chemicals
- telecommunication equipment.

In 2021–22, we awarded \$31.1 million to support 26 projects that address vulnerabilities in the supply chains of medicines and agricultural production chemicals. One challenge addressed is spoilage of products because of freight disruptions. For example, Mediport received over \$1 million to expand Australia's capabilities for last-mile refrigerated pharmaceutical delivery. The company employed over 20 new staff and increased its fleet by 30% including mobile refrigerated Coldtainers and backup generators.

Research and Development Tax Incentive

We celebrated the 10th anniversary of the Research and Development Tax Incentive (R&DTI) program on 8 September 2021. This program is the Australian Government's main mechanism to stimulate Australian industry investment in research and development (R&D). It has supported well over 30,000 companies in its lifetime, attracting between 2,000 and 3,000 businesses to register for the first time each year.

This year Industry Innovation and Science Australia made its first determination that certain clinical trials meet the requirements for being 'core R&D activities'. This gives certainty for companies and streamlines applying to the program. We also released the Software-related activities and the Research and Development Tax Incentive, – the latest to be published under the AusIndustry/Australian Taxation Office joint administration for software-related R&D activities.

Case study: Aussie businesses maintain their innovative edge through research and development

Bringing innovative ideas to life takes time, money and the right expertise. Maintaining an innovative edge against global competitors takes even more. AusIndustry helps Aussie businesses make it happen through the R&DTI. The R&DTI is designed to encourage businesses to engage in R&D activities by offsetting some of the costs associated with innovation.

Founded 18 years ago by 2 geophysicists in a suburban shed in Perth, DUG Technology is a high-performance computing company. It competes against multi-billion-dollar companies through the strength of its R&D and has been a regular recipient of the R&D Tax Incentive.

Founder Dr Matthew Lamont said: *'It has been tremendous for us and has allowed us to do things that we simply wouldn't be otherwise able to do. R&D is at the core of who we are and what we do. The R&DTI has been important to both our immersion-cooling technology and our high-frequency imaging with full waveform inversion research. This research has led to some revolutionary breakthroughs in seismic data processing and imaging.'*

Today, DUG Technology has more than 250 staff members across 4 offices. More than a quarter are based in Australia including the 40-member R&D team, mathematicians, physicists and programmers who devise algorithms for a growing suite of clients. Their work has resulted in the company's growing portfolio of patent applications, 13 as of 2021. DUG Technology now exports its advanced algorithms globally and operates some of the biggest and greenest supercomputing data centres in the world.

Essential measurement services

The National Measurement Institute (NMI) continued to deliver essential measurement standards and services that underpin business continuity, sovereign capability and international trade.

Its activities included:

- ongoing support of responses to COVID-19, including working with the Therapeutic Goods Administration on face masks and the reliability of rapid antigen tests
- consultation on the measurement frameworks needed to ensure that hydrogen vehicle refuelling and electric vehicle recharging systems will meet regulatory requirements for trade in preparation for hydrogen and electric vehicle uptake
- providing unique sample analysis services to safeguard acceptance of Australian food and agricultural exports and challenge technical barriers to trade raised by some markets.

NMI also continued to work with the Department of Health to enhance the testing capabilities needed to host major sporting events in Australia between now and the 2032 Olympics.

Driving long-term productivity, growth and sustainability

Australia's future is a bright one – we are safeguarding future growth by securing our supply chains and supporting sustainability projects. We have also bolstered domestic vaccine manufacturing capability, clean technology and microgrids, securing fuel supplies and supported the massive Square Kilometre Array (SKA) radio telescope.

Decommissioning the Northern Endeavour

We made good progress with the decommissioning and disconnection of the Northern Endeavour floating production storage and offtake (FPSO) facility and associated oil fields in the Timor Sea north of Darwin to remove future potential risks and to protect the environment. Steps have been taken to secure the safety of personnel and protection of the environment. We continued to work with the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) to provide expertise and advice, and to monitor compliance. We nominated Petrofac to be the registered operator of the facility. This will enable NOPSEMA to regulate occupational health and safety under the Offshore Petroleum and Greenhouse Gas Storage (Safety) Regulations 2009 in the same way as any other operator and safety case.

Microgrids and offshore energy production

Regional and remote communities face unique challenges to electricity supply, including price and high risk of outages because of extreme weather events and bushfires. Many communities rely on expensive and polluting diesel generation for their primary or backup electricity supply. We supported the development and deployment of microgrid solutions that will improve the reliability, security and affordability of electricity supply for regional and remote communities across Australia, while also reducing emissions.

- The Regional and Remote Communities Reliability Fund has supported 38 studies into the feasibility of microgrids for more than 110 communities, including more than 60 remote First Nations communities.
- The Regional Australia Microgrid Pilots Program, to be delivered by the Australian Renewable Energy Agency (ARENA) over 6 years, has begun its rollout of \$50 million to support microgrid pilot projects.
- The Australian Government is co-funding a grant as part of the Daintree Microgrid Program to deliver a renewable energy microgrid incorporating solar, batteries and hydrogen in the World Heritage-listed Wet Tropics of Queensland.

Future Battery Industries Cooperative Research Centre and the National Battery Testing Centre

The world economy is pivoting towards renewable energy, and one of the essential components for stable renewable energy is batteries to give consistent power. The Future Battery Industries Cooperative Research Centre (FBICRC) brings together partners across the battery value chain, from those mining raw materials through to those processing, manufacturing, servicing, and recycling and re-using batteries.

By investing with its partners in R&D and education, the FBICRC is helping tackle energy transition challenges as well as supporting Australian industry capitalise on domestic and international demand for batteries.

The FBICRC estimates that a diversified battery industry could contribute over \$7 billion annually to Australia's economy and support more than 34,000 jobs by 2030. Access to reliable high-quality testing services is essential to the battery supply chain. Currently all testing is conducted overseas.

To address this, the National Battery Testing Centre (NBTC) facility is being set up as part of the Australian Made Battery Precinct. The centre will provide a sovereign battery testing capability. It will also support Australian battery researchers and manufacturers to develop market-ready products and build a skilled workforce. This will ensure that Australia is best placed to take advantage of the international movement towards renewable energy.

Offshore electricity

We achieved a foundational milestone with the start of the *Offshore Electricity Infrastructure Act 2021*. This will help unlock new renewable energy opportunities, such as wind farms, which can now be progressed in Australian waters. Offshore wind farms have the potential to deliver year-round affordable clean energy, power local manufacturing industries – including green hydrogen and green steel – and create regional jobs and investment.

Australian climate change expertise on the world stage

The United Nations' Intergovernmental Panel on Climate Change (IPCC) published its landmark *Sixth Assessment Report* (AR6) on climate science, impacts, and adaptation and mitigation options.

Forty Australian experts contributed to this report, which will remain an important resource for policymakers around the world for many years to come. They were selected as:

- AR6 authors and review editors
- vice-chair of the *Impacts, Adaptation and Vulnerability* report
- as a member of the scientific steering committee.

We partly funded these experts as well as adding to the IPCC's rigorous assessment review and approval processes. This meant that the significant body of research and literature by Australian scientists was appropriately reflected and that the assessments were more balanced, transparent and relevant to policy.

Long-term emissions reduction and international partnerships

On 16 June 2022, the Australian Government submitted its updated Nationally Determined Contribution under the Paris Agreement. This included a new emissions reduction target of achieving 43% below 2005 levels by 2030 and reaffirmed the nation's net zero by 2050 target.

The Australian Government's Powering Australia plan gives a clear and comprehensive roadmap to decarbonise each sector. We started the plan's suite of new measures across the economy to meet the ambitious 2030 target and drive the transition to net zero.

International collaboration and cooperation play a crucial role in tackling climate change. This includes international partnerships to help accelerate clean energy technology development and deployment to reduce emissions and create economic opportunities. Technology is essential to meet the 43% emissions reduction target by 2030 and achieve net zero by 2050.

Over the year, we expanded the number of countries we are working with to address climate change to include the United Kingdom, the Republic of Korea and India. These partnerships focus on low-emissions technologies, including hydrogen, solar and green steel. They lay the groundwork for the large supply chain projects that will be needed to reshape the international clean energy trade landscape. We were also pleased to join our Quad partners – the United States, Japan and India – to cooperate on advancing a clean hydrogen partnership and clean energy supply chains in the Indo-Pacific region.

The Square Kilometre Array (SKA) radio telescope

The SKA is a global science project to build the world's largest and most capable radio telescope and expand our understanding of the universe. It will also drive technological developments worldwide over its 50-year lifetime.

In October 2021 we signed the host country agreement between the SKA Observatory and Australia. This sets out the terms by which Australia will host the SKA telescope.

We also made significant progress towards an Indigenous land use agreement with the Wajarri Yamaji people to set-up the SKA telescope on Wajarri Yamaji land.

Fuel storage and domestic refining

The Fuel Security Framework brought together fuel security programs and legislation, including the *Fuel Security Act 2021* (which commenced on 30 June 2021). The Act establishes the overarching head of power for 2 new fuel security measures: the Fuel Security Services Payment and the minimum stockholding obligation. These measures are designed to increase Australia's domestic fuel security.

Diesel is vital to fuelling Australia's economy and is one of our biggest sources of energy. It is also used by emergency services and is the backup power source for electricity generation in critical services like hospitals, water and sanitation, and for electricity generation in remote communities.

As part of the framework, the Boosting Australia's Diesel Storage Program is investing up to \$260 million to expand diesel storage onshore. This will help boost Australia's long-term fuel security and resilience to fuel supply disruptions, and create around 1,000 new jobs during construction. We negotiated grant agreements during 2021–22, and 9 projects have started across 5 states and territories.

Case study: Building energy-efficient homes with *Your Home* – Australia's guide to environmentally sustainable homes

Your Home is a website (and book) that gives advice on the best design, materials and appliances to make Australian homes more comfortable and sustainable when building, buying or renovating. It includes technical information, case studies and free downloadable house designs to support Australians to lower their energy use and carbon emissions. It also helps reduce building costs while improving energy efficiency and comfort.

We released the sixth edition of *Your Home* in September 2021. It was produced by the Australian Government with input from industry, academics and scientific editors.

The latest edition features new and updated information on low-emission technologies, renewable energy systems and batteries, and achieving passive house standards. It also covers condensation and air tightness, building in bushfire-prone areas, and designing homes resilient to a changing climate.

Your Home is popular, with about 1.4 million page views per year since it was first launched. Over 3,100 copies of the sixth edition of the book have been sold and more than 671,000 people have accessed the updated resource for free online. The update of *Your Home* was supported by an independent strategic review carried-out in 2018 that found unanimous support among stakeholders for the resource.

Your Home gives independent advice and a range of benefits to a diverse audience. From homeowners and consumers to industry professionals and education providers, *Your Home* continues to help build industry skills and consumer awareness to support energy affordability.

www.yourhome.gov.au

Supporting staff to succeed

Our people are central to our ability to deliver for the Australian community. In the past year, we continued to adapt to a post-COVID environment with an increased focus on:

- wellbeing and a hybrid work environment
- diversity and helping all staff to feel confident and comfortable bringing their whole selves to work expanding the visibility of our department as an employer of choice.

Flexible work and leveraging talent beyond capital cities

A secure, modern and reliable ICT environment remains fundamental to how effectively we operate, both for our staff and for Australian businesses. The past year has reinforced work-life balance and maximising technology to create work-from-home environments that are as productive, collaborative and safe as our physical offices.

While responding to varied public health orders and changing realities during the pandemic, we remained focused on providing a safe workplace. Even when most of our workforce was working remotely, we stayed connected online and found innovative ways to connect, collaborate and achieve great outcomes.

As vaccines rolled out and public health directions changed, we transitioned to hybrid working arrangements. These arrangements balanced individual needs with our commitment to delivering outcomes for government and all Australians. We also developed a deep understanding of how remote and hybrid work arrangements can enable us to tap into the broader pool of talent and experience outside capital cities. We supported our people through a range of professional development programs and applied the lessons learnt as we responded to fast-paced, emerging issues. This experience is now used to inform targeted recruitment.

Case study: Rapid response to complex supply chains challenge informs future crisis response

The Diesel Exhaust Fluid (DEF) Taskforce showed how a small and agile team can be effective when addressing complex and significant challenges. Post-crisis, we carried-out targeted training sessions, leveraging private sector expertise, to better equip our people to respond to future emergencies.

The diesel exhaust fluid AdBlue keeps Australia's supply chains functional. Without this additive, diesel vehicles, such as road trains, are unable to meet emissions standards, pumping pollutants into the atmosphere. Securing supply of AdBlue was critical to avoiding a significant threat to our nation's transport sector and the broader economy.

The DEF Taskforce used a multi-pronged approach to safeguard the AdBlue supply in Australia and ensure its distribution across the country, working with:

- industry to address complex national supply and distribution issues
- relevant parts of government, including the:
 - Office of Supply Chain Resilience
 - Department of Infrastructure, Transport and Regional Development
 - Department of Foreign Affairs and Trade
 - Australian Competition and Consumer Commission.

Building strength and excellence through diversity

We are committed to the Reconciliation Action Plan (RAP) framework as a way of advancing reconciliation. In line with this, we successfully completed our Innovate RAP. Reconciliation Australia has invited us to participate in the Stretch RAP program that will be launched in 2022–23.

Through our first Indigenous affirmative measures recruitment process, we provided 28 jobs for First Nations Australians across the department, complementing our apprenticeship and other career-starter pathways. Working in close partnership with Aboriginal Employment Strategy, we deployed a process based on forming trust and providing personalised support, empowerment

and mentoring. This approach emphasised accountability and inclusion. The national recruitment process also helped us build connections across networks and into communities as a top-tier employer offering opportunities to start and grow careers across policy and professional roles.

The success of this approach prompted its use as a roadmap to build an affirmative measures process for people living with disability. This will be launched in 2022–23. Another important initiative of our *Inclusion Strategy 2021–23* and *Accessibility Action Plan 2020–25* was the self identification project. Through it, we set out to understand and address any barriers to staff sharing their diversity information. Valuable insights were provided by the 1,564 staff who participated in the survey, which will inform our ongoing inclusion work.

Case study: Commitment through Indigenous affirmative measures

In 2021–22, we placed 28 skilled and experienced First Nations employees in meaningful policy, program and corporate roles across our responsibilities. To do this, we built an end-to-end process – investing time in establishing trust and personalising support – that was characterised by empowerment and mentoring. We also connected with First Nations candidates, organisations and communities to build relationships.

Our targeted attraction strategy used relevant channels to raise awareness of opportunities and roles. This included online advertising, radio messaging through First Nations radio stations, and connecting with First Nations businesses. We also used usual advertising channels, such as the departmental and Australian Public Service websites.

The screening, selection and placement process was inclusive, accessible and gave wrap-around tailored support. Candidates were given detailed and specific information to understand roles on offer, the environment in which those roles sat, and their business requirements. We arranged effective and meaningful opportunities for candidates to showcase their individual capabilities, capacity and interests with confidence.

One of the candidates, Helen, said: *‘The support was meaningful, fantastic, not just a tick box. The process working with the team was easy, relaxed and I felt like I was talking to an old friend who wanted the best outcome for me.’*

Specialised induction and in-role training was delivered to candidates based on assessments of need developed during initial conversations. Training goals and needs were identified and supported for success. The skill, adaptability, and attitudes of the trainers involved were vital components of the success of the training program. Ongoing support for successful candidates was highly differentiated and based on individual strengths and needs.

Helen said: *‘I was supported to find the best match for my skillset, provided support to understand the team and role. I was in a special group of people who had been proactively sought out authentically for the greater good. I loved it. I felt like I belonged.’*

Building on this success we will be undertaking the affirmative measures process again in 2022–23 and have also commenced a disability affirmative measures process that is occurring across 2023.

Breaking the bias

We continued to reflect on how to become a more inclusive place to work by recognising and influencing cultural and organisational change. One example of this in action over the year was refocusing the Women’s Network to form the Gender Equity Network. The network promotes gender equity through events, networking and mentoring opportunities, supporting career development, and advocating to remove barriers to gender equity. It aims to challenge gender stereotypes and is pursuing gender equity with an intersectional lens.

Staff wellbeing

We introduced Injury-Assist for our staff. The national 24-hour health service was one of the first early intervention programs in Australia to go live. Its strong and positive uptake by our workforce indicates it is performing an important service for our staff across Australia, whether working in the office or from home. Through the program, staff with a new injury or issue related to work can contact a registered nurse for a consultation before being directed to appointments or treatments to support them in achieving the best wellbeing outcomes.

We also launched Cancer Aid, a partnership that provides 2 programs: one for staff with first-hand experience of cancer, and another for staff who are supporting or caring for someone living with cancer.

Annual performance statement reporting

These performance statements were prepared in accordance with the requirements set out for Commonwealth entities in the Public Governance Performance and Accountability Rule (Section 16EA).

Structure of performance statements

The 2021–22 Annual Performance Statements (APS) report against the 4 purposes articulated in the *Corporate Plan 2021–22*. The following describes the relationship between our purposes and the 3 outcomes articulated in the *Portfolio Budget Statements 2021–22* (PBS), including PBS Programs and corporate plan (CP) activities.

To provide a more holistic assessment of our performance, each section within the APS:

- describes the activities aligned to each purpose
- includes a table incorporating performance measures, the 2021–22 targets and the 2021–22 results²
- is supplemented with qualitative analysis against each measure.

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.

Purpose 1: Science and industry

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

- PBS Program 1.1 and CP Activity 1.1–Investing in science, technology and commercialisation
- PBS Program 1.2 and CP Activity 1.2–Growing innovative and competitive businesses, industries and regions.

Purpose 2: Resources

Support economic growth, productivity and job creation for all Australians by supporting a strong resources sector:

- PBS Program 1.3 and CP Activity 2.1–Supporting a strong resources sector.

² Comparison with the previous year's results will be included where the measure has rolled over.

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.

Purpose 3: Emissions reduction and clean energy

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

- PBS Program 2.1 and CP Activity 3.1–Reducing Australia's greenhouse gas emissions
- PBS Program 2.2 and CP Activity 3.2–Developing clean energy technology.

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.

CP Purpose 4: Energy

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:

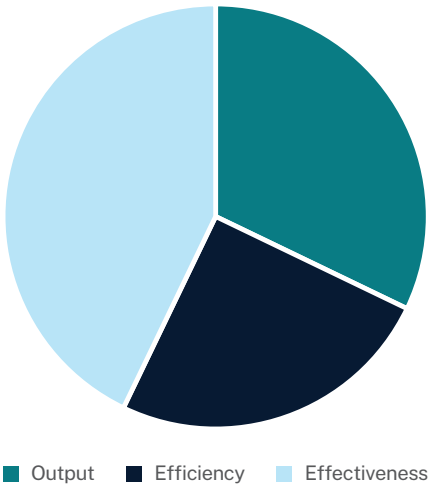
- Program 3.1 and Activity 4.1–Supporting reliable, secure and affordable energy.

Table 5: Terms used to describe the annual performance structure

Terms	Uses
Outcomes and purposes	<p>Include our objectives, functions and roles. They signal the strategic objectives that we intend to pursue, or make a significant contribution to, over the reporting period.</p> <p>Outcomes are included in the 2021–22 PBS.</p> <p>Purposes are detailed in the <i>Corporate Plan 2021–22</i>.</p>
Programs and key activities	<p>These are distinct, significant areas of work undertaken by us with the aim of achieving our intended outcomes (programs) and purposes (key activities).</p>
Performance measures	<p>These are taken from the <i>Corporate Plan 2021–22</i> and set our intended performance level.</p> <p>Each performance measure:</p> <ul style="list-style-type: none"> • relates directly to one or more of our purposes or key activities, and aligns to Australian Government priorities • includes a 'why this matters' statement to provide context and relevance for the measure. <p>The results are consolidated and included in the Annual Performance Statements and used to assess our performance.</p>

Performance measures and our overall results

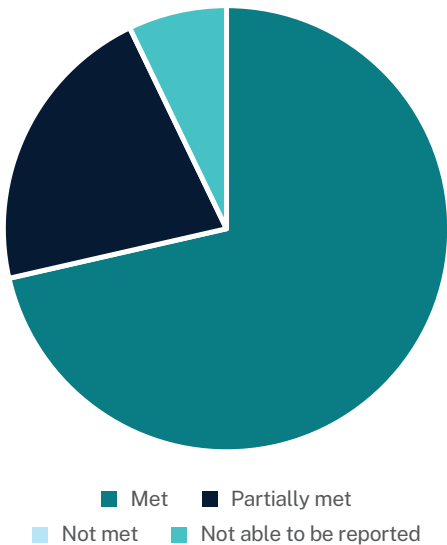
Figure 4: Performance measures by type



In 2021–22, we were actively engaged in maturing our performance management framework. We assessed our performance using:

- 9 output measures focused on the quantity and quality of activities
- 7 efficiency measures focused on obtaining the most benefit from available resources
- 12 effectiveness measures that assessed our delivery against our purposes.

Figure 5: Assessment of performance



This year:

- 20 of the 28 performance measures were assessed as met
- 6 measures were assessed as partially met
- 2 measures were assessed as not able to be reported.

The following Annual Performance Statements provide detailed information relating to the outcome for each performance measure.

The number of 'Partially met' assessments was materially influenced by the use of composite measures where one or more elements were achieved.

The introduction of a 'Not able to be reported' assessment category highlights the need to ensure that targets reflect the status of the activities the measure relates to.

Both these lessons have been used to inform the structure of performance measures for 2022–23 and enhance our overall performance management approach.

Definitions for the assessment of measures.

The following definitions were used to determine the overall assessment of each performance measure:

- **Met**—All elements for this measure were achieved.
- **Partially met**—The majority of elements of the measure were met, with some limitations.
- **Not met**—The majority of elements of the measure were not met.
- **Not able to be reported**—The target set for a measure did not align for the reporting period, and as such we are unable to report a result against the measure.

Annual Performance Statements

APS – Purpose 1: Science and industry

The activities under this purpose are focused on supporting economic growth, productivity and job creation for all Australians by investing in science, technology and commercialisation, and helping innovative and competitive businesses to grow throughout industries and regions.

Activity 1.1: Investing in science, technology and commercialisation

This activity aims to facilitate the development and uptake of new ideas and technology and translate them into commercial outcomes and enhanced productivity. It relates to PBS 2021–22 Outcome 1 Program 1.1.

Our progress is measured and reported against 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 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.

Table 6 presents the results as measured against the performance criteria for Purpose 1 and its associated Activity 1.1, as set out in the *Corporate Plan 2021–22*, pages 19–21.

Table 6: Performance measure results for Purpose 1 (Activity 1.1)

Performance measure 1	Target	Result	Assessment
Number of business-research collaborations facilitated by portfolio programs:			Overall assessment: Met
AusIndustry (Entrepreneurs’ Programme)	Year-on-year increase	312 new collaborations (increase of 9%)	Met

Data source: Data maintained internally, held by the department

Business-research collaborations are essential in helping businesses innovate by bridging science and industry. By supporting R&D and collaboration between industry and the research sector, including through Australia’s world-class science agencies, we boost the translation of R&D to commercialisation.

The Innovation Connections service provided participants with advice and funding to get research projects underway. It included making connections with research institutions and helping to apply for grants to fund researchers.

Through the Entrepreneurs’ Programme (EP) Innovation Connections, businesses and researchers worked together to solve problems and bring new technologies, products and services to market. EP helped businesses to understand their research needs, and to connect and collaborate meaningfully with the research sector.

Industry Growth (Industry Growth Centres -IGCs)	Year-on-year increase	29 new IGCI Project Fund projects 106 business and research organisation participants	Met
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Data source: Data maintained internally, held by the department

In 2021–22, we supported:

- 29 new Industry Growth Centre Initiative (IGCI) Project Fund projects, up from 7 over 2020–21
- 106 business and research organisation participants up from 49 over 2020–21.

This brings the total number of projects supported since the program's inception to 321, which included 1,213 businesses and research organisations as participants.

The IGCs have now reached a phase of transition to self-sustainability and the majority of project funding is now committed.

IGCs are not-for-profit organisations focused on increasing collaboration and commercialisation, improving international opportunities and market access, enhancing management and workforce skills, and identifying opportunities for regulatory reform within their sector. The 6 sectors supported by an IGC are:

- advanced manufacturing
- cybersecurity
- food and agribusiness
- medical technologies and pharmaceuticals
- mining equipment, technology and services (METS)
- oil, gas and energy resources.

Manufacturing (Modern Manufacturing Initiative-[MMI])	Year-on-year increase (new measure)	34 MMI grant recipients 32 had submitted 6-monthly reporting 47% reported new collaborations	Met
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Data source: Data maintained internally, held by the department

We supported businesses turning good ideas into commercial outcomes or that were seeking to grow their businesses into new domestic and global markets.

For 2021–22, these results reflect the outcomes from MMI Integration and Translation projects.

Science and Commercialisation	Year-on-year increase	1,759 cumulative total (1,133 partners in CRCs and 626 partners in CRC projects).	Met ³
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Data source: Data maintained internally, held by the department

The Cooperative Research Centre (CRC) Program provides grant funding to support industry-led collaborative partnerships working on industry-identified problems to improve the competitiveness, productivity and sustainability of Australian industries. It is a well-regarded and longstanding competitive, merit-based program.

In 2021–22, the total number of business and research organisations active in CRCs and CRC projects was 1,759. This is consistent with previous years, as we see regular movement of partners during the grant life cycle. The long-term average of the number of partners participating in CRCs and CRC-projects is expected to remain stable, given the program appropriation is not increasing and the number of CRCs and CRC projects (and by extension participating partners) are limited by the available funds.

3 While there is a slight reduction compared with 2020–21 results, this measure has been assessed as 'met' because this result is within expectations of the program. A review of the measure has determined that year-on-year increase was not an appropriate target.

Performance measure 2	Target	Result	Assessment
Application for registration of R&D activities through the Research and Development Tax Incentive (RDTI) are processed within:			
• 40 business days for first time registrants		• 88%	
• 20 business days for registrants that have applied within 6 months after the end of the income period	95%	• 97%	Partially met
• 80 business days for registrations submitted from 6 to 10 months after the end of the income period		• 100%	

Data source: Data maintained internally, held by the department

The registrations related to this measure are for the 2020–21 financial year as at 30 June 2022. Over this period (2020–21) more than 12,000 companies registered for the R&D Tax Incentive program, and registered expenditure was \$13.06 billion, up from \$12.6 billion in the previous reporting period.

Processing times were met for all registrant types for the first 3 quarters of 2021–22. Despite the reallocation of resources to meet the expected registration peak period in the final quarter, timeframes for first-time registrants were not met and planning to improve processing during future peak periods is underway.

The full-year result for first-time registrants processed within timeframes was 88% of applicants, below the target of 95%. A main constraint of processing volume is the program focus on supporting first-time registrants with guidance and education. This involves a close review of the activities that are being registered and in many instances, tailored engagement with the company. These discussions help the company determine whether the program is the right fit for them and improves future registration applications.

RDTI figures are reported for the fiscal year preceding the one just concluded. This allows businesses time to register their activities and claim the RDTI.

Performance measure 3	Target	Result	Assessment
			Overall assessment: Met
Proportion of Australians who consider STEM skills important when considering employment	Young Australians: ≥87%	Young Australians: 92%	Met

Data source: Youth in STEM survey, STEM Influencers–Teachers and Career Advisers survey, STEM Influencers–Parents survey

Performance targets are based on surveys conducted every 2 years. For 2021–22, the Australian Youth in STEM survey was completed and a result of 92% (for young Australians considering STEM skills important when considering employment) is up 5 percentage points compared with the 2019–20 result. Approximately 3,154 young people aged 12–25 were surveyed by YouthInsight to understand the views of this cohort. In 2022–23, results for the Australian STEM Influencers (Teachers and Career Advisers, Parents) survey will be available.

Performance measure 3.1	Target	Result	Assessment
Raising awareness of the importance of STEM through the delivery of portfolio initiatives	Not applicable	The portfolio announced and successfully delivered a range of initiatives designed to raise awareness of the importance of STEM.	Met

Data source: Data maintained internally, held by the department

Building Australians' engagement with STEM is critical to developing our scientific capability to produce new research and technologies, to secure jobs and livelihoods, and to compete internationally.

We lead national policy and programs to support communitywide STEM engagement activities, grants and prizes, particularly for underrepresented groups such as girls and women. For the reporting period, examples of initiatives we have funded that are aimed at promoting women in STEM include:

- \$42.4 million (over 2021–22 to 2027–28) to deliver Boosting the Next Generation of Women in STEM in partnership with the Australian Academy of Technology and Engineering (ATSE) to co-design and deliver up to 500 scholarships
- \$2 million over 4 years from 2021–22 to 2024–25 to extend the Superstars of STEM program (full funding \$3.3 million over 2017–18 to 2024–25), delivered by Science and Technology Australia (STA) to continue amplifying the visibility of women in STEM.

Performance measure 4	Target	Result	Assessment
Australia's national system of measurement is trusted nationally and internationally	Not applicable	<p>Trade measurement compliance activities ensured fairness for consumers and businesses when they buy or sell goods by measurement. For 2021–22, NMI:</p> <ul style="list-style-type: none"> • visited over 3,000 businesses • tested almost 6,000 measuring instruments • inspected over 17,000 lines of packaged goods • monitored fuel quality at 384 premises nationwide. <p>As Australia's peak measurement body, NMI maintained third-party accreditation of our measurement capabilities for quality and global acceptance under international frameworks.</p>	Met

Data source: Data maintained internally, held by the department

The National Measurement Institute (NMI) maintained recognition of Australian measurement capabilities, including through activities under the Mutual Recognition Arrangement of the International Committee for Weights and Measures (CIPM MRA) under the intergovernmental Metre Treaty.

NMI continued to work with regulators and industry to provide measurement expertise supporting Australia's pandemic response, including ensuring the quality and safety of PPE and diagnostic products.

Over 2021–22, Australia gained 24 new calibration and measurement capabilities (CMCs), as published in the international key comparison database, maintained under the CIPM MRA. The 100-member states and associates of the treaty now recognise 353 separate Australian measurement capabilities. This means that these CIPM MRA participants readily accept these Australian measurements where they are needed for trade and other purposes.

Activity 1.2: Growing innovative and competitive businesses, industries and regions

This activity 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. It relates to PBS 2021–22 Outcome 1 Program 1.2.

Our progress is measured and reported against the following intended results of the activity:

- Empowering Australian businesses to strengthen, grow, innovate, digitise and commercialise, supported by a competitive business environment that enables recovery from COVID19.
- 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.
- Supporting the growth and transformation of the Australian space industry as outlined in the *Advancing Space: Australian Civil Space Strategy 2019–2028*.

Table 7 presents the results as measured against the performance criteria for Purpose 1 and its associated Activity 1.2, as set out in the *Corporate Plan 2021–22*, pages 22–24.

Table 7: Performance measure results for Purpose 1 (Activity 1.2)

Performance measure 5	Target	Result	Assessment
Investment leveraged through portfolio manufacturing initiatives			Overall assessment: Not able to report
Industry Growth	Year-on-year increase (new measure)	The Commercialisation Fund, as part of the Modern Manufacturing Strategy (MMS), was a new initiative and therefore there was not a complete historical dataset. On this basis, a year-on-year increase was not an appropriate target. ⁴ As such, the department is not able to report a result against this measure.	Not able to report
Data source: Data maintained internally, held by the department			
<p>The Commercialisation Fund supported manufacturing projects aligned with the priority areas of resources, technology and critical minerals processing, food and beverage, medical products, recycling and clean energy, defence and space. It provided matched grants between \$100,000 and \$1 million. Specifically, the fund was intended to assist Australian manufacturers to commercialise new products and processes between technology readiness Levels 6 and 9.</p> <p>In 2021–22, there was \$26.26 million in project funding approved across 54 projects. These projects leveraged \$62.97 million in industry sector co-contribution and in-kind, making the total project value \$89.23 million.</p> <p>Since its launch in March 2021, the total of collaboration projects was 60, and these projects included a total of 346 business and research organisations. The Commercialisation Fund was fully allocated as at 30 June 2022.</p>			
Manufacturing	Year-on-year increase	The MMS was a new initiative and therefore there was not a complete historical dataset. On this basis, a year-on-year increase was not an appropriate target. ⁵ As such, the department is not able to report a result against this measure.	Not able to report
Data source: Data maintained internally, held by the department			

⁴ This measure was part of an internal audit and the use of the term 'appropriate target' is in this context. In this instance, 'appropriate target' is interchangeable with 'did not align' in the definitions used by the department.

⁵ This measure was part of an internal audit and the use of the term 'appropriate target' is in this context. In this instance 'appropriate target' is interchangeable with 'did not align' in the definitions used by the department.

‘Investment leveraged’ is defined as the sum of the value of all grants executed over the relevant period under the MMS and the related co-contributions by grant recipients for those grants. The relevant programs under the MMS include the MMI (Integration and Translation Round 1), MMF Round 2, and the Supply Chain Resilience Initiative (SCRI) Round 1.

During 2021–22, we have invested \$263 million in grant funding across 120 MMS projects, which leveraged \$485 million in business contributions. This represents \$1.84 in project value for every dollar invested by government. These projects are worth a total of \$748 million.

Performance measure 6	Target	Result	Assessment
Instances of support provided to businesses in priority sectors			Overall assessment: Partially met
	Year-on-year increase	58,506 interactions with businesses, an increase of 5.79% ⁶	Met
Data source: Data maintained internally, held by the department and Industry Growth Centres			
We provided 58,506 support interactions to businesses in priority sectors over the financial year, exceeding the previous year’s result by 3,201 interactions, or an increase of 5.79%.			
	Year-on-year increase	Industry Growth Centre projects and activities to date: <ul style="list-style-type: none"> During 2021–22, 29 IGCI Project Fund Grants with 106 participants were awarded to priority sectors through the 6 Industry Growth Centres. In 2021–22, the number of activities the Industry Growth Centres organised or/hosted was 308, with 25,294 individual participants. During 2021–22, the Industry Growth Centres Initiative \$30million Commercialisation Fund, which is being delivered by the Advanced Manufacturing Growth Centre, directly supported 54 collaborative projects, which included 311 businesses and research organisations. 	Not met
Data source: Data maintained internally, held by the department; and Industry Growth Centres			

⁶ This measure captures interactions with business including all applications received, agreements executed, payments made, variations executed, and project partners listed.

Instances of assistance included direct engagement through grant funding or support programs, as well as projects, activities and participants supported by the 6 Industry Growth Centres.

The target was a year-on-year increase.

Progress towards the target naturally decreased over the year as the funds were almost fully committed.

Year-on-year
increase

94 manufacturing grants
executed (increase of 291%)

Met

Data source: Data maintained internally, held by the department and Industry Growth Centres

Funding was provided to projects under the MMF Round 2 and MMI Integration and Translation streams which provide support to the six priority areas of resources, technology and critical minerals processing, food and beverage, medical products, recycling and clean energy, defence and space.

Performance measure 7

Target

Result

Assessment

Number of regional areas where
businesses have received support

Year-on-year
maintenance or increase

All 40 regions

Met

Data source: Data maintained internally, held by the department

We delivered a range of initiatives and programs that focus on growing innovative and competitive business, industries and regions. In 2021–22, the department provided support to business in all 40 regional areas, as identified in the Australian Statistical Geography Standard.

Performance measure 8

Target

Result

Assessment

The median time to complete
a grant application for a merit,
eligibility or competitive grant

Year-on-year decrease

1.38 hours
(decrease of 17%)

Met

Data source: Data maintained internally, held by the department

We are committed to making it easier for businesses to engage with government and access support. Over 2021–22, the median time it takes for a customer to complete an application was reduced by 17.6% compared to the previous financial year where the median time was 1.68 hours.

AusIndustry and the Business Grants Hub design and deliver grants to support the economic growth and development of businesses. This measure captures all internal and external grants in the business grant management system.

Performance measure 9

Target

Result

Assessment

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 or
countervailing investigation

100%

100%

Met

Data source: Anti-Dumping Commission website

Performance measure 10	Target	Result	Assessment
Develop and implement flexible approaches in the regulation of Australia's space activities	Year-on-year improvement (2021–22 establish baseline through stakeholder feedback)	Given this sector is in the early stages of development, it was concluded baseline targets through stakeholder feedback were not appropriate at this time. As such the department was unable to report a result against this measure.	Not able to report

Data source: Not applicable

Baselining against licensing, regulatory improvements and safety outcomes of space launch activities was considered a more appropriate measure because it more closely aligns to the objectives⁷ of the *Space (Launches and Returns) Act 2018* and ultimately the function of the Australian Space Agency as a regulator.

The below points reflect this baselining work and show that demonstrable improvements have been made against this performance measure as defined against the objectives of the governing legislation. These areas will be reported against into the future.

1. Licences issued (Objective A):

- a. Launch facility licence: 3
- b. Australian launch permit: 3
- c. Return authorisations: nil
- d. High power rocket permits: nil
- e. Authorisation certificates: nil
- f. Overseas payload permit : 1.

2. Improvements (Objective A):

- a. Removal of cost recovery
- b. Establishment of regulatory engagement team
- c. Increased resourcing to process applications
- d. Published first round of guidance material.

3. Outcomes (Objective B):

- a. Accidents⁸ resulting in death, serious injury or damage to third party property: nil
- b. Accidents where a launch vehicle is destroyed or seriously damaged: 1
- c. Incidents: nil
- d. Investigations: 1
- e. Open recommendations for agency: 5.

⁷ The Australian Space Agency, through the Office of the Space Regulator, regulates space activities under the *Space (Launches and Returns) Act 2018*. The Act's objectives are to achieve a reasonable balance between:

- the removal of barriers to participation in space activities and the encouragement of innovation and entrepreneurship in the space industry (**Objective A**)
- the safety of space activities, and the risk of damage to persons or property as a result of space activities regulated by the Act (**Objective B**).

⁸ Accidents and Incidents as defined in *Space (Launches and Returns) Act 2018* (<https://www.legislation.gov.au/Details/C2019C00246>).

Performance measure 11	Target	Result	Assessment
			Overall assessment: Met
Total number of jobs created by the digitally intensive industries	Year-on-year increase	1,104,621 (increase of 12%)	Met

Data Source: ABS Cat. 6291.0.55.003, Labour Force, Australia, Detailed, Quarterly

Australian Bureau of Statistics (ABS) data shows the number of jobs in digitally intensive industries was 1,104,621 at 1 May 2022. This is an increase of 12.6% from the number of jobs in these industries as at 1 May 2021.

