



Australian Government

Department of Industry,
Science and Resources

Annual report

2022–23

| industry.gov.au/annualreport

Annual report

2022–23

| industry.gov.au/annualreport

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Acknowledgement of Country

Our department recognises the First Peoples of this Nation and their ongoing cultural and spiritual connections to the lands, waters, seas, skies, and communities.

We Acknowledge First Nations Peoples as the Traditional Custodians and Lore Keepers of the oldest living culture and pay respects to their Elders past and present. We extend that respect to all First Nations Peoples.

Meeting Place icon by departmental employee Amy Huggins



Artwork above by Lynnice Church, 2021

About the artist and the artwork: Mrs Lynnice Letty Church is a Ngunnawal, Wiradjuri and Kamilaroi woman who lives on her traditional lands in Canberra (Ngunnawal Country). A contemporary Aboriginal artist, Lynnice is self-taught and has painted since she was a young girl. Her artwork reflects the continuing connection of Aboriginal culture in the context of today's society. She has always been passionate about all forms of art as expression, particularly Aboriginal art and culture and interpreting this into a modern day landscape.

The artwork shows the importance of listening, sharing and building knowledge and understanding of Aboriginal and Torres Strait Islander culture to create a culturally safe space. This is shown by the 2 shields and people sitting either side of the centre circle which symbolises the rich culture and experiences that our people bring and are able to share. The centre circle shows this point of connection and the importance of relationships that can only be built through respect, collaboration and trust.

About this report

This report provides information on the activities of the Department of Industry, Science and Resources during the 2022–23 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

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- by downloading it from www.industry.gov.au/corporate-governance/annual-reports
- through the Transparency Portal at transparency.gov.au

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

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Australian Government

**Department of Industry,
Science and Resources**

Office of the Secretary
Meghan Quinn PSM

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

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

Senator the Hon Tim Ayres
Assistant Minister for
Manufacturing and
Assistant Minister for Trade
Parliament House
Canberra ACT 2600

Dear Ministers

I present this annual report for the Department of Industry, Science and Resources for the year ended 30 June 2023.

The annual report has been prepared in accordance with section 46 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and legislation administered by the department. It includes the department's audited annual performance statements, as prepared under section 39 of the PGPA Act, and financial statements, as prepared under section 43 of the PGPA Act.

As required under the Public Governance, Performance and Accountability Rule 2014, I certify that I am satisfied appropriate fraud prevention, detection, investigation and reporting mechanisms are in place to meet the department's needs, including fraud risk assessments and fraud control plans, and that all reasonable measures have been taken to appropriately deal with fraud.

Yours sincerely

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

Meghan Quinn PSM

4 October 2023





Chapter 1

Overview

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Secretary's review

I am pleased to release the Department of Industry, Science and Resource's *Annual report 2022-23*. Over the past 12 months, the department has made significant progress towards delivering the government's vision for Australia's future prosperity and productivity. We have provided targeted investment and further developed policies and regulatory settings with a particular focus on the global energy transition in our commitment to building a better future for all Australians.

The creation of the National Reconstruction Fund is a significant government reform that will diversify and transform Australia's industry and economy through targeted investments across priority areas. The department also consulted on the design of the Industry Growth Program, which aims to advance Australia's industrial capability by supporting small and medium-sized enterprises to commercialise their ideas and grow their businesses.

We are supporting industry to seize opportunities emerging from Australia's transition to net zero by 2050. We consulted on the National Battery Strategy and the establishment of the Powering Australia Industry Growth Centre to grow Australia's renewable technologies industry.

Work across industry sectors continues with the establishment of the Office of National Rail Industry Coordination and the National Rail Industry Innovation Council. The National Rail Manufacturing Advocate was appointed to develop and implement the National Rail Procurement and Manufacturing Strategy in consultation with industry and states and territories.

The Australian Building Codes Board delivered major reforms in residential energy efficiency and liveable housing design through the 2022 edition of the National Construction Code. The department also consulted extensively on seafood country of origin labelling, including on a proposal to amend the Australian Consumer Law to introduce mandatory country of origin labelling for seafood in hospitality settings.

To boost supply chain resilience, we supported the new Indo-Pacific Economic Framework Supply Chains Agreement. The agreement, the development of which benefited from broad-ranging industry stakeholder engagement, establishes a platform for working with industry to better integrate our manufacturers and exporters in the region's supply chains.

These new activities are complemented by established initiatives that empower businesses to innovate and grow. During 2022–23, the Research and Development (R&D) Tax Incentive encouraged more than 12,000 businesses to invest over \$15 billion in cutting-edge R&D. The department also provided \$922.4 million in grant payments to 2,970 businesses through our programs, as well as on behalf of other agencies.