Performance measure 11.1	Target	Result	Assessment
Industry engagement with portfolio initiatives to lift digital capability and adopt technologies:	Year-on-year increase	Cyber Security Assessment Tool: <ul style="list-style-type: none"> • 5,955 responses • 2,354 completions Digital Readiness Assessment Tool: <ul style="list-style-type: none"> • 1,558 responses • 683 completions 	Met

Data source: Data maintained internally, held by the department

Industry engagement with initiatives to lift business digital capability and technology adoption is an important first step to help foster Australia's digital transformation across the economy.

Australian businesses continued to regularly access the Cyber Security Assessment Tool, which was updated in November 2021. Drawing on guidance from the Australian Cyber Security Centre, the diagnostic tool helped business assess their cyber security maturity and provided recommendations for how to secure their operations.

The Digital Readiness Assessment Tool was launched in November 2021 and enables businesses to self-assess their level of digital maturity, compare themselves against similar businesses, and access government support programs. The tool is accessible to all Australian businesses, and usage increased throughout the year.

Performance measure 12	Target	Result	Assessment
Proportion of major projects that are compliant with their approved Australian Industry Participation (AIP) plans	100%	100%	Met

Data source: Data maintained internally, held by the department

The AIP Authority received 123 compliance reports from 78 major projects during 2021–22. The reports were assessed by the AIP Authority with all projects demonstrating compliance with their approved AIP plans, either at submission or after feedback from the AIP Authority and subsequent amendments to the reports. Compliance was verified through provision of evidence by major projects in their reporting. There were no compliance breaches detected by the AIP Authority that required use of the legislative sanctions.

The AIP Authority actively worked with proponents to achieve compliance and avoid use of the legislative sanctions. To support proponents to understand and meet the compliance obligations of their AIP plans, the AIP Authority is focused on education. This included developing a best practice user guide, providing feedback on proponents' draft reports and promoting case studies in the AIP Bulletin.

APS – Purpose 2: Resources

The activities under this purpose are focused on continuing to leverage Australia's natural advantages in the resources and critical minerals sector, encouraging investment and employment across Australia.

Activity 2.1: Supporting a strong resources sector

This activity aims to support the sustainable development of the resources sector, attract private sector investment and encourage innovative technologies. It relates to PBS 2021–22 Outcome 1 Program 1.3.

Our progress is measured and reported against following intended results of the activity:

- Supporting investment and further exploration in the resources sector.
- Growing Australia's resource development potential and, in particular, growing the critical minerals sector and supporting the development of downstream supplychain 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.

Table 8 presents the results as measured against the performance criteria for Purpose 2 and its associated Activity 2.1, as set out in the *Corporate Plan 2021–22*, pages 25–26.

Table 8: Performance measure results for Purpose 2 (Activity 2.1)

Performance measure 13	Target	Result	Assessment
Identify and remove regulatory and administrative barriers that impose unnecessary costs and delays to resources projects			Overall assessment: Partially met
Onshore Resources	Not applicable	Announced 1 review and 3 measures	Met
Data source: Data maintained internally, held by the department			
Over 2021–22, we worked with the then Department of Agriculture, Water and the Environment to ensure that regulatory and administrative barriers that impose unnecessary costs and delays for resources projects were considered in the Australian Government’s reforms in response to the independent review of the <i>Environment Protection and Biodiversity Conservation Act 1999</i> .			
Offshore Resources	Not applicable	Preliminary measures were identified to update regulations. Measures will require public consultation and/or ministerial approval before finalisation.	Partially met
Data source: Data maintained internally, held by the department			
A number of preliminary measures to update regulations were identified over 2021–22. Reviews will progress over 2022–23, including public consultation and ministerial approval.			
Performance measure 14	Target	Result	Assessment
NOPTA’s published assessment timeframes for applications made under the <i>Offshore Petroleum and Greenhouse Storage Act 2006</i> (OPGGSA) are met 90 % of the time	90%	93%	Met
Data source: Data maintained internally, held by the department			
The National Offshore Petroleum Titles Administrator (NOPTA) tracks application processing performance to drive continuous improvement and support the efficient and effective regulation of Australia’s offshore petroleum and greenhouse gas sectors. Over 2021–22 NOPTA assessed 465 applications, with 93% of all applications assessed within the required assessment timeframes. Application assessment target timeframes for each application type are published on NOPTA’s website.			

Performance measure 15	Target	Result	Assessment
			Overall assessment: Partially met
Total expenditure on resources exploration	Year-on-year increase	The seasonally adjusted result for the 12 months from March 2021 is \$1,197.4 million (an increase of 24%).	Met

Data source: ABS Cat. 8412.0, Mineral and Petroleum Exploration, Australia

Exploration expenditure increased by \$232 million over the 12 months from March 2021 (seasonally adjusted), up 24% on the same period for the previous year.

We supported the sector to unlock the development of new basins in line with the Strategic Basin Plans program announced in the 2020–21 Federal Budget.

While we contributed to achievement against this measure there are many factors outside our control that also contributed. The \$225 million Exploring for the Future (EFTF) program, led by Geoscience Australia, published new data on Australia's resource potential to boost investment. The \$200 million Junior Minerals Exploration Incentive (JMEI), administered by the Australian Taxation Office, supported junior explorers to raise capital to fund their exploration activities. In addition, CSIRO's Gas Industry Social and Environmental Research Alliance (GISERA) activities delivered world-leading, independent scientific research on the impacts and benefits of onshore gas development.

Performance measure 15.1	Target	Result	Assessment
Annual release of offshore acreage for resources exploration investment	Ongoing release of new acreage annually	1 acreage release was announced Bidding on 2 releases closed during the year	Partially met

Data source: Data maintained internally, held by the department

Work to release the 22 Offshore Petroleum Exploration Acreage Release was progressed with one acreage release announced. However, outcomes for 2 further releases were delayed:

- Bidding on the 2021 Offshore Petroleum Exploration Acreage Release closed on 3 March 2022. 10 bids were received over 21 areas.
- Bidding on the 2021 Offshore Greenhouse Gas Storage Acreage Release closed on 10 March 2022. 9 bids were received over the 5 areas.

Performance measure 16	Target	Result	Assessment
			Overall assessment: Met
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	<p>The number, progress and total capital expenditure of critical minerals projects have increased between 2020 and 2021.</p> <p>The total number of critical minerals projects in the investment pipeline increased by 13% (from 61 to 69 projects). Of these, the number of 'committed' projects increased from 5 to 12, and the number of 'completed' projects increased from 0 to 2.</p> <p>Total value of the critical minerals investment pipeline (not including cobalt and platinum projects) increased by 25%.</p>	Met

Data source: The department's annual Resources and Energy Major Projects Report

Australia's critical minerals sector, supported through the Critical Minerals Facilitation Office (CMFO), grew strongly and attracted investment.

We supported the delivery of 4 major loans to advance strategically significant critical mineral projects, including projects that help develop Australia's downstream processing capacity:

- \$239 million loans (total) to EcoGraf (WA) and Renascor (SA) through the Critical Minerals Facility (2 February 2022)
- \$140 million investment in Hastings' Yangibana rare earths project through the Northern Australia Investment Facility (1 February 2022)
- \$1.25 billion in loan funding to Iluka (WA) through the Critical Minerals Facility (3 February 2022).

Performance measure 16.1	Target	Result	Assessment
International engagement activities aimed at growing Australia's critical mineral sector	Not applicable	The CMFO engaged with partner countries and various multilateral bodies over 2021–22.	Met

Data source: Data maintained internally, held by the department

The CMFO engaged with partner countries and various multilateral bodies over 2021–22, including with the United States, India, United Kingdom, Republic of Korea, Germany, Indonesia and Japan. This work has helped to increase awareness of Australia's critical minerals opportunities and ambitions (for example, leveraging Australia's robust ethical, sustainable and governance standards) and deepened our relationship with key like-minded countries. Importantly, these engagements have laid the foundation to progress potential investment opportunities with a number of foreign governments, and their respective industry partners, that will advance Australia's position as a reliable and secure supplier of critical minerals for the world.

Key achievements over the year were:

- the signing of the Australia-India Critical Minerals Investment Partnership, and the associated Indian ministerial delegation in June 2022.
- joining the Minerals Security Partnership as a founding member in June 2022, along with Canada, Finland, France, Germany, Japan, the Republic of Korea, Sweden, the United Kingdom, the United States, and the European Commission.
- representing Australia at a range of major international forums, including the 13th Conference on Critical Materials and Minerals, the Australia-Germany working group on raw materials, the Prospector's and Developers Association of Canada Conference, and the second meeting of the Australia-Republic of Korea Critical Minerals Working Group.

APS – Purpose 3: Emissions Reduction and Clean Energy

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

Activity 3.1: Reducing Australia's greenhouse gas emissions

This activity aims to shape the global response to climate change and achieve Australia's greenhouse gas emissions reduction targets. It relates to PBS 2021–22 Outcome 2 Program 2.1.

Our progress is measured and reported on against the following intended results of the activity:

- Developing Australia's longterm emissions reduction strategy ahead of the UN climate summit in Glasgow at the end of 2021.
- Delivering costeffective emissions reduction opportunities across the economy including in hardtoabate sectors.

Table 9 presents the results as measured against the performance criteria for Purpose 3 and its associated Activity 3.1, as set out in the *Corporate Plan 2021–22*, pages 28–29.

Table 9: Performance measure results for Purpose 3 (Activity 3.1)

Performance measure 17	Target	Result	Assessment
Number of businesses participating in carbon neutral certification	Year-on-year increase	Climate Active certifications over the year have grown by 241 certifications (an increase of 73%).	Met

Data source: Climate Active database climateactive.org.au

Climate Active certifies businesses that have credibly reached a state of carbon neutrality by measuring, reducing and offsetting their carbon emissions. Over the year, Climate Active certifications grew by 241 certifications and as at 30 June 2022, Climate Active had helped Australian businesses offset more than 31 million tonnes of carbon emissions. A list of all certifications is publicly available on the Climate Active website at <https://www.climateactive.org.au/buy-climate-active/certified-brands>. Measures taken by Climate Active to increase certifications include:

- running training and assessment to expand the pool of Climate Active registered consultants, who can help businesses prepare their carbon accounts and undertake technical assessments to ensure the integrity of carbon neutral claims
- providing members with reporting tools, including inventories and calculators using up-to-date emissions factors from credible sources, and public disclosure statement templates for public reporting
- continuing to provide streamlined certification pathways for small organisations and small events
- providing additional guidance in Climate Active's publicly available technical documentation, including general due diligence guidance on buying offsets.

Performance measure 18	Target	Result	Assessment
Proportion of GEMS registration applications processed by the GEMS Regulator within 14 days from the time of application	99% in each year	99%	Met

Data source: Data maintained internally, held by the department [reg.energyrating.gov.au](https://www.reg.energyrating.gov.au)

Timely processing of Greenhouse and Energy Minimum Standards (GEMS) registration applications minimises the burden placed on businesses who are registering their products, and facilitates the supply of energy-efficient equipment into Australia.

We continually improve our processes to support increased timeliness and efficiency, and support stakeholders to understand the registration requirements under the *Greenhouse and Energy Minimum Standards Act 2012*.

This results in a quicker and easier registration process. For example, in 2021–22 we:

- added additional information to the Energy Rating website and registration system to help registrants correctly submit their applications
- improved registration forms to make them easier to complete
- implemented additional reporting functionality to identify and manage applications at risk of delay
- established new processes to more quickly respond to enquiries from registrants.

Performance measure 19	Target	Result	Assessment
Australia's emissions and projected emissions are on track to meet international commitments	Australia meets its international emission reduction commitment targets	<p>Emissions estimates reported in Australia's National Inventory Report 2020 indicate Australia has surpassed its Cancun target.</p> <p>Under review:</p> <ul style="list-style-type: none"> • Future emissions projections will reflect policy changes following the 2022 election and be assessed against the 2030 target of 43% below 2005 levels and the net zero 2050 target. 	Partially met

Data source: Australia's emissions projections and National Greenhouse Accounts:

- [Industry.gov.au – Emissions Projections](https://www.industry.gov.au/Emissions-Projections)
- [AGEIS – Climate Change data](#)
- [The department's emissions tracking data](#)

Over the reporting period 2021–22, *Australia's Emissions Projections 2021* indicated that Australia was on track to achieve at least a 30% reduction on 2005 levels by 2030 on both an emissions budget and as a single-year point-reduction basis.

Latest preliminary historical emissions estimates, for the year to December 2021, were 21% below 2005 levels, which continues the downward trend in national emissions since their peak in 2007.

(Source: Quarterly Update: December 2021).

Performance measure 20	Target	Result	Assessment
Legislated Large-scale Renewable Energy Target of 33,000 GWh of eligible renewable electricity generation is met	33,000 GWh per year	39,000 GWh	Met

Data source: The Clean Energy Regulator's annual statement on progress towards the Largescale Renewable Energy Target

The Clean Energy Regulator's 2020 Renewable Energy Target Annual Statement, tabled in the Australian Parliament on 16 June 2021, outlined that the Large-scale Renewable Energy Target of 33,000 GWh was met. The target remains at 33,000 GWh each year from 2020 to 2030 when the Renewable Energy Target scheme ends.

The March Quarter 2022 *Quarterly Carbon Market Report* (published on 9 June 2022) stated that eligible generation in 2021 was 39,000 GWh and is expected to reach 44,000 GWh in 2022, exceeding the annual calendar year target by around 11,000 GWh.

Activity 3.2: Developing clean energy technology

This activity aims to support technological innovation in clean and renewable energy to reduce Australia's greenhouse gas emissions. It relates to PBS 2021–22 Outcome 2 Program 2.2.

Our progress is measured and reported on against the following intended results of the activity:

- Supporting the uptake of priority low emission technologies, the Australian Renewable Energy Agency, the Clean Energy Finance Corporation and the Clean Energy Regulator.

Table 10 presents the results as measured against the performance criteria for Purpose 3 and its associated Activity 3.2, as set out in the *Corporate Plan 2021–22*, page 29.

Table 10: Performance measure results for Purpose 3 (Activity 3.2)

Performance measure 21	Target	Result	Assessment
Investment leveraged through portfolio low emissions energy initiatives	Leverage \$3–\$5 of new investment for each dollar of Australian Government funding on average over the decade to 2030	\$3.16 co-investment leveraged (result based on current data available as at 12 August 2022)	Met

Data source: Data maintained internally, held by the department

This level of co-investment is in line with the expectation that the co-investment ratio would gradually rise over time as technologies matured and became increasingly viable for commercial investment. This trend was evident in the 2021–22 result.

Based on data available at the time of reporting, around \$3.16 of co-investment was leveraged for each dollar invested by the Australian Government in low emissions technologies in 2021–22. This interim result is within the Technology Investment Roadmap target of leveraging between \$3–\$5 of new co-investment over the decade to 2030, and an improvement on the result of \$2.06 achieved in 2020–21.

The combined overall average co-investment since 1 July 2020 is \$2.46. While this is currently below the decade-long target of at least \$3 leveraged per dollar of government investment, on the basis of the emergent trend as explained above, this measure has been assessed as met.

APS – Purpose 4: Energy

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

Activity 4.1: Supporting reliable, secure and affordable energy

This activity 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. It relates to PBS 2021–22 Outcome 3 Program 3.1.

Our progress is measured and reported on against 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 Australian Government's GasFired Recovery Plan.

Table 11 presents the results as measured against the performance criteria for Purpose 4 and its associated Activity 4.1, as set out in the *Corporate Plan 2021–22*, page 30–31.

Table 11: Performance measure results for Purpose 4 (Activity 4.1)

Performance measure 22	Target	Result	Assessment
Australia's security of supply of quality liquid fuels	Establish the Fuel Security Framework to administer new and existing fuel legislation by 1 July 2022	The Fuel Security Framework is established to effectively and efficiently administer fuel security activities, including the Fuel Security Service Payment enacted by the <i>Fuel Security Act 2021</i> , with majority of the key measures implemented.	Met

Data source: Information maintained internally, held by the department

The Fuel Security Framework brings together the fuel security programs and enabling legislation administered by us, as well as our participation in global efforts to enhance fuel security. This is designed to improve Australia's long-term fuel security and ensure a domestic refining capability for our critical fuels.

Fuel security programs to enhance Australia's domestic fuel security include:

- boosting Australia's Diesel Storage Program – a grant program to increase the amount of domestic diesel storage. In 2021–22, 8 grant agreements covering storage of an additional 653 megalitres of diesel and other products were executed
- the Refinery Upgrades Program – a grant program to support infrastructure upgrades at refineries to bring forward the introduction of better quality fuels from 2027 to 2024. In 2021–22 applications from the 2 major refiners for Phase 1 of the program were approved by the Minister and one agreement was executed.

Australia's fuel security legislation includes:

- *Fuel Security Act 2021*
 - The Fuel Security Act gives effect to the Fuel Security Services Payment (FSSP) and the Minimum Stockholding Obligation (MSO).
 - The FSSP provides eligible refiners with a payment for the production of transport fuels (jet fuel, petrol and diesel) when refinery margins are poor, in exchange for commitments to remain operational until at least 2027.
 - The FSSP was implemented in Q2 2021–22. Payments of \$12.45 million were made for Q1 2021–22. No payments were made for the remainder of the year, as refinery margins improved.
 - We undertook extensive public and industry consultation on the main policy elements of the industry stockholding obligation in 2021–22, and developed draft legislative rules. Implementation was delayed as part of Australia's contribution to International Energy Agency (IEA) actions to support global oil supplies.
- *Fuel Quality Standards Act 2000*
 - The Fuel Quality Standards Review Cost Benefit Analysis was completed and a Regulation Impact Statement is being prepared.
- *Liquid Fuel Emergency Act 1984*
 - Consultation work has progressed during 2021–22 on modernisation of the *Liquid Fuel Emergency Act 1984* and updated legislation is expected to be introduced to Parliament in 2022–23.
- *Petroleum and Other Fuels Reporting Act 2017*
 - The launch of new data reporting and analytical tools for the monthly Australian Petroleum Statistics, which improve market transparency on Australia's liquid fuel supply and use, <https://www.energy.gov.au/government-priorities/energy-data/australian-petroleum-statistics>

Australia has committed to return to compliance with the International Energy Agency (IEA) 90-day oil stockholding obligation by 2026. In 2021–22, Australia released stocks held in the United States Strategic Petroleum Reserve (US SPR) in support of an IEA collective action to release oil stocks into the global market, in response to the impact of the invasion of Ukraine on global energy markets. Australia also contributed to the second IEA collective action in April 2022 through delaying implementation of its stockholding obligation.

Performance measure 23	Target	Result	Assessment
Lower energy prices			Overall assessment: Partially met
Progress towards wholesale price <\$70 per MWh in the National Electricity Market	Progress towards wholesale price <\$70 per MWh in the National Electricity Market (NEM)	\$116.15/MWh	Not met

Data source: The Australian Energy Market Operator (AEMO)

The average NEM-wide wholesale electricity price for 2021–22 was \$116.15/MWh.

As a result of increased levels of low-cost renewable energy, particularly rooftop solar combined with lower operational demand, average NEM-wide wholesale electricity prices remained below \$70 for the first half of 2021–22. However, average NEM-wide results for the second half of 2021–22 exceeded the \$70/ MWh benchmark.

Wholesale energy prices are influenced by external factors beyond the Australian Government's control. International energy markets have experienced significant volatility and sustained high prices throughout the first half of 2022, driven by global pandemic recovery, changing energy market dynamics and the war in Ukraine. During 2021–22, the NEM experienced very high prices being driven by higher demand, low electricity generator availability and increasing coal and gas costs, particularly during the first 6 months of 2022. Although movements in the wholesale market cannot be controlled, we engaged in a broad response to improve the supply of energy through long-term projects, including Snowy 2.0, the Hunter Power Project and support for critical transmission projects.

Domestic gas market prices lower than liquefied natural gas (LNG) netback price	Domestic gas market prices lower than liquefied natural gas (LNG) netback price	\$14.99/GJ domestic price vs netback price of \$29.83/GJ	Met
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Data source: Australian Competition Consumer Commission and AEMO

International markets experienced significant volatility and sustained high prices throughout the second half of the financial year, driven by global pandemic recovery and the war in Ukraine. While domestic wholesale prices were shielded from the global market's volatility in the third quarter, wholesale prices rose significantly over the last quarter as a result of the sustained high prices globally, as well as increased demand for gas generation spurred by unplanned coal generation outages, low renewable generation from wind and solar, and particularly cold weather increasing demand for gas heating.

Average domestic wholesale prices have, however, remained below the Australian Competition and Consumer Commission (ACCC) LNG netback price, which acts as a measure of the export parity price a gas supplier can expect to receive for exporting its gas.

Based on price reporting by AEMO, for the full 2021–22 year, east coast wholesale gas prices averaged \$14.99/ GJ (an increase of 143% compared to 2020–21 average price of \$6.17/GJ). This was 50% below the ACCC's LNG netback price, which averaged \$29.83/GJ over the same period.

Performance measure 24	Target	Result	Assessment
Average change in megajoules (MJ) per m ² consumed annually by office buildings as they obtain successive Building Energy Efficiency Certificates (BEECs) under the Commercial Building Disclosure (CBD) program	Reduction in MJ per m ² consumed across all office buildings rated in the current period, compared with their previous BEECs under the CBD program	7% average reduction in MJ per m ² consumed by each building rated in the 2021–22 financial year, compared to each building's previous rating	Met

Data source: Commercial Building Customer Relationship Management (CRM) system

Over 2021–22, we have encouraged energy and carbon savings in office buildings through the CBD program. In addition to energy efficiency improvements, this significant reduction in commercial office energy intensity over the reporting period could also in part be attributed to the impact of the global COVID-19 pandemic. Reduced office occupancy can result in reduced usage of building services, including lighting and heating, ventilation and air conditioning (HVAC) systems, which are responsible for a large portion of energy usage in commercial office buildings.

This performance measure is calculated using building energy efficiency data submitted by CBD program assessors when applying for BEEC. For each certificate issued, the building's energy use is calculated in MJ/m² using the building's annual energy consumption in megajoules and the building's total net lettable area in metres squared. This figure is then compared to the energy usage listed in the most recently issued BEEC for that building. The total change in energy use between these values is calculated as a percentage of the older value. The reported performance measure is an average of each of these percentages. Where multiple BEECs are issued in the same financial year, only the most recent BEEC is counted.

Financial performance

Financial performance – departmental

Operating result

The department recorded a surplus of \$39.4 million in 2021–22 after excluding depreciation and amortisation and the impacts of Australian Accounting Standards Board (AASB) Standard 16 Leases accounting adjustments. This surplus is largely due to delays in implementation of various budget measures.

After taking into account depreciation and amortisation, the impacts of AASB 16 Leases accounting adjustments and changes in the asset revaluation reserve, the department recorded a loss of \$9.2 million for 2021–22. This reflects the introduction of the net cash appropriation arrangements where appropriation for depreciation and amortisation expenses ceased. Entities now receive a separate capital budget provided through equity appropriations.

Financial sustainability

As at 30 June 2022, the department reported net assets of \$260.8 million. The department has sufficient financial and non-financial assets to settle its payables as and when they fall due. Non-financial assets owned by the department consist of property (buildings and fit-out), plant and equipment owned by the department.

Financial performance – administered

Income

Administered revenue largely relates to royalty revenue (\$1,535.3 million), dividend revenue from the Australian Government's holding in Snowy Hydro Limited (\$163.6 million), levy receipts generated by the National Offshore Petroleum Safety and Environmental Management Authority (\$39.2 million) and registration fees generated by the National Offshore Petroleum Titles Administrator (\$15.9 million).

Expenses

During the year the department administered programs on behalf of the government, including:

- \$381.9 million to facilitate the development and uptake of new ideas and technology and translate them into commercial outcomes and enhanced productivity
- \$407.0 million 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
- \$1,631.7 million to support the sustainable development of the resources sector, attract private sector investment and encourage innovative technologies
- \$490.5 million to 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. This includes \$429.1 million of payments to the portfolio's corporate Commonwealth entities: the Australian Renewable Energy Agency and the Clean Energy Finance Corporation
- \$329.6 million to 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. This includes expenditure related to oil inventory
- \$1,320.5 million in payments to the portfolio's corporate Commonwealth entities not listed above: the Commonwealth Scientific and Industrial Research Organisation, the Australian Nuclear Science and Technology Organisation, the Australian Institute of Marine Science, the National Offshore Petroleum Safety and Environmental Management Authority, and the Northern Australia Infrastructure Facility. This excludes the \$429.1 million of payments to the Australian Renewable Energy Agency and the Clean Energy Finance Corporation noted above.



CHAPTER 3

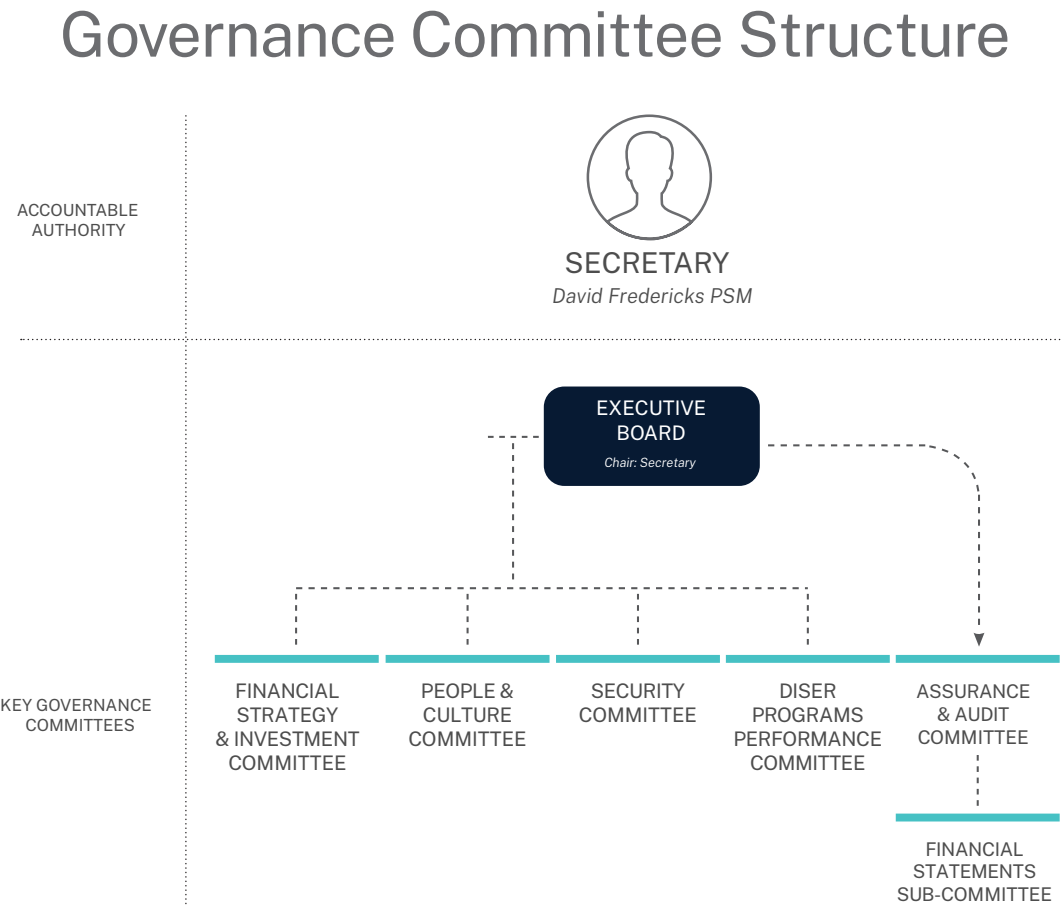
DEPARTMENTAL MANAGEMENT AND ACCOUNTABILITY

Corporate governance

Our corporate governance practices define how we manage outcome and program responsibilities, and control business internally and externally. We have an organisational board and committee structure to manage delivery of our strategic objectives. This prompts us to continually improve business and financial effectiveness, aligned with government and organisational objectives.

Our governance practices comply with all statutory requirements and are regularly reviewed to ensure they remain relevant and effective. Figure 6 shows our governance structure, and an overview of each of the committees is provided below.

Figure 6: Governance committees at June 30



Executive Board

The Executive Board is made up of the Secretary and deputy secretaries. It meets fortnightly and is responsible for the department’s overall governance, management, policy development and strategic direction.

The Executive Board agrees to an annual forward work plan to ensure its decision-making on key issues follows the relevant legislation and policies. Regular strategic discussions are also scheduled to provide the Executive Board with updates on progress against our key programs and policies.

Financial Strategy and Investment Committee

The Financial Strategy and Investment Committee (FSIC) is an internal committee responsible for:

- setting and implementing of our strategy and financial plan
- agreeing to resourcing and investment decisions for all our revenue sources
- managing our average staffing level (ASL)
- allocating and supporting organisational capability, stewardship and sustainability
- delivering the digital strategy.

People and Culture Committee

The People and Culture Committee is an internal committee responsible for providing strategic advice and making decisions in relation to people, culture, inclusion and wellbeing.

Security Committee

The Security Committee is an internal committee responsible for providing assurance to the Secretary and the senior executive of the department and its portfolio agencies. It provides assurance that our strategic objectives are supported by efficient and effective oversight of security risks, which are managed in accordance with the Executive Board's risk appetite.

Department of Industry, Science, Energy and Resources (DISER) Programs Performance Committee

The DISER Programs Performance Committee (DPPC) is an internal committee responsible for providing the Executive Board with assurance that key departmental programs support our purposes (Figure 6) and that risk is being managed in a manner consistent with the board's risk appetite.

Assurance and Audit Committee

The Assurance and Audit Committee (AAC) provides independent advice and assurance to the Secretary on the appropriateness of our accountability and control framework. This includes independently verifying and safeguarding the integrity of our financial and performance reporting.

To meet the reporting requirements under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), details of audit committee membership is provided in the table below and its charter is accessible at www.industry.gov.au/about-us/assurance-and-audit-committee-committee-charter.

Audit Committee membership

Table 12: Name, qualifications, meetings attended and remuneration of audit committee members

Member name	Qualifications, knowledge, skills or experience	Number of meetings attended/total number of meetings	Total annual remuneration (incl GST)
Ian McPhee AO PSM	<ul style="list-style-type: none"> Public sector and industry experience, including as a company director, audit committee chair/member, chair of various governance reviews and Auditor-General for Australia 2005–15. <p>Qualifications</p> <ul style="list-style-type: none"> Bachelor of Business (Accountancy), Bachelor of Arts (Computing Studies), FCPA, FCA, FIPAA, GAICD. 	6/6	\$55,528

Member name	Qualifications, knowledge, skills or experience	Number of meetings attended/total number of meetings	Total annual remuneration (incl GST)
Carol Lilley	<ul style="list-style-type: none"> Full-time independent board director and audit committee member. Experience is in governance and assurance, internal audit and project and risk management, with a particular focus on government. Currently chair or member of multiple audit and risk committees. <p>Qualifications</p> <ul style="list-style-type: none"> Graduate of the Australian Institute of Company Directors, Fellow of Chartered Accountants Australia and New Zealand, and certified internal auditor. 	6/6	\$56,760
Lesley Seebeck (November 2021 to June 2022)	<ul style="list-style-type: none"> Independent consultant and honorary professor at the ANU. Past appointments include CEO, Cyber Institute; Chief Investment Officer, Digital Transformation Agency; Chief Information Officer, Bureau of Meteorology; and Senior Executive Service roles in the Australian Government Department of Finance. <p>Qualifications</p> <ul style="list-style-type: none"> PhD, MBA, Master of Defence Studies, Bachelor of Applied Science (Physics), GAICD. 	3/3	\$20,000
David Allen	<ul style="list-style-type: none"> Has worked in local, state, Australian Government and UK government roles. Since 2010, he has worked at the Australian Taxation Office and is currently the Deputy Commissioner, Enterprise Strategy and Design. <p>Qualifications</p> <ul style="list-style-type: none"> Bachelor of Engineering, MBA. 	6/6	N/A – external Australian Public Service member

Member name	Qualifications, knowledge, skills or experience	Number of meetings attended/total number of meetings	Total annual remuneration (incl GST)
Katrina Di Marco	<ul style="list-style-type: none"> Has held senior executive roles across several portfolios and has been an internal member of the Treasury Performance and Risk Committee since 2020. Currently she is the First Assistant Secretary of the Tax Analysis Division in Department of the Treasury. <p>Qualifications</p> <ul style="list-style-type: none"> Bachelor of Commerce (Economics), Bachelor of Laws. 	5/6	N/A – external APS member
Kate Freebody (July 2021 to August 2021)	<ul style="list-style-type: none"> Chartered accountant and financial specialist consulting to government on a range of disciplines, including financial modelling, performance evaluation and review, financial function and governance review, business process re-engineering, financial and performance reporting, tender evaluation and procurement support. Broad range of knowledge and expertise relevant to operation of public service. <p>Qualifications</p> <ul style="list-style-type: none"> Bachelor of Business, chartered accountant (CA ANZ). 	2/2	\$11,902

Financial Statements Subcommittee

The Financial Statement Sub-committee (FSSC) provides the AAC with advice as to whether, in the view of the FSSC, the annual financial statements and the supplementary reporting pack comply with:

- the PGPA Act
- the PGPA Act Rules
- the Australian Accounting Standards
- supporting advice
- any issues that would prevent the signing of the annual financial statements.

The FSSC also assists us with the resolution of any issues that arise with the Australian National Audit Office (ANAO), if and when required.

Risk management

We have an important role to play in creating jobs and driving economic and productivity growth for all Australians. Effectively engaging with and managing risk is central to meeting government and community expectations. We recognise that in some circumstances it is not possible or desirable to eliminate all risk, and that accepting some degree of risk allows us to seize opportunities, promote efficiencies and support innovation.

We have established systems of risk oversight, management and internal controls in accordance with Section 16 of the PGPA Act and the Commonwealth Risk Management Policy.

Our Risk Management Framework is consistent with the Commonwealth Risk Management Policy and aligned with the *Australian Standard ISO 31000:2018, Risk management—Guidelines*. It sets out a systematic approach to risk management that enables us to engage with risk in a way that fosters innovation and builds a positive risk culture. To ensure good decisions in the face of complex or uncertain operating environments, risk management is embedded in our policies, processes and systems.

Climate-related risk management

We accept the roles and responsibilities of our staff to manage climate-related risks. These obligations are underpinned by the *Public Service Act (1999)*, the PGPA Act, and Commonwealth Risk Management Policy, as outlined in the Australian Public Service (APS) responsibilities for managing climate and disaster risk statement endorsed by the Secretaries Board.

We are aiming to continuously improve our climate-related risk management and manage our climate-related risks and opportunities according to international best practice. This includes:

- following a rigorous climate-related risk assessment framework—we have used Climate Compass, a tool designed specifically for use across the APS
- training our staff in climate-related risk to improve risk management practices and maximise our opportunities
- integrating our climate-related risks with our enterprise risk management processes
- disclosing our climate-related risk management practices in annual reports in alignment with the Taskforce for Climate-related Financial Disclosures (TCFD) recommendations and the APS Climate Risk Disclosure Framework.

Our detailed disclosure is included as Appendix 4.

Fraud control

Our approach to fraud control is consistent with the *Commonwealth Fraud Control Framework 2017* and involves:

- prevention—awareness raising, risk assessment and training as the first line of defence
- detection—monitoring of high-risk areas and proactive analysis to detect possible fraud
- investigation and response—investigation and assessment of allegations, referrals and recovery
- monitoring and evaluation—providing assurance that our approach to fraud control is designed and operating effectively, and that it remains fit for purpose.

We continue to actively raise awareness about emerging fraud risks and provide advice on potential fraud and mitigation strategies for new programs and initiatives.

Officers responsible for fraud control and investigations hold the necessary qualifications required in the *Australian Government Investigations Standards* and the *Commonwealth Fraud Control Framework*.

Compliance with finance law

There was one significant instance of non-compliance with finance law. The significant instance of non-compliance identified during the reporting period was reported to the relevant minister and the Minister for Finance. The non-compliance relates to non-compliance with the Commonwealth Procurement Rules, and was identified by the Australian National Audit Office (ANAO) during a performance audit. Corrective action is being undertaken to ensure we demonstrate best practice in our management of probity in procurements and grants.

External scrutiny

In 2021–22, no judicial decisions, decisions of administrative tribunals or decisions by the Australian Information Commissioner had a significant impact on our operations. No capability reviews were released, and no reports on our operations were completed by either:

- the Commonwealth Ombudsman or
- a committee of either or both houses of the Parliament.

In 2021–22, the ANAO tabled the below listed 5 audits:

- Administration of the Research and Development Tax Incentive
- Award of the Funding under the Safer Communities Fund
- Operation of Grants Hubs
- Procurement of Delivery Partners for the Entrepreneurs' Programme
- Management of Staff Leave in the Australian Public Service.

In 2021–22, the ANAO tabled 2 audits involving the portfolio:

- *The Australian Nuclear Science and Technology Organisation's Management of Nuclear Medicine Assets* (involved portfolio agency ANSTO)
- *Snowy 2.0 Governance of Early Implementation* (involved portfolio entity Snowy Hydro Limited).

Details of these audits are available on the ANAO website at www.anao.gov.au.

During 2021–22, we appeared before Senate Estimates at the following hearings:

- Senate Standing Committee on Environment and Communications–25 October 2021, 14 February 2022, 31 March and 4 April 2022
- Senate Standing Committee on Economics–28 October 2021, 17 February 2022, 1 and 7 April 2022.

Information Publication Scheme

Under Part II, section 8 of the *Freedom of Information Act 1982*, we were required to publish information as part of the Information Publication Scheme. Our website shows the information published in accordance with the scheme.

Our people

The department has 3,553 staff in 26 locations around Australia (as of 30 June 2022). Our workforce experience is shaped by our *People Strategy 2020–22* and the additional elements that target changes in areas of focus, such as our *Inclusion Strategy 2021–23*, *Accessibility Action Plan* and the *Safety Health and Wellbeing Strategy 2020–23*.

In 2021–22, we invested in our people by developing foundational skills, offering enrichment programs, developing leadership qualities and supporting professional and career development pathways.

Our people completed a broad range of foundational courses, including security, fraud and privacy awareness, work health and safety, financial frameworks as well as APS values and respectful workplace behaviours.