December 2022, marked the 20th anniversary of the *Venture Capital Act 2002*, which plays a critical role in building a mature Australian venture capital ecosystem. Over the lifetime of the Act, 254 registered partnerships have invested \$10.4 billion of domestic and foreign capital in innovative early-stage and expanding businesses. In 2022–23 alone, \$1.56 billion was invested in 500 businesses. Nearly half of this year's investments have been in digital and healthcare businesses, with investments growing in synthetic biology and quantum.

The Single Business Service via the business.gov.au website provides a trusted entry point for Australian businesses to access information, grants, services and support from across government. In 2022–23, the Single Business Service recorded 7.5 million web sessions, around 145,000 contacts and 195,138 e-newsletter and social media followers.

Support for Australia's scientific and technological capabilities is essential to national prosperity and a more inclusive, diverse and fair Australia. During 2022–23, we began work on revitalising Australia's National Science and Research Priorities and National Science Statement, and the independent Pathway to Diversity in STEM Review. We also nurtured the future of Australian science with a range of programs, including Elevate, which provides up to 500 undergraduate and postgraduate scholarships in STEM to women and non-binary people. National Science Week 2022 delivered more than 1,000 events across the country, with the Inspiring Australia program supporting 33 events.

In May 2023, the Australian Space Agency reached an in-principle agreement with the United States of America (USA) on a technology safeguards agreement that will permit USA space technology to be launched from Australia. Increased USA investment in Australia's space industry will create high-skill jobs in the launch sector across the country.

In line with our commitment to increasing diversity in emerging industries, we also launched the National Indigenous Space Academy to create opportunities for Australia's First Nations university students. On 10 September 2022, following 6 years of negotiations, the Wajarri Yamaji community unanimously endorsed the Wajarri Yamaji Aboriginal Corporation to enter into an Indigenous land use agreement consenting to the construction of the Square Kilometre Array and other radio astronomy projects on their land.

The government continued to build science capabilities locally and in the region through commitments like the recently announced \$10.3 million investment over 6 years for the new Asia-Pacific regional office of the International Science Council in Australia and delivery of the Global Science and Technology Diplomacy Fund. Australian businesses are also enhancing their capability to leverage opportunities in Asia through the government's commitment of \$14.9 million over 4 years for the National Centre for Asia Capability (Asialink Business).

In 2022–23, the government released the National Quantum Strategy¹, the List of Critical Technologies in the National Interest and the Critical Technologies Statement. The department also consulted on the National Robotics Strategy. These strategies set out a long-term vision for how Australia will take advantage of opportunities in various technologies.

Artificial intelligence (AI) presents opportunities to grow our economy, create jobs and improve our lives, but it also has inherent risks. With the launch of generative AI platforms in 2022–23, our consultation on the safe and responsible use of AI technologies is timely. Work has also continued across government, with the department partnering with the Digital Transformation Agency to release interim guidance on the use of generative AI platforms to all Australian Government agencies.

In the 12 months to May 2023, Australia's technology workforce grew by 7%, reaching just over 940,000 as the nation tracks toward the government's target of 1.2 million tech-related jobs by 2030. To support this goal, we established the Digital and Tech Skills Working Group under the Digital and Tech Skills Compact, meeting our commitments from the 2022 Jobs and Skills Summit.

In 2022–23, the government invested in infrastructure upgrades at Questacon to ensure Australia's national science and technology centre can continue to inspire an appreciation for science and technology in the next generation of Australians. We also supported Australia's world-class portfolio agencies to drive scientific endeavour and research in essential fields such as nuclear medicine, and to adapt technologies and conduct research so that Australia can succeed in the global economy.

On 29 March 2023, the Resources Statement to Parliament articulated the government's commitment to strengthening the resources sector and its critical role in the pathway to net zero. The department's *Resources and energy quarterly* and *Resources and energy major projects*² publications highlight the importance of the resources sector to Australia – both now and into the future. These contain forecasts for the value, volume and price of Australia's major resources and energy commodity exports, as well as an annual review of major resources and energy projects in Australia.

On 20 June 2023, the Critical Minerals Strategy 2023–2030³ was launched, setting out the government's vision to grow Australia's critical minerals sector in coming years. The government allocated \$23.4 million to the Critical Minerals Office, which will play a vital role in implementing the strategy and coordinating Australia's international partnership efforts.

1 www.industry.gov.au/publications/national-quantum-strategy.

2 www.industry.gov.au/publications/resources-and-energy-major-projects-2022.

3 www.industry.gov.au/publications/critical-minerals-strategy-2023-2030.