We have the infrastructure and policies in place to support flexible working arrangements, which enabled us to continue to deliver on our policy objectives and programs for Australia in 2020–21, during the height of the COVID-19 pandemic. In consultation with staff, we reviewed our flexible work policy to ensure it leverages the lessons learnt through COVID-19 and we continue to provide access to flexible working arrangements that meets the needs of our diverse workforce. We continue to support our staff to work flexibly and safely, in line with our COVID-19 transition plan and Australian Public Service Commission guidance.

Engaged and inclusive workforce

Our workforce is rapidly changing and so is the Australian Public Service. We value diversity of background and experience, and recognise how this enriches our work so that we can deliver better outcomes for the Australian Government and the Australian community. Through our *Inclusion Strategy 2021–23* we initiated guidance and practice that will have a lasting impact – with the aim that all our staff know that they belong and that their contributions are valued.

Ways in which we have woven diversity and inclusion practice into our operations include:

- establishing an Accessibility Committee to provide advice on how our operations could be improved
- enlisting an Accessibility User Group of staff with lived experience of a disability to trial new software and systems to enable programs that support our workforce to succeed
- renewing diversity training and introducing new programs to support staff in building a shared understanding of, and language for, an inclusive workplace. This includes LGBTIQ+ training, disability awareness training, and a culturally appropriate training program designed by First Nations Australians, to raise cultural awareness of staff
- developing a gender-inclusive language guide and practical guide to supporting gender affirmation.

The Australian Public Service Disability Employment Strategy 2020–25 sets out a comprehensive plan to improve employment outcomes for people with disability. This strategy aligns with the National Disability Strategy and reinforces the Australian Government's commitment to the United Nations Convention on the Rights of Persons with Disabilities. Disability reporting is included in the Australian Public Service Commission's (APSC's) State of the Service Reports and the APS Statistical Bulletin.

Reconciliation Action Plan

Following the successful implementation of our Innovate Reconciliation Action Plan (RAP), we were invited by Reconciliation Australia to develop a Stretch RAP. This invitation is a significant achievement that recognises the commitment of staff at all levels and will be taken up by the department. Our Stretch RAP will be launched in 2022–23.

More diversity-focused ways to engage staff

During the reporting period, we led successful career-starter programs, including internships and apprenticeships, to provide opportunities for people with diverse lived experience. Programs included:

- Stepping Into Internship, for people with disability
- Indigenous Apprenticeships Program coordinated by Services Australia
- Soldier On Pathways Program for veterans and their immediate family.

Supporting staff engagement and identity

We continued our commitment to building a values-led, diverse and inclusive workforce, which was reflected in policies, programs, frameworks and governance mechanisms. To support this effort, we worked closely with 6 employee-led diversity networks:

- Gender Equity Network
- Indigenous Employees Network
- Disability and Wellness Network
- Pride Network
- Cultural and Linguistic Diversity Network
- Flexible Workplace Network.

These networks are open forums run by and for staff, and they provide employees with a safe and supportive environment to share views, perspectives and experiences. The networks significantly contributed to driving the cultural change, starting at a grassroots level, which has helped us achieve our diversity and inclusion objectives.

In November 2021, we launched the 'Who We Are' self-identification campaign, which encouraged staff to update their diversity and inclusion information in our human resource system. Our networks played a central role in designing the campaign and developing the primary product, an all-staff survey. Networks actively promoted the initiative with their members and other stakeholders. The campaign successfully increased self-identification, in turn providing important data that allows us to target our support services and diversity and inclusion initiatives.

Ways of working

Opportunities for ongoing flexible working arrangements were made available to all staff. Requests to work remotely, in the office or on hybrid schedules, were supported with guidelines that enabled us to have good conversations. We invested in uplifting and improving the quality and effectiveness of everyday and challenging conversations between all managers and their staff through our capability series: Connect, The Neuroscience of Quality Conversations. Through the series and leveraging technology enhanced team communication and engagement, we promoted collaboration, productivity, and connection.

In 2021-22 we further invested in our people by:

- developing foundational skills
- offering enrichment programs
- developing leadership qualities
- supporting professional and career development pathways.

Our enrichment and leadership program offerings continued to be wide ranging and included graduate certificate-level studies in public policy, participation in the Australian and New Zealand School of Government (ANZSOG), and the Institute of Public Administration Australia (IPAA) Future Leaders course. We continued to develop critical skills in our people through data management and data foundations courses to support our digital strategy. With staff located across Australia and posted overseas, our day-to-day experience of working together was based on our values—we are collaborative, innovative, respectful, and continually striving for excellence.

A high-performing workforce

We continued to grow a high-performing workforce through targeted recruitment and by providing a variety of development options for existing staff, including study support, mobility opportunities, development pathways and a diverse program of learning activities to grow skills.

To achieve this, we undertook a number of initiatives, including:

- updating our suite of core learning modules to increase engagement and give staff a strong foundational understanding of behaviours and practices, including conflict of interest, financial management, security, health and safety, and integrity in the APS
- offering tailored study support for staff to undertake formal learning and qualifications that directly contribute to achieving better outcomes in our work program
- launching the inaugural scholarship program for First Nations Australians, which selects an employee to undertake dedicated study for up to 3 years. This professional development will contribute to their ongoing success as a public servant
- completing an annual coordinated workforce planning exercise to understand our current workforce and inform strategic workforce planning that responds to current and future needs and aligns with the *APS Workforce Strategy 2025*
- providing opportunities across 9 programs for entry-level employment pathways, including leading the recruitment for the Australian Government Graduate Program Science, Technology, Engineering and Maths (STEM) Stream for the APS.

Commonwealth Child Safe Framework

We demonstrated our commitment to the Commonwealth Child Safe Framework and fostering a safe environment for children and young people through our:

- Child Safe Policy
- Working with Children and Vulnerable People Policy
- employee training
- taking active steps to identify, mitigate and manage risks to children that may be associated with its operations.

Our public facing division, Questacon, has well-established processes and a proactive culture to ensure the wellbeing and safety of the children it has contact with each year. Questacon's annual risk assessment, completed in consultation with health and safety representatives, identifies sources of risk and controls to ensure they remain current and effective. To reflect the strong culture of commitment to child safety, every employee, volunteer and contractor working with Questacon must maintain working with vulnerable persons registration, whether they are working face to face with children or in the back offices.

We required employees to continually review programs for any activities that are associated with children, to undertake appropriate risk assessments. These risk assessments identify the level of engagement with children and young people through the program, evaluate the associated risks for harm or abuse, and establish appropriate strategies to mitigate or manage identified risks.

Throughout the year, we reviewed our approach to the Child Safe Policy, supporting documents and associated training. We continue to review and build compliance to the Commonwealth Child Safety Framework to ensure the wellbeing and safety of children and young people.

Executive remuneration

This executive remuneration disclosure covers:

- key management personnel (as defined by the Australian Accounting Standards Board)
- Senior Executive Service employees
- other highly paid staff members whose total remuneration exceeds the threshold remuneration result for the 2021–22 reporting period of \$235,000.

Secretary and office holders

The Remuneration Tribunal determines the Secretary's and the Chief Scientist's remuneration, which is disclosed in determinations on the tribunal's website. Typically, the tribunal reviews office holders' remuneration annually.

The Minister for Industry, Science and Technology determines the remuneration for the Commissioner of the Anti-Dumping Commission, in accordance with the *Customs Act 1901*, and it is tabled under Senate Order 15. The Secretary determines the remuneration for the Chief Executive Officer of the Australian Space Agency, which is also tabled under Senate Order 15.

Senior Executive Service employees

We committed to Senior Executive Service (SES) performance and development arrangements that were fair, transparent and supported organisational performance. The terms and conditions of employment for SES employees are administered through individual common law contracts. The Secretary is responsible for determining remuneration for SES employees in accordance with the *APS Executive Remuneration Management Policy* and the *Public Sector Workplace Relations Policy 2020*.

The *SES Development Pack* outlines our expectations for senior leadership. These arrangements provide a consistent basis for performance management where SES and supervisors equally:

- commit to and understand their respective responsibilities
- acknowledge and recognise high performance
- support ongoing individual development.

Our governance committee for SES performance, development and remuneration is the Leadership Council. Membership of the council consists of the Secretary and deputy secretaries.

Other highly paid staff members

Other highly paid staff members are covered by the *Department of Industry, Innovation and Science Enterprise Agreement 2019–2022*. Typically, other highly paid staff members are covered by individual flexibility arrangements to secure expertise or specialist skills that are critical to business needs. We do not enter into any performance bonus payments as part of these arrangements, and they are reviewed annually.

Table 13: Total remuneration of key management personnel, 2021–22

Base Salary	2,641,073
Bonus	NIL
Other benefits and allowances	10,188
Total short-term employee benefits	2,651,261
Superannuation	498,319
Post employment benefits – Superannuation	498,319
Other long-term employee benefits	NIL
Long service leave	136,491
Total other long-term employee benefits	136,491
Termination benefits	NIL
Total Key Management Personnel Remuneration	3,286,071

Table 14: Department of Industry, Science, Energy and Resources – Information about remuneration for key management personnel 2021–22

Name	Position title	Short term benefits (\$)			Post-employment benefits (\$)	Other long-term benefits (\$)	Termination benefits (\$)	Total Remuneration (\$)
		Base salary	Bonuses	Other benefits and allowances	Superannuation	Long service leave	Other	
David Fredericks	Secretary	702,722	NIL	2,064	102,110	17,218	NIL	824,114
Luiise McCulloch	Deputy Secretary	400,667	NIL	2,052	73,226	12,013	NIL	487,958
David Williamson	Deputy Secretary	175,318	NIL	966	74,020	20,369	NIL	270,673
Joanne Evans	Deputy Secretary	395,632	NIL	1,253	74,375	12,056	NIL	483,315
Sean Sullivan	Deputy Secretary	357,276	NIL	1,277	63,379	23,834	NIL	445,765
Mary Wiley-Smith	Deputy Secretary	354,965	NIL	1,336	69,042	21,936	NIL	447,279
Jane Urquhart ¹	Acting Deputy Secretary	254,494	NIL	1,241	42,168	29,064	NIL	326,967

¹ Part year from 1 July 2021 to 31 March 2022

Table 15: Department of Industry, Science, Energy and Resources – Information about remuneration for senior executives, 2021–22

Total remuneration bands	Number of senior executives	Short term benefits (\$)			Post employment benefits (\$)	Other long term benefits (\$)	Termination benefits (\$)	Total remuneration (\$)
		Average base salary	Average bonuses	Average other benefits and allowances ¹	Average superannuation contributions	Average long service leave	Average other long term benefits	Average total remuneration
\$0–\$220,000	29	91,003	NIL	754	16,985	3,214	NIL	5,954
\$220,001–\$245,000	8	193,473	NIL	2,118	27,768	8,680	NIL	232,039
\$245,001–\$270,000	22	214,474	NIL	1,171	36,439	6,883	NIL	258,967
\$270,001–\$295,000	24	230,518	NIL	1,907	39,568	9,343	NIL	281,336
\$295,001–\$320,000	9	249,408	NIL	3,713	43,035	9,240	NIL	305,396
\$320,001–\$345,000	13	262,905	NIL	3,603	45,595	9,556	NIL	331,816
\$345,001–\$370,000	7	254,593	NIL	4,382	45,125	10,945	NIL	354,871
\$370,001–\$395,000	2	294,475	NIL	18,944	45,348	17,784	NIL	376,551
\$395,001–\$420,000	1	303,069	NIL	36,984	50,957	14,972	NIL	405,982
\$420,001–\$445,000	1	247,413	NIL	103,710	78,878	9,483	NIL	439,484

¹ Other benefits and allowances may include car parking and overseas posting allowances.

Table 16: Department of Industry, Science, Energy and Resources – Information about remuneration for other highly paid staff 2021–22

Total remuneration bands	Number of other highly paid staff	Shortterm benefits (\$)		Postemployment benefits (\$)		Other longterm benefits (\$)	Termination benefits (\$)	Total remuneration (\$)
		Average base salary	Average bonuses	Average other benefits and allowances ¹	Average superannuation contributions	Average long service leave	Average other longterm benefits	Average total termination benefits
\$235,001–\$245,000	2	197,274	NIL	NIL	35,199	4,645	NIL	237,118
\$245,001–\$270,000	16	188,274	NIL	69,262	29,118	4,342	NIL	299,777

¹ Other benefits and allowances may include car parking and overseas posting allowances.

Financial management

Entity resource statement 2021–22

	Actual available appropriations for 2021–22 \$'000	Payments made 2021–22 \$'000	Balance remaining 2021–22 \$'000
Departmental			
Annual appropriations-ordinary annual services			
Prior year appropriation available	111,465	105,272	6,193
Departmental appropriation ¹	677,075	530,471	146,604
PGPA Act-Section 75 transfers	(15,050)	-	(15,050)
PGPA Act-Section 74 receipts ²	116,532	116,532	-
Annual appropriations-other services-non operating			
Prior year appropriation available	13,263	13,010	253
Equity Injections	36,328	7,063	29,265
PGPA Act-Section 75 transfers	(253)	-	(253)
Total departmental annual appropriations	939,360	772,348	167,012
Special accounts ³			
Opening balance	26,816		
Appropriation receipts	10,734		
Non appropriation receipts	15,776		
Payments made		29,689	
Closing balance			23,637
Total special accounts	53,326	29,689	23,637
<i>less departmental appropriations drawn from annual appropriations and credited to special accounts</i>	(10,734)	-	-
Total departmental resourcing	981,952	802,037	190,649

Administered

Annual appropriations-ordinary annual services

Administered appropriation	2,367,925	1,305,423	
PGPA Act-Section 75 transfers	(45,004)	(14,227)	
PGPA Act-Section 74 receipts ⁴	1,189	1,189	
Payments to corporate entities	1,418,870	1,418,870	

Annual appropriations-other services-non operating

Administered Assets and Liabilities	848,920	909,476	
Payments to corporate entities-non-operating	55,652	55,652	

Total administered annual appropriations

4,647,552	3,676,383	
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Total administered special appropriations

-	359,443	
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Special Accounts

Opening balance	5,724,108		
Non appropriation receipts	19,877		
Payments made		618,335	
Closing balance			5,125,650

Total special accounts

5,743,985	618,335	5,125,650
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less administered appropriations drawn from annual/special appropriations and credited to special accounts

(615)	(615)	
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less payments to corporate entities from annual/special appropriations

(2,405,335)	(2,405,335)	
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Total administered resourcing

7,985,587	2,248,211	5,125,650
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Total resourcing for the entity⁵

8,967,539	3,050,248	5,316,299
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1. Departmental capital budgets are not separately identified in appropriation Bill (No.1) and form part of ordinary annual services. For accounting purposes, this amount has been designated as 'contribution by owner'.

2. External revenue receipts under section 74 of the PGPA Act.

3. Excludes trust moneys held in Innovation, Science and Technology-Donations, Bequests and Sponsorship Special Account.

4. Section 74 of the PGPA Act and Section 27 of the PGPA Rule allow for repayments to be credited to the same appropriation item from which the original payment was made (provided the appropriation has not lapsed).

5. Total resourcing excludes the actual available appropriation for all Special Appropriations.

Expenses by outcome

Expenses for Outcome 1, 2021–22

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	Budget* 2021–22 \$'000 (a)	Actual Expenses 2021–22 \$'000 (b)	Variation 2021–22 \$'000 (a)–(b)
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Program 1.1: Investing in science, technology and commercialisation

Administered expenses

Ordinary annual services (Appropriation Bill No. 1)	438,056	381,903	56,153
Expenses not requiring appropriation in the Budget year ¹	0	3	(3)
Administered total	438,056	381,906	56,150

Departmental expenses

Departmental appropriation	197,396	169,623	27,773
s74 External Revenue ²	40,397	51,921	(11,524)
Special accounts	1,383	1,397	(14)
Expenses not requiring appropriation in the Budget year ¹	16,489	17,134	(645)
Departmental total	255,665	240,075	15,590

Total expenses for Program 1.1	693,721	621,981	71,740
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Program 1.2: Growing innovative and competitive businesses, industries and regions

Administered expenses

Ordinary annual services (Appropriation Bill No. 1)	834,700	407,118	427,582
Expenses not requiring appropriation in the Budget year ¹	0	(94)	94
Administered total	834,700	407,024	427,676

Departmental expenses

Departmental appropriation	235,502	202,368	33,134
s74 External Revenue ²	47,407	60,930	(13,523)
Special accounts	6,759	10,247	(3,488)
Expenses not requiring appropriation in the Budget year ¹	19,970	20,751	(781)
Departmental total	309,638	294,296	15,342

Total for Program 1.2	1,144,338	701,320	443,018
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Program 1.3: Supporting a strong resources sector

Administered expenses

Ordinary annual services (Appropriation Bill No. 1)	63,925	1,053,314	(989,389)
Special accounts	15,433	576,309	(560,876)
Special appropriations	60	0	60
Expenses not requiring appropriation in the Budget year ¹	3,767	2,065	1,702
Administered total	83,185	1,631,688	(1,548,503)

Departmental expenses

Departmental appropriation	69,107	59,384	9,723
s74 External Revenue ²	288	370	(82)
Expenses not requiring appropriation in the Budget year ¹	4,785	4,972	(187)
Departmental total	74,180	64,726	9,454

Total for Program 1.3	157,365	1,696,414	(1,539,049)
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Outcome 1 Totals by Appropriation Type

Administered expenses

Ordinary annual services (Appropriation Bill No. 1)	2,617,012	3,122,666	(505,654)
Less payments to corporate entities	(1,280,331)	(1,280,331)	0
Special accounts	15,433	576,309	(560,876)
Special appropriations	34,632	40,204	(5,572)
Less payments to corporate entities	(34,572)	(40,204)	5,632
Expenses not requiring appropriation in the Budget year ¹	3,767	1,974	1,793
Payments to corporate entities	1,314,903	1,320,535	(5,632)
Administered total	2,670,844	3,741,153	(1,070,309)

Departmental expenses

Departmental appropriation	502,005	431,375	70,630
s74 External Revenue ²	88,092	113,221	(25,129)
Special accounts	8,142	11,644	(3,502)
Expenses not requiring appropriation in the Budget year ¹	41,244	42,857	(1,613)
Departmental total	639,483	599,097	40,386

Total expenses for Outcome 1	3,310,327	4,340,250	(1,029,923)
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	2021-22	2021-22	
Average staffing level (number)	2,626	2,704	

Expenses for Outcome 2, 2021–22

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	Budget* 2021–22 \$'000 (a)	Actual Expenses 2021–22 \$'000 (b)	Variation 2021–22 \$'000 (a)–(b)
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Program 2.1: Reducing Australia's Greenhouse Gas Emissions

Administered expenses

Ordinary annual services (Appropriation Bill No. 1)	213,696	61,355	152,341
Administered total	213,696	61,355	152,341

Departmental expenses

Departmental appropriation	77,160	66,304	10,856
s74 External Revenue ²	2,576	3,311	(735)
Expenses not requiring appropriation in the budget year	562	584	(22)
Departmental total	80,298	70,199	10,099
Total expenses for Program 2.1	293,994	131,554	162,440

Program 2.2: Developing clean energy technology

Administered expenses

Ordinary annual services (Appropriation Bill No. 1)	124,312	124,312	0
Less payments to corporate entities	(124,312)	(124,312)	0
Special appropriations	304,836	304,836	0
Less payments to corporate entities	(304,836)	(304,836)	0
Payments to corporate entities	429,148	429,148	0
Administered total	429,148	429,148	0

Departmental expenses

Departmental appropriation	7,939	6,822	1,117
Departmental total	7,939	6,822	1,117
Total for Program 2.2	437,087	435,970	1,117

Outcome 2 Totals by Appropriation Type

Administered expenses

Ordinary annual services (Appropriation Act No. 1)	213,696	61,355	152,341
Payments to corporate entities	429,148	429,148	0
Administered total	642,844	490,503	152,341

Departmental expenses

Departmental appropriation	85,099	73,126	11,973
s74 External Revenue ²	2,576	3,311	(735)
Expenses not requiring appropriation in the budget year	562	584	(22)
Departmental total	88,237	77,021	11,216

Total expenses for Outcome 2

731,081	567,524	163,557
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	2021-22	2021-22	
Average staffing level (number)	249	165	

Expenses for Outcome 3, 2021-22

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	Budget* 2021-22 \$'000 (a)	Actual Expenses 2021-22 \$'000 (b)	Variation 2021-22 \$'000 (a) – (b)
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Program 3.1: Supporting reliable, secure and affordable energy

Administered expenses

Ordinary annual services (Appropriation Bill No. 1)	292,772	214,194	78,578
Special appropriations	nfp	12,446	(12,446)
Expenses not requiring appropriation in the Budget year ¹	528	102,945	(102,417)
Administered total	293,300	329,585	(36,285)

Departmental expenses

Departmental appropriation	101,306	87,053	14,253
Special accounts	2,646	18,034	(15,388)
Expenses not requiring appropriation in the Budget year ¹	1,544	1,604	(60)
Departmental total	105,496	106,691	(1,195)
Total expenses for Program 3.1	398,796	436,276	(37,480)

Outcome 3 Totals by Appropriation Type

Administered expenses

Ordinary annual services (Appropriation Bill No. 1)	292,772	214,194	78,578
Special appropriations	nfp	12,446	(12,446)
Expenses not requiring appropriation in the Budget year ¹	528	102,945	(102,417)
Administered total	293,300	329,585	(36,285)

Departmental expenses

Departmental appropriation	101,306	87,053	14,253
Special accounts	2,646	18,034	(15,388)
Expenses not requiring appropriation in the Budget year ¹	1,544	1,604	(60)
Departmental total	105,496	106,691	(1,195)

Total expenses for Outcome 3	398,796	436,276	(37,480)
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	2021-22	2021-22	
Average staffing level (number)	309	294	

*The budget figures are the estimated actuals in the 2022–23 Portfolio Budget Statements.

1. Expenses not requiring appropriation in the Budget year largely relate to depreciation and amortisation expenses, concessional loan discount expenses, bad and doubtful debts, and audit fees.
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 reflect expenses funded by appropriations in the previous budget years under ordinary annual services (Appropriation Act No. 1).

Purchasing

Our Accountable Authority Instructions and internal policies set out the process to procure goods and services in line with the Commonwealth Procurement Rules (14 December 2020) and the Enhanced Commonwealth Performance Framework.

Value for money is the core principle of the Commonwealth Procurement Rules. Our internal policies support our employees to undertake procurement activities to meet these requirements.

In accordance with the Commonwealth Procurement Rules, we published our Annual Procurement Plan on [AusTender](#) to give prospective suppliers the opportunity to prepare for potential work.

We support small business participation in the Australian Government procurement market. Small and medium-sized enterprises (SMEs) and small enterprise participation statistics are available on the Department of Finance's website (www.finance.gov.au).

In accordance with paragraph 5.4 of the Commonwealth Procurement Rules, we have procurement practices and internal policies in place to ensure that SMEs are not discriminated against. These measures include but are not limited to:

- the mandatory use of the Commonwealth Contracting Suite for all low-risk procurements up to \$200 000 (GST inclusive)
- formal procurement training, including contracting with SMEs
- dedicated online procurement guidance to provide advice to procuring officers.

We recognise the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Department of the Treasury's website (www.treasury.gov.au).

We support the Indigenous Procurement Policy (IPP). This is reflected in the IPP procurement statistics, which show that we met our 2021–22 target set by the government. This ensures that opportunities for Indigenous employment and business continue to grow. Further details are available on the National Indigenous Australians Agency website (niaa.gov.au).

Contracts

During 2021–22, the Accountable Authority exempted contracts with a total value of \$800,000 spanning multiple years from being published on AusTender.

All contracts valued at \$100,000 or more (GST inclusive) let during 2021–22 allowed for the Auditor-General to have access to the contractor's premises.

Table 17: Expenditure on reportable non-consultancy contracts, 2021–22

Reportable non-consultancy contracts 2021–22	Number	Expenditure
New contracts entered into during the reporting period	1,360	\$201,397,163.35
Ongoing contracts entered into during a previous reporting period	1,316	\$400,405,229.88
Total	2,676	\$601,802,393.23

Table 18: Organisations receiving a share of reportable non-consultancy contract expenditure 2021–22

Organisations receiving a share of reportable non-consultancy contract expenditure 2021–22	Expenditure
Upstream Production Solutions Pty Ltd	\$125,617,651.18
Trafigura Pte. Ltd	\$33,387,375.87
Mediabrand Australia Pty Ltd	\$27,488,421.60
Aref Prop Holdings Pty Ltd	\$14,981,598.07
Hays Specialist Recruitment	\$14,387,521.32

Annual reports contain information about actual expenditure on reportable non-consultancy contracts. Information on the value of reportable non-consultancy contracts is available on the AusTender website (<https://www.tenders.gov.au/>).

Consultants

Table 19: Expenditure on reportable consultancy contracts, 2021–22

Number of, and expenditure on, reportable consultancy contracts 2021–22	Number	Expenditure
New contracts entered into during the reporting period	264	\$29,042,366.68
Ongoing contracts entered into during a previous reporting period	153	\$20,720,075.09
Total	417	\$49,762,441.77

Table 20: Organisations receiving the most reportable consultancy contract expenditure, 2021–22

Organisations receiving the most reportable consultancy contract expenditure 2021–22	Expenditure
McKinsey and Company	\$8,021,750.00
PwC Australia	\$4,547,702.25
Clayton Utz	\$3,832,130.30
The Boston Consulting Group Pty Ltd	\$2,953,500.00
Acil Allen Consulting Pty Ltd	\$2,533,082.08

During 2021–22, 264 new reportable consultancy contracts were entered into involving total actual expenditure of \$29.04 million. In addition, 153 ongoing reportable consultancy contracts were active during the period, involving total actual expenditure of \$20.7 million.

We engage individuals and companies to provide professional services under contracts for service, taking into account the skills and resources required for the task, the skills available internally, and cost-effectiveness. Consultants are typically engaged to:

- investigate or diagnose a defined issue or problem
- carry out defined reviews or evaluations
- provide independent advice, information or creative solutions to assist in our decision-making.

Examples include the provision of complex legal advice, the engagement of technical experts to assist with awarding technical research grants, and independent evaluations to determine the effectiveness of our programs.

The decision to engage a consultant is made in accordance with the PGPA Act and relevant policies, including the Commonwealth Procurement Rules and our Accountable Authority Instructions.

Annual reports contain information about actual expenditure on reportable consultancy contracts in the financial year. Information on the value of reportable consultancies is available on the [AusTender website \(www.tenders.gov.au\)](http://AusTender.gov.au).

Grant programs

Information about grants awarded by the department during 2021–22 is available on [GrantConnect](http://GrantConnect.gov.au).

Advertising and market research

During 2021–22, we conducted the following advertising campaigns: Emissions Reductions Campaign. Further information on this advertising campaign is available at DCCEEW.gov.au and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance's website.

Table 21 sets out GST-inclusive payments that the department made to external organisations for advertising and market research services in 2021–22. This relates to non-campaign advertising and market research services, as well as preparations for future advertising campaigns. Payments of \$14,300 or less (GST inclusive) are not reported.

Table 21: Payments for advertising and market research, 2021–22

Organisation type	Name of recipient	Services	Total (\$)
Advertising agencies	LOGOPRO	Branded t-shirts for National Science Week 2022 (June 2022)	\$26,526
Direct mail	Nil	Nil	Nil
Market research	The trustee for The Market Intelligence Co.	Space heater purchasing landscape market research to inform communications	128,673
Market research	Stephens, Sally	Branding for Climate Active	20,480
Market research	WhereTo Research	Longitudinal study survey on business.gov.au	131,450
Media advertising	Australian Public Service Commission	2021–22 Public Service Gazette	41,759
Media advertising	Mediabrand Australia Pty Ltd	Executive recruitment	15,891
Media advertising	Mediabrand Australia Pty Ltd	Recruitment of Anti-Dumping Review Panel Member	26,826
Media advertising	LinkedIn	Recruitment advertising	57,567
Media advertising	Mediabrand Australia Pty Ltd	NRWMF public notice NAPANDEE	57,103
Media advertising	Odgers Berndtson	CEO Recruitment for ARWA	16,500
Media advertising	Mediabrand Australia Pty Ltd	Executive recruitment –NOPSEMA CEO	25,724
Media advertising	MEDIAHEADS	Advertising on radio for National Science Week 2022 (January 2022)	18,000
Media advertising	MEDIAHEADS	Advertising on radio for National Science Week 2022 (June 2022)	18,000
Media advertising	Mediabrand Australia Pty Ltd	ABCB Awareness – Look for the WaterMark advertising	16,546
Media advertising	Science in Public	Media campaign for National Science Week 2022 (January 2022)	35,000
Media advertising	Science in Public	Media campaign for National Science Week 2022 (April 2022)	35,000
Polling organisations	Nil	Nil	Nil



CHAPTER 4

DEPARTMENTAL FINANCIAL STATEMENTS



Auditor-General for Australia



INDEPENDENT AUDITOR'S REPORT

To the Minister for Resources

To the Minister for Northern Australia

To the Minister for Industry and Science

Opinion

In my opinion, the financial statements of the Department of Industry, Science, Energy and Resources (the Entity) for the year ended 30 June 2022:

- (a) comply with Australian Accounting Standards – Simplified Disclosures and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Entity as at 30 June 2022 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following as at 30 June 2022 and for the year then ended:

- Statement by the Secretary and Chief Finance Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement;
- Administered Schedule of Comprehensive Income;
- Administered Schedule of Assets and Liabilities;
- Administered Reconciliation Schedule;
- Administered Cash Flow Statement; and
- Notes to and forming part of the financial statements, comprising a summary of significant accounting policies and other explanatory information.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

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Key audit matter**Completeness and accuracy of royalty revenue**

Refer Administered Schedule of Comprehensive Income, Non-taxation revenue - Royalties

I focused on this balance given the significant value of royalty revenue recognised by the Entity and the complexities associated with its administration.

The collection of royalties is reliant on data reporting and administrative functions performed by third parties, including State and foreign governments and other federal government agencies. The royalty calculations are also dependent on information provided by taxpayers in a self-assessment regime. This reliance on information sourced from third parties increases the risk that royalty revenue reported may be incomplete or inaccurate.

The effectiveness of the Entity's assurance framework over the collection and administration of royalties implemented in 2021–22 is important to reduce the risk of recording incomplete or inaccurate revenue.

For the year ended 30 June 2022, the Entity reported royalty revenue of \$1,535.3 million.

How the audit addressed the matter

The audit procedures I undertook to address the matter included:

- assessing the effectiveness of the Entity's framework for assuring the completeness and accuracy of North West Shelf royalty revenue collections, activities relating to the collection of Joint Petroleum Development Area and the Ranger Uranium Mine royalties;
- testing, on a sample basis, a selection of internal controls undertaken by the Entity to assure the completeness and accuracy of royalty revenue;
- examining, on a sample basis, records generated by third parties that are used to calculate the value of royalty-incurring transactions to assess the accuracy of royalty revenue recognised for 2021–22;
- assessing the completeness of royalty revenue by examining large royalties payments received after 30 June 2022 in order to identify any royalty revenue that should have been recorded for 2021–22; and
- assessing the reasonableness of royalty revenue by analysing the relationship between production and commodity prices and the amount of revenue recognised.

Key audit matter**Valuation of Snowy Hydro Limited**

Refer to Note 4.1B: Other Investments

I focused on this area due to the size of the balance and the judgement involved in determining the fair value of the investment in Snowy Hydro Limited.

The fair value of this investment has been determined on an income basis, specifically the Discounted Cash Flow approach. This involves the estimation of future revenue and earnings, significant capital expenditure, and the application of an appropriate discount rate and terminal value. Determining these assumptions involves a high level of judgement and estimation.

The balance at 30 June 2022 was \$8,250.0 million.

How the audit addressed the matter

The audit procedures I undertook to address the matter included:

- assessing the appropriateness of the valuation methodology and the underlying assumptions and inputs used in the valuation, including the cash flow forecasts and discount rate. This involved testing of the consistency of amounts recognised in the valuation model against estimates and publications produced by Snowy Hydro Limited;
- reviewing prior period evidence and the difference between estimates and current year actuals to assess the reliability of inputs used in the valuation process;
- comparing key inputs including cost of capital, capitalisation multiples and terminal growth rates used in the valuation model against comparable external data where available; and
- considering the sensitivity of the valuation methodology by adjusting key assumptions for reasonably foreseeable alternate scenarios.

Key audit matter**Valuation of the Rehabilitation Provision**

Refer to Note 4.5B: Rehabilitation Provision

I focused on this area due to the size of the balance and the judgement involved in estimating the value of the rehabilitation provision. The provision relates to the rehabilitation of the Ranger Uranium Mine and the Northern Endeavour Floating Production Storage and Offtake (FPSO) facility and associated Laminaria-Corallina oil fields.

These provisions are calculated using estimated rehabilitation cost information provided by third parties. The calculations are underpinned by key assumptions including the cost and scope of the rehabilitation activities, discount rates, indexation and inflation rates and the estimated timing of cash outflows.

The balance at 30 June 2022 was \$2,052.3 million.

How the audit addressed the matter

The audit procedures I undertook to address the matter included:

- evaluating the rationale used to estimate future rehabilitation costs, including the assessment of any key assumptions made by the Entity in assessing the third-party cost estimates;
- assessing the completeness and accuracy of cost data used by the Entity to calculate the estimate;
- evaluating the reasonableness of the indexation, inflation and discount rates applied in calculating the provision estimates; and
- recalculating the provision using the estimation inputs.

Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Entity, the Secretary is responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Reduced Disclosure Requirements and the rules made under the Act. The Secretary is also responsible for such internal control as the Secretary determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Secretary is responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an administrative restructure or for any other reason. The Secretary is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

Auditor's responsibilities for the audit of the financial statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

From the matters communicated with the Accountable Authority, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Australian National Audit Office



Grant Hehir
Auditor-General for Australia
Canberra
20 September 2022



Department of Industry, Science, Energy and Resources
STATEMENT BY THE SECRETARY AND CHIEF FINANCE OFFICER

In our opinion, the attached financial statements for the year ended 30 June 2022 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Department of Industry, Science, Energy and Resources will be able to pay its debts as and when they fall due.

Signed.....

Meghan Quinn
Secretary

19 September 2022

Signed.....

Michael Olive
Acting Chief Finance Officer

19 September 2022

Department of Industry, Science, Energy and Resources
Statement of Comprehensive Income
for the year ended 30 June 2022

		2022	2021	Original Budget
	Notes	\$'000	\$'000	\$'000
NET COST OF SERVICES				
Expenses				
Employee benefits	1.1A	406,860	397,099	373,000
Suppliers	1.1B	282,637	243,569	275,134
Grants	1.1C	10,559	8,049	7,200
Depreciation and amortisation	3.2A	77,051	73,261	66,999
Finance costs	1.1D	3,284	3,736	3,663
Impairment loss on financial instruments		106	37	-
Write-down and impairment of other assets	1.1E	1,619	976	-
Losses from asset sales		13	-	-
Audit fees		680	643	140
Total expenses		782,809	727,370	726,136
Own-Source Income				
Own-source revenue				
Revenue from contracts with customers	1.2A	88,502	78,174	73,160
Interest		1	1	-
Rental income	1.2B	3,122	1,662	-
Other revenue	1.2C	17,336	12,427	5,786
Total own-source revenue		108,961	92,264	78,946
Gains				
Gains from sale of assets		-	25	-
Foreign exchange gains		1	6	-
Reversals of previous asset write-downs and impairments		1	1	-
Other gains	1.2D	1,258	2	670
Total gains		1,260	34	670
Total own-source income		110,221	92,298	79,616
Net cost of services		(672,588)	(635,072)	(646,520)
Revenue from Government	1.2E	664,471	602,965	609,757
Deficit		(8,117)	(32,107)	(36,763)
OTHER COMPREHENSIVE INCOME				
Items not subject to subsequent reclassification to net cost of services				
Changes in asset revaluation reserve		(1,061)	629	-
Total comprehensive loss		(9,178)	(31,478)	(36,763)

The above statement should be read in conjunction with the accompanying notes, including the budget variance commentaries.

Department of Industry, Science, Energy and Resources
Statement of Financial Position
as at 30 June 2022

	Notes	2022 \$'000	2021 \$'000	Original Budget \$'000
ASSETS				
Financial assets				
Cash and cash equivalents	3.1A	26,420	28,603	27,763
Trade and other receivables	3.1B	224,678	158,607	122,696
Accrued revenue		241	178	241
Total financial assets		251,339	187,388	150,700
Non-financial assets¹				
Buildings and leasehold improvements	3.2A	341,441	379,550	368,735
Infrastructure, plant and equipment	3.2A	15,712	22,866	15,015
Laboratory equipment	3.2A	25,939	24,216	24,787
Intangibles	3.2A	83,778	71,199	109,215
Inventories		1,962	2,119	2,179
Prepayments		15,220	8,169	5,264
Total non-financial assets		484,052	508,119	525,195
Total assets		735,391	695,507	675,895
LIABILITIES				
Payables				
Suppliers	3.3A	68,557	56,070	30,181
Grants		5,800	695	587
Other payables	3.3B	15,979	11,661	18,166
Total payables		90,336	68,426	48,934
Interest bearing liabilities				
Leases	3.4A	257,029	284,512	275,613
Total interest bearing liabilities		257,029	284,512	275,613
Provisions				
Employee provisions	6.1A	125,450	127,636	134,662
Other provisions	3.5A	1,782	2,941	3,040
Total provisions		127,232	130,577	137,702
Total liabilities		474,597	483,515	462,249
Net assets		260,794	211,992	213,646
EQUITY				
Contributed equity		662,659	604,679	660,817
Asset revaluation reserve		19,372	20,433	19,803
Accumulated deficit		(421,237)	(413,120)	(466,974)
Total equity		260,794	211,992	213,646

1. Right-of-use assets are included in Building and Leasehold Improvements, Infrastructure, Plant and Equipment and Laboratory Equipment.

The above statement should be read in conjunction with the accompanying notes, including the budget variance commentaries.

Department of Industry, Science, Energy and Resources
Statement of Changes in Equity
for the year ended 30 June 2022

	2022 \$'000	2021 \$'000	Original Budget \$'000
RETAINED EARNINGS			
Opening balance			
Balance carried forward from previous period	(413,120)	(381,013)	(430,211)
Adjustment on initial application of AASB 16	-	-	-
Adjusted opening balance	(413,120)	(381,013)	(430,211)
Comprehensive income			
Deficit for the year	(8,117)	(32,107)	(36,763)
Total comprehensive income	(8,117)	(32,107)	(36,763)
Closing balance as at 30 June	(421,237)	(413,120)	(466,974)
ASSET REVALUATION RESERVE			
Opening balance			
Balance carried forward from previous period	20,433	19,804	19,803
Opening balance	20,433	19,804	19,803
Comprehensive income			
Other comprehensive income	(1,061)	629	-
Total comprehensive income	(1,061)	629	-
Closing balance as at 30 June	19,372	20,433	19,803
CONTRIBUTED EQUITY			
Opening balance			
Balance carried forward from previous period	604,679	563,318	604,851
Opening balance	604,679	563,318	604,851
Transactions with owners			
Distribution to owners			
Restructuring ¹	(5,780)	490	-
Appropriation (equity returns) ²	-	(3,132)	-
Contributions by owners			
Equity injection - Appropriations	36,328	14,884	28,534
Departmental capital budget (DCB)	27,432	29,119	27,432
Total transactions with owners	57,980	41,361	55,966
Closing balance as at 30 June	662,659	604,679	660,817

1. Refer to Note 8.3A Departmental Restructuring

2. Unspent amounts in Appropriation Act (No.2) 2017-18, repealed on 1 July 2020.

Accounting Policy

Equity Injections

Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) and Departmental Capital Budgets (DCBs) are recognised directly in contributed equity in that year.

Restructuring of Administrative Arrangements

Net assets received from or relinquished to another Australian Government entity under a restructuring of administrative arrangements are adjusted at their book value directly against contributed equity.

Other Distributions to Owners

The Financial Reporting Rule requires that distributions to owners be debited to contributed equity unless it is in the nature of a dividend.

The above statement should be read in conjunction with the accompanying notes, including the budget variance commentaries.

Department of Industry, Science, Energy and Resources
Cash Flow Statement
for the year ended 30 June 2022

	Notes	2022 \$'000	2021 \$'000	Original Budget \$'000
OPERATING ACTIVITIES				
Cash received				
Appropriations		727,572	669,851	682,492
Revenue from contracts with customers		105,861	72,848	73,160
Net GST received		30,107	24,740	19,709
Rental income		2,826	1,676	-
Other		27,138	16,624	5,786
Total cash received		893,504	785,739	781,147
Cash used				
Employees		415,828	399,192	373,000
Suppliers		319,382	264,094	294,173
Grants		5,547	8,679	7,200
Interest payments on lease liabilities		3,278	3,686	3,663
Section 74 receipts transferred to OPA		116,532	75,883	73,160
Other		6,063	4,465	140
Total cash used		866,630	755,999	751,336
Net cash from operating activities		26,874	29,740	29,811
INVESTING ACTIVITIES				
Cash received				
Proceeds on sale of infrastructure, plant and equipment		32	6	-
Total cash received		32	6	-
Cash used				
Purchase of infrastructure, plant and equipment		15,539	13,935	14,418
Purchase of intangibles		30,816	25,346	42,267
Total cash used		46,355	39,281	56,685
Net cash used by investing activities		(46,323)	(39,275)	(56,685)
FINANCING ACTIVITIES				
Cash received				
Contributed equity		20,073	9,073	29,253
Departmental Capital Budget		25,698	27,179	27,432
Total cash received		45,771	36,252	56,685
Cash used				
Principal payments of lease liabilities ¹		28,505	31,488	29,976
Total cash used		28,505	31,488	29,976
Net cash from financing activities		17,266	4,764	26,709
Net decrease in cash held		(2,183)	(4,771)	(165)
Cash and cash equivalents at the beginning of the reporting period		28,603	33,374	27,928
Cash and cash equivalents at the end of the reporting period	3.1A	26,420	28,603	27,763

1. Total cash outflow for leases for the year ended 30 June 2022 was \$40.5 million. It includes principal payments, interest payments, short term and low value lease payments.

The above statement should be read in conjunction with the accompanying notes, including the budget variance commentaries.

Department of Industry, Science, Energy and Resources
Budget Variance Commentary - Departmental
for the year ended 30 June 2022

Budget Variance Commentary

The below table provides commentary for major differences between the actual and the original budgeted amounts that were first presented to Parliament in respect of the reporting period from the department's 2021-22 Portfolio Budget Statements (PBS).

Variances are considered to be 'major' based on the following criteria:

- the variance between budget and actual is greater than 10% and \$10 million; or
- an item below this threshold that is considered important for the reader's understanding or is relevant to an assessment of the discharge of accountability and to an analysis of performance of the entity.

Where an item was not originally budgeted for in the PBS, for example asset revaluations, rental income and sale of asset adjustments, explanations will only be provided if the variance is considered to be 'major'.

Explanations of major variances	Affected line items/statements
The variance for depreciation and amortisation expense is due to recognition of intangible assets during the year which were not fully budgeted.	Statement of Comprehensive Income - Depreciation and amortisation (\$10 million)
The variances for revenue from contracts with customers largely relate to higher than expected revenue from increased business grants hub activities and shared services provided to other Australian Government entities under the Memorandum of Understanding arrangements (including information technology and corporate services).	Statement of Comprehensive Income – Revenue from Contracts with Customers (\$15 million). Cash Flow statement – Revenue from Contracts with Customers (\$31 million), Cash flow statement – Section 74 receipts transferred to OPA (\$43 million)
Contribution revenue from the states and Commonwealth into the Energy Special account was higher than budgeted. This mainly relates to Australia Energy Market Commission projects.	Statement of Comprehensive Income – Other revenue (\$12 million)
Additional funding received for the implementation of new Government decisions in the 2021-22 Mid-Year Economic and Fiscal Outlook.	Statement of Comprehensive Income – Revenue from Government (\$55 million)
The variance in receivables relates to delayed expenditure from additional appropriation funding and retained funds from unbudgeted increases in own source revenue.	Statement of Financial Position – Trade and other receivables (\$102 million)
The variance in intangibles relates to lower than expected capital expenditure on software development projects due to resourcing and planning delays. It also includes the write off of two projects as result of policy decisions.	Statement of Financial Position – Intangibles (\$25 million), Cash Flow statement – Purchase of Intangibles (\$11 million)
The variance in suppliers payable is due to the timing of receipt of invoices and payments. During the year business grants hub invoicing policy was changed to recognise higher than budgeted contract liabilities.	Statement of Financial Position – Suppliers Payable (\$38 million)

The above statement should be read in conjunction with the accompanying notes, including the budget variance commentaries.

Department of Industry, Science, Energy and Resources
Administered Schedule of Comprehensive Income
for the year ended 30 June 2022

	Notes	2022 \$'000	2021 \$'000	Original Budget \$'000
NET COST OF SERVICES				
Expenses				
Employee benefits	2.1A	7,542	6,973	7,788
Suppliers	2.1B	397,298	243,627	512,754
Fees		40	40	40
Subsidies		12,446	17,673	227,187
Finance costs	2.1C	8	262,891	504,079
Grants	2.1D	820,920	591,975	1,500,646
Depreciation and amortisation	4.2A	1,988	2,729	1,858
Impairment loss on financial instruments	7.2B	263	23,312	-
Write-down and impairment of assets		-	-	15,544
Foreign exchange losses		-	352	-
Payments to corporate Commonwealth entities	2.1E	1,749,683	1,571,349	1,686,914
Rehabilitation activities	2.1F	1,460,710	-	-
Other expenses	2.1G	7,675	-	-
Total expenses		4,458,573	2,720,921	4,456,810
Income				
Revenue				
Taxation revenue				
Tradex receipts		1,033	2,407	550
Total taxation revenue		1,033	2,407	550
Non-taxation revenue				
Fees from regulatory services	2.2A	55,108	57,567	47,091
Fees		5,676	14,207	15,280
Interest	2.2B	9,350	21,110	67,398
Dividends		163,638	122,700	192,598
Royalties	2.2C	1,535,256	633,248	514,753
Other non-taxation revenue	2.2D	561,655	1,205	2,854
Total non-taxation revenue		2,330,683	850,037	839,974
Total revenue		2,331,716	852,444	840,524
Gains				
Gains from sale of assets	2.2E	162,385	-	-
Foreign exchange gains		4,972	-	-
Other gains		548	-	-
Reversals of previous asset write-downs and impairments		-	634	-
Total gains		167,905	634	-
Total income		2,499,621	853,078	840,524
Net cost of services		(1,958,952)	(1,867,843)	(3,616,286)
Deficit		(1,958,952)	(1,867,843)	(3,616,286)
OTHER COMPREHENSIVE INCOME				
Items subject to subsequent reclassification to net cost of services				
Changes in asset revaluation reserve ¹		(2,491,770)	623,950	-
Total comprehensive loss		(4,450,722)	(1,243,893)	(3,616,286)

1. Relates to revaluation of administered investments (refer to Note 4.1B) and non-financial assets.

The above statement should be read in conjunction with the accompanying notes, including the budget variance commentaries.

Department of Industry, Science, Energy and Resources
Administered Schedule of Assets and Liabilities
as at 30 June 2022

		2022	2021	Original Budget
	Notes	\$'000	\$'000	\$'000
ASSETS				
Financial assets				
Cash in special accounts	5.2A	5,126,964	5,724,108	5,770,195
Trade and other receivables	4.1A	1,034,647	460,524	1,058,275
Other investments	4.1B	19,400,790	20,345,401	20,289,128
Accrued revenue		81,628	63,076	42,971
Total financial assets		25,644,029	26,593,109	27,160,569
Non-financial assets				
Land	4.2A	548	-	1,260
Buildings ¹	4.2A	802	1,900	5,844
Infrastructure, plant and equipment	4.2A	50	160	113
Intangibles	4.2A	4,329	3,579	5,092
Inventories	4.2B	33,387	102,668	102,754
Prepayments		211	410	351
Total non-financial assets		39,327	108,717	115,414
Total assets administered on behalf of Government		25,683,356	26,701,826	27,275,983
LIABILITIES				
Payables				
Suppliers	4.3A	38,490	28,784	25,951
Grants	4.3B	27,439	90,832	40,376
Other payables		295	1,499	472,841
Total payables		66,224	121,115	539,168
Interest bearing liabilities				
Leases	4.4A	462	1,381	4,131
Total interest bearing liabilities		462	1,381	4,131
Provisions				
Employee provisions	6.1B	2,383	2,204	2,133
Loan commitment provision	4.5A	-	291,115	726,260
Rehabilitation provision	4.5B	2,052,337	591,627	-
Total provisions		2,054,720	884,946	728,393
Total liabilities administered on behalf of Government		2,121,406	1,007,442	1,271,692
Net assets		23,561,950	25,694,384	26,004,291

1. Right-of-use assets are included in Buildings.

The above statement should be read in conjunction with the accompanying notes, including the budget variance commentaries.

Department of Industry, Science, Energy and Resources
Budget Variance Commentary - Administered
for the year ended 30 June 2022

Budget Variance Commentary

The below table provides commentary for major differences between the actual and the original budgeted amounts that were first presented to Parliament in respect of the reporting period from the department's 2021-22 Portfolio Budget Statements (PBS).

Variances are considered to be 'major' based on the following criteria:

- the variance between budget and actual is greater than 10% and \$10 million; or
- an item below this threshold that is considered important for the reader's understanding or is relevant to an assessment of the discharge of accountability and to an analysis of performance of the entity.

Where an item was not originally budgeted for in the PBS, for example asset revaluation adjustments, explanations will only be provided if the variance is considered to be 'major'.

Explanations of major variances	Affected line items/statements
Transfer of Northern Australia policy and coordination functions and the Northern Australia Infrastructure Facility Act 2016 occurred as a result of the amended Administrative Arrangements Order made on 2 July 2021. Refer to Note 8.3B.	Schedule of Assets and Liabilities – Loan commitment provision (\$726 million). Schedule of Comprehensive Income – Finance costs expense (\$504 million), Write down and impairment of assets expense (\$16 million), Interest revenue (\$58 million).
Administered investments were difficult to predict when the 2021-22 PBS was prepared.	Schedule of Comprehensive Income – Changes in asset revaluation reserve (\$2,492 million).
The variance in cash is primarily largely due to unbudgeted payments made from the Clean Energy Finance Corporation Special Account.	Schedule of Assets and Liabilities – Cash in special accounts (\$643 million).
The variance in royalties revenue largely relates to the significant increase in commodity prices over 2021-22. In particular, realised sales prices for Liquefied Natural Gas (LNG) are significantly higher than those used in prior forecasts. LNG prices are at historically high levels and are the highest ever observed sales prices for North West Shelf royalty.	Schedule of Assets and Liabilities – Accrued revenue (\$38 million). Schedule of Comprehensive Income – Royalties revenue (\$1,021 million).
Oil inventory was sold during the year which was partially offset by the purchase of coal inventory. These inventory decisions were made subsequent to the 2021-22 PBS.	Schedule of Assets and Liabilities – Inventories (\$69 million). Schedule of Comprehensive Income – Gains from sale of assets (\$162 million).
The variance in suppliers payable is predominantly due to higher than expected payables relating to the Northern Endeavour program at year end.	Schedule of Assets and Liabilities – Suppliers payable (\$13 million).
The variance in suppliers expense is largely due to the Northern Endeavour procurement process to select the decommissioning contractor taking longer than originally planned, and delays in legislative approvals relating to the radioactive waste management, which is offset by suppliers expense related to the Square Kilometre Array project.	Schedule of Comprehensive Income – Suppliers expense (\$116 million).

The above statement should be read in conjunction with the accompanying notes, including the budget variance commentaries.

Department of Industry, Science, Energy and Resources
Budget Variance Commentary - Administered
for the year ended 30 June 2022

The variance in grants payable largely relates to the Supporting Reliable Energy Infrastructure grant program which was accrued in the 2021-22 PBS however the grant program ended during the year.	Schedule of Assets and Liabilities – Grants payable (\$13 million).
Provision for the rehabilitation of the Northern Endeavour offshore facility was not included in the 2021-22 PBS. Cost estimates for the Ranger mine rehabilitation were updated as a result of new information which was not known at the time of the budget. Additional security is expected to be provided to meet the Ranger rehabilitation costs which is recorded as revenue.	Schedule of Assets and Liabilities – Rehabilitation provision (\$2,052 million). Schedule of Comprehensive Income – Rehabilitation activities (\$1,461 million), Other non-taxation revenue (\$559 million).
Provision for Ranger rehabilitation costs was included in other payables in the 2021-22 PBS.	Schedule of Assets and Liabilities – Other payables (\$473 million).
The variance in subsidies expense relates to a support measure that is determined by a range of external factors, including commodities market conditions and commercial activities. Commodity prices, in particular oil and fuel prices, were significantly higher than expected due to tightened supply and increased global demand; leading to subsidy recipients' margins also being higher than anticipated, and decreasing the level of support required.	Schedule of Comprehensive Income – Subsidies expense (\$215 million).
Grants expenditure was lower than budget due to delays in funding decisions, negotiations and execution of grant agreements over the year including the election caretaker period.	Schedule of Comprehensive Income – Grants expense (\$680 million).
Lower than expected returns generated by Snowy Hydro impacted dividends received during the year.	Schedule of Comprehensive Income – Dividends revenue (\$29 million).

The above statement should be read in conjunction with the accompanying notes, including the budget variance commentaries.

Department of Industry, Science, Energy and Resources
Administered Reconciliation Schedule
for the year ended 30 June 2022

	2022	2021
	\$'000	\$'000
Opening assets less liabilities as at 1 July	25,694,384	25,020,395
Recognition of Ranger Rehabilitation provision ¹	-	(533,936)
Net (cost of)/contribution by services		
Income	2,499,621	853,078
Expenses		
Payments to entities other than corporate Commonwealth entities	(2,708,890)	(1,149,572)
Payments to corporate Commonwealth entities	(1,749,683)	(1,571,349)
Other comprehensive income		
Revaluations transferred to/(from) reserves	(2,491,770)	623,950
Transfers (to)/from the Australian Government		
Appropriation transfers from Official Public Account		
Administered assets and liabilities appropriations		
Payments to entities other than corporate Commonwealth entities	909,476	673,931
Payments to corporate Commonwealth entities	55,652	36,895
Annual appropriations		
Payments to entities other than corporate Commonwealth entities	1,306,612	770,446
Payments to corporate Commonwealth entities	1,404,643	1,320,416
Special appropriations (limited)		
Payments to entities other than corporate Commonwealth entities	12,446	219,983
Payments to corporate Commonwealth entities	304,836	209,910
Special appropriations (unlimited)		
Payments to entities other than corporate Commonwealth entities	1,957	1,501
Payments to corporate Commonwealth entities	40,204	41,044
Appropriation transfers to OPA		
Transfers to OPA	(1,738,773)	(823,980)
Appropriation repayments	(2,553)	(5,121)
Return of appropriation from prior years	2,165	6,773
Restructuring ²	21,623	20
Closing assets less liabilities as at 30 June	23,561,950	25,694,384

1. Adjustment to equity to recognise provision for decommissioning and rehabilitation activities in the Ranger project area (refer Note 4.5B).

2. Refer to Note 8.3B Administered Restructuring.

The above statement should be read in conjunction with the accompanying notes, including the budget variance commentaries.

Department of Industry, Science, Energy and Resources
Administered Cash Flow Statement
for the year ended 30 June 2022

	2022	2021
	\$'000	\$'000
OPERATING ACTIVITIES		
Cash received		
Interest	573	4,101
Dividends	163,638	122,700
Fees	5,742	14,815
Royalties	1,515,404	607,746
Net GST received	103,436	60,883
Other	20,989	30,527
Levy receipts	39,206	42,240
Total cash received	1,848,988	883,012
Cash used		
Suppliers	435,303	263,874
Grants	950,625	582,223
Employees	7,424	7,796
Subsidies	12,446	29,763
Interest payments on lease liabilities	8	18
Payment to corporate Commonwealth entities	1,749,683	1,571,370
Total cash used	3,155,489	2,455,044
Net cash used by operating activities	(1,306,501)	(1,572,032)
INVESTING ACTIVITIES		
Cash received		
Repayments of advances and loans	900	92
Investments	11,356	373,501
Interest	1,314	3,175
Total cash received	13,570	376,768
Cash used		
Advances and loans made	6,000	194,720
Investments	1,502,861	1,161,677
Purchase of intangibles	1,457	1,026
Purchase of buildings, infrastructure, plant and equipment	8	70
Purchase of inventories	33,387	102,754
Investments - corporate Commonwealth entity capital contributions	55,652	36,895
Total cash used	1,599,365	1,497,142
Net cash used by investing activities	(1,585,795)	(1,120,374)
FINANCING ACTIVITIES		
Cash used		
Principal payments of lease liabilities ¹	919	937
Total cash used	919	937
Net cash used by financing activities	(919)	(937)
Net increase in cash held	(2,893,215)	(2,693,343)

The above statement should be read in conjunction with the accompanying notes, including the budget variance commentaries.

Department of Industry, Science, Energy and Resources
Administered Cash Flow Statement
for the year ended 30 June 2022

	2022 \$'000	2021 \$'000
Cash and cash equivalents at the beginning of the reporting period	5,724,108	5,966,292
Cash from Official Public Account		
Appropriations	3,070,698	2,563,300
Appropriation - Administered assets and liabilities	909,476	673,931
Equity appropriation - corporate Commonwealth entities	55,652	36,895
GST appropriations	105,007	67,017
Total cash from official public account	4,140,833	3,341,143
Cash to Official Public Account		
Appropriations	(1,738,773)	(823,980)
GST appropriations	(103,436)	(60,883)
Appropriation repayments	(2,553)	(5,121)
Total cash to official public account	(1,844,762)	(889,984)
Cash and cash equivalents at the end of the reporting period	5,126,964	5,724,108

1. Total cash outflow for leases for the year ended 30 June 2022 was \$3.2 million. It includes principal payments, interest payments, and variable lease payments.

Accounting Policy

Administered Cash Transfers to and from the Official Public Account

Revenue collected by the department for use by the Australian Government rather than the department is administered revenue. Collections are transferred to the Official Public Account (OPA) which is maintained by the Department of Finance. Conversely, cash is drawn from the OPA to make payments under Parliamentary appropriation on behalf of the Australian Government. These transfers to and from the OPA are adjustments to the administered cash held by the department on behalf of the Australian Government and reported as such in the schedule of administered cash flows and in the administered reconciliation schedule.

The above statement should be read in conjunction with the accompanying notes, including the budget variance commentaries.

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Department of Industry, Science, Energy and Resources Notes to and forming part of the Financial Statements

Overview

The Department of Industry, Science, Energy and Resources (the department) is an Australian Government controlled and a not-for-profit entity.

The department conducts the following principal and administered activities on behalf of the Government:

- Supporting 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 and northern Australia
- Reducing Australia's greenhouse gas emissions, contributing to 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
- 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

Basis of Preparation

The financial statements are general purpose financial statements and are required by section 42 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

The financial statements have been prepared in accordance with:

- *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* (FRR); and
- Australian Accounting Standards (AAS) and Interpretations - including simplified disclosures for Tier 2 entities under AASB 1060 issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

Administered financial assets, administered financial instruments, administered fair value measurement disclosures are prepared on a Tier 1 basis, as per section 18(3) of the FRR and net cash appropriation arrangements.

The financial statements and notes have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

New Accounting Standards

AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities applies to annual reporting periods beginning on or after 1 July 2021 and replaces the simplified reduced disclosure requirements Framework. The application of AASB 1060 involves some reduction in disclosure compared to the Reduced Disclosure Requirements with no impact on the reported financial position, financial performance and cash flows.

Future accounting standards are not expected to have a material effect on the department's financial statements.

Estimation Uncertainty

Estimation uncertainty with significant impact on the amounts recorded in the financial statements relates to:

- Valuation of Snowy Hydro Limited (SHL). As at 30 June 2022, SHL had a fair value of between \$7.75 and \$8.75 billion. The department has adopted the mid-range valuation of \$8.25 billion (2021: \$11 billion) for financial reporting purposes. The valuation is prepared by an independent expert and utilises a discounted cash flow methodology. The valuation includes assumptions and judgements about future events and circumstances that have not transpired which may impact forecast operating cash flows. This includes assumptions relating to electricity supply and demand in the national energy market, Snowy 2.0 construction costs, changes to electricity infrastructure, rainfall, and discount rates.
- Ranger rehabilitation provision. The rehabilitation provision is based on management's best estimate of the costs to rehabilitate the Ranger Uranium Mine project area. The basis for estimate includes assumptions and judgements about future events that have not transpired. A detailed review of required rehabilitation activities and estimated costs is currently being undertaken by Energy Resources Australia (ERA). The results will be available late 2022 which will likely result in changes to the provision amount during 2022-23. The value of provisions may also vary from year to year due to changes in estimated indexation factors and discount rates at the reporting date.

Department of Industry, Science, Energy and Resources

Notes to and forming part of the Financial Statements

- Northern Endeavour rehabilitation provision. The rehabilitation provision is based on management's best estimate of the costs to decommission the Northern Endeavour Floating Production Storage and Offtake facility and remediating the associated Laminaria-Corallina oil fields. Decommissioning and remediation involves three phases. Management's estimate of phase 1 is based on contracted costs for various work packages that are still being finalised. Phase 2 and 3 estimated costs are based on an independent assessment undertaken in 2020 with a low level of project definition, and reference to subject market experts and other key stakeholders. Phase 2 and 3 costs were adjusted for estimated cost increases. The future approach to completion of Phase 2 and 3 works has not been detailed thus final costs are likely to be different when decommissioning and remediation plans are detailed and procurement activities are completed. The value of provisions may also vary from year to year due to changes in estimated indexation factors and discount rates at the reporting date.

Machinery of Government Changes

The Northern Australia policy and coordination functions and the *Northern Australia Infrastructure Facility Act 2016* were transferred to the Department of Infrastructure, Transport, Regional Development and Communications during 2021-22 as a result of the amended Administrative Arrangements Order on 2 July 2021.

The Small Business policy and programs were transferred to the Department of the Treasury as a result of the amended Administrative Arrangements Order on 15 April 2021.

The impact of machinery of government changes has resulted in differences when comparing current to prior year financial information in the Financial Statements. Details of assets and liabilities assumed and relinquished are outlined in Note 8.3.

Reporting of Administered activities

Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the administered schedules and related notes. Unless otherwise stated, administered items are accounted for on the same basis and using the same policies as for departmental items, including the application of AAS. Administered activities are shown as shaded.

Taxation

The department is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and Goods and Services Tax (GST).

Events After the Reporting Period

The climate change and energy functions have been transferred to the Department of Climate Change, Energy, Environment and Water as a result of an Administrative Arrangements Order effective from 1 July 2022. A number of portfolio bodies and offices also transfer as a result of these Machinery of Government changes. Significant assets transferring include administered investments in SHL and Clean Energy Finance Corporation (CEFC) and CEFC special account, and the departmental Energy special account. The department assumed functions that were previously the responsibility of the Department of Prime Minister and Cabinet. An estimate of the value of assets and liabilities transferring to and from the department is not available.

The department's name changed to the Department of Industry, Science and Resources on 1 July 2022.

There were no other events occurring after 30 June 2022 that would have a material impact on these financial statements.

Department of Industry, Science, Energy and Resources

Notes to and forming part of the Financial Statements

1. Departmental Financial Performance

This section analyses the financial performance of the Department.

1.1. Expenses

	2022	2021
	\$'000	\$'000
Note 1.1A: Employee Benefits		
Wages and salaries	303,672	289,915
Superannuation:		
Defined contribution plans	38,220	35,794
Defined benefit plans	19,978	21,540
Leave and other entitlements	42,238	43,336
Separation and redundancies	1,687	3,712
Other employee expenses	1,065	2,802
Total employee benefits	406,860	397,099

Accounting Policy

Accounting policies for employee related expenses are contained in the People and Relationships section.

Note 1.1B: Suppliers

Goods and services supplied or rendered

Communication, marketing and freight	2,820	2,789
Contractors and consultants	130,855	109,998
Inventory related costs	6,476	6,326
Property operating expense	18,151	18,986
Rendering of services and maintenance	91,452	79,896
Travel	3,912	2,592
Other goods and services	18,942	14,703
Total goods and services supplied or rendered	272,608	235,290

Goods supplied	13,670	14,784
Services rendered	258,938	220,506
Total goods and services supplied or rendered	272,608	235,290

Other suppliers

Operating lease rentals	27	-
Short-term leases	4,295	3,509
Low value leases	4,475	3,840
Workers compensation expenses	1,232	930
Total other suppliers	10,029	8,279
Total suppliers	282,637	243,569

The department has short-term lease commitments of \$3.9 million and low value lease commitments of \$1.7 million as at 30 June 2022.

The above lease disclosures should be read in conjunction with the accompanying Notes 1.1D, 3.2A and 3.4A.

Department of Industry, Science, Energy and Resources

Notes to and forming part of the Financial Statements

Accounting Policy

Short-term leases and leases of low-value assets

The department has elected not to recognise right-of-use assets and lease liabilities for short-term leases of assets that have a lease term of 12 months or less and leases of low-value assets (less than \$10,000). The department recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

	2022	2021
	\$'000	\$'000
Note 1.1C: Grants		
Australian Government entities	9,585	6,302
State and Territory Governments	403	405
Non-profit organisations	570	133
Other	1	1,209
Total grants	10,559	8,049

Accounting Policy

Grants

The department administers a number of grants on behalf of the Australian Government. Grant liabilities are recognised to the extent that:

- the activities required to be performed by the grantee have been performed; or
- the grant eligibility criteria have been satisfied, but payments due have not been made.

When the Australian Government enters into an agreement to make these grants but activities have not been performed or eligibility conditions have not been met, this is considered a commitment.

Note 1.1D: Finance Costs

Interest on lease liabilities	3,280	3,686
Unwinding of discount	4	50
Total finance costs	3,284	3,736

The above lease disclosures should be read in conjunction with the accompanying Notes 1.1B, 3.2A and 3.4A.

Note 1.1E: Write-Down and Impairment of Assets

Write-down and impairment of buildings and leasehold improvements	172	-
Write-down and impairment of infrastructure, plant and equipment	2	19
Impairment of laboratory equipment	1	6
Impairment of intangible assets	1,415	875
Write-down of inventories	29	76
Total write-down and impairment of other assets	1,619	976

Department of Industry, Science, Energy and Resources
Notes to and forming part of the Financial Statements

1.2. Own-Source Revenue and Gains

	2022	2021
	\$'000	\$'000
Own-Source Revenue		
Note 1.2A: Revenue from contracts with customers		
Sale of goods	3,409	2,139
Rendering of services	85,093	76,035
Total revenue from contract with customers	88,502	78,174

Disaggregation of revenue from contracts with customers

Major product / service line:

Grants administration services	38,846	37,112
Measurement services and products	28,434	29,281
Scientific educational services	4,909	2,762
Building codes services	1,056	1,076
Shared services	4,441	3,442
IT project services	4,135	-
Other	6,681	4,501
	88,502	78,174

Accounting Policy

Revenue from the sale of goods is recognised when control has been transferred to the buyer.

The department recognises revenue when the performance obligations are required by an enforceable contract and are sufficiently specific to enable the department to identify when they have been satisfied. The majority of the departmental revenues are specified in legally enforceable contracts or Memoranda of Understanding (MoUs) where it is reasonable to expect that parties will act on their obligations and there are consequences for non-performance.

The principal activities from which the department generates its revenue relate to:

a) Grant administration service - The department's performance obligation is the provision of grant administration services to other Australian Government entities in accordance with MoUs. Revenue is recognised over time where the services are provided and consumed simultaneously.

b) Measurement services and products – The National Measurement Institute (NMI), a division of the department provides a wide range of chemical and biological analysis services. Agreements range from formalised contracts and MoUs with large government and private sector customers, to one-off requests. All are enforceable and considered within the context of AASB 15. Recognition of revenue will align with the point in time that revenue is invoiced for the service.

The transaction price is the total amount of consideration to which the department expects to be entitled in exchange for transferring promised goods or services to a customer. The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

Note 1.2B: Rental Income

Finance lease		
Finance income	-	2
Operating lease		
Variable lease payments income	3,122	1,660
Total rental income	3,122	1,662

Department of Industry, Science, Energy and Resources

Notes to and forming part of the Financial Statements

	2022 \$'000	2021 \$'000
Maturity analysis of operating lease income receivables:		
Within 1 year	1,242	1,894
One to two years	211	85
Two to three years	93	88
Three to four years	41	91
Four to five years	37	39
More than 5 years	193	419
Total undiscounted lease payments receivable	1,817	2,616

Note 1.2C: Other Revenue

State receipts	12,810	10,552
Other	3,846	1,234
Resources received free of charge		
Remuneration of auditors	680	641
Total other revenue	17,336	12,427

Accounting Policy

Resources Received Free of Charge

Resources received free of charge are recognised when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense. Resources received free of charge are recorded as either revenue or gains depending on their nature.

Gains

Note 1.2D: Other Gains

Reversal of make good provision	1,116	2
Other	142	-
Total other gains	1,258	2

Note 1.2E: Revenue from Government

Departmental appropriations	641,701	602,885
Supplementation	22,770	80
Total revenue from Government	664,471	602,965

Accounting Policy

Revenue from Government

Amounts appropriated for departmental appropriations for the year (adjusted for any formal additions and reductions) are recognised as Revenue from Government when the department gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned. Appropriations receivable are recognised at their nominal amounts.

Departmental operating supplementation is recognised as receivable from government until the amount approved is legally appropriated.

Department of Industry, Science, Energy and Resources
Notes to and forming part of the Financial Statements

2. Income and Expenses Administered on Behalf of Government

This section analyses the activities that the department does not control but administers on behalf of the Government. Unless otherwise noted, the accounting policies adopted are consistent with those applied for departmental reporting.

2.1. Administered - Expenses

	2022	2021
	\$'000	\$'000
Note 2.1A: Employee benefits		
Wages and salaries	5,606	5,160
Superannuation		
Defined contribution plans	769	723
Defined benefit plans	265	245
Leave and other entitlements	902	845
Total employee benefits	7,542	6,973
Note 2.1B: Suppliers		
Services rendered		
Communication, marketing and freight	26,141	1,684
Consultants and contractors	16,219	27,886
Fee for service	228,535	177,089
Membership fees	114,219	23,182
Other	9,949	11,666
Total services rendered	395,063	241,507
Other suppliers		
Variable lease payments	2,235	2,120
Total other suppliers	2,235	2,120
Total suppliers	397,298	243,627

The department has short-term lease commitments of \$23.7 million as at 30 June 2022.

The above lease disclosures should be read in conjunction with accompanying Notes 2.1C, 4.2A and 4.4A.

Note 2.1C: Finance Costs		
Concessional loan discount	-	262,575
Interest on lease liabilities	8	18
Unwinding of present value discount	-	298
Total finance costs	8	262,891

The above lease disclosures should be read in conjunction with the accompanying Notes 2.1B, 4.2A and 4.4A.

Department of Industry, Science, Energy and Resources
Notes to and forming part of the Financial Statements

	2022 \$'000	2021 \$'000
Note 2.1D: Grants		
Public sector		
Australian Government entities (related parties)	14,095	4,484
State and Territory Governments	7,065	3,827
Local Governments	1,918	1,027
Private sector		
Non-profit organisations	71,127	69,681
External entities	693,479	480,930
Other	4,322	8,023
Multi-jurisdictional sector	28,914	24,003
Total grants	820,920	591,975
Note 2.1E: Payments to Corporate Commonwealth Entities		
Commonwealth Scientific and Industrial Research Organisation	949,037	960,537
Australian Nuclear Science and Technology Organisation	279,506	278,819
Australian Institute of Marine Science	45,548	45,218
Australian Renewable Energy Agency	422,009	227,535
National Offshore Petroleum Safety and Environmental Management Authority	41,704	41,783
Northern Australia Infrastructure Facility	4,740	13,187
Clean Energy Finance Corporation	7,139	4,270
Total payments to corporate Commonwealth entities	1,749,683	1,571,349
Accounting Policy		
Payments to corporate Commonwealth entities		
Payments to corporate Commonwealth entities from amounts appropriated for that purpose are classified as either administered expenses or equity injections. The appropriation to the department is disclosed in the appropriations Note 5.1.		
Note 2.1F: Rehabilitation Activities		
Rehabilitation expenses – Ranger and Northern Endeavour	1,460,710	-
Total rehabilitation expenses	1,460,710	-
The above rehabilitation activities expense should be read in conjunction Note 4.5B.		
Note 2.1G: Other Expenses		
Act of grace payments	5,373	-
Other	2,302	-
Total other expenses	7,675	-

Department of Industry, Science, Energy and Resources
Notes to and forming part of the Financial Statements

2.2. Administered - Income		
	2022	2021
	\$'000	\$'000
Revenue		
<u>Note 2.2A: Fees from Regulatory Services</u>		
Petroleum fees	15,902	15,327
Levy receipts	39,206	42,240
Total fees from regulatory services	55,108	57,567
<u>Note 2.2B: Interest</u>		
Loans	520	7,280
Unwinding of discount - concessional loans	7,516	10,644
Deposits	1,314	3,175
Other interest	-	11
Total interest	9,350	21,110
<u>Note 2.2C: Royalties</u>		
Royalties	1,535,256	633,248
Total royalties	1,535,256	633,248
<u>Note 2.2D: Other Revenue</u>		
Security funds - Ranger rehabilitation	560,490	-
Other revenue	1,165	1,205
Total other revenue	561,655	1,205
<u>Note 2.2E: Gains from Sales of Assets</u>		
<u>Net gains from sales of assets</u>		
Net gains from sales of assets	162,385	-
Net gain from sale of assets	162,385	-

Accounting Policy

Revenue

All administered fees from regulatory services revenues relate to the activities performed by the department on behalf of the Australian Government. This includes fees and levies collected by the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) and the National Offshore Petroleum Titles Administrator (NOPTA). Fees from regulatory services are recognised only when it has been earned.

Interest revenue is recognised using the effective interest method.

The department is responsible for the collection of royalties levied on petroleum operations. Royalty revenue is recognised when the royalty has been valued; and the performance obligation has been satisfied.

Security funds are recognised when Ranger rehabilitation provision is adjusted (refer note 4.1A and 4.5B).

Sale of Assets

Net gains from the disposal of oil inventory was recognised when control of the assets had passed to the buyer (refer to note 4.2B).

Department of Industry, Science, Energy and Resources

Notes to and forming part of the Financial Statements

3. Departmental Financial Position

This section analyses the department's assets used to generate financial performance and the operating liabilities incurred as a result. Employee related information is disclosed in the People and Relationships section.

3.1. Financial Assets

	2022	2021
	\$'000	\$'000
Note 3.1A: Cash and Cash Equivalents		
Cash in special accounts	23,638	26,816
Cash on hand	15	9
Cash at bank	2,767	1,778
Total cash and cash equivalents	26,420	28,603

The closing balance of Cash in special accounts does not include amounts held in trust: [\$0.1 million in 2022 and \$0.1 million in 2021]. See Note 5.2 Special Accounts and 8.2 Assets Held in Trust for more information.

Note 3.1B: Trade and Other Receivables

Goods and services receivables

Goods and services	21,627	18,198
Contract assets	10,813	13,912
Total goods and services receivables	32,440	32,110

The contract assets are largely associated with the department's grants administration services and measurement services.

Appropriations receivables

Departmental appropriations	130,311	105,763
Departmental Capital Budget	7,436	5,703
Equity appropriations	29,265	13,263
Total appropriations receivables	167,012	124,729

Other receivables

GST receivable from the Australian Taxation Office	4,211	3,574
Other	1,014	801
Receivable from Government	22,770	80
Total other receivables	27,995	4,455
Total trade and other receivables (gross)	227,447	161,294

Less impairment loss allowance

Goods and services	(2,769)	(2,687)
Total impairment loss allowance	(2,769)	(2,687)
Total trade and other receivables (net)	224,678	158,607

Accounting Policy

Trade receivables and other receivables that are held for the purpose of collecting the contractual cash flows where the cash flows are solely payments of principal and interest are subsequently measured at amortised cost using the effective interest method adjusted for any loss allowance.

Credit terms were 30 days (2020-21: 30 days).

Department of Industry, Science, Energy and Resources

Notes to and forming part of the Financial Statements

3.2. Non-Financial Assets

Note 3.2A: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment and Intangibles 2022

	Buildings \$'000	Leasehold improvements \$'000	Infrastructure, plant and equipment \$'000	Laboratory equipment \$'000	Computer software internally developed \$'000	Computer software purchased \$'000	Total \$'000
As at 1 July 2021							
Gross book value	385,944	62,460	21,718	29,019	133,669	13,304	646,114
Work in progress	1,885	3,352	2,800	3,533	31,244	-	42,814
Accumulated depreciation, amortisation and impairment	(64,585)	(9,506)	(1,652)	(8,336)	(94,192)	(12,826)	(191,097)
Total as at 1 July 2021	323,244	56,306	22,866	24,216	70,721	478	497,831
Additions:							
Purchase of internally developed	476	3,329	4,080	6,897	32,873	-	47,655
Right-of-use assets	14,380	-	101	-	-	-	14,481
Revaluations recognised through other comprehensive income	-	-	-	(1,120)	-	-	(1,120)
Impairments recognised in net cost of services	-	(172)	(2)	(1)	(1,415)	-	(1,590)
Depreciation / amortisation	(1,218)	(9,817)	(10,336)	(4,010)	(18,532)	(347)	(44,260)
Depreciation on right-of-use assets	(31,975)	-	(773)	(43)	-	-	(32,791)
Disposals:							
Other	-	-	(19)	-	-	-	(19)
Other movements of right-of-use assets	(13,112)	-	(205)	-	-	-	(13,317)
Total as at 30 June 2022	291,795	49,646	15,712	25,939	83,647	131	466,870
Total as at 30 June 2022 represented by							
Gross book value	386,485	63,972	22,987	19,221	158,699	13,304	664,668
Work in progress	1,069	4,085	5,457	6,847	37,672	-	55,130
Accumulated depreciation, amortisation and impairment	(95,759)	(18,411)	(12,732)	(129)	(112,724)	(13,173)	(252,928)
Total as at 30 June 2022	291,795	49,646	15,712	25,939	83,647	131	466,870
Carrying amount of right-of-use assets	246,197	-	984	162	-	-	247,343

Revaluations of non-financial assets

All revaluations were conducted in accordance with the revaluation policy. A revaluation was conducted as at 30 June 2022 for laboratory equipment by Pickles.

Contractual commitments for the acquisition of infrastructure, plant, equipment and intangible assets

All capital commitments totalling \$21.4 million (2021: \$16.6 million) are payable within 12 months. The major projects include \$5.9 million for Questacon Building Services Review, \$4.2 million for Enhancement to Full Carbon Accounting Model, \$2.1 million for Science Capability - National Measurement Institute project, \$1.3 million for Implementation for Sport 2030-High Performance, Wellbeing and Integrity project, \$1.1 million for purchase of Information Technology equipment/software, \$1.5 million for Cyber Uplift Program and \$0.5 million for Australian Greenhouse Emissions Information System Enhancement.

Department of Industry, Science, Energy and Resources

Notes to and forming part of the Financial Statements

Accounting Policy

Acquisition of Assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor's accounts immediately prior to the restructuring.

Asset Recognition Threshold

Purchases of infrastructure, plant and equipment are recognised initially at cost in the statement of financial position, except for:

- items of property with a project cost less than \$10,000 (which are expensed in the year of acquisition); and
- items of plant and equipment costing less than \$5,000 which are expensed in the year of acquisition (other than where they form part of a group of similar items which individually cost less than \$5,000 but collectively cost \$50,000 or more, which are recognised in the statement of financial position).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to 'make good' provisions in property leases taken up by the department where there exists an obligation to restore the property to its original condition. These costs are included in the value of the department's leasehold improvements with a corresponding provision for the 'make good' recognised.

Leased Right of Use (ROU) Assets

Leased ROU assets are capitalised at the commencement date of the lease and comprise of the initial lease liability amount, initial direct costs incurred when entering into the lease less any lease incentives received. These assets are accounted for by Commonwealth lessees as separate asset classes to corresponding assets owned outright, but included in the same column as where the corresponding underlying assets would be presented if they were owned.

An impairment review is undertaken annually for any right of use lease asset that shows indicators of impairment and an impairment loss is recognised against any right of use lease asset that is impaired. Leased ROU assets continue to be measured at cost after initial recognition.

Revaluations

Following initial recognition at cost, infrastructure, plant and equipment are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. The department conducts asset revaluation on a three year rolling revaluation cycle. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets. The department has adopted a rolling revaluation, meaning that all assets will be subject to revaluation over a three year period. The laboratory equipment asset class was revalued effective 30 June 2022 by Pickles using a fair value basis.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit except to the extent that they reverse a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

Depreciation

Depreciable infrastructure, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the department, using, in all cases, the straight line method of depreciation.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are made in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2022	2021
Buildings	8-40 years	8-40 years
Leasehold improvements	Lease term	Lease term
Laboratory equipment	3-10 years	3-10 years
Infrastructure, plant and equipment	3-10 years	3-10 years

The depreciation rates for ROU assets are based on the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term.

Department of Industry, Science, Energy and Resources

Notes to and forming part of the Financial Statements

Impairment

All assets were assessed for impairment at 30 June 2022 and the result reported in Note 3.2A and 4.2A. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount. The impairment adjustment is reflected in the gross carrying value of the asset.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the department were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Derecognition

An item of infrastructure, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Intangibles

The department's intangibles comprise both internally developed and purchased software for internal use. These assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Purchases of software with a value of less than \$50,000 and internally developed software with a value of less than \$200,000 are expensed in the year of acquisition.

Bulk purchases of software that individually cost less than \$50,000, but as a group cost \$50,000 or more are recognised in the statement of financial position.

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the department's software are 3 to 15 years (2021: 3 to 15 years).

Inventories

Inventories held for sale are valued at the lower of cost and net realisable value. Inventories comprise of chemical reference materials (CRMs), work in progress for CRMs and laboratory consumables.

Administered inventories comprise coal which are held for distribution and are valued at cost, adjusted when applicable for any loss of service potential (2021: Administered inventories comprised oil were held for sale and valued at the lower of cost and net realisable value).

Department of Industry, Science, Energy and Resources

Notes to and forming part of the Financial Statements

3.3. Payables

	2022	2021
	\$'000	\$'000
Note 3.3A: Suppliers		
Trade creditors and accruals	35,475	38,002
Other creditors	445	534
Contract liabilities	32,637	17,534
Total suppliers	68,557	56,070

Settlement is usually made within 20 days (2021: 20 days).

The contract liabilities are mainly associated with the grants administration services, measurement services and products and scientific educational services.

Note 3.3B: Other Payables

Wages and salaries	12,696	8,064
Superannuation	1,361	1,112
Other	1,922	2,485
Total other payables	15,979	11,661

Accounting Policy

Financial liabilities are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised in finance costs. Liabilities are recognised to the extent that the goods or services have been received regardless of the fact that the department may not have been invoiced.

Superannuation

The liability for superannuation recognised as at 30 June 2022 represents outstanding contributions for the year.

3.4. Interest Bearing Liabilities

	2022	2021
	\$'000	\$'000
Note 3.4A: Leases		
Lease liabilities		
Buildings	255,894	282,404
Infrastructure, plant and equipment	971	1,901
Laboratory equipment	164	207
Total leases	257,029	284,512
Maturity analysis - contractual undiscounted cash flows		
Within 1 year	32,485	33,787
Between 1 to 5 years	120,682	149,297
More than 5 years	133,394	120,393
Total leases	286,561	303,477

The department as a lessee enters into a range of leases covering buildings, infrastructure, and laboratory equipment to support its operational requirements and to deliver effective outcomes for the Australian Government.

Significant leasing arrangements:

- 10 Binara Street Canberra – 25.3 year lease term expiring 31 Dec 2031. Contains annual fixed price increases based on 3% annual fix rate review.
- 105 Dehli Road Sydney – 20 year lease term expiring 15 June 2032. Contains annual fixed price increases based on 3.75% annual fix rate review.

Department of Industry, Science, Energy and Resources

Notes to and forming part of the Financial Statements

The department considers all relevant facts and circumstances that create an economic incentive to exercise, or not to exercise, the option, including any expected changes in facts and circumstances.

The department in its capacity as lessee does not have significant leasing arrangements with below market terms.

The above lease disclosures should be read in conjunction with the accompanying Notes 1.1B, 1.1D, and 3.2A.

Accounting Policy

For all new contracts entered into, the department considers whether the contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

Once it has been determined that a contract is, or contains a lease, the lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease, if that rate is readily determinable, or the department's incremental borrowing rate.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification to the lease. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or profit and loss depending on the nature of the reassessment or modification.

3.5. Other Provisions

Note 3.5A: Other Provisions

	Provision for restoration	Total
	\$'000	\$'000
As at 1 July 2021	2,941	2,941
Additional provisions made	21	21
Amounts used	(8)	(8)
Amounts reversed	(1,116)	(1,116)
Unwinding of discount	4	4
Change in discount rate	(60)	(60)
Total as at 30 June 2022	1,782	1,782

Accounting Judgements and Estimates

The Department has 11 lease agreements requiring the department to restore the premises to their original condition on termination of the lease. The department has made a provision to reflect the present value of these obligations.

Department of Industry, Science, Energy and Resources
Notes to and forming part of the Financial Statements

4. Assets and Liabilities Administered on Behalf of Government

This section analyses assets used to generate financial performance and the operating liabilities incurred as a result. The department does not control these assets but administers them on behalf of the Government. Unless otherwise noted, the accounting policies adopted are consistent with those applied for departmental reporting.

4.1. Administered – Financial Assets

	2022	2021
	\$'000	\$'000
Note 4.1A: Trade and Other Receivables		
Loans		
Amortised cost	134,656	419,810
Total loans	134,656	419,810
Other receivables		
Grant recoveries and other receivables	891,516	60,080
Net GST receivable	9,431	9,718
Total other receivables	900,947	69,798
Total trade and other receivables (gross)	1,035,603	489,608
Less impairment loss allowance		
Loans - amortised cost	(72)	(28,458)
Grant recoveries and other receivables	(884)	(626)
Total impairment loss allowance	(956)	(29,084)
Total trade and other receivables (net)	1,034,647	460,524

Credit terms for other receivables were net 30 days (2021: 30 days).

The above note should be read in conjunction with the maturity disclosure in Note 8.1B.

Reconciliation of the Impairment Loss Allowance

Movements in relation to 2022

	Advances and loans \$'000	Other receivables \$'000	Total \$'000
As at 1 July 2021	28,458	626	29,084
Increase/(Decrease) recognised in net cost of services	5	258	263
Restructuring	(28,391)	-	(28,391)
Total as at 30 June 2022	72	884	956

Movements in relation to 2021

	Advances and loans \$'000	Other receivables \$'000	Total \$'000
As at 1 July 2020	5,241	612	5,853
Amounts written off	-	(80)	(80)
Increase/(Decrease) recognised in net cost of services	23,217	94	23,311
Total as at 30 June 2021	28,458	626	29,084

Department of Industry, Science, Energy and Resources

Notes to and forming part of the Financial Statements

Accounting Policy

Loans and Receivables

The department's administered loans and receivables relate to a number of programs that are delivered by the department on behalf of the Australian Government.

Loans, trade and other receivables are held for the purpose of collecting contractual cash flows, which are solely payments of principal and interest, and are subsequently measured at amortised cost using the effective interest method adjusted for any loss allowance.

Both loans and receivables are assessed for impairment at end of each reporting period. The department has adopted the general approach to measure the impairment loss allowance for its administered loans. For trade and other receivables, the simplified approach has been adopted in measuring the impairment loss allowance at an amount equal to lifetime expected credit loss (ECL).

Loans are classified as follows:

- R&D Start Program loans. Loans with varying rates of interest, including interest free, which are repaid over a number of years. These loans have been assessed as fully impaired.
- Rio Tinto Aluminium Limited. This is an interest free loan of \$137 million repayable in 2024. The loan is being amortised at an annual rate of 6.6%. The loan is for the development of a multi-user energy facility with a capacity to supply other users and to form a research and technical development partnership with Rio Tinto establishing a 'Foundation for a Sustainable Minerals Industry'.
- Northern Australia Infrastructure Facility (NAIF) Loans. The department records concessional loans issued by the NAIF corporate Commonwealth entity (CCE) on behalf of the Commonwealth. The concessional element for each loan is tailored to the specific needs of each investment, with varying rates of interest and terms, consistent with the *Northern Australia Infrastructure Facility Investment Mandate Direction 2018*. These loans were transferred as part of the machinery of government change, refer to Note 8.3.
- PSMA Australia Limited (PSMA). This is a concessional loan of \$9 million due to be repaid by 2026. The fixed interest rate for the loan is 4.50% per annum. The financing terms include a 3 year grace period during which PSMA will make interest only payments, as part of the 7 year loan term. The loan is being amortised using a market rate of 5.18% p.a. The loan is to enhance PSMA's delivery of the national spatial data infrastructure.
- GB Energy (Vic) Pty Limited. This is a commercial loan to accelerate the Golden Beach gas production and storage project to help alleviate forecast gas shortfalls on the east coast gas market. The loan is due to be fully repaid March 2023.

Ranger Uranium Mine Project Area Receivable

The department recognises a receivable for any shortfall between the Ranger Rehabilitation Provision and security funds provided by Energy Resources Australia (refer Note 2.2D and 4.5B).

Department of Industry, Science, Energy and Resources
Notes to and forming part of the Financial Statements

	2022	2021
	\$'000	\$'000
Note 4.1B: Other Investments		
Australian Institute of Marine Science	178,230	192,443
Australian Nuclear Science and Technology Organisation	775,373	550,072
Commonwealth Scientific and Industrial Research Organisation	3,115,779	2,696,794
National Offshore Petroleum Safety and Environmental Management Authority	26,416	19,559
Innovation Investment Fund (Rounds 1 and 3)	91,799	76,321
Northern Australia Infrastructure Facility	-	2,488
Quantum Computing	13,159	15,635
PSMA Australia Limited	2,071	2,275
Snowy Hydro Limited	8,250,000	11,000,000
Australian Renewable Energy Agency	524,211	173,179
Clean Energy Finance Corporation	6,423,752	5,616,635
Total other investments	19,400,790	20,345,401

Accounting Policy

Administered investments in subsidiaries, joint ventures and associates are not consolidated as their consolidation is relevant only at the Whole-of-Government level. Administered investments are classified as 'fair value through other comprehensive income' and are measured at their fair value as at 30 June 2022. Fair value has been taken to be the Australian Government's proportional interest in the entity valued at net assets position or discounted cash flow methodology as at reporting date.

The principal activities of the department's administered investments are as follows:

Australian Institute of Marine Science

The principal activities are to provide marine research services, particularly tropical science, with the view to support the sustainable use and protection of the marine environment. The Australian Government owns 100% of this investment.

Australian Nuclear Science and Technology Organisation

The principal activities are the timely delivery of valued scientific research, nuclear medicine and other associated products, as well as technical advice services. The Australian Government owns 100% of this investment.

Commonwealth Scientific and Industrial Research Organisation

The principal activities are to deliver scientific and innovative solutions for Australian industry, society and the environment to contribute to national benefit, knowledge and capabilities. The Australian Government owns 100% of this investment.

National Offshore Petroleum Safety and Environmental Management Authority

The principal activities are to provide independent expert regulation for health and safety, environmental management and structural and well integrity for offshore petroleum facilities and activities in Commonwealth waters in accordance with the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*. The Australian Government owns 100% of this investment.

Department of Industry, Science, Energy and Resources

Notes to and forming part of the Financial Statements

Accounting Policy

Innovation Investment Fund (IIF)

The Australian Government co-invested in a number of venture capital funds under:

- IIF (Rounds 1 and 3) is designed to promote the commercialisation of Australian research and development by technology-based companies at the seed, start-up or early growth stages, through licensed private sector venture capital fund managers; and
- The Innovation Investment Follow-on Fund (IIFF) was a temporary program in response to the impact of the global financial crisis on the availability of venture capital. The program was funded through returns on investments made under the IIF program. The IIFF supported investments made under IIF Rounds 1 and 2, the Pre-Seed Fund, the former Renewable Energy Equity Fund and the former ICT Incubators program.

Northern Australia Infrastructure Facility

The principal activities are to provide \$5 billion in concessional finance to encourage and complement private sector investment in infrastructure that benefits Northern Australia. The Australian Government owns 100% of this investment. This investment was transferred as part of the machinery of government change, refer to Note 8.3.

Quantum Computing

The Australian Government owns shares in Silicon Quantum Computing Pty Ltd. The principal activities of Silicon Quantum Computing Pty Ltd are to develop a quantum computer in Australia, using silicon-based hardware. The Australian Government currently owns 30.2% of this investment.

PSMA Australia Limited

The principal activities of PSMA Australia Limited are to source geospatial information and use this information to provide sustainable access to authoritative national location data to both government and businesses. It is an unlisted public company limited by shares and jointly owned (one share or 11% each) by the Australian Government and each of the State and Territory governments. Although PSMA's net assets are measured at cost, this value is considered as a proxy for fair value in these financial statements.

Snowy Hydro Limited

Snowy Hydro Limited is an energy generation and retailing company which operates 16 power stations with a combined generation capacity of 5,500 megawatts, including the Snowy Mountains Hydro-electric 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 PGPA Act.

Australian Renewable Energy Agency (ARENA)

ARENA's key objectives are to support improvements in the competitiveness of clean energy and related technologies and the supply of clean energy by administering financial assistance, developing analysis and advice about, and sharing information and knowledge with regard to, clean energy and related technologies. The Australian Government owns 100% of this investment.

Clean Energy Finance Corporation (CEFC)

The role of the CEFC is to facilitate increased flows of finance into the clean energy sector, by investing, directly and indirectly, in renewable energy, energy efficiency, grid reliability and low emission technologies in Australia. The CEFC works to deliver a positive return for taxpayers across its portfolio of investments in bonds, loans, non-controlling equity positions and, in limited circumstances, by providing loan guarantees. The CEFC is a statutory authority established under the *Clean Energy Finance Corporation Act 2012* and is defined as a corporate Commonwealth entity under the PGPA Act. The Australian Government owns 100% of this investment.

Department of Industry, Science, Energy and Resources
Notes to and forming part of the Financial Statements

4.2. Administered – Non-Financial Assets						
Note 4.2A: Reconciliation of the Opening and Closing Balances of Land, Buildings, Infrastructure, Plant and Equipment and Intangibles						
	Land \$'000	Buildings \$'000	Infrastructure, plant & equipment \$'000	Computer software internally developed \$'000	Computer software purchased \$'000	Total \$'000
As at 1 July 2021						
Gross book value	-	4,002	160	12,650	286	17,098
Work in Progress	-	4	-	796	-	800
Accumulated depreciation, amortisation and impairment	-	(2,106)	-	(9,367)	(286)	(12,259)
Total as at 1 July 2021	-	1,900	160	3,579	-	5,639
Additions – purchased, acquired or internally developed						
Depreciation/ Amortisation	548	8	-	1,522	-	2,078
Depreciation on right-of-use assets	-	(225)	(110)	(772)	-	(1,107)
	-	(881)	-	-	-	(881)
Total as at 30 June 2022	548	802	50	4,329	-	5,729
Total as at 30 June 2022 represented by:						
Gross book value	548	4,014	160	12,651	286	17,659
Work in progress	-	-	-	2,318	-	2,318
Accumulated depreciation, amortisation and impairment	-	(3,212)	(110)	(10,640)	(286)	(14,248)
Total as at 30 June 2022	548	802	50	4,329	-	5,729
Carrying amount of right-of-use assets	-	455	-	-	-	455
Revaluations of non-financial assets						
All revaluations were conducted in accordance with the revaluation policy. The revaluation policy is disclosed in Note 3.2A.						
Contractual commitments for the acquisition of infrastructure, plant, equipment and intangible assets						
Capital commitments totalling \$3.7 million (2021: \$4.1 million) relate to enhancements to NOPTA's systems and software.						

Department of Industry, Science, Energy and Resources
Notes to and forming part of the Financial Statements

	2022	2021
	\$'000	\$'000
Note 4.2B: Inventories		
Inventories held for distribution:		
Inventories	33,387	102,668
Total inventories	33,387	102,668

During 2022, \$102.7 million of inventory was recognised as an expense (2021: nil).

Accounting Policy

Administered Infrastructure, Plant and Equipment

The department manages, on behalf of the Australian Government, assets held by NOPTA, a statutory position established under section 695A of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*.

Administered Intangibles

The department manages the National Electronic Approvals Tracking System (NEATS) software, a public portal which provides access to publicly available information concerning offshore petroleum titles, on behalf of the Australian Government.

4.3. Administered – Payables

	2022	2021
	\$'000	\$'000
Note 4.3A: Suppliers		
Trade creditors and accruals	38,490	28,784
Total suppliers	38,490	28,784

Settlement is usually made within 20 days.

Note 4.3B: Grants

Public sector	177	1,390
Private sector	27,262	89,442
Total grants	27,439	90,832

Settlement is usually made according to the terms and conditions of each grant. This is usually within 20 days (2021: 20 days) of performance or eligibility.

4.4. Administered - Interest Bearing Liabilities

	2022	2021
	\$'000	\$'000
Note 4.4A: Leases		
Lease liabilities		
Buildings	462	1,381
Total leases	462	1,381
Maturity analysis - contractual undiscounted cash flows		
Within 1 year	244	927
Between 1 to 5 years	223	467
Total leases	467	1,394

The above lease disclosures should be read in conjunction with the accompanying Notes 2.1B, 2.1C and 4.2A.

Department of Industry, Science, Energy and Resources
Notes to and forming part of the Financial Statements

4.5. Administered – Provisions

	2022	2021
	\$'000	\$'000
Note 4.5A: Loan Commitment Provision		
Provision for loan commitments	-	291,115
Total loan commitment provisions	-	291,115
Note 4.5B: Rehabilitation Provision		
Rehabilitation provision	2,052,337	591,627
Total rehabilitation provision	2,052,337	591,627
	Rehabilitation provision	Total
	\$'000	\$'000
As at 1 July 2021	591,627	591,627
Additional provisions made	1,469,301	1,469,301
Amounts reversed	(8,591)	(8,591)
Total as at 30 June 2022	2,052,337	2,052,337

Accounting Policy

Administered Provisions

The department recognises a provision for rehabilitation when there is an obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are measured at the present value of management's best estimate of the expenditure. Changes in the rehabilitation provision year on year are recognised in profit or loss in the reporting year in which the estimates change.

Ranger Uranium Mine Project Area

This provision relates to the estimated cost of decommissioning, rehabilitation and monitoring activities at the Ranger uranium mine. The mine's operator, ERA, ceased mining operations in January 2021 and the mine is now in full-time rehabilitation. For 30 June 2022, the provision is based on estimated costs provided by ERA in early 2021 with more recent increases in ERA's rehabilitation cost estimates. ERA are currently undertaking a revised assessment of rehabilitation costs and schedule. Once complete, the department will initiate an independent cost assessment as part of the process to determine the value of the rehabilitation security to be held by the department. In accordance with other obligations extending back to the mine's approval, ERA will be entitled to repayment of security funds for rehabilitation works from the Ranger Rehabilitation special account (refer Note 5.2) and other receivables. Repayments are expected to commence in 2022-23.

Given the high degree of judgement required to estimate future cash flows and the phasing of these cash flows, there is inherent uncertainty in establishing the liability, therefore it is likely that the final outcome will differ from the original liability established.

Northern Endeavour

The provision relates to the estimated cost of decommissioning the Northern Endeavour Floating Production Storage and Offtake facility and remediating the associated Laminaria-Corallina oil fields.

Decommissioning and remediation involves three phases of work. The Phase 1 cost estimate is based on contract costs for various work packages which are still being finalised. The cost estimate for phase 2 and 3 is based on an independent assessment undertaken in 2020 which had a low level of project definition and reference to subject market experts and other key stakeholders. The future approach to completion of Phase 2 and 3 works has not been detailed and therefore the final outcome will differ to the original liability established.

Department of Industry, Science, Energy and Resources

Notes to and forming part of the Financial Statements

5. Funding

This section identifies the department's funding structure.

5.1. Appropriations

Note 5.1A: Annual Appropriations ('Recoverable GST exclusive')

	2022 \$'000	2021 \$'000
Departmental		
Ordinary annual services		
Annual Appropriation ¹	653,257	607,020
Adjustments²		
PGPA Act - Section 74 receipts	116,532	75,883
PGPA Act - Section 75 transfers	(8,856)	(1,771)
Total	760,933	681,132
Appropriation applied (current and previous years)	726,577	674,036
Variance ³	34,356	7,096
Capital Budget⁴		
Annual Appropriation	27,432	29,119
Total	27,432	29,119
Appropriation applied (current and previous years)	25,698	27,179
Variance	1,734	1,940
Other services		
Equity Injection ¹	36,916	15,121
Adjustments		
PGPA Act - Section 75 transfers	-	(237)
Total	36,916	14,884
Appropriation applied (current and previous years)	20,073	9,073
Variance ³	16,843	5,811
Administered		
Ordinary annual services		
Administered items ¹	2,367,925	1,121,638
Payments to corporate Commonwealth entities ¹	1,418,870	1,321,816
Adjustments²		
PGPA Act 74 Appropriation Repayment	1,189	5,121
Advance to Finance Minister	-	-
PGPA Act - Section 75 transfers	(45,004)	(4,762)
Total	3,742,980	2,443,813
Appropriation applied (current and previous years)	2,711,255	2,092,283
Variance ³	1,031,725	351,530
Other Services		
Administered assets and liabilities	848,920	896,754
Payments to corporate Commonwealth entities	55,652	74,812
Adjustments		
Total	904,572	971,566
Appropriation applied (current and previous years)	965,128	710,826
Variance ³	(60,556)	260,740

Department of Industry, Science, Energy and Resources Notes to and forming part of the Financial Statements

Note 5.1A: Annual Appropriations ('Recoverable GST exclusive')

Notes:

1. Current year departmental appropriations withheld under section 51 of the PGPA Act are Appropriation Act (No.1) 2021-2022 \$2.620 million; and Appropriation Act (No.2) 2021-2022 \$0.588 million. No administered annual appropriations have been withheld under section 51 or quarantined for administrative reasons.
2. Adjustments to appropriations includes adjustments to current year annual appropriations including PGPA Act section 74 and PGPA Act section 75 transfers. Adjustments to current year administered appropriations include PGPA Act section 75 transfers of Appropriation Act (No.1) 2021-22 of \$30.777 million and NAIF Appropriation Act (No.1) 2021-22 of \$14.227 million.
3. Administered and Departmental variances at 30 June 2022 are due to drawdowns and repayments against prior year appropriations and undrawn current year appropriations.
4. Departmental Capital Budgets are appropriated through Appropriation Acts (No.1, 3, 5). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts.
5. No other entities spend money from the Consolidated Revenue Fund on behalf of the department.

Department of Industry, Science, Energy and Resources
Notes to and forming part of the Financial Statements

Note 5.1B: Unspent Annual Appropriations ('Recoverable GST exclusive')

	2022	2021
	\$'000	\$'000
Departmental		
Appropriation Act (No.1) 2019-20	5,000	7,939
Appropriation Act (No.2) 2019-20	-	727
Appropriation Act (No.1) 2020-21 Cash	-	1,787
Supply Act (No.1) 2020-21	-	7,540
Appropriation Act (No.1) 2020-21	2,364	87,675
Supply Act (No.1) 2020-21 - DCB	-	1,402
Appropriation Act (No.1) 2020-21 - DCB	-	4,301
Supply Act (No.2) 2020-21	-	988
Appropriation Act (No.2) 2020-21	-	6,748
Appropriation Act (No.3) 2020-21	-	9,974
Appropriation Act (No.4) 2020-21	-	4,800
Appropriation Act (No.1) 2021-22	120,162	-
Appropriation Act (No.1) 2021-22 - DCB	7,437	-
Appropriation Act (No.2) 2021-22	21,471	-
Appropriation Act (No.1) 2021-22 - Cash	2,782	-
Appropriation Act (No.3) 2021-22	12,769	-
Appropriation Act (No.4) 2021-22	8,382	-
Total departmental	180,367	133,881
Administered		
Appropriation Act (No.1) 2018-19	-	83,038
Appropriation Act (No.3) 2018-19	-	12,138
Supply Act (No.1) 2019-20	2,299	2,299
Appropriation Act (No.1) 2019-20	152,159	152,021
Supply Act (No.2) 2019-20	3,532	3,532
Appropriation Act (No.2) 2019-20	2,916	2,916
Appropriation Act (No.3) 2019-20	14,247	14,247
Appropriation Act (No.4) 2019-20	1,639	1,639
Appropriation Act (No.2) 2019-20 (CCE-CSIRO)	26,250	26,250
Supply Act (No.2) 2019-20 (CCE-CSIRO)	18,750	18,750
Supply Act (No.1) 2020-21	1,138	1,138
Appropriation Act (No.1) 2020-21	207,679	299,040
Supply Act (No.2) 2020-21	735	735
Appropriation Act (No.2) 2020-21	6,422	366,139
Supply Act (No.2) 2020-21 (CCE-CSIRO)	37,917	37,917
Appropriation Act (No.3) 2020-21	93,624	110,161
Appropriation Act (No.1) 2021-22	985,611	-
Appropriation Act (No.2) 2021-22	795	-
Appropriation Act (No.3) 2021-22	145,651	-
Appropriation Act (No.4) 2021-22	298,367	-
Total administered	1,999,731	1,131,960

Department of Industry, Science, Energy and Resources

Notes to and forming part of the Financial Statements

Note 5.1B: Unspent Annual Appropriations ('Recoverable GST exclusive')

- The balances in 5.1B Unspent Annual Appropriations include appropriations withheld under section 51 of the PGPA Act, which constitutes a permanent loss of control as well as temporarily quarantined amounts, as these have not been formally reduced by law prior to 30 June 2022.
- Unspent amounts in 2018-19 Appropriation Acts were repealed in 2021-22.
- Departmental appropriations reduced under section 51: Appropriation Act (No.1) 2019-20 by \$5.00 million; Appropriation Act (No.1) 2020-21 by \$2.364 million.
- Departmental prior year annual appropriations reduced under section 75 of the PGPA Act: Appropriation Act (No. 1) 2019-2020 \$2.939 million; Appropriation Act (No.1) 2020-2021 \$2.587 million; Appropriation Act (No.3) 2020-2021 \$0.668 million; and Appropriation Act (No.2) 2020-2021 \$0.253 million.
- No adjustments were made to departmental prior year unspent annual appropriations under section 74 of the PGPA Act.
- Administered appropriations reduced under section 51: Appropriation Act (No.1) 2019-20 by \$136.453 million; Appropriation Act (No.3) 2019-20 by \$0.515 million, Supply Act (No.1) 2019-20 by \$0.077 million, Appropriation Act (No.2) 2019-20 by \$2.916 million, Appropriation Act (No.4) 2019-20 by \$1.639 million, Supply Act (No.2) 2019-20 by \$2.032 million, Appropriation Act (No.1) 2020-21 by \$87.309 million, Appropriation Act (No.3) 2020-21 by \$33.852 million and Appropriation Act (No.2) 2020-21 by \$0.795 million.
- Administered appropriations reduced under Administrative Quarantines: Supply Act (No.1) 2019-20 by \$2.222 million, Appropriation Act (No.1) 2019-20 by \$14.638 million, Appropriation Act (No.3) 2019-20 by \$11.572 million, Appropriation Act (No.1) 2020-21 by \$87.615 million.
- Appropriations reduced under Administrative Quarantines: CSIRO Appropriation Act (No.2) 2019-20 (Loan) by \$26.250 million, CSIRO Supply Act (No.2) 2019-20 (Loan) by \$18.750 million and CSIRO Supply Act (No.2) 2020-21 (Loan) by \$37.917 million.
- Adjustments to prior year administered appropriations include PGPA Act section 74 receipts (repayments) of Appropriation Act (No.1) 2019-2020 \$0.137 million and Appropriation Act (No.1) 2020-2021 \$1.227 million.
- Adjustments to prior year administered appropriations include PGPA Act section 75 transfers of Appropriation Act (No.1) 2020-2021 of \$9.589 million.

Note 5.1C: Disclosure by Agent in Relation to Annual and Special Appropriations ('Recoverable GST exclusive')

	2022 \$'000	2021 \$'000
	Total payments	Total payments
Department of Health	34,809	38,326
Department of Defence	57,317	47,475
Department of Home Affairs	60,034	54,057
Total	152,160	139,858

Since 2015-16, the department has been delivering grants on behalf of other government agencies as part of the *Better Grants Administration* initiative. Payments were made from appropriations administered by these agencies in accordance with agreed arrangements. The related revenues, expenses, assets, liabilities and cash flows are disclosed in the financial statements of the relevant government agency responsible for the outcome.

Department of Industry, Science, Energy and Resources

Notes to and forming part of the Financial Statements

Note 5.1D: Special Appropriations Applied ('Recoverable GST exclusive')

Authority	Appropriation applied	
	2022 \$'000	2021 \$'000
<i>Automotive Transformation Scheme Act 2009</i> ¹	-	29,763
<i>Offshore Minerals Act 1994 (Act No. 28 of 1994)</i> ²	-	-
<i>Northern Australia Infrastructure Facility Act 2016</i> ³	-	190,220
<i>Offshore Petroleum and Greenhouse Gas Storage Act 2006</i>	40,204	41,044
<i>Australian Renewable Energy Agency Act 2011</i>	304,836	209,910
<i>Fuel Security Act 2021 s58</i>	12,446	-
<i>Public Governance, Performance and Accountability Act 2013 s.77</i>	1,957	1,501
Total special appropriation applied	359,443	472,438

1. The total amount of assistance paid in respect of a year must not exceed \$300 million.
2. Budget established but no actual transactions were recorded.
3. Balance transferred as part of the Machinery of government change, refer to Note 8.3.

The following special appropriations had zero transactions and budgets during the reporting and comparative year:

- *Carbon Credits (Carbon Farming Initiative) Act 2011*
- *Moomba-Sydney Pipeline System Sale Act 1994*
- *Science and Industry Endowment Act 1926*
- *Snowy Hydro Corporatisation Act 1997*
- *Space Activities Act 1998*
- *Space (Launches and Returns) Act 1998*
- *Textile, Clothing and Footwear Investment and Innovation Programs Act 1999*
- *Uranium Royalty (Northern Territory) Act 2009*
- *Offshore Electricity Infrastructure Act 2021*

Department of Industry, Science, Energy and Resources
Notes to and forming part of the Financial Statements

5.2. Special Accounts

Note 5.2A: Special Accounts ('Recoverable GST exclusive')

	Clean Energy Finance Corporation Special Account ¹		Services for Other Entities and Trust Moneys Account ²		National Offshore Petroleum Titles Administrator Special Account ³	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Balance brought forward from previous period	5,174,000	5,419,000	9,277	11,254	6,988	5,277
Increases						
Departmental	-	-	30	92	-	-
Administered	-	350,000	977	18	18,900	17,812
Total increases	-	350,000	1,007	110	18,900	17,812
Available for payments	5,174,000	5,769,000	10,284	11,364	25,888	23,089
Decreases						
Departmental	-	-	11	-	-	-
Administered	600,000	595,000	1,357	2,087	16,978	16,101
Total decreases	600,000	595,000	1,368	2,087	16,978	16,101
Total balance carried to the next period	4,574,000	5,174,000	8,916	9,277	8,910	6,988
Balance represented by:						
Cash held in entity bank accounts	-	-	-	-	-	-
Cash held in the Official Public Account	4,574,000	5,174,000	8,916	9,277	8,910	6,988
Total balance carried to the next period	4,574,000	5,174,000	8,916	9,277	8,910	6,988

	Innovation, Science and Technology – Donations, Bequests and Sponsorship Special Account ⁴		Australian Building Codes Board Special Account ⁵		Energy Special Account ⁶	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Balance brought forward from previous period	433	1,343	10,661	10,364	15,763	16,269
Increases						
Departmental	1,308	3,805	9,424	11,378	14,789	10,918
Departmental - Investments	959	191	-	-	-	-
Total increases	2,267	3,996	9,424	11,378	14,789	10,918
Available for payments	2,700	5,339	20,085	21,742	30,552	27,187
Decreases						
Departmental	1,308	3,805	10,247	11,081	18,034	11,424
Departmental - Investments	89	1,101	-	-	-	-
Total decreases	1,397	4,906	10,247	11,081	18,034	11,424
Total balance carried to the next period	1,303	433	9,838	10,661	12,518	15,763
Balance represented by:						
Cash held in entity bank accounts	1,303	433	151	165	-	-
Cash held in the Official Public Account	-	-	9,687	10,496	12,518	15,763
Total balance carried to the next period	1,303	433	9,838	10,661	12,518	15,763

Department of Industry, Science, Energy and Resources
Notes to and forming part of the Financial Statements

	Ranger Rehabilitation Special Account⁷	
	2022	2021
	\$'000	\$'000
Balance brought forward from previous period	533,936	530,761
Increases		
Administered - Investments	1,147,387	1,066,835
Total increases	1,147,387	1,066,835
Available for payments	1,681,323	1,597,596
Decreases		
Administered - Investments	1,146,073	1,063,660
Total decreases	1,146,073	1,063,660
Total balance carried to the next period	535,250	533,936
Balance represented by:		
Cash held in entity bank accounts	535,250	533,936
Total balance carried to the next period	535,250	533,936

Department of Industry, Science, Energy and Resources
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Footnote No.	Section of PGPA Act appropriated under	Establishing Instrument and Purpose of Special Account	Sunset Date of Special Account Determination
1	80	<i>Clean Energy Finance Corporation Act (2012), Sections 45, 47 – to provide a capital facility for the CEFC to invest directly and indirectly in clean energy technologies, and make payments to ARENA where authorised.</i>	N/A
2	78	<i>Determination 2021/711 – Services for Other Entities and Trust Moneys (SOETM), to enable the department to continue to hold and expend amounts on behalf of persons or entities other than the Commonwealth.</i>	30 June 2031
3	80	<i>Offshore Petroleum and Greenhouse Gas Storage Act 2006, to meet costs, expenses and other obligations related to the performance of the Titles Administrator's functions or the exercise of the Titles Administrator's powers.</i>	N/A
4	78	<i>PGPA Act Determination (Innovation, Science and Technology – Donations, Bequests and Sponsorship Special Account 2016) – Establishment, for expenditure to conduct activities to promote greater understanding and awareness of science, technology, engineering, mathematics, space and innovation within the community and to support science education and research which promotes related fields. Note that \$0.1 million (2020-21: \$0.1 million) in this special account is recognised as monies held in trust. This balance does not form part of the financial statements. Refer also to Note 8.2 Assets Held in Trust.</i>	1 October 2026
5	78	<i>PGPA Act Determination – Establishment of Australian Building Codes Board Special Account 2019, for expenditure towards creating nationally consistent building codes, standards, regulatory requirements, educational guidance materials and regulatory systems in design, construction and use of buildings.</i>	1 April 2030
6	78	<i>PGPA Act (Energy Special Account 2015-Establishment) Determination 2015/07, to conduct activities that contribute to policy development in the energy and resources sectors, including but not limited to energy market reform; energy efficiency; energy security; renewables and distributed energy generation; resources exploration and development; petroleum (oil and gas); clean energy technology; land access; mining and minerals; and other forms of resource extraction. This account is non-interest bearing.</i>	1 October 2025
7	78	<i>PGPA Act Determination – Establishment of Ranger Rehabilitation Special Account 2017, for expenditure relating to the rehabilitation of the ranger project area in accordance with the Ranger Uranium Project Government Agreement (as amended) between the Commonwealth and Energy Resources of Australia Limited. The Commonwealth held \$535.25 million at 30 June 2022 including amounts realised and automatically reinvested in term deposits under section 58 of PGPA Act.</i>	1 April 2027

On 2 June 2022 the *Offshore Infrastructure Registrar Special Account* commenced. The special account will be appropriated under section 80 of the PGPA Act and the purpose of the special account is to meet costs, expenses and other obligations related to the performance of keeping the Register of Offshore Infrastructure Licences and for various other administrative tasks. This special account has had zero transactions during 2021-22.

Department of Industry, Science, Energy and Resources
Notes to and forming part of the Financial Statements

5.3. Regulatory Charging Summary

	2022	2021
	\$'000	\$'000
Note 5.3A: Regulatory Charging Summary		
Amount applied		
Departmental		
Annual appropriations	3,009	3,095
Administered		
Annual appropriations	2,783	2,564
Total amounts applied	5,792	5,659
Expenses		
Departmental	3,792	3,990
Administered	16,851	15,785
Total expenses	20,643	19,775
Revenue		
Departmental	783	895
Administered	21,648	21,310
Total revenue	22,431	22,205

No amounts were written off in the current or prior period.

Regulatory charging activities:

Licensing and Appointments and Pattern Approval Laboratory

Documentation - <https://www.industry.gov.au/data-and-publications/national-measurement-institute-cost-recovery-implementation-statement>.

National Offshore Petroleum Titles Administrator Fee

Documentation - <https://www.nopta.gov.au/documents/nopta-cris-2022-nov21.pdf>

Greenhouse and Energy Minimum Standards (GEMS)

Documentation – the draft Cost Recovery Implementation Statement is being reviewed following the independent legislative review of the GEMS Act.

Commercial Building Disclosure (CBD)

Documentation – fees are generally not charged under the CBD Program except for two statutory fees, being for exemptions and accreditation of assessors – see www.cbd.gov.au for further information.

Department of Industry, Science, Energy and Resources
Notes to and forming part of the Financial Statements

5.4. Net Cash Appropriation Arrangements

	2022	2021
	\$'000	\$'000
Note 5.4A: Net Cash Appropriation Arrangements		
Total comprehensive income/(loss) - as per the Statement of Comprehensive Income	(9,178)	(31,478)
Plus: depreciation/amortisation of assets funded through appropriations (departmental capital budget funding and/or equity injections)	44,260	38,740
Plus: depreciation of right-of-use assets	32,791	34,521
Less: lease principal repayments	(28,505)	(31,488)
Net Cash Operating Surplus/ (Deficit)	39,368	10,295

The net cash appropriation note provides a comparison between the Department's surplus/deficit and funding arrangements. Non-corporate Commonwealth entities do not receive revenue appropriations for depreciation/amortisation expenses. This expenditure is funded through equity either in Departmental Capital Budget or Equity appropriations when the cash payment for capital expenditure is required.

As with the above practice, non-corporate Commonwealth entities do not receive revenue appropriations for the depreciation expenses related to right-of-use leased assets. However, the lease liability principal repayment, which is a Statement of Financial Position item, is funded through the revenue appropriation.

Department of Industry, Science, Energy and Resources

Notes to and forming part of the Financial Statements

6. People and Relationships

This section describes a range of employment and post-employment benefits provided to our people.

6.1. Employee Provisions

	2022	2021
	\$'000	\$'000
Note 6.1A: Employee Provisions		
Leave	124,168	125,546
Separations and redundancies	1,282	2,090
Total employee provisions	125,450	127,636

Note 6.1B: Administered - Employee Provisions

Leave	2,383	2,204
Total employee provisions	2,383	2,204

Accounting Policy

Liabilities for 'short-term employee benefits' and termination benefits expected to be wholly settled within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Leave

The liability for employee benefits includes provisions for annual leave and long service leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including the department's employee superannuation contribution rates to the extent that leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave has been determined by reference to the work of an actuary as at 30 June 2020 and management assessments as at 30 June 2022 relating to salary growth rates. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Separation and Redundancy

The department recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

Superannuation

The department's staff are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), the PSS accumulation plan (PSSap), the Australian Government Employees Superannuation Trust (AGEST) or other superannuation funds held outside the Australian Government.

The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap, AGEST and other non-government superannuation funds are defined contribution schemes.

The liability for the defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance's administered schedules and notes.

The department makes employer contributions to the employees' superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the Australian Government. The department accounts for the contributions as if they were contributions to defined contribution plans.

The liability for superannuation recognised as at 30 June represents outstanding contributions.

Department of Industry, Science, Energy and Resources

Notes to and forming part of the Financial Statements

6.2. Key Management Personnel Remuneration

Key Management Remuneration

	2022	2021
	\$000	\$000
Short-term employee benefits	2,651	2,578
Post-employment benefits	498	452
Other long-term employee benefits	137	46
Total Key Management Remuneration expenses	3,286	3,076

Key Management Personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly. The department has determined the KMP to be the Secretary and Deputy Secretaries of the department and the Portfolio Ministers.

The total number of KMP included in the above table is 7 (2021: 8). The number of KMP roles is 6 (2021: 7)

The above KMP remuneration excludes the remuneration and other benefits of the Portfolio Ministers. Portfolio Ministers' remuneration and other benefits are set by the Remuneration Tribunal and are not paid by the department.

6.3. Related party transactions

Related party relationships

The department is an Australian Government controlled entity. Related parties to the department are Key Management Personnel including the Portfolio Minister and Executives, and other Australian Government entities.

Transactions with related parties

Given the breadth of government activities, related parties may transact with the department in the same capacity as ordinary citizens. These transactions have not been separately disclosed in this note. There were no significant transactions with related parties during the year. All related party transactions were in the ordinary course of business and do not require separate disclosure.

Department of Industry, Science, Energy and Resources

Notes to and forming part of the Financial Statements

7. Managing uncertainties

This section analyses how the department manages financial risks within its operating environment.

7.1. Contingent assets and liabilities

Note 7.1A: Administered Contingent Assets and Liabilities

Unquantifiable Administered Contingencies

At 30 June 2022, the department had eight unquantifiable contingencies detailed below. It is not possible to estimate the amounts of eventual payments that may be required in relation to these claims.

Northern Endeavour decommissioning

The department is involved in legal proceedings relating to a secured creditors claim over the Northern Endeavour Floating Production Storage and Offtake facility. The outcome of the legal proceedings have not been settled.

Gorgon liquefied natural gas and carbon dioxide storage project — long-term liability

The Australian and Western Australian Governments have provided an indemnity to the Gorgon Joint Venture Partners (GJV) against independent third-party claims (relating to stored carbon dioxide) under common law following closure of the carbon dioxide sequestration project. The claims are subject to conditions equivalent to those set out in the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*. The Western Australian Government has indemnified the GJV, and the Australian Government has indemnified the Western Australian Government for 80 per cent of any amount determined to be payable under that indemnity.

Former British atomic test site at Maralinga

The Australian Government is responsible for 14 unlimited indemnities relating to the Maralinga Rehabilitation Project (1995-2000). In November 2009, the Australian Government agreed to the handback of the former nuclear test site - Maralinga section 400 - to the site's Traditional Owners, Maralinga Tjarutja. Under the terms of the *Maralinga Nuclear Test Site Handback Deed*, the Australian Government has indemnified the Maralinga Tjarutja people and the South Australian Government in respect of claims arising from test site contamination.

Australian Nuclear Science and Technology Organisation — indemnity

On 21 April 2016, the then Minister for Industry, Innovation and Science signed a Deed of Indemnity between the Australian Government, Australian Nuclear Science and Technology Organisation (ANSTO) and ANSTO Nuclear Medicine Pty Ltd (ANM), under which the Australian Government has formally agreed to indemnify ANSTO and ANSTO Officers, and ANM and ANM Officers, from any loss or liability arising from claims caused by ionising radiation. This deed will remain in place until April 2026.

Liability for costs incurred in a national liquid fuel emergency

The Australian Government has responsibility for the *Liquid Fuel Emergency Act 1984* (the Act). In addition, the Australian Government and state and territory governments have entered into an inter-governmental agreement (IGA) in relation to a national liquid fuel emergency (IGA 2006). Under the IGA, the Australian Government agrees to consult IGA parties on a likely shortage and, if necessary after those consultations, to advise the Governor-General to declare a national emergency under the Act.

The IGA also contains three areas where the Australian Government may incur expenses in the unlikely event of a national liquid fuel emergency. These relate to the direct costs of managing a liquid fuel emergency and include the possibility of the Australian Government reimbursing the state and territory governments for costs arising from their responses, and potential compensation for industry arising from Australian Government directions under the Act.

United States Strategic Petroleum Reserve Lease Agreement – Indemnity under certain conditions

On 3 June 2020, the Australian Government entered into a commercial leasing agreement with the United States Department of Energy relating to the storage of a fuel reserve in the United States Strategic Petroleum Reserve (US SPR).

Under the lease agreement, the Australian Government indemnifies the US SPR for any liabilities incurred (subject to certain exceptions) arising from or related to: the transportation of crude oil to the US SPR; third party claims made in connection with the drawdown or delivery of the oil; and customs duties, fees or other charges which may arise from the Australian Government's non-compliance with US Customs Law.

Department of Industry, Science, Energy and Resources

Notes to and forming part of the Financial Statements

Ranger uranium mine rehabilitation

The Australian Government approved the Ranger Uranium Mine in the late 1970s. ERA was authorised to mine uranium at Ranger until 2021, and is required to rehabilitate the site to achieve an environmental condition similar to adjacent areas. Pursuant to the Renegotiated Section 44 Agreement between the Australian Government and the Northern Land Council, the Australian Government has a responsibility to carry out rehabilitation works at Ranger should ERA fail to complete. The Government holds a rehabilitation security for this purpose, which is revalued periodically based on estimated rehabilitation costs at a point in time. At reporting date, the Government may not hold the full amount of security required to settle the estimated costs of rehabilitation as this is subject to Ministerial approval process and payment by ERA.

National Radioactive Waste Management Facility - Site selection process

The department is involved in legal proceedings before the Federal Court in relation to the National Radioactive Waste Management Facility - Site selection process.

Department of Industry, Science, Energy and Resources

Notes to and forming part of the Financial Statements

7.2. Financial Instruments

	2022 \$'000	2021 \$'000
Note 7.2A: Categories of Financial Instruments		
Financial assets at amortised cost		
Cash and cash equivalents	26,420	28,603
Trade and other receivables	30,685	30,224
Accrued revenue	241	178
Total financial assets at amortised cost	57,346	59,005
Total financial assets	57,346	59,005
Financial liabilities measured at amortised cost		
Suppliers	68,557	56,070
Grants payable	5,800	695
Other payables	1,922	2,485
Total financial liabilities measured at amortised cost	76,279	59,250
Total financial liabilities	76,279	59,250

Note 7.2B: Net Gains or Losses

The net gains/losses on financial instruments are immaterial.

Accounting Policy

Financial assets

The department classifies its financial assets into the following categories:

- financial assets at fair value through other comprehensive income; and
- financial assets measured at amortised cost.

The classification is based on both the department's business model for managing the financial assets and contractual cash flow characteristics at the time of initial recognition. Financial assets are recognised when the department becomes a party to the contract and, as a consequence, has a legal right to receive or a legal obligation to pay cash and are derecognised when the contractual rights to the cash flows from the financial asset expire or are transferred upon trade date.

Financial Assets at Amortised Cost

Financial assets included in this category are loans and receivables based on the following:

- the financial asset is held in order to collect the contractual cash flows; and
- the cash flows are solely payments of principal and interest (SPPI) on the principal outstanding amount.

Amortised cost is determined using the effective interest method.

Effective Interest Method

Income is recognised on an effective interest rate basis for financial assets that are recognised at amortised cost.

Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI)

Financial assets measured at fair value through other comprehensive income are administered investments held on behalf of the Australian Government for policy purposes.

Impairment of Financial Assets

The department uses an 'expected credit loss' (ECL) model. Financial assets are assessed for impairment at the end of each reporting period based on the ECL model.

Both loans and receivables are assessed for impairment at the end of each reporting period. The department has adopted the general approach to measure the impairment loss allowance for its administered loans. For trade and other receivables, the simplified approach has been adopted in measuring the impairment loss allowance at an amount equal to the lifetime ECL.

A write-off constitutes a derecognition event where the write-off directly reduces the gross carrying amount of the financial asset.

Financial liabilities

Financial Liabilities at Amortised Cost

The department classifies all its financial liabilities as measured at amortised cost, including recognising a provision for commitments to provide loans at concessional rates of interest.

Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

Department of Industry, Science, Energy and Resources
Notes to and forming part of the Financial Statements

7.3. Administered – Financial Instruments		
	2022	2021
	\$'000	\$'000
Note 7.3A: Categories of Financial Instruments		
Financial assets at amortised cost		
Cash and cash equivalents	5,126,964	5,724,108
Grant recoveries and other receivables	890,632	59,454
Loans - amortised cost	134,584	391,352
Total financial assets at amortised cost	6,152,180	6,174,914
Financial assets at fair value through other comprehensive income (FVOCI)		
Administered investments	19,400,790	20,345,401
Total financial assets at fair value through other comprehensive income	19,400,790	20,345,401
Total financial assets	25,552,970	26,520,315
Financial Liabilities		
Financial Liabilities measured at amortised cost		
Grants and subsidies payable	27,439	90,832
Suppliers payable	38,490	28,784
Other payables	295	1,499
Loan commitment provision	-	291,115
Total financial liabilities measured at amortised cost	66,224	412,230
Total financial liabilities	66,224	412,230
Note 7.3B: Net Gains or Losses on Financial Assets		
Financial assets at amortised cost		
Interest revenue	9,350	21,110
Dividends	163,638	122,700
Impairment	(263)	(23,312)
Net gains on financial assets at amortised cost	172,725	120,498
Financial assets at fair value through other comprehensive income		
Change in fair value	(2,491,770)	623,968
Net gains/(losses) on financial assets at fair value through other comprehensive income	(2,491,770)	623,968
Net gains/(losses) on financial assets	(2,319,045)	744,466

Department of Industry, Science, Energy and Resources

Notes to and forming part of the Financial Statements

Note 7.3C: Credit Risk

The department is exposed to credit risk through its financial assets of loans and trade receivables. The maximum exposure to credit risk arises from potential default of all debtors. The carrying amount of loans and trade receivables, net of impairment allowance, represents the department's maximum exposure to credit risk.

The department has adopted the general approach prescribed under AASB 9 Financial Instruments to measure the expected credit losses (ECLs) for its administered loans. ECLs are based on an assessment of change in credit risk since initial recognition for each loan. If the credit risk on the loan has increased significantly since initial recognition then the impairment allowance is measured on the basis of lifetime ECLs. If the credit risk on the loan has not increased significantly since initial recognition then the impairment allowance is based on ECLs over the next 12 months.

The department assesses the significant increase in credit risk for each loan by considering (but not limited to) the following information:

- Information published in borrower annual statements
- Changes to borrower ratings by external credit rating agency
- Changes to borrower financial support from related entities or financial institutions
- Expected or potential breaches of loan covenants
- Expected delay in repayment
- Changes in general economic or market conditions

For trade receivables, the simplified approach has been adopted in measuring the impairment loss allowance at an amount equal to lifetime ECL. The department has measured the impairment allowance by applying expected default rates to the trade receivable ageing balances at the end of the reporting period. The expected default rates take into account both historical losses and forward-looking information relating to trade receivables.

Financial assets are considered to be credit impaired if one or more events that have a detrimental effect on the estimated future cash flows have already occurred. The department considers the following indicators to determine whether the asset is credit impaired or not at the reporting date:

- Actual breach in making a loan repayment
- Granting of concession or repayment holiday to the debtor due to financial difficulty
- Likelihood that the debtor will enter bankruptcy

In cases of non-recovery of outstanding debts, the department records the write-off event in accordance with its debt management policy in the financial statements.

Note 7.3D: Liquidity Risk

The department's administered financial liabilities include grants and suppliers payable. The exposure to liquidity risk is based on the notion that the department will encounter difficulty in meeting its obligations associated with administered financial liabilities. This is highly unlikely due to appropriation funding mechanisms available to the department and internal policies and procedures to ensure appropriate resources exist to meet any financial obligations.

Note 7.3E: Market Risk

The department's exposure to interest rate risk is primarily from its loans (at amortised cost). Interest rate risk refers to the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. However, the effect on profit and loss is assessed as immaterial given the value of these financial instruments as at 30 June 2022.

Department of Industry, Science, Energy and Resources

Notes to and forming part of the Financial Statements

7.4. Fair Value Measurement

The following tables provide an analysis of assets and liabilities that are measured at fair value. The remaining assets and liabilities in the statement of financial position do not apply the fair value hierarchy.

The different levels of the fair value hierarchy are defined below.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Recurring and non-recurring fair value measurements – unobservable inputs for the asset or liability.

Accounting Policy

The department's valuation methodologies for its non-financial assets are provided by its independent valuer, which have been developed in accordance with AASB 13 Fair Value Measurement. The department tests the procedures of the valuation model as an internal management review at least once every 12 months (with a formal valuation undertaken once every three years). If a particular asset class experiences significant and volatile changes in fair value (i.e. where indicators suggest that the value of the class has changed materially since the previous reporting period), that class is subject to specific valuation in the reporting period, where practicable, regardless of timing of the last valuation.

Note 7.4A: Fair Value Measurements, Valuation Techniques and Inputs Used

Fair value measurements at the end of the reporting period by hierarchy for assets and liabilities in 2022

	Fair value measurements at the end of the reporting period	
	2022	2021
	\$'000	\$'000
Non-financial assets:		
Buildings	45,598	46,340
Leasehold improvements	49,646	56,306
Infrastructure, plant and equipment ¹	6,716	10,521
Infrastructure, plant and equipment ²	8,012	10,484
Laboratory equipment ¹	146	-
Laboratory equipment ²	25,631	24,011
Total fair value measurements of assets in the statement of financial position	135,749	147,662

1. The balance of Infrastructure, plant and equipment and Laboratory equipment are categorised as level 2.

2. The balance of buildings, leasehold improvements, infrastructure, plant and equipment and Laboratory equipment are categorised as level 3.

Department of Industry, Science, Energy and Resources
Notes to and forming part of the Financial Statements

7.5. Administered – Fair Value Measurement

Note 7.5A: Administered Fair Value Measurements, Valuation Technique and Inputs Used

Fair value measurements at the end of the reporting period by hierarchy for assets and liabilities

	Fair value measurements at the end of the reporting period		Category (Level 1, 2, or 3)	For Levels 2 and 3 fair value measurements
	2022 \$'000	2021 \$'000		Valuation technique(s) \$'000
Financial assets:				
Other investments - Snowy Hydro Limited	8,250,000	11,000,000	Level 3	Discounted cash flow
Other investments - Various	11,150,790	9,345,401	Level 3	Net asset balance
Total financial assets	19,400,790	20,345,401		
Non-financial assets:				
Infrastructure, plant and equipment ¹	50	160	Level 2	Market approach
Land	548	-	Level 3	Market approach
Buildings	347	564	Level 3	Depreciated replacement cost
Total non-financial assets	945	724		
Total fair value measurements of assets in the administered schedule of assets and liabilities	19,401,735	20,346,125		

1. Prices derived from observed transactions of similar equipment.

Note 7.5B: Administered Reconciliation for Recurring Level 3 Fair Value Measurements

Recurring Level 3 fair value measurements - reconciliation

	Financial assets		Non-financial assets	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Opening balance	20,345,401	18,901,362	564	786
Total gains/(losses) recognised in other comprehensive income	(2,491,770)	623,969	-	-
(Disposals)/ Additions (including Restructuring)	-	-	556	4
Investment contributions	1,558,515	1,193,572	-	-
Distributions	(11,356)	(373,502)	-	-
Depreciation	-	-	(225)	(226)
Closing balance	19,400,790	20,345,401	895	564

Department of Industry, Science, Energy and Resources

Notes to and forming part of the Financial Statements

8. Other Information

This section provides other disclosures relevant to the department's financial environment for the year.

8.1. Aggregate Assets and Liabilities

	2022	2021
	\$'000	\$'000
Note 8.1A: Current/Non-current Distinction for Assets and Liabilities		
Assets expected to be recovered in:		
No more than 12 months		
Cash and cash equivalents	26,420	28,603
Trade and other receivables	224,678	158,607
Accrued revenue	241	178
Inventories	1,962	2,119
Prepayments	13,018	5,415
Total no more than 12 months	266,319	194,922
More than 12 months		
Buildings and leasehold improvements	341,441	379,550
Infrastructure, plant and equipment	15,712	22,866
Laboratory equipment	25,939	24,216
Intangibles	83,778	71,199
Prepayments	2,202	2,754
Total more than 12 months	469,072	500,585
Total assets	735,391	695,507
Liabilities expected to be settled in:		
No more than 12 months		
Suppliers	68,557	56,070
Grants	5,800	695
Other payables	15,979	11,661
Leases	27,758	29,804
Employee provisions	45,677	44,804
Other provisions	1,264	2,380
Total no more than 12 months	165,035	145,414
More than 12 months		
Leases	229,271	254,708
Employee provisions	79,773	82,832
Other provisions	518	561
Total more than 12 months	309,562	338,101
Total liabilities	474,597	483,515

Department of Industry, Science, Energy and Resources
Notes to and forming part of the Financial Statements

Note 8.1B: Administered Current/Non-current Distinction for Assets and Liabilities

	2022	2021
	\$'000	\$'000
Assets expected to be recovered in:		
No more than 12 months		
Cash in special accounts	5,126,964	5,724,108
Trade and other receivables	290,383	19,624
Other investments	900	-
Accrued revenue	81,628	63,076
Inventories	33,387	-
Prepayments	211	410
Total no more than 12 months	5,533,473	5,807,218
More than 12 months		
Trade and other receivables	744,264	440,900
Other investments	19,399,890	20,345,401
Land	548	-
Buildings	802	1,900
Infrastructure, plant and equipment	50	160
Intangibles	4,329	3,579
Inventories	-	102,668
Total more than 12 months	20,149,883	20,894,608
Total assets	25,683,356	26,701,826
Liabilities expected to be settled in:		
No more than 12 months		
Suppliers	38,490	28,784
Grants	27,439	90,832
Other payables	295	1,499
Leases	179	918
Employee provisions	843	747
Loan commitment provision	-	90,737
Rehabilitation provision	525,865	138,788
Total no more than 12 months	593,111	352,305
More than 12 months		
Leases	283	463
Employee provisions	1,540	1,457
Loan commitment provision	-	200,378
Rehabilitation provision	1,526,472	452,839
Total more than 12 months	1,528,295	655,137
Total liabilities	2,121,406	1,007,442

Department of Industry, Science, Energy and Resources
Notes to and forming part of the Financial Statements

8.2. Assets held in Trust

Note 8.2A: Assets Held in Trust

The department holds assets in trust in relation to Innovation, Science and Technology - Donations, Bequests and Sponsorships Special Account. These funds are held for the provision of an annual public lecture on astronomy, PhD scholarships and visits to the Australian Astronomical Observatory by researchers based at United Kingdom institutions. The funds were provided from external sources.

	2022 \$'000	2021 \$'000
Innovation, Science and Technology - Donations, Bequests and Sponsorships Special Account		
As at 1 July	133	576
Receipts	-	-
Payments	-	(443)
Total as at 30 June	133	133
Total monetary assets held in trust	133	133

Department of Industry, Science, Energy and Resources

Notes to and forming part of the Financial Statements

8.3. Restructuring

1. The Northern Australia policy and coordination and the *Northern Australia Infrastructure Facility Act 2016* was relinquished to the Department of Infrastructure, Transport, Regional Development and Communications during 2021-22 as a result of the Administrative Arrangements Order on 18 March 2021, with effect from 2 July 2021.
2. The Small Business policy and programs were relinquished to the Department of the Treasury during 2020-21 as a result of the amended Administrative Arrangements Order on 15 April 2021 with effect from 10 June 2021. Appropriations transferred by determination in 2021-22.

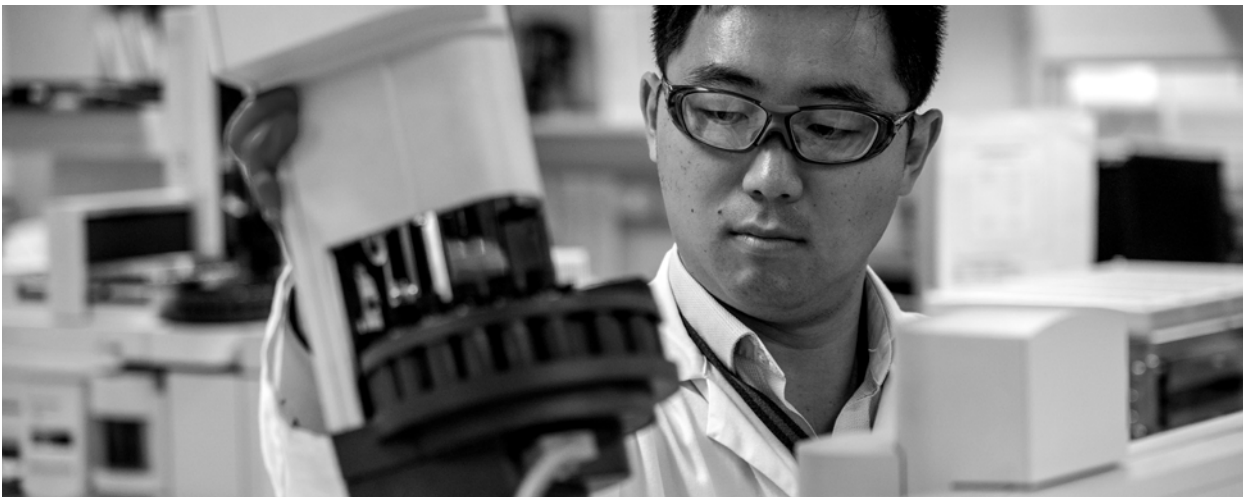
No functions were assumed during the period (2021: nil).

Note 8.3A: Departmental Restructuring

	RELINQUISHED		RELINQUISHED
	2022 Northern Australia policy Department of Infrastructure, Transport, Regional Development and Communications ¹ \$'000	2022 Small Business Department of the Treasury ² \$'000	2021 Small Business Department of the Treasury ² \$'000
FUNCTIONS			
Assets			
Appropriation receivables	668	5,780	-
Infrastructure, plant & equipment	-	-	393
Intangibles	-	-	2,325
Right of use assets	-	-	321
Total assets	668	5,780	3,039
Liabilities			
Employee provisions	668	-	2,939
Payables	-	-	131
Make good provision	-	-	147
Lease Liabilities	-	-	312
Total liabilities	668	-	3,529
Net assets/(liabilities)	-	5,780	(490)

Note 8.3B: Administered Restructuring

	RELINQUISHED	RELINQUISHED
	2022 Northern Australia policy Department of Infrastructure, Transport, Regional Development and Communications ¹ \$'000	2021 Small Business Department of the Treasury ² \$'000
FUNCTIONS		
Assets		
Trade and other receivables	269,492	-
Total assets	269,492	-
Liabilities		
Suppliers payables	-	20
Loan commitment provision	291,115	-
Total liabilities	291,115	20
Net assets/(liabilities)	(21,623)	(20)



CHAPTER 5

DEPARTMENTAL APPENDICES

Appendix A1: Other legislative requirements

Australian Jobs Act 2013

The *Australian Jobs Act 2013* (the Jobs Act) commenced on 27 December 2013. It is accompanied by the Australian Jobs (Australian industry Participation) Rule 2014. The Jobs Act's primary objective is to provide full, fair and reasonable opportunity for Australian entities to participate in major Australian projects.

- Full opportunity: Australian industry has the same opportunity as other global supply chain partners to participate in all aspects of an investment project (for example, design, engineering and project management).
- Fair opportunity: Australian industry is provided the same opportunity as global suppliers to compete on an equal and transparent basis, including being given reasonable and equal time to tender.
- Reasonable opportunity: tenders are free from non-market burdens (such as standards) that might rule out Australian suppliers.

The Jobs Act requires the development and implementation of an Australian Industry Participation (AIP) plan for each eligible major project with capital expenditure of \$500 million or more. This could be a public or private project. Section 83 of the Jobs Act requires that the Australian Industry Participation Authority prepare an annual report on its operations. This report addresses that requirement for 2021–22.

The Australian Industry Participation Authority and the Jobs Act

The Jobs Act establishes a statutory position, the Australian Industry Participation Authority (the Authority). On 8 December 2020, the Minister for Industry, Science and Technology appointed Bruce Wilson, Head of the Industry Growth Division, as the acting AIP Authority for a 12-month term, commencing 18 January 2021. On 23 August 2021, the Minister for Industry, Science and Technology appointed Donna Looney, Acting Head of the Industry Growth Division, as the acting AIP Authority for a 12-month term, commencing 2 September 2021.

The authority's role is to:

- ensure compliance with the Jobs Act
- evaluate, approve and publish summaries of AIP plans
- monitor the implementation of those plans.

AIP plans apply the AIP National Framework principles.

AIP plans require project proponents to:

- maintain an understanding of Australian industry capability
- list the goods and services to be procured
- list the contact details and websites where suppliers can find information
- provide transparency of pre-qualifications and standards used on the project
- offer feedback that includes areas for capability improvement and training
- undertake actions to encourage and facilitate capability development, for example provide reference reports, connections to global supply chains, and technology transfer.

In 2021–22, the authority approved 32 AIP plans for major projects, with total capital expenditure of more than \$25 billion. Projects are predominantly in the resources, infrastructure, power generation and commercial construction sectors. AIP plan summaries are published at www.industry.gov.au/aip.

The Jobs Act requires 6-monthly compliance reporting on the AIP plan for the project's construction phase and for the first 2 years of the operations phase for new facilities. In December 2020, a SmartForm was introduced to digitalise and streamline the AIP plan and compliance reporting process. The compliance reporting part of the SmartForm was launched in June 2021. This has reduced the administrative burden on regulated entities. In 2021–22 the authority received, evaluated and accepted 123 AIP plan compliance reports.

Monitoring

The authority uses a number of strategies to encourage major project proponents to comply with the Jobs Act. These include promoting awareness of the Jobs Act, engaging with project proponents to promote compliance, and monitoring compliance. In 2021–22, the Authority commenced the creation and distribution of the AIP Bulletin, which provides project proponents with information and tips on aspects of the Jobs Act, and highlights successful projects with case studies. The acting AIP Authority has spoken at major conferences to raise awareness about Jobs Act obligations. In 2021–22, the acting AIP Authority spoke at the NSW Major Projects Conference and the Australian Steel Association Conference.

The Authority's monitoring of industry activity for compliance with the Jobs Act is ongoing. Information on major projects is gathered from a range of publicly available and internal sources. In 2021–22, the Authority:

- wrote to 25 project proponents, alerting them to their potential obligations under the Jobs Act and providing guidance on meeting their obligations
- received formal notification of 47 major projects with current or future obligations under the Jobs Act.

Self-assessment

The authority ran its fifth evaluation survey in 2021–22 to obtain feedback and comments on its performance from stakeholders that had their AIP plans and first compliance reports approved in 2021–22 under the Jobs Act. Survey respondents were generally positive about the SmartForms, with 70% of respondents rating the AIP plan as 'easy' or 'very easy' to complete. Respondents liked the more logical flow of questions, the pre-populated responses to questions and the ability to send the SmartForm electronically to another team member. The overall Jobs Act compliance burden was rated as 'manageable' or 'insignificant' by 100% of respondents.

The authority continued to look for ways to streamline its processes and reduce the compliance burden on regulated entities. The authority has been able to replace its paper-based approval processes with online approvals using SmartForm. For proponents, the SmartForm AIP plan has automated the manual process of compiling a summary of the AIP plan for publication.

Industry Capability Network Limited

The Industry Capability Network (ICN) Limited supports the AIP National Framework by managing a national database of industry capability and project opportunities known as the ICN Gateway. The database connects potential Australian suppliers to public and private project opportunities. We provide annual funding to ICN Limited to deliver national coordination and IT support for the ICN.

During the year, the departmental funding assisted ICN Limited to deliver on its strategic milestones, including revamping the gateway website to provide a better search capacity, and delivering ICN procurement to make it easier for businesses of all sizes, particularly local SMEs, to collaborate on major projects from procurement to payment.

During the year, ICN Limited also continued to operate a new pilot industry capability register designed to help Australian manufacturers quickly and easily connect with suppliers on our behalf. Known as Capability Connection, the register was launched on 24 May 2021 and is available for businesses located in Greater Melbourne, southeast Queensland and Townsville.

The authority manages funding for ICN Limited under the Australian Jobs (Australian Industry Participation) Rule 2014.

Commonwealth procurements, grants and investments: The Australian Government applies the key principles of the Australian Industry Participation National Framework to provide Australian industry with full, fair and reasonable opportunity to participate in Commonwealth-funded projects. It applies key principles from the Australian Industry Participation National Framework to:

- Australian Government procurements through the Australian Industry Participation Plans for Government Procurement
- grants through the Commonwealth Grants Rules and Guidelines 2017
- loans and investments by the Clean Energy Finance Corporation and the Northern Australia Infrastructure Facility through their mandates
- payments to state and territory governments for large infrastructure projects through the National Partnership Agreement on Land Transport.

Under the Commonwealth Australian Industry Participation policy, an Australian Industry Participation plan may be required from successful tenderers and funding recipients for projects where there is Commonwealth funding of \$20 million or more.

The team responsible for implementing policy has continued to look for ways to streamline its processes and reduce the compliance burden on regulated entities. The team has also developed and implemented a new case management database in which all Commonwealth procurements, grants and investments are recorded, and data can be analysed.

In 2021–22, 24 AIP plans were approved for Commonwealth-funded projects (refer to Table 22).

We publish summaries of AIP plans at www.industry.gov.au/aip.

Table 22: 2021–22 AIP plan statistics for Commonwealth funding

AIP plans for Commonwealth procurements	
Number of AIP plans approved	8
Number of determinations that a proposed approach to market has an AIP plan requirement	5
Number of determinations that a proposed approach to market is exempt from AIP plan requirements	15
Number of determinations with an AIP clause requirements	7
AIP plans for Commonwealth grants and Commonwealth-funded infrastructure projects	
Number of AIP plans approved	12
Number of determinations that a grant has an AIP plan requirement	2
Number of grants and projects exempted from AIP plan requirements	0
Number of determinations with an AIP clause requirements	5
AIP plans for Commonwealth investments – Clean Energy Finance Corporation	
Number of AIP plans approved	2
Number of investments exempted from AIP plan requirements	3
AIP plans for Commonwealth investments – NAIF	
Number of AIP plans approved	2
Number of investments exempted from AIP plan requirements (due to already having a state or territory local industry participation plan)	1

Fuel Quality Standards Act 2000

Section 71 of the *Fuel Quality Standards Act 2000* (the Act) requires the Minister for Climate Change and Energy to prepare an annual report on the operation of the Act. This section meets this requirement for 2021–22.

Purpose of the Act

The Act requires the fuel industry, including fuel suppliers, to provide fuel that meets the requirements of the fuel quality standards for all grades of petrol, automotive diesel, biodiesel, ethanol E10, ethanol E85 and autogas.

Review of the legislative instruments under the Act

No legislative instruments were remade under the Act during 2021–22.

In April 2022, we consulted with the Fuel Standards Consultative Committee (FSCC) on bringing forward improvements to the sulfur limit in Australian petrol from 2027 to 2024. The Australian Government implemented this change in July 2022. This will improve air quality, reducing health costs due to air pollution exposure by an estimated \$840 million.

Section 13 approvals

In total, a delegate for the Minister granted 21 variations/new approvals under section 13 of the Act, allowing fuel suppliers to provide fuels that vary from a fuel standard for a specified reason and period. This comprised:

- a new approval for a specialist racing fuel provider to supply varied petrol until 30 June 2024.
- six variations for specialist racing fuel providers, extending their approvals to supply varied petrol for one year to 30 June 2023
- six variations for domestic biodiesel suppliers, extending their approvals to supply diesel containing up to 20% biodiesel (B20) for one year to 31 December 2022
- four variations for domestic fuel producers/importers, extending their approvals to supply diesel with up to 5% biodiesel (B5) with varied parameters, and to supply diesel up to 20% biodiesel (B20) for one year to 31 December 2022
- four variations for the major domestic fuel producers/importers, extending their approvals to supply varied automotive diesel. This assisted refineries in managing operational issues associated with COVID-19 travel restrictions for one year to 30 June 2023. Major importers have been included as a practicality due to co-mingled storage of refinery and imported stock.

Compliance and enforcement

The National Measurement Institute (NMI) conducts monitoring, compliance and enforcement activities to detect and respond to non-compliance of fuels under the Act and Fuel Quality Standards Regulations 2019. During 2021–22, NMI officers visited 384 retail fuel sites and acquired a total of 596 samples for laboratory testing as part of the Fuel Quality Monitoring Program. Where they detected non-compliance, the NMI took action to ensure fuel supplied complied with the requirements of the Act. Table 23 summarises the results of the program.

Table 23: Statistics on fuel sampling under the *Fuel Quality Standards Act (2000)*, 2021–22

Actions	2021–22
Number of fuel sites tested	384
Number of samples laboratory tested	596
Number of non-compliant samples	19
Percentage of samples non-compliant	3%
Number of ethanol labelling breaches	2

In 2021–22, NMI commenced a new approach by laboratory testing all samples. This provides specific fuel quality parameter data across the pool (see Tables 24 and 25).

Table 24: Fuel Quality Standards Act (2000) testing results – Key petrol parameters 2021–22

	Number of samples	Average sulfur content (mg/kg)	Average aromatics content (% v/v)	Average ethanol content (% v/v)
91 RON (Research Octane Number)	210	43.4	26.2	N/A
95 RON	54	19.7	32.6	N/A
98 RON	76	15.4	37.0	N/A
E10	53	32.2	23.9	8.8

Table 25 provides the results of key diesel parameters, split by diesel and premium diesel.

Table 25: Fuel Quality Standards Act (2000) testing results – Key diesel parameters 2021–22

	Number of samples	Average sulfur content (mg/kg)	Average Cetane index	Average PAHs* (% m/m)
Regular Diesel	153	7.0	52.1	2.9
Premium Diesel	49	7.2	51.1	3.3

*Polycyclic aromatic hydrocarbons

The sampling conducted by NMI provides results generally in line with the Australian Institute of Petroleum voluntary reporting results for 2021 (see Tables 27 and 28).

Compliance in previous years

Prior to 2021–22, NMI undertook on-site screening using spectral fuel analysis, which indicates whether a fuel is compliant but does not provide results for all parameters (see Table 26).

Table 26: Spectral fuel analysis testing results under the *Fuel Quality Standards Act 2000*, 2017–18 to 2020–21

Actions	2017–18	2018–19	2019–20*	2020–21*
Number of retail fuel sites visited	311	363	274	346
Number of compliant tests	778	1,380	985	1,131
Number of non-compliant tests	16	13	10	7
Percentage of non-compliant tests (%)	2.06	0.94	1.02	0.62
Number of ethanol labelling breaches ⁹	4	7	0	0

*Due to the COVID-19 pandemic, travel restrictions limited where NMI officers could visit to conduct fuel sampling tests

Voluntary industry reporting

In 2019, the Australian Institute of Petroleum and its four member companies (Ampol Limited, BP Australia Pty Ltd, Mobil Oil Australia Pty Ltd and Viva Energy Australia Pty Ltd) agreed to report to the Australian Government the aromatics and sulfur content of the petrol they sold each calendar year. Reporting includes imported and locally manufactured petrol. This reporting covers around 90% of transport fuel supplied nationally.

Table 27 lists the pool average, maximum and minimum sulfur content for each batch of the three grades of petrol – 91 Research Octane Number (RON), 95 RON and 98 RON – supplied by the Australian Institute of Petroleum member companies in 2020 and 2021.

Table 27: Pool average, maximum and minimum sulfur levels in Australian petrol, – 2020 and 2021 – as reported by the Australian Institute of Petroleum

Petrol Type	2020				2021		
	Limit (mg/kg max.)	Pool average (mg/kg)	Minimum (mg/kg)	Maximum (mg/kg)	Pool average (mg/kg)	Minimum (mg/kg)	Maximum (mg/kg)
91 RON	150	44.9	1	149	49.1	1	150
95 RON	50	20.2	1	50	20.8	1	49
98 RON	50	21.5	1	50	18.9	1	49

Table 28 lists the pool average, maximum and minimum aromatics content for each batch of the three grades of petrol – 91 RON, 95 RON and 98 RON – supplied by the Australian Institute of Petroleum member companies in 2020 and 2021.

⁹ The Fuel Quality Standards (Ethanol) Information Standard 2019 requires one of the following to be clearly displayed on any fuel pump at the service station dispensing an ethanol blend:

- (a) the words “Contains up to x% ethanol”, where x is no less than the percentage of ethanol in the ethanol blend.
- (b) the words “Contains y% ethanol”, where y is the percentage of ethanol in the ethanol blend.

Table 28. Pool average, maximum and minimum aromatics levels in petrol, – 2020 and 2021 – as reported by the Australian Institute of Petroleum

2020				2021			
Petrol Type	Limit (% v/v.)	Pool average (% v/v)	Minimum (% v/v)	Maximum (% v/v)	Pool average (% v/v)	Minimum (% v/v)	Maximum (% v/v)
91 RON	45 max, 35 max pool average across all grades ¹⁰	26.5	1	44	25.3	2	43
95 RON	As above	31.9	21	45	31.0	19	44
98 RON	As above	40.2	23	45	39.4	25	45
Total pool	As above	30.1	1	45	29.1	2	45

Fuel Standards Consultative Committee

Section 24 of the Act establishes the FSCC. The Minister for Climate Change and Energy must consult and/or notify the FSCC of various matters required by the Act. The FSCC is made up of representatives from the Australian and state and territory governments, fuel producers (including producers of alternative and renewable fuels), car and truck manufacturers, consumers and an environment protection organisation.

Financial information

The 2021–22 operating costs for administering the Act were \$1,855,136.42 including staff salaries and allowances, consultancies, advertising and other related expenses.

Greenhouse and Energy Minimum Standards Act 2012

This section is prepared in accordance with section 175 of the *Greenhouse and Energy Minimum Standards Act 2012* (GEMS Act). It covers the operation of the GEMS Act from 1 July 2021 to 30 June 2022.

The GEMS Act supports the development and adoption of appliances and equipment that use less energy and result in fewer greenhouse gas emissions than competing products.

Operation

Equipment Energy Efficiency Program

We administer the GEMS Act through the GEMS Regulator, and implement the Equipment Energy Efficiency (E3) Program in Australia.

The E3 Program is an initiative of the Australian Government, states and territories, and the New Zealand Government. It promotes energy efficiency and lower greenhouse gas emissions by enabling consumers and businesses to make more informed choices.

The E3 Program primarily operates through:

- minimum energy performance standards, which establish mandatory energy performance levels for appliances and equipment
- energy rating labels, which provide information about appliance and equipment energy efficiency.

¹⁰ From 1 January 2022. Up until 31 December 2021, the aromatics limit was a 45% maximum, with a 42% max pool average across all grades.

Determinations

At 30 June 2022, 22 determinations were in force under the GEMS Act. Determinations are legislative instruments that specify the minimum energy performance standards and labelling requirements for products regulated under the GEMS Act.

Governance

The department and the GEMS Regulator work cooperatively with state and territory agencies to administer the GEMS Act and develop the E3 Program under an intergovernmental agreement. Australia also collaborates on energy efficiency standards with New Zealand through a policy framework and funding arrangement for the E3 Program, ensuring the greatest net benefit for both countries.

The Energy Technology Working Group oversees the E3 Program and reports to the Energy Senior Officials Meeting. The Energy Technology Working Group comprises representatives from the Australian Government, state and territory government agencies, and the New Zealand Government.

Service delivery

In 2021–22, the GEMS Regulator approved 5,830 applications for registration. Applications for registration were approved in 2.4 days on average, not including time in which the GEMS Regulator was awaiting additional information from the applicant. During the 2021–22 financial year, the GEMS Regulator made 5 legislative instruments granting exemptions from one or more determination requirements.

Enhancements to the Energy Rating Product Registration System in 2021–22 sought to streamline the registration process and reduce the regulatory burden for businesses. They included the implementation of an automated label generator functionality and development of an automatic data-upload capability for technical data, which will be trialled in 2022–2023.

Further work has been undertaken on cyber security enhancements for the registration system. These include the security classification of the system and its data, the replacement of passwords with passphrases, and implementing relevant security controls from the Australian Government's *Information Security Manual*. This work is part of an ongoing risk assessment being done in conjunction with our cyber security team. It will ensure the system and its data is adequately protected, and it complies with Australian Government cyber security requirements.

Revenue

In 2021–22, revenue from registration fees was \$3,301,060.

Achievements

During 2021–22, 2 new determinations were registered:¹¹

- The Greenhouse and Energy Minimum Standards (Swimming Pool Pump-units) Determination 2021: The Determination was signed by the Assistant Minister to the Minister for Industry, Energy and Emissions Reduction on 17 December 2021 and comes into force on 1 October 2022. The associated decision regulation impact statement estimated that, up to 2030, the Determination would provide net benefits of up to \$529.2 million, with a reduction in greenhouse gas emissions of 1.86 million tonnes of CO₂ equivalent and electricity savings of 2,332 GWh.
- The Greenhouse and Energy Minimum Standards (Air Conditioners above 65kW) Determination 2022: The Determination was signed by the Assistant Minister to the Minister for Industry, Energy and Emissions Reduction on 17 February 2022 and comes into force on 1 October 2022. The associated decision regulation impact statement estimated that, up to 2030, the Determination would provide net benefits of up to \$37.6 million, with a reduction in greenhouse gas emissions of 0.18 million tonnes of CO₂ equivalent, and electricity savings of 233 GWh.

¹¹ The estimates in the decision regulation impact statements were based on the regulation of pool pumps coming into force on 1 January 2020, and the regulation of air conditioners above 65kW coming into force on 1 October 2021. The Determinations will not come into force until after these originally estimated dates, to ensure the new regulations are effective and industry is able to implement the new requirements. This may delay or alter the benefits estimated in the regulation impact statements.

Consultation

We are engaging with stakeholders including industry, consumer groups and governments, on developing draft requirements on minimum energy performance standards for Light Emitting Diode (LED) lamps (through a LED Technical Working Group) and communications for the phase out of incandescent lamps (through a Lighting Energy Efficiency Advisory Group). This follows the former Council of Australian Governments Energy Council decision in 2018 to further improve lighting energy efficiency by phasing out inefficient lamps in Australia and to introduce minimum standards for LED lamps harmonised with European Union regulations.

We are also working with industry and state and territory governments to begin the work of expanding energy rating labelling to include heating appliances, such as gas heaters and electric heaters. In 2021–22, consultation on a product profile on residential space heating appliances was completed. We also liaised with government and industry stakeholders through the Space Heating Equipment Technical Working Group to investigate technical options for comparing the performance of different heating technologies.

In 2021–22, other consultations included:

- an issues paper on minimum energy performance standards and labelling requirements for televisions, computer monitors and digital signage displays
- exposure drafts of the Greenhouse and Energy Minimum Standards (Dishwashers) Determination 2022, Greenhouse and Energy Minimum Standards (Rotary Clothes Dryers) Determination 2022, and Greenhouse and Energy Minimum Standards (Clothes Washing Machines) Determination 2022
- reviews of the effectiveness and efficiency of the determinations on power (distribution) transformers, set-top boxes, computer monitors, external power supplies, transformers and electronic step-down converters for extra low voltage lamps, and ballasts for fluorescent lamps.

The *E3 Prioritisation Plan 2021–22* was published on 8 April 2022. The E3 Prioritisation Plan considers how the E3 work program will be aligned to accelerate policy development and focus on regulating products that will deliver the most benefits, including improving energy productivity, lowering greenhouse gas emissions, and reducing energy costs.

GEMS compliance engagement, monitoring and enforcement

The GEMS Regulator is responsible for monitoring and enforcing compliance with the GEMS Act. It does this through an intelligence-led, risk-based program that:

- engages with and educates the regulated community, including:
 - store personnel and management
 - retailers' compliance personnel
 - suppliers' representatives and managers
- monitors compliance through:
 - check testing
 - GEMS inspector online and store or supplier market surveillance
 - receiving allegations of suspected non-compliance
- assesses and investigates non-compliance
- responds to non-compliance.

GEMS inspector market surveillance activities were conducted mainly online due to COVID-19 and extreme weather events across Australia, but once the risk to inspectors and stakeholders was reduced to a safe level, a small number of store surveys were completed. These revealed:

- a high (94%) registration compliance rate for household GEMS products
- a 74% registration compliance rate for industrial GEMS products
- labelling compliance of 71%, with 16% of energy rating labels obscured.

Store surveys are expected to return to a higher frequency in coming years.

In 2021–22, the GEMS Regulator selected 61 product models (under 10 GEMS determinations) for testing against the requirements of the GEMS Act. Of these models, 37 met GEMS Act requirements, 7 are pending test finalisation, and 17 potentially failed.

The GEMS Regulator has notified and entered into discussions with the relevant registrants in relation to the potentially failed models. Compliance action is underway to either undertake further check testing, enter into enforceable undertakings with the registrant, or the cancel the model's registration.

During 2021–22, the GEMS Regulator's decision to cancel a registrant's product, after the registrant failed to comply with a notice issued under section 61 of the GEMS Act, was upheld by the Administrative Appeals Tribunal. The Tribunal formed the conclusion that the action taken by the GEMS Regulator in issuing a notice under section 61 of the GEMS Act was valid and the exercise of discretion to cancel the registration of the product was appropriate.

The GEMS Regulator regularly receives allegations of non-compliance from consumers, industry and other government departments. These allegations are assessed and, if appropriate, investigated. During 2021–22, the majority of allegations received were in relation to registration and labelling non-compliance.

Communication

The GEMS Regulator assists responsible parties to comply with the GEMS Act by:

- informing stakeholders about the E3 Program and the operation of the GEMS Act
- informing stakeholders about requirements under the GEMS Act, including through the Energy Rating website, attending conferences and events, and conducting educational activities with suppliers as requested
- responding to queries emailed to the Energy Rating Team
- coordinating national marketing and communication projects to support new energy efficiency programs and improve existing ones
- consulting with industry and other interested parties on developing and implementing energy labelling and associated programs
- monitoring and reporting on program performance, achievements and enforcement.

Energy rating website

The energy rating website:

- enables consumers to choose energy efficient appliances by providing information and tools (such as a calculator for lifetime appliance energy costs and a mobile application to help consumers shop for energy-efficient light bulbs)
- assists suppliers and manufacturers to understand their legal obligations in relation to products regulated under the GEMS Act
- facilitates consultation on the development of energy efficiency policy under the E3 Program.

While the website has good uptake by users, we are actively updating the website to improve the user experience by providing dedicated content streams. Updates will be completed in 2022–23.

Future updates include newsletter subscription streams, energy rating calculator user experience enhancements and light bulb saver mobile application user experience enhancements, combined with technology upgrades.

Offshore Petroleum and Greenhouse Gas Storage Act 2006

The National Offshore Petroleum Titles Administrator (NOPTA) was established on 1 January 2012 and is a statutory appointment under section 695A of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (OPGGGS Act). Under Section 695N(1) the Titles Administrator must, as soon as practicable after the end of each financial year, prepare and give to the responsible Commonwealth minister, for presentation to the Parliament, a report on the Titles Administrator's activities during the year. This section meets this requirement for 2021–22.

NOPTA's main functions are to provide technical advice and information to the responsible Commonwealth minister and to the Joint Authority (comprising the responsible Commonwealth minister and the relevant state and territory ministers); keep a register of titles; and collect, manage and release data.

NOPTA operates on a full cost recovery basis, funded by the offshore petroleum and greenhouse gas industries. NOPTA is co-located with the National Offshore Petroleum Safety and Environmental Management Authority and has offices in Perth and Melbourne.

In 2021–22, NOPTA:

- processed 455 titles-related applications (compared to 325 the previous financial year)
- met target assessment timeframes on average more than 90% of the time
- completed the assessment of the first greenhouse gas storage acreage release applications since 2014
- processed more than 660 regulatory data submission items and authorised the release of 97 data packages on wells and surveys
- held more than 690 stakeholder meetings (over 57 meetings per month)
- held annual field performance review meetings with titleholders responsible for offshore petroleum production. It also expanded NOPTA's industry benchmarking outreach program
- started a piece of work to modernise the National Offshore Petroleum Information Management System. This includes integration with NOPTA's systems, ultimately leading the online submission of data
- continued to improve the National Electronic Approvals Tracking System secure portal to help online titles related submissions with digital signature technology
- worked with the Offshore Resources Branch to implement the *Offshore Petroleum and Greenhouse Gas Storage Amendment (Titles Administration and Other Measures) Act 2021*. This included the release of a suite of new application forms, and the creation/update of 12 factsheets and guidelines
- created the Offshore Petroleum Forum (OPF). This consists of Joint Authority delegates (and its respective departments), NOPSEMA and Geoscience Australia representatives
- published the 2020–21 Annual Report of Activities. This gives an overview of key activities and performance outcomes relevant to NOPTA's administrative functions.

Work Health and Safety Act 2011

We maintain a strong commitment to the health and wellbeing of all employees and visitors. During 2021–22, we continued our commitment to initiatives that promote the health, safety and welfare of our workers. In addition to undertaking reviews of materials, policies and guidelines to make sure these were effective, we:

- launched a holistic wellbeing package to support employees' physical, emotional and psychological wellbeing in the workplace and their personal lives that will be updated biannually. The package is multidisciplinary in approach and supports all aspects of safety and wellbeing, including a person's physical, mental, emotional and social health factors
- launched the Wellbeing Hub, which provides information, guides and helpful tips for staff to support their own wellbeing journey

- launched InjuryAssist, an internal early intervention triage and treatment program that provides staff with immediate medical advice for a work-related injury, illness or symptoms. The service offers a first response for psychological and physical conditions
- engaged CancerAid to provide 2 types of free confidential programs for staff touched by cancer. The programs add to other support services, including InjuryAssist, the Wellbeing Hub and the Employee Assistance Program
- finalised the APS Mental Health Capability Framework. We are now rated as having well-defined maturity across most domains, particularly initiatives relating to organisational, cultural and senior leadership. The forward work plan for 2022–23 will articulate evidence-informed and behaviourally anchored actions to strengthen maturity against the framework.

In 2021–22, 5 incidents were deemed notifiable under section 38 of the *Work Health and Safety Act 2011* and reported to Comcare. Three of the 5 were related to COVID-19.

Zero investigations were conducted, and zero notices were issued under Part 10 of the *Work Health and Safety Act 2011*.

Our Comcare premium rate remains low. The workers compensation indicative premium rate reduced again during the reporting period, due to factors such as our safety, wellbeing and rehabilitation culture, number of workplace incidents resulting in injury or illness, and return-to-work outcomes.

Regulatory functions

We delivered a number of regulatory functions in 2021–22 to support strong settings for business, markets and the economy. We continue to strengthen and refine our role as a regulator to support and enhance regulatory settings for businesses and the Australian community.

The delivery of legislated objectives, functions and roles can be as important as the content of the regulations being administered, including regulator performance, capability and culture. We incorporated regulatory performance measures in the *Corporate Plan 2021–22*. We then cross-referenced the *Corporate Plan 2021–22* performance measures with the list of regulators in the table below (in the column titled ‘CP PM’).

We worked with all of our regulators with a focus on the 3 principles of regulator best practice:

1. Continuous improvement and building trust: regulators adopt a whole-of-system perspective, continuously improving their performance, capability and culture to build trust and confidence in Australia’s regulatory settings.
2. Risk based and data driven: regulators manage risks proportionately and maintain essential safeguards while minimising regulatory burden, and leveraging data and digital technology to support those they regulate to comply and grow.
3. Collaboration and engagement: regulators are transparent and responsive communicators, implementing regulations in a modern and collaborative way.

Table 29 provides a list of the regulators for which the Secretary was the Accountable Authority during the period, their relevant legislation and links to the relevant performance measures in the *Corporate Plan 2021–22*. Two case studies that demonstrate regulator performance in alignment with the best practice principles over the reporting period are provided below.

Table 29: List of regulators, their relevant legislation and links to performance measures

Regulator and regulator function	Legislation	CP PM
Anti-Dumping Commission Administers the antidumping and countervailing system.	<i>Customs Act 1901</i> <i>Customs Tariff (Anti-Dumping) Act 1975</i> Customs Tariff (Anti-Dumping) Regulation 2013	PM 9
Office of the Space Regulator, Australian Space Agency Responsible for regulating Australian space and high-power rocket activities, and international arrangements affecting space regulation.	<i>Space (Launches and Returns) Act 2018</i> Space (Launches and Returns) (General) Rules 2019 Space (Launches and Returns) (High Power Rocket) Rules 2019 Space (Launches and Returns) (Insurance) Rules 2019	PM 10
Australian Industry Participation Authority Ensures that Australian businesses have full, fair and reasonable opportunities to bid for work on major projects.	<i>Australian Jobs Act 2013</i>	PM 12
National Measurement Institute (including Chief Metrologist and Secretary) Develops and maintains national measurement standards that are recognised internationally, delivers world-class measurement products, advice and client services and administers the regulatory framework for measurement.	<i>National Measurement Act 1960</i> National Measurement Regulations 1999 National Trade Measurement Regulations 2009 National Measurement Guidelines 2016	PM 4
Commercial Building Disclosure Program Administrator Operates as the issuing authority of Building Energy Efficiency Certificates. Conducts compliance operations to obtain information or documents, enforces civil penalty provisions and administers infringement notices. Maintains a building energy efficiency register.	<i>Building Energy Efficiency Disclosure Act 2010</i> Building Energy Efficiency Disclosure Regulations 2010 Building Energy Efficiency Disclosure Determination 2016 (Minister's Determination) Building Energy Efficiency Disclosure Determination 2016 (Secretary's Determination) <i>Regulatory Power (Standard Provisions) Act 2014</i>	PM 24
Greenhouse and Energy Minimum Standards (GEMS) Regulator Responsible for administering the GEMS Act, maintaining the GEMS register, and monitoring and enforcing compliance with the Act.	<i>Greenhouse and Energy Minimum Standards Act 2012</i> <i>Greenhouse and Energy Minimum Standards (Registration Fees) Act 2012</i> Greenhouse and Energy Minimum Standards Regulation 2012 Greenhouse and Energy Minimum Standards (Registration Fees) Instrument (No. 1) 2021 Greenhouse and Energy Minimum Standards (Authorisation Requirements for Testing GEMS Products) Instrument 2021 Greenhouse and Energy Minimum Standards (Fees for GEMS Regulator Services) Instrument 2019	PM 18

Regulator and regulator function	Legislation	CP PM
Fuel Security Framework Responsible for administering fuel security programs and enabling legislation, including the Fuel Security Services Payment (FSSP) under the <i>Fuel Security Act 2021</i> .	<i>Fuel Security Act 2021</i> <i>Petroleum and Other Fuels Reporting Act 2017</i> <i>Liquid Fuel Emergency Act 1984</i> <i>Fuel Quality Standards Act 2000</i>	PM 22
National Offshore Petroleum Titles Administrator (NOPTA) Advises on and administers the <i>Offshore Petroleum and Greenhouse Gas Storage Act 2006</i> (OPGGSA) in support of the effective regulation and management of our offshore petroleum resources, consistent with good oil field practice and optimum recovery.	<i>Offshore Petroleum and Greenhouse Gas Storage Act 2006</i> and associated regulations <i>Offshore Petroleum and Greenhouse Gas Storage (Regulatory Levies) Act 2003</i> and associated regulations	PM 14

Regulator case studies

Case study: National Measurement Institute

The National Measurement Institute (NMI) is responsible for administering Australia's trade measurement regulatory framework, to ensure traders and buyers get what they pay for when undertaking measurement-based transactions. NMI's team of field inspectors audit businesses and assist them to comply with measurement law.

A 2022 national audit of a business sector highlighted how NMI fulfilled the aims of the best practice regulatory principles of:

- continuous improvement and building trust
- risk-based and data-driven
- collaboration and engagement.

NMI trade measurement inspectors ran a week-long audit of licensed premises in March 2022, checking the sale of beer and prescribed spirits at more than 300 venues across the country.

The Licensed Premises Program was focused on pubs, clubs, hotels and breweries, selected on a risk-based, data-driven basis. The program was designed so consumers can trust that they receive what they pay for. It also aimed to give licensed venues confidence that their trading practices are up to standard and their profits are not affected by inaccurate measurements.

Where businesses were re-establishing after long lockdowns or natural disasters, NMI inspectors targeted audits to provide support, advice and assurance that their instruments were still compliant. Where employees were newly recruited, or had been away from work for extended periods, NMI engagement promoted further compliance improvements through education and advice on trading practices required under the National Measurement Act. NMI inspectors also had up-to-date information to handle enquiries on the government support available for COVID-19 and disaster recovery efforts.

NMI engaged with industry on workplace training and educational resources for the sector, and collaborated with the Australian Hotels Association (AHA) to develop guidance material.

Prior to the execution of the 2022 program, both the AHA and NMI separately capitalised on media opportunities to promote the importance of measurement in the licensed premises sector, and ensured a consistent message was being delivered. The audit generated a high amount of media and public interest, helping to spread the word about trader obligations and consumer rights. Outcomes of the audit will be published in NMI's annual compliance report.

Case study: The Australian Industry Participation Authority's Implementation of Jobs Act SmartForm

The Australian Industry Participation (AIP) Authority is the regulator responsible for ensuring compliance by major project proponents with the *Australian Jobs Act 2013* (the Jobs Act). Proponents are required to develop an AIP plan and then report on their compliance with it every 6 months. Previously, AIP plan and compliance reports had been prepared on paper-based templates, which were time-consuming for proponents and prone to errors.

We took the opportunity to employ digital technology by moving to online SmartForm AIP plans and compliance reports. The SmartForm was developed in collaboration with stakeholders through a focus group and survey to gather ideas on what features to include. Developing the new form also gave the opportunity to streamline the forms by reducing the number of questions. The SmartForm has a number of advantages such as pre-populated responses, address and ABN checkers, and the ability to place feedback comments into the form. It also automated a previously manual process for developing a summary of the AIP plan for publication.

The implementation of the SmartForm has had a transformative effect on both the regulated community and the regulator. Proponents have responded with positive comments reflecting that implementing the SmartForm has significantly reduced the time and effort taken to complete the process. The form has also increased the regulator's efficiency through inbuilt workflows that enable online approvals.

Appendix A2: Workforce statistics

Whole-of-department, all ongoing employees – (*Public Service Act 1999*)

Table 30: Department of Industry, Science, Energy and Resources – *Public Service Act 1999*.
All ongoing employees current report period (2021–22).

	Male			Female			Non-binary or other			Total
	Full time	Part time		Full time	Part time	Total female	Full time	Part time	Total non-binary or other	
NSW	157	4	161	132	27	159	–	–	–	320
Qld	48	2	50	68	6	74	–	–	–	124
SA	63	1	64	45	15	60	–	–	–	124
Tas	8	2	10	11	4	15	–	–	–	25
Vic	128	5	133	124	20	144	–	–	–	277
WA	31	3	34	40	10	50	–	–	–	84
ACT	912	67	979	1,092	244	1,336	–	–	–	2,315
NT	4	0	4	5	0	5	–	–	–	9
External territories			0			0	–	–	–	0
Overseas	1	0	1	4	0	4	–	–	–	5
Total	1,352	84	1,436	1,521	326	1,847	–	–	–	3,283

Note: To protect their privacy, the above table does not include the 5 ongoing employees who identify as non-binary.

Table 31: Department of Industry, Science, Energy and Resources – Public Service Act 1999.
All non-ongoing employees current report period (2021–22).

	Male			Female			Non-binary or other			Total
	Full time	Part time	Total male	Full time	Part time	Total female	Full time	Part time	Total non-binary or other	
NSW	6	1	7	7		7	–	–	–	14
Qld	1		1	1	2	3	–	–	–	4
SA	1		1	6	2	8	–	–	–	9
Tas	1		1			0	–	–	–	1
Vic	5		5	3	2	5	–	–	–	10
WA	1		1	1		1	–	–	–	2
ACT	56	8	64	43	11	54	–	–	–	118
NT	0		0			0	–	–	–	0
External territories			0			0	–	–	–	0
Overseas			0			0	–	–	–	0
Total	71	9	80	61	17	78	–	–	–	158

Note: This table does not include 111 casuals employed by the department at 30 June 2022.

Note: To protect their privacy, the above table does not include the 2 non-ongoing employees who identify as non-binary.

Table 32: Department of Industry, Science, Energy and Resources – *Public Service Act 1999*.
All ongoing employees previous report period (2020–21).

	Male			Female			Non-binary or other			Total
	Full time	Part time	Total male	Full time	Part time	Total female	Full time	Part time	Total non-binary or other	
NSW	153	3	156	135	19	154	–	–	–	310
Qld	47	2	49	52	9	61	–	–	–	110
SA	38	2	40	33	5	38	–	–	–	78
Tas	17	0	17	13	1	14	–	–	–	31
Vic	128	5	133	108	20	128	–	–	–	261
WA	37	1	38	36	8	44	–	–	–	82
ACT	845	51	896	1,033	240	1,273	–	–	–	2,169
NT	5	0	5	8	2	10	–	–	–	15
External territories	0	0	0	1	0	1	–	–	–	1
Overseas	0	0	0	4	0	4	–	–	–	4
Total	1,270	64	1,334	1,423	304	1,727	–	–	–	3,061

Note: To protect their privacy, the above table does not include the 6 ongoing employees who identify as non-binary.

Table 33: Department of Industry, Science, Energy and Resources – *Public Service Act 1999*.
All non-ongoing employees previous report period (2020–21).

	Male			Female			Non-binary or other			Total
	Full time	Part time	Total male	Full time	Part time	Total female	Full time	Part time	Total non-binary or other	
NSW	4	0	4	15	0	15	–	–	–	19
Qld	3	1	4	5	1	6	–	–	–	10
SA	4	0	4	4	2	6	–	–	–	10
Tas	2	0	2	2	0	2	–	–	–	4
Vic	8	0	8	4	0	4	–	–	–	12
WA	0	1	1	4	0	4	–	–	–	5
ACT	48	5	53	63	14	77	–	–	–	130
NT	0	0	0	0	0	0	–	–	–	0
External territories	0	0	0	0	0	0	–	–	–	0
Overseas	0	0	0	0	0	0	–	–	–	0
Total	69	7	76	97	17	114	–	–	–	190

Note: This table does not include 129 casuals employed by the department at 30 June 2021.

APS classification and gender

Table 34: Department of Industry, Science, Energy and Resources – *Public Service Act 1999*.
Australian Public Service Act ongoing employees current report period (2021–22).

	Male			Female			Non-binary or other			Total
	Full time	Part time	Total male	Full time	Part time	Total female	Full time	Part time	Total non-binary or other	
SES 3	2		2	3		3	–	–	–	5
SES 2	12		12	17		17	–	–	–	29
SES 1	41		41	53	4	57	–	–	–	98
EL 2	247	14	261	247	25	272	–	–	–	533
EL 1	444	27	471	488	142	630	–	–	–	1,101
APS 6	372	27	399	413	106	519	–	–	–	918
APS 5	135	10	145	161	33	194	–	–	–	339
APS 4	55	5	60	94	13	107	–	–	–	167
APS 3	32		32	35	1	36	–	–	–	68
APS 2	6	1	7	2	2	4	–	–	–	11
APS 1	6		6	8	0	8	–	–	–	14
Other			0			0	–	–	–	0
TOTAL	1,352	84	1,436	1,521	326	1,847	–	–	–	3,283

Note: To protect their privacy, the above table does not include the 5 ongoing employees who identify as non-binary.

Table 35: Department of Industry, Science, Energy and Resources – *Public Service Act 1999*.
Australian Public Service Act non-ongoing employees current report period (2021–22).

	Male			Female			Non-binary or other			Total
	Full time	Part time	Total male	Full time	Part time	Total female	Full time	Part time	Total Non-binary or other	
SES 3			0			0	–	–	–	0
SES 2			0			0	–	–	–	0
SES 1			0			0	–	–	–	0
EL 2	3	1	4	1	1	2	–	–	–	6
EL 1	14	0	14	6	2	8	–	–	–	22
APS 6	19	3	22	14	4	18	–	–	–	40
APS 5	14	1	15	13	3	16	–	–	–	31
APS 4	15	4	19	22	5	27	–	–	–	46
APS 3	6		6	4	1	5	–	–	–	11
APS 2	0		0	1		1	–	–	–	1
APS 1			0		1	1	–	–	–	1
Other			0			0	–	–	–	0
TOTAL	71	9	80	61	17	78	–	–	–	158

Note: This table does not include 111 casuals employed by the department at 30 June 2022.

Note: To protect their privacy, the above table does not include the 2 non-ongoing employees who identify as non-binary.

Table 36: Department of Industry, Science, Energy and Resources – *Public Service Act 1999*.
Australian Public Service Act ongoing employees previous report period (2020–21).

	Male			Female			Non-binary or other			Total
	Full time	Part time	Total male	Full time	Part time	Total female	Full time	Part time	Total Non-binary or other	
SES 3	2	0	2	4	0	4	–	–	–	6
SES 2	12	0	12	18	0	18	–	–	–	30
SES 1	41	1	42	45	4	49	–	–	–	91
EL 2	223	11	234	222	25	247	–	–	–	481
EL 1	401	22	423	443	119	562	–	–	–	985
APS 6	354	16	370	409	104	513	–	–	–	883
APS 5	137	10	147	150	32	182	–	–	–	329
APS 4	57	4	61	86	14	100	–	–	–	161
APS 3	32	0	32	38	3	41	–	–	–	73
APS 2	6	0	6	3	2	5	–	–	–	11
APS 1	5	0	5	5	1	6	–	–	–	11
Other	0	0	0	0	0	0	–	–	–	0
TOTAL	1,270	64	1,334	1,423	304	1,727	–	–	–	3,061

Note: To protect their privacy, the above table does not include the 6 ongoing employees who identify as non-binary.

Table 37: Department of Industry, Science, Energy and Resources – *Public Service Act 1999*.
Australian Public Service Act non-ongoing employees previous report period (2020–21).

	Male			Female			Non-binary or other			Total
	Full time	Part time	Total male	Full time	Part time	Total female	Full time	Part time	Total Non-binary or other	
SES 3	0	0	0	0	0	0	–	–	–	0
SES 2	0	0	0	0	0	0	–	–	–	0
SES 1	0	0	0	0	0	0	–	–	–	0
EL 2	3	0	3	2	3	5	–	–	–	8
EL 1	16	3	19	9	2	11	–	–	–	30
APS 6	22	2	24	27	4	31	–	–	–	55
APS 5	8	0	8	20	2	22	–	–	–	30
APS 4	14	1	15	27	2	29	–	–	–	44
APS 3	6	0	6	8	3	11	–	–	–	17
APS 2	0	1	1	0	0	0	–	–	–	1
APS 1	0	0	0	4	1	5	–	–	–	5
Other	0	0	0	0	0	0	–	–	–	0
TOTAL	69	7	76	97	17	114	–	–	–	190

Note: This table does not include 129 casuals employed by the department at 30 June 2021.

Employment type by full-time and part-time status

Table 38: Department of Industry, Science, Energy and Resources – *Public Service Act 1999*. Australian Public Service Act employees by full time and part time status current report period (2021–22).

	Ongoing			NonOngoing			Total
	Full time	Part time	Total ongoing	Full time	Part time	Total non-ongoing	
SES 3	5		5			0	5
SES 2	29		29			0	29
SES 1	94	4	98			0	98
EL 2	494	39	533	4	2	6	539
EL 1	933	170	1,103	22	2	24	1,127
APS 6	786	134	920	37	8	45	965
APS 5	296	43	339	25	4	29	368
APS 4	150	18	168	36	8	44	212
APS 3	67	1	68	10	1	11	79
APS 2	8	3	11	0		0	11
APS 1	14		14		1	1	15
Other			0			0	0
TOTAL	2,876	412	3,288	134	26	160	3,448

Note: This table does not include 111 casuals employed by the department at 30 June 2022.

Table 39: Department of Industry, Science, Energy and Resources – *Public Service Act 1999*.
Australian Public Service Act employees by full time and part time status previous report
Period (2020–21).

	Ongoing			NonOngoing			Total
	Full time	Part time	Total ongoing	Full time	Part time	Total non-ongoing	
SES 3	6	0	6	0	0	0	6
SES 2	30	0	30	0	0	0	30
SES 1	86	5	91	0	0	0	91
EL 2	445	36	481	5	3	8	489
EL 1	846	141	987	25	5	30	1,017
APS 6	765	120	885	49	6	55	940
APS 5	288	42	330	28	2	30	360
APS 4	143	18	161	41	3	44	205
APS 3	71	3	74	14	3	17	91
APS 2	9	2	11	0	1	1	12
APS 1	10	1	11	4	1	5	16
Other	0	0	0	0	0	0	0
TOTAL	2,699	368	3,067	166	24	190	3,257

Note: This table does not include 129 casuals employed by the department at 30 June 2021.

Employment type by location

Table 40: Department of Industry, Science, Energy and Resources – *Public Service Act 1999*.
Australian Public Service Act employees by location current report period (2021–22).

Location	Ongoing	Non-ongoing	Total
NSW	320	14	334
Qld	124	4	128
SA	124	9	133
Tas	26	1	27
Vic	277	10	287
WA	84	2	86
ACT	2,319	120	2,439
NT	9	0	9
External territories	0	0	0
Overseas	5	0	5
Total	3,288	160	3,448

Note: This table does not include 111 casuals employed by the department at 30 June 2022.

Table 41: Australian Public Service Act employment type by location previous report period (2020–21).

Location	Ongoing	Non-ongoing	Total
NSW	310	19	329
Qld	110	10	120
SA	78	10	88
Tas	32	4	36
Vic	262	12	274
WA	82	5	87
ACT	2,173	130	2,303
NT	15	0	15
External territories	1	0	1
Overseas	4	0	4
Total	3,067	190	3,257

Note: this table does not include 129 casuals employed by the department at 30 June 2021.

Indigenous Employment

Table 42: Australian Public Service Act Indigenous employment current report period (2021–22).

	Total
Ongoing	84
Non-Ongoing	1
Total	85

Table 43: Australian Public Service Act Indigenous employment previous report period (2020–21).

	Total
Ongoing	59
Non-Ongoing	3
Total	62

Australian Public Service Act employment arrangements

Table 44: Australian Public Service Act current report period (2021–22).

Employment arrangements	SES	Non-SES	Total
Remuneration Tribunal	0	0	0
Common Law Contact	125	0	125
Individual Flexibility Arrangements	0	264	264
Enterprise Agreement	7	3052	3059
Total	132	3316	3448

Note: The above table includes all employees including casuals. The 7 SES against the enterprise agreement arrangement were all in acting arrangements at 30 June 2022.

Salary ranges by classification level

Table 45: Australian Public Service Act employment salary ranges by classification level (minimum/maximum) current report period (2021–22).

	Minimum salary	Maximum salary
SES 3	\$337,773	\$402,761
SES 2	\$264,930	\$310,051
SES 1	\$209,832	\$246,887
EL 2	\$125,754	\$206,969
EL 1	\$105,820	\$202,000
APS 6	\$83,549	\$115,000
APS 5	\$76,344	\$87,302
APS 4	\$68,045	\$76,469
APS 3	\$61,410	\$68,436
APS 2	\$56,258	\$62,694
APS 1	\$45,801	\$54,494
Other	–	–
Minimum/maximum range	\$45,801	\$402,761

The department also provides staff members with non-salary benefits that are not included under the provisions of the enterprise agreement and SES common law contracts, such as:

- access to childcare centres (Canberra-based staff)
- annual influenza immunisation
- contributions to relevant professional memberships
- executive-level coaching
- internal and external mobility/secondment opportunities
- in-house capability development programs
- an early intervention triage and treatment program providing capped treatment for injuries and illness impacting on employees' ability to work
- access to CancerAid providing support and coaching for people with cancer or caring for someone with cancer
- employee assistance program and access to a wellbeing hub which hosts articles, videos and guidance material across several health topics
- internal wellbeing program initiatives that promote a holistic view of health to staff designed to increase their physical, emotional and psychological wellbeing
- superannuation for staff on unpaid maternity leave.

Performance pay by classification level

Table 46: Australian Public Service Act employment performance pay by classification level current report period (2021–22).

	Number of employees receiving performance pay	Aggregated (sum total) of all payments made	Average of all payments made	Minimum Payment Made to employees	Maximum Payment made to employees
SES 3	0	0	0	0	0
SES 2	0	0	0	0	0
SES 1	0	0	0	0	0
EL 2	0	0	0	0	0
EL 1	0	0	0	0	0
APS 6	0	0	0	0	0
APS 5	0	0	0	0	0
APS 4	0	0	0	0	0
APS 3	0	0	0	0	0
APS 2	0	0	0	0	0
APS 1	0	0	0	0	0
Other	0	0	0	0	0
Total	0	0	0	0	0

Appendix A3: Ecologically sustainable development and environmental performance

This report is made under section 516A of the *Environmental Protection and Biodiversity Conservation Act 1999* (EPBC Act).

We are committed to the 5 principles of ecologically sustainable development (ESD):

- integration
- precaution
- intergeneration
- biodiversity
- valuation.

This is demonstrated through the way we develop and deliver policies, plans, programs, legislation, advice, and education and scientific services that reflect economic, environmental and social sustainability.

Below are some examples of our commitment to the 5 principles of ecologically sustainable development in 2021–22.

Delivery of Rum Jungle and Maralinga rehabilitation projects

We continued to work with the Northern Territory Government, Kungarakana and Warai Traditional Owners and other stakeholders in advance of commencement of works at the Rum Jungle Rehabilitation Project, subject to receipt of environmental approvals.

We also worked with the Government of South Australia and Maralinga Tjarutja Traditional Owners to finalise plans to remediate debris pits located throughout the site that have eroded over time. Debris pits contain general waste (for example, building rubble and scrap metal) used in the British atomic testing program or subsequent rehabilitation projects. The Australian Government announced funding for the Maralinga Site Maintenance Project as part of the mid-year economic and fiscal outlook 2021.

How it accords with the principles of ESD

Project planning took into account current environmental condition and potential environmental impacts.

How it furthers or advances ESD principles

Environmental risk assessments were incorporated into project planning.

Investment in clean and renewable energy technology through the Australian Renewable Energy Agency (ARENA) and the Clean Energy Finance Corporation (CEFC)

The Australian Renewable Energy Agency (ARENA) and the Clean Energy Finance Corporation (CEFC) provide grants and loans in support of investment and innovation in renewables and clean energy:

- CEFC made clean energy investment commitments of almost \$2 billion across 63 projects. These investments covered solar, wind, energy storage, electric vehicles and other technologies across diverse sectors including agriculture, buildings, manufacturing, mining, transport and utilities.
- ARENA committed over \$200 million in grants to 49 projects. Grants included support for research, development and deployment of electric vehicles, enabling technologies, hydrogen, energy storage, solar PV, solar thermal and wind energy.

ARENA and CEFC also share insights and data from market-leading research initiatives and knowledge from financed projects to promote greater understanding about the potential of low-emission innovations and investments. ARENA and CEFC accelerate the transition to net zero emissions, reducing the severity of climate change.

How it accords with the principles of ESD

ARENA and CEFC accord with the precaution, integration and intergeneration principles. The agencies accelerate the transition to net zero emissions and reduce the associated potential risks for future generations.

How it furthers or advances ESD principles

ARENA and CEFC advance ESD principles by helping to foster the long-term sustainability of Australia's energy sector while promoting the reduction of energy-related greenhouse gas emissions. The CEFC and ARENA also release ESD performance statements in their annual reports.

Decommissioning of the Northern Endeavour Floating Production Storage and Offtake Facility and remediating the associated Laminaria and Corallina oil fields

In 2021–22, we maintained the safety of persons on-board the Northern Endeavour Floating Production Storage and Offtake facility and parliament passed legislation to impose a temporary levy on industry to recover the costs of decommissioning and remediating the oilfields and associated infrastructure to prevent taxpayers from being burdened with these costs. On 30 March 2022, we signed a \$325 million (excluding GST) contract with Petrofac Facilities Management Limited to deliver Phase 1 of the decommissioning works. Phase 1 will involve the decommissioning and disconnection of the FPSO from the subsea equipment.

How it accords with the principles of ESD

Decommissioning the Northern Endeavour and associated oil fields will remove future potential risks and protect the environment in the most cost-effective way for taxpayers. This accords with the integration principle.

The Australian Government's costs of decommissioning will be recouped through the Laminaria and Corallina Decommissioning Cost Recovery Levy. The levy is an important measure to ensure that taxpayers are not left to pay for the decommissioning and remediation of the oil fields. This accords with the integration principle.

How it furthers or advances ESD principles

Decommissioning will ensure the safe removal of oil and gas production infrastructure and rehabilitation of the marine environment. Decommissioning is a regulatory requirement.

Remake of the Offshore Petroleum and Greenhouse Gas Storage (Environment) Regulations 2009 (Environment Regulations)

We continued to work with the Office of Parliamentary Counsel to remake the Environment Regulations before they sunset (cease to be law) on 1 April 2024. To preserve continuity of regulatory coverage ahead of the current regulations sunset, the Environment Regulations will be remade in 2022–23 without substantive policy change.

Minor technical amendments will be made to modernise the provisions and their language to align with current practice. These amendments include the restructuring and renumbering of the provisions.

The National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) administers the Environment Regulations. A proposed petroleum activity cannot proceed unless NOPSEMA is satisfied that the impacts and risks to the environment from the activity will be reduced to as low as reasonably practicable (ALARP) and acceptable levels.

How it accords with the principles of ESD

The Environment Regulations need to be remade before they sunset (cease to be law) on 1 April 2024. This will ensure that titleholders continue to be required to carry out petroleum activities in a manner that is consistent with the principles of ESD.

How it furthers or advances ESD principles

The Environment Regulations require titleholders to identify, assess and reduce all environmental impacts and risks (including socio-economic) of their petroleum activities to as low as reasonably practicable (ALARP) and acceptable levels.

Development of a guidance framework to support more collaborative coexistence between the petroleum industry and the commercial fishing industry in the Commonwealth marine area

Under Australia's marine management framework, no single user has exclusive rights to the offshore area. Since early 2021, along with the Department of Agriculture, Water and the Environment, and NOPSEMA we have facilitated an engagement process with the offshore petroleum and commercial fishing industries to develop the guidance framework. This process included several government-facilitated workshops and meetings between the industries.

The finalisation of the framework has been held over until it can be considered and endorsed by the new Australian Government. It is expected to be published in late 2022.

How it accords with the principles of ESD

The guidance framework supports the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*, which requires petroleum operators to carry out offshore activities in a manner that does not interfere with other marine users' rights to a greater extent than is necessary.

How it furthers or advances ESD principles

The adoption of the principles in the guidance framework by both industries should ensure that the health, diversity and productivity of the Commonwealth marine area environment (including commercial fisheries) is maintained or enhanced for the benefit of future generations.

Energy efficiency standards and energy labelling for equipment and appliances through regulation under the *Greenhouse and Energy Minimum Standards Act 2012* (GEMS Act).

The Equipment Energy Efficiency (E3) program, which is underpinned by requirements under the *Greenhouse and Energy Minimum Standards Act 2012*, aims to improve the energy efficiency of appliances in Australia and New Zealand. This lowers emissions, reducing the impact of climate change on the environment for future generations.

How it accords with the principles of ESD

We work with state and territory governments and New Zealand, to set minimum standards and labelling requirements under the GEMS Act.

How it furthers or advances ESD principles

GEMS regulation promotes the use of energy efficient equipment and appliances. This reduces greenhouse gas emissions, helping preserve the environment for future generations.

Monitoring of environmental regulation and reform, and analysing its impact on the resources sector

We worked in conjunction with the environment portfolio and resources sector to reform environmental legislation under the EPBC Act. This provided more certainty to the resources sector regarding environmental approvals, reduced duplicative regulation and increased investment in Australian industries.

How it accords with the principles of ESD

We provide advice to the Australian Government on how environmental regulation will impact the resources sector to make sure long-term and short-term economic factors are considered in decision-making.

How it furthers or advances ESD principles

We consider referrals under the EPBC Act to ensure the Australian Government is aware of the economic impacts of resource projects. We also engage in reviews to the EPBC Act and subsequent reforms.

Submission of a referral under the *Environment Protection and Biodiversity Conservation Act 1999*

ARWA submitted a referral under the EPBC Act to the Department of Agriculture, Water and Environment (DAWE), following the declaration of a site near Kimba in South Australia for the National Radioactive Waste Management Facility (NRWMF). The NRWMF project was determined a 'controlled action' under the Act, so ARWA will prepare an environmental impact statement as a component of the NRWMF requirements to meet stringent environmental and safety standards.

How it accords with the principles of ESD

ARWA is working with regulators, Traditional Owners and other stakeholders and experts to ensure the NRWMF meets stringent environmental and safety standards.

How it furthers or advances ESD principles

Safety and the environment continue to be key components of the regulatory approvals, design, construction and operations of the NRWMF.

Consideration of ESD requirements in the design of various buildings at the planned National Radioactive Waste Management Facility (NRWMF)

ARWA worked with ANSTO and Jacobs Engineering Group to design the various buildings for the NRWMF. The visitors centre and site operations building were selected as ‘sample’ buildings to incorporate design features to meet the requirements for a 6-Star Green Star rating. If successful at meeting the 6-star requirement, this process will then be followed for other key buildings on the NRWMF site.

How it accords with the principles of ESD

ARWA is working with ANSTO and Jacobs Engineering Group (which provides engineering, technical, professional and construction services) to take into account ESD requirements with the design of various key buildings for the NRWMF.

How it furthers or advances ESD principles

The design of a visitor’s centre and site operations building are underway as test cases with the intention that these buildings (and others, if this proves successful) meet the requirements for a 6-Star Green Star rating.

Environmental monitoring services for Australia

Through the NMI, we have provided specialised environmental analysis services to the Australian Government, regulators and industry to help meet environmental legislative requirements. For example, to help manage perfluoroalkyl and polyfluoroalkyl substances compounds. NMI’s definitive analytical results lead to higher quality risk assessments and management of environmental issues; and NMI’s ultra-trace level testing for persistent organic pollutants (including dioxins) is unique in Australia.

NMI also sought to maintain systems that reduce impacts on the environment. For example, NMI supported the safe and effective operation of gas supply networks through its unique services for gas flowmeter calibration. Accurate and trusted calibration of flowmeters helped network operators to minimise the risk of fugitive emissions from gas pipelines. NMI also captures and re-uses gases previously released during calibration of LPG flowmeters at NMI’s Londonderry Flow Facility, which both improves safety and reduces greenhouse emissions.

How it accords with the principles of ESD

Through the National Measurement Institute (NMI), we provide specialised environmental analysis services to the Australian Government, regulators and industry.

How it furthers or advances ESD principles

NMI’s definitive analytical results lead to higher-quality risk assessments and management of environmental issues.

Implementation of Offshore Electricity Infrastructure Framework

We are implementing the Offshore Electricity Infrastructure Framework to enable development of offshore renewable energy infrastructure. In the 2021–22 year, we worked with around 12 other Commonwealth stakeholders, including the then Department of Agriculture, Water and the Environment, to incorporate environmental considerations into the design of declared areas to enable coexistence and minimise environmental impacts. The proposed area, off shore of Gippsland in Victoria, was announced on 5 August 2022 for public feedback.

How it accords with the principles of ESD

Assessment of areas for suitability for offshore electricity infrastructure considers environmental matters before being declared suitable.

How it furthers or advances ESD principles

The assessment process incorporates consultation with the Department of Agriculture, Water and the Environment to promote awareness and consideration of environmental matters.

Formation of QNetZero for Questacon (The National Science and Technology Centre) to meet carbon neutrality by 2030

Questacon will deliver services with net-zero greenhouse gas emissions by 2030. As the first step to gain a carbon neutral certification, Questacon completed an emissions audit and identified key emissions sources in 2021. This baseline will be used to track future performance and progress towards lower emissions.

QNetZero will also engage Australians in minimising their own climate impact.

How it accords with the principles of ESD

Questacon's program accords with the intergeneration, precaution and biodiversity principles. Questacon is helping future generations become aware of the effects of climate change and ways they can minimise their own climate impact.

How it furthers or advances ESD principles

Through the QNetZero program, Questacon is further educating Australians about the importance of sustainability and is promoting ways that it can lower its own carbon footprint. Questacon works across generations, engaging with children, families and educators on the importance of sustainability. QNetZero will be integrated into Questacon's business plan and day-to-day operations.

Internal operations environmental performance

A report on the environmental performance of our internal operations can be found at www.industry.gov.au/AboutUs.

Appendix A4: Climate Risk Disclosure Framework Statement

Climate-related risk

We have been taking steps to identify and manage climate-related risks to our policies, programs, asset management, service delivery and portfolio functions.

Governance

The department is an active member of the Australian Government Disaster and Climate Resilience Reference Group (RRG). This group is responsible for driving a whole-of-government approach to disaster and climate resilience, risk reduction and climate adaptation.

The department's Executive Board is committed to supporting the Australian Government's net zero targets and climate adaptation goals, including the management of climate-related risks and opportunities. The Executive Board has responsibility for overseeing the application and management of the department's Risk Management Framework and is the collective owner of enterprise strategic and enterprise operational risks. Specifically, the Executive Board:

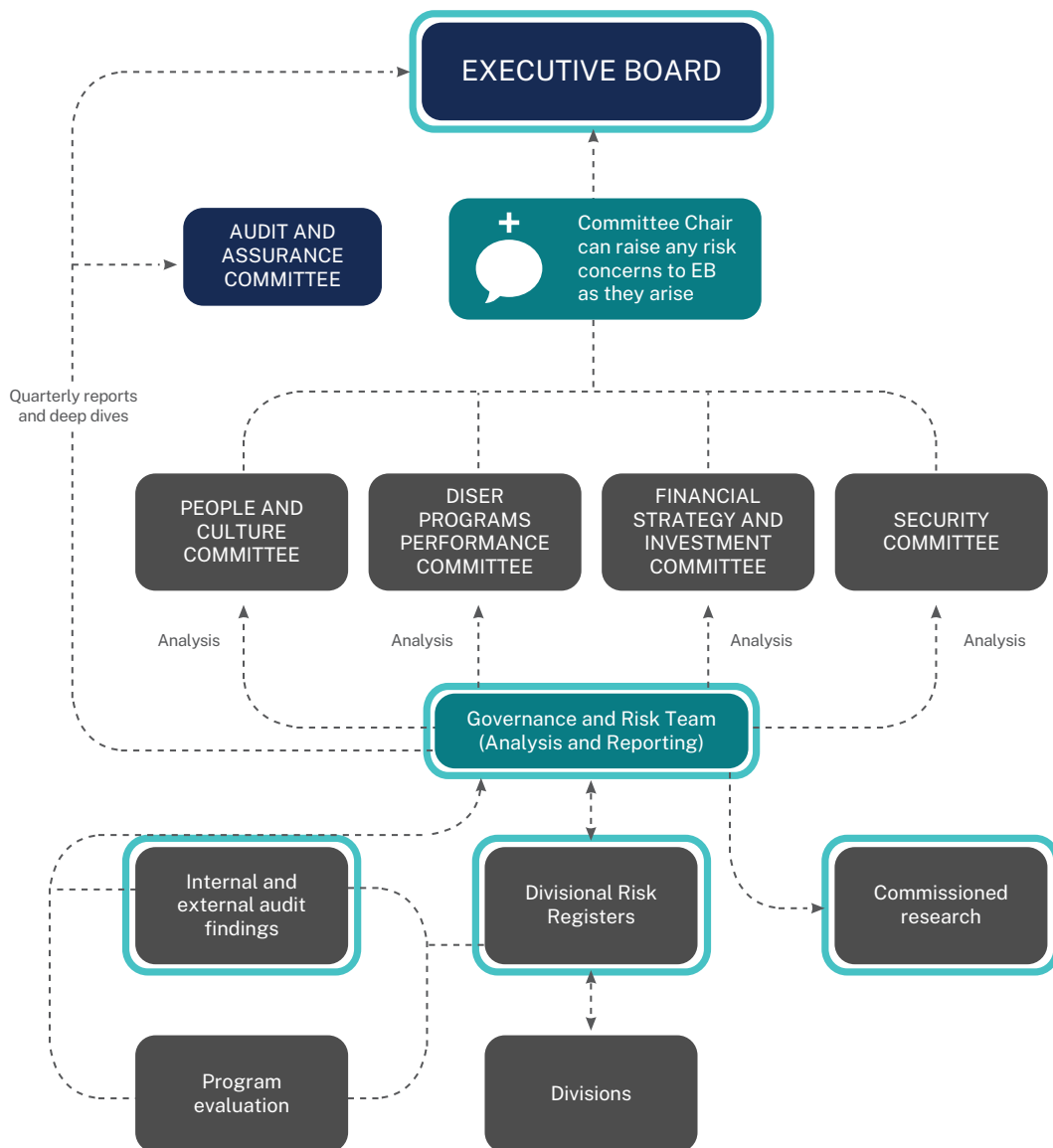
- sets the strategic direction for management of climate risks and opportunities, including how it can affect the outcomes and functions of the department
- ensures climate risk and opportunities are embedded in department-wide strategic and corporate plans and internal policies
- supports the building of capability to accurately assess and effectively respond to the department's climate risks and opportunities
- oversees progress, performance and reporting.

Under the current Risk Management Framework (Figure 7), the Executive Board is supported in managing and monitoring climate-related risks by a number of the department's committees. In particular, the Executive Board is supported by the Assurance and Audit Committee, which is responsible for reviewing the appropriateness of the risk oversight and management system, and systems of internal control.

The Governance and Risk Team also actively monitors our enterprise risk profile, including climate-related risks, and assists the Executive Board in managing such risks. This ensures that relevant areas are assessing and managing climate risks that may affect work, and that up-to-date climate risk information is reported to the Executive Board alongside other risk updates.

Figure 7. DISR's risk management governance structure.

Focal points for climate-related risk integration are highlighted in light blue.



Strategy

We are considering climate-related risks and opportunities and how best to integrate them with existing risk management processes. While physical risks are well understood in critical areas, we are working to embed a comprehensive understanding of climate-related risks and opportunities across the whole department, including transitional risks and opportunities related to our portfolio responsibilities. This will include developing greater capability and capacity to support the growth of industries as they reduce emissions, and related economic changes.

We will continue to build staff's climate-related risk management capabilities including through climate risk learning and development measures, and improving staff access to climate risk management information via our intranet.

Risk management

We have recently completed a Climate Compass scan across the department (excluding portfolio agencies). Each branch was invited to discuss their climate-related risks and opportunities with our internal Climate Compass project team who guided the discussion and recorded their responses to the scan. The Climate Compass framework is intended to identify climate-related risks and opportunities in our policies, programs, asset management, service delivery and portfolio functions.

The Climate Compass project team analysed the responses for organisation-wide trends, themes and priorities. It found that in the most critical areas where climate impacts are already being felt, such as transmission infrastructure resilience and emergency management, climate-related risks are being carefully considered and well managed. However, there is work to be done to gain a more complete understanding across all areas of the organisation—especially, in improving our transitional risk management and growing our capabilities to maximise our opportunities.

The findings of the Climate Compass scan have been considered by the Executive Board along with several recommendations to enhance our climate-related risk management practices, including improving integration with general risk management practices, expanding learning and development opportunities, and a commitment to continue to disclose according to the TCFD-aligned *APS Climate Risk Disclosure Framework*.¹²

Metrics and targets

Following the May 2022 election, the Australian Government committed to reduce the Australian Public Service's emissions to net zero by 2030. The department will actively contribute to this commitment. The department will commence work to identify opportunities to reduce our emissions through operational changes and will consider systems for measuring, monitoring and reporting on progress towards meeting the 2030 target.

The department's corporate planning includes improving climate-related risk management capabilities across the department. The relevant initiatives, targets, how these targets are measured, and the current status is reported in Table 47.

¹²To be TCFD-aligned refers to following Taskforce on Climate-related Financial Disclosures (TCFD) recommendations when preparing disclosure statements. This statement follows the *APS Climate Risk Disclosure Framework*, which is closely based on the TCFD recommendations. However, it should be noted that not all recommendations were able to be disclosed against in this financial year.

Table 47: Summary of DISR's key climate-related risk management initiatives, targets, metrics and status of the project

Initiative	Target	Metric	Status
Develop a greenhouse gas (GHG) emissions inventory to support the Australian Government's commitment to a net zero APS by 2030	Net zero by 2030	<ul style="list-style-type: none"> • GHG emissions, Scope 1 and 2 • Commencement and progress of GHG inventory development 	Planned
Develop an emissions reduction plan for DISR to support the Australian Government's commitment to a net zero APS by 2030	Net zero by 2030	<ul style="list-style-type: none"> • Annual emissions reductions achieved • Cost of emissions reduction measures • Cost of carbon credits • Co-benefits 	Planned
Increase the capability of department staff to consider climate-related risks and opportunities where they relate to their role	Continue to grow the percentage of staff who have completed the online climate risk learning and development training	<ul style="list-style-type: none"> • Number of staff who successfully completed the online climate-related risk training modules 	In progress
Build climate risk considerations into key corporate policies and frameworks to prompt consideration of climate risks and opportunities	Climate risk is incorporated into the enterprise risk management and project management framework by 30 June 2023	<ul style="list-style-type: none"> • Climate-related risk is integrated into updated enterprise risk management and project management frameworks 	In progress
Demonstrate leadership in the management of climate-related risks and opportunities	<p>To disclose against all 11 recommended disclosures outlined in the TCFD recommendations and <i>APS Climate Risk Disclosure Framework</i>.</p> <p>Take an active role in APS-wide knowledge sharing and development of standards and best practices.</p>	<ul style="list-style-type: none"> • Number of recommendations disclosed against • Progress on previous year's statements • Active participation in interdepartmental activities 	In progress

Appendix A5: Corrections to previous annual reports

Our Annual Report 2020–21 contained the following errors:

Annual Performance Statements (page 26)

Our Annual Report 2020–21 should have read:

‘Cooperative Research Centres Program In 2020–21, the Cooperative Research Centre (CRC) Program supported 1,799 business and research organisations as partners in CRCs and CRC Projects (CRC-Ps). This was made up of ~~11,564~~ 1,164 partners in CRCs and 635 partners in CRC-Ps. The 2020–21 result is an increase on the ~~14,586~~ 1,486 partners supported in 2019–20.’

Staff remuneration (page 59)

Under the heading Executive remuneration, the third dot point in the introduction states ‘other highly paid staff members whose total remuneration exceeds the threshold remuneration amount for the 2020–21 reporting period, being \$225,000’.

The threshold increased to \$230,000 for 2020–21. The table on page 62 describes the other highly paid staff threshold from \$230,001. The reported results are correct.

Compliance checklist item 17AE (2) (page 332)

This requirement was reported as not applicable in the compliance checklist. However there was a change to outcomes with the Administrative Arrangements Orders that came into effect on 10 June 2021. This change was recorded as a footnote on page 19 of the report.

PART B: REFERENCES

Abbreviations and acronyms

AAC–Assurance and Audit Committee
AASB–Australian Accounting Standards Board
ABCB–Australian Building Codes Board
ABS–Australian Bureau of Statistics
ACCC–Australian Competition and Consumer Commission
AEMO–Australian Energy Market Operator
AIP–Australian Industry Participation
ALARP–as low as reasonably practicable
ANAO–Australian National Audit Office
ANU–The Australian National University
ANSTO–Australian Nuclear Science and Technology Organisation
ARENA–Australian Renewable Energy Agency
ARWA–Australian Radioactive Waste Agency
CEFC–Clean Energy Finance Corporation
CMFO–Critical Minerals Facilitation Office
CP–Corporate Plan
CRC–Cooperative Research Centre
CSIRO–Commonwealth Scientific and Industrial Research Organisation
DISER–Department of Industry, Science, Energy and Resources
DPPC–DISER Programs Performance Committee
EPBC Act–*Environmental Protection and Biodiversity Conservation Act 1999*
FPSO facility–Floating Production Storage and Offtake facility
FSSP–Fuel Security Services Payment
GEMS–Greenhouse and Energy Minimum Standards
GEMS Act–*Greenhouse and Energy Minimum Standards Act 2012*
ICN–Industry Capability Network
IEA–International Energy Agency
IGC–Industry Growth Centre

IGCI–Industry Growth Centre Initiative
MMS–Modern Manufacturing Strategy
MMI–Modern Manufacturing Initiative
NMI–National Measurement Institute
NRWMF–National Radioactive Waste Management Facility
NOPSEMA–National Offshore Petroleum Safety and Environmental Management Authority
NOPTA–National Offshore Petroleum Titles Administrator
PBS–Portfolio Budget Statements
PGPA Act–*Public Governance, Performance and Accountability Act 2013*
PPE–Personal Protective Equipment
R&D–Research and Development
R&DTI–Research and Development Tax Incentive
RAP–Reconciliation Action Plan
SES–Senior Executive Service
SKA–Square Kilometre Array (telescope)
SME–Small and medium-sized enterprise
STEM–science, technology, engineering and mathematics
TCFD–Taskforce for Climate-related Financial Disclosures

Compliance checklist (2021-22)

17AD(g) - Letter of transmittal

PGPA Rule Reference	Page number	Description	Requirement
17AI	2	A copy of the letter of transmittal signed and dated by accountable authority on date final text approved, with statement that the report has been prepared in accordance with section 46 of the Act and any enabling legislation that specifies additional requirements in relation to the annual report.	Mandatory

17AD(h) Aids to access

PGPA Rule Reference	Page number	Description	Requirement
17AJ(a)	v–vi	Table of contents (print only).	Mandatory
17AJ(b)	199	Alphabetical index (print only).	Mandatory
17AJ(c)	188	Glossary of abbreviations and acronyms.	Mandatory
17AJ(d)	190	List of requirements.	Mandatory
17AJ(e)	iv	Details of contact officer.	Mandatory
17AJ(f)	iv	Entity's website address.	Mandatory
17AJ(g)	iv	Electronic address of report.	Mandatory

17AD(a) - Review by accountable authority

PGPA Rule Reference	Page number	Description	Requirement
17AD(a)	3–12	A review by the accountable authority of the entity.	Mandatory

17AD(b) - Overview of the entity

PGPA Rule Reference	Page number	Description	Requirement
17AE(1)(a)(i)	9, 10	A description of the role and functions of the entity.	Mandatory
17AE(1)(a)(ii)	10–12	A description of the organisational structure of the entity.	Mandatory
17AE(1)(a)(iii)	28, 29	A description of the outcomes and programmes administered by the entity.	Mandatory
17AE(1)(a)(iv)	10	A description of the purposes of the entity as included in corporate plan.	Mandatory
17AE(1)(aa)(i)	10, 56	Name of the accountable authority or each member of the accountable authority	Mandatory
17AE(1)(aa)(ii)	10, 56	Position title of the accountable authority or each member of the accountable authority	Mandatory
17AE(1)(aa)(iii)	10	Period as the accountable authority or member of the accountable authority within the reporting period	Mandatory
17AE(1)(b)	7–8	An outline of the structure of the portfolio of the entity.	Portfolio departments mandatory
17AE(2)	N/A	Where the outcomes and programs administered by the entity differ from any Portfolio Budget Statement, Portfolio Additional Estimates Statement or other portfolio estimates statement that was prepared for the entity for the period, include details of variation and reasons for change.	If applicable, Mandatory

17AD(c) - Report on the Performance of the entity - *Annual performance Statements*

PGPA Rule Reference	Page number	Description	Requirement
17AD(c)(i); 16F	28–53	Annual performance statement in accordance with paragraph 39(1)(b) of the Act and section 16F of the Rule.	Mandatory

17AD(c)(ii)- Report on the Performance of the entity - *Report on Financial Performance*

PGPA Rule Reference	Page number	Description	Requirement
17AF(1)(a)	53-54	A discussion and analysis of the entity's financial performance.	Mandatory
17AF(1)(b)	69-75	A table summarising the total resources and total payments of the entity.	Mandatory
17AF(2)	53	If there may be significant changes in the financial results during or after the previous or current reporting period, information on those changes, including: the cause of any operating loss of the entity; how the entity has responded to the loss and the actions that have been taken in relation to the loss; and any matter or circumstances that it can reasonably be anticipated will have a significant impact on the entity's future operation or financial results.	If applicable, Mandatory.

17AD(d) - Management and Accountability - *Corporate Governance*

PGPA Rule Reference	Page number	Description	Requirement
17AG(2)(a)	60	Information on compliance with section 10 (fraud systems)	Mandatory
17AG(2)(b)(i)	2	A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared.	Mandatory
17AG(2)(b)(ii)	2	A certification by accountable authority that appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud that meet the specific needs of the entity are in place.	Mandatory
17AG(2)(b)(iii)	2	A certification by accountable authority that all reasonable measures have been taken to deal appropriately with fraud relating to the entity.	Mandatory
17AG(2)(c)	55-60	An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance.	Mandatory
17AG(2)(d)-(e)	61	A statement of significant issues reported to Minister under paragraph 19(1)(e) of the Act that relates to non compliance with Finance law and action taken to remedy non compliance.	If applicable, Mandatory

17AD(d) - Management and Accountability - Audit Committee

PGPA Rule Reference	Page number	Description	Requirement
17AG(2A)(a)	57	A direct electronic address of the charter determining the functions of the entity's audit committee.	Mandatory
17AG(2A)(b)	57-59	The name of each member of the entity's audit committee.	Mandatory
17AG(2A)(c)	57-59	The qualifications, knowledge, skills or experience of each member of the entity's audit committee.	Mandatory
17AG(2A)(d)	57-59	Information about the attendance of each member of the entity's audit committee at committee meetings.	Mandatory
17AG(2A)(e)	57-59	The remuneration of each member of the entity's audit committee.	Mandatory

17AD(d) - Management and Accountability - External Scrutiny

PGPA Rule Reference	Page number	Description	Requirement
17AG(3)	61	Information on the most significant developments in external scrutiny and the entity's response to the scrutiny.	Mandatory
17AG(3)(a)	N/A	Information on judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner that may have a significant effect on the operations of the entity.	If applicable, Mandatory
17AG(3)(b)	61	Information on any reports on operations of the entity by the Auditor General (other than report under section 43 of the Act), a Parliamentary Committee, or the Commonwealth Ombudsman.	If applicable, Mandatory
17AG(3)(c)	N/A	Information on any capability reviews on the entity that were released during the period.	If applicable, Mandatory

17AD(d) - Management and Accountability - *Management of Human Resources*

PGPA Rule Reference	Page number	Description	Requirement
17AG(4)(a)	62–64	An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives.	Mandatory
17AG(4)(aa)	161–172	Statistics on the entity's employees on an ongoing and non ongoing basis, including the following: a. statistics on full time employees; b. statistics on part time employees; c. statistics on gender d. statistics on staff location	Mandatory
17AG(4)(b)	161–172	Statistics on the entity's APS employees on an ongoing and non ongoing basis; including the following: • Statistics on staffing classification level; • Statistics on full time employees; • Statistics on part time employees; • Statistics on gender; • Statistics on staff location; • Statistics on employees who identify as Indigenous.	Mandatory
17AG(4)(c)	65, 172	Information on any enterprise agreements, individual flexibility arrangements, Australian workplace agreements, common law contracts and determinations under subsection 24(1) of the <i>Public Service Act 1999</i> .	Mandatory
17AG(4)(c)(i)	172	Information on the number of SES and non SES employees covered by agreements etc identified in paragraph 17AG(4)(c).	Mandatory
17AG(4)(c)(ii)	173	The salary ranges available for APS employees by classification level.	Mandatory
17AG(4)(c)(iii)	173	A description of non-salary benefits provided to employees.	Mandatory
17AG(4)(d)(i)	174	Information on the number of employees at each classification level who received performance pay.	If applicable, Mandatory
17AG(4)(d)(ii)	174	Information on aggregate amounts of performance pay at each classification level.	If applicable, Mandatory
17AG(4)(d)(iii)	174	Information on the average amount of performance payment, and range of such payments, at each classification level.	If applicable, Mandatory
17AG(4)(d)(iv)	174	Information on aggregate amount of performance payments.	If applicable, Mandatory

17AD(d) - Management and Accountability - Assets Management

PGPA Rule Reference	Page number	Description	Requirement
17AG(5)	N/A	An assessment of effectiveness of assets management where asset management is a significant part of the entity's activities	If applicable, mandatory

17AD(d) - Management and Accountability - Purchasing

PGPA Rule Reference	Page number	Description	Requirement
17AG(6)	61, 75–76	An assessment of entity performance against the <i>Commonwealth Procurement Rules</i> .	Mandatory

17AD(d) - Management and Accountability - Reportable consultancy contracts

PGPA Rule Reference	Page number	Description	Requirement
17AG(7)(a)	76–77	A summary statement detailing the number of new reportable consultancy contracts entered into during the period; the total actual expenditure on all such contracts (inclusive of GST); the number of ongoing reportable consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting period on those ongoing contracts (inclusive of GST).	Mandatory
17AG(7)(b)	77	A statement that “ <i>During [reporting period], [specified number] new reportable consultancy contracts were entered into involving total actual expenditure of \$[specified million]. In addition, [specified number] ongoing reportable consultancy contracts were active during the period, involving total actual expenditure of \$[specified million].</i> ”	Mandatory
17AG(7)(c)	76–77	A summary of the policies and procedures for selecting and engaging consultants and the main categories of purposes for which consultants were selected and engaged.	Mandatory
17AG(7)(d)	77	A statement that “ <i>Annual reports contain information about actual expenditure on reportable consultancy contracts. Information on the value of reportable consultancy contracts is available on the AusTender website.</i> ”	Mandatory

17AD(d) - Management and Accountability - Reportable non-consultancy contracts

PGPA Rule Reference	Page number	Description	Requirement
17AG(7A)(a)	76	A summary statement detailing the number of new reportable non-consultancy contracts entered into during the period; the total actual expenditure on such contracts (inclusive of GST); the number of ongoing reportable non-consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting period on those ongoing contracts (inclusive of GST).	Mandatory
17AG(7A)(b)	76	A statement that “ <i>Annual reports contain information about actual expenditure on reportable non-consultancy contracts. Information on the value of reportable non-consultancy contracts is available on the AusTender website.</i> ”	Mandatory

17AD(daa) - Additional information about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts

PGPA Rule Reference	Page number	Description	Requirement
17AGA	77	Additional information, in accordance with section 17AGA, about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts.	Mandatory

17AD(daa) - Additional information about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts - Australian National Audit Office Access Clauses

PGPA Rule Reference	Page number	Description	Requirement
17AG(8)	N/A	If an entity entered into a contract with a value of more than \$100 000 (inclusive of GST) and the contract did not provide the Auditor General with access to the contractor’s premises, the report must include the name of the contractor, purpose and value of the contract, and the reason why a clause allowing access was not included in the contract.	If applicable, Mandatory

17AD(daa) - Additional information about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts - Exempt contracts

PGPA Rule Reference	Page number	Description	Requirement
17AG(9)	76	If an entity entered into a contract or there is a standing offer with a value greater than \$10 000 (inclusive of GST) which has been exempted from being published in AusTender because it would disclose exempt matters under the FOI Act, the annual report must include a statement that the contract or standing offer has been exempted, and the value of the contract or standing offer, to the extent that doing so does not disclose the exempt matters.	If applicable, Mandatory

17AD(daa) - Additional information about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts - Small business

PGPA Rule Reference	Page number	Description	Requirement
17AG(10)(a)	75	A statement that “[Name of entity] supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance’s website.”	Mandatory
17AG(10)(b)	75	An outline of the ways in which the procurement practices of the entity support small and medium enterprises.	Mandatory
17AG(10)(c)	76	If the entity is considered by the Department administered by the Finance Minister as material in nature — a statement that “[Name of entity] recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury’s website.”	If applicable, Mandatory

17AD(daa) - Additional information about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts - Financial Statements

PGPA Rule Reference	Page number	Description	Requirement
17AD(e)	79-144	Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act.	Mandatory

17AD(daa) - Additional information about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts - Executive Remuneration

PGPA Rule Reference	Page number	Description	Requirement
17AD(da)	64–66	Information about executive remuneration in accordance with Subdivision C of Division 3A of Part 2 3 of the Rule.	Mandatory

17AD(f) - Other Mandatory Information

PGPA Rule Reference	Page number	Description	Requirement
17AH(1)(a)(i)	77	If the entity conducted advertising campaigns, a statement that <i>"During [reporting period], the [name of entity] conducted the following advertising campaigns: [name of advertising campaigns undertaken]. Further information on those advertising campaigns is available at [address of entity's website] and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance's website."</i>	If applicable, Mandatory
17AH(1)(a)(ii)	N/A	If the entity did not conduct advertising campaigns, a statement to that effect.	If applicable, Mandatory
17AH(1)(b)	77	A statement that "Information on grants awarded by [name of entity] during [reporting period] is available at [address of entity's website]."	If applicable, Mandatory
17AH(1)(c)	62	Outline of mechanisms of disability reporting, including reference to website for further information.	Mandatory
17AH(1)(d)	61	Website reference to where the entity's Information Publication Scheme statement pursuant to Part II of FOI Act can be found.	Mandatory
17AH(1)(e)	185	Correction of material errors in previous annual report	If applicable, mandatory
17AH(2)	146–160	Information required by other legislation	Mandatory

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