The importance of strong international ties was recognised in the announced funding for the Critical Minerals International Partnerships Program, as well as our continued work through the Australia-India Critical Minerals Investment Partnership. In 2022–23, the government built on this by announcing new partnerships with Japan, the United Kingdom and Germany, and by joining forces with the USA to establish a ministerial-level taskforce. The taskforce will enhance bilateral cooperation with the USA under the Climate, Critical Minerals and Clean Energy Transformation Compact.

To support greater flexibility when responding to domestic gas supply shortfalls, the department consulted on reforms to the Australian Domestic Gas Security Mechanism guidelines. These reforms have now commenced. Additionally, the government signed a new Heads of Agreement with east coast liquefied natural gas exporters to prevent gas supply shortfalls and secure competitively priced gas for Australia. We also commenced work on the Future Gas Strategy, which will analyse future gas supply and demand to generate greater confidence in the market.

We contributed to the effective functioning of the east coast gas market by supporting the development of a mandatory code of conduct. This will ensure that east coast gas users can contract for gas at reasonable prices and on reasonable terms. The government introduced the code on 11 July 2023. Strong progress has also been made in encouraging proactive planning for the safe and environmentally sustainable decommissioning of offshore oil and gas projects. Phase 1 of the decommissioning of the Northern Endeavour facility is well underway.

Ongoing funding for the Australian Radioactive Waste Agency (ARWA) was also announced in the 2023–24 Budget. The work of ARWA will ensure a suitable site is located for the long-term management of the Commonwealth's radioactive waste, the majority of which comes from the production of nuclear medicine.

During 2022–23, we honoured longstanding government commitments, continuing to rehabilitate the Ranger and Rum Jungle uranium mine sites, and the former atomic weapons testing area at Maralinga. Our work supports environmentally safe and secure land management, and enables Traditional Owners and local communities to realise economic, social and environmental benefits.

Our people are the foundation to our department's success – and striving for excellence rests on our inclusiveness and diversity. I am proud of our Stretch Reconciliation Action Plan 2023–2026, which continues our efforts to advance reconciliation. In 2022–23, we increased First Nations representation in our senior executive cohort from 1% to 3%.

The department's work throughout 2022–23 has strengthened our capability to deliver on our priorities for the Australian community. I look forward to progressing this work during 2023–24.

Highlights

The following highlights represent a sample of our achievements to deliver on our purpose statement over the past 12 months.

The National Reconstruction Fund – growing Australia’s industrial base and the economy

There are significant opportunities for Australia as the domestic and global economy evolves. To capture new markets and create secure, well-paying jobs, Australian industry must grow and transform.

The government’s commitment to establish the \$15 billion National Reconstruction Fund (NRF) is one of the largest investments in Australian manufacturing capability. The NRF will support increased flows of finance into 7 priority areas⁴ of the Australian economy through targeted investment to diversify and transform Australian industry.

The design and implementation of the NRF has been informed by findings from extensive consultation the department undertook in 2022–23, including:

- engaging nationally with more than 430 organisations and individuals through roundtables and one-on-one meetings
- undertaking more than 48 virtual consultations
- reviewing over 250 written submissions.

The department supported the development of the *National Reconstruction Fund Corporation Act 2023*, which passed through both houses of parliament in March 2023 and received royal assent on 11 April 2023.

⁴ Renewables and low-emission technologies, medical science, transport, value-add in agriculture, forestry and fisheries, value-add in resources, defence capability, and enabling capabilities.





Creating an end-to-end Australian battery industry

As the world moves to net zero emissions, batteries will become a bigger part of our energy mix. Batteries will power electric vehicles, residential and community scale energy storage, and grid energy storage for small and large systems. Australia can capture parts of these growing markets, building on our strengths in mining and natural deposits of a range of battery minerals.

In line with this, we have been working to deliver the government's Australian Made Battery Plan to kickstart battery manufacturing in Australia. Measures under the plan include:

- developing a National Battery Strategy to provide a comprehensive plan for a globally competitive, end-to-end Australian battery industry that builds on Australia's strong innovation record and resource potential. The strategy will signal to international partners that Australia is open for investment and ready to play a role in diversifying global supply chains. As part of our collaborative approach to developing the strategy, we released an issues paper for public consultation in February 2023.
- implementing the \$14.8 million Powering Australia Industry Growth Centre (PAIGC) Program that will establish the PAIGC to provide advanced technology and skills development to businesses looking to locally manufacture renewable energy technologies, including batteries. The PAIGC competitive grant application opportunity closed on 19 June 2023.
- partnering with the Queensland Government to establish the Australian Made Battery Precinct. We are working with the Queensland Government to provide up to \$100 million in Commonwealth equity to establish the precinct. It will bring together industry, academia and the community to bolster Australia's manufacturing capability and support industry growth.

Together these measures will drive productivity improvements in industry and create more jobs and greater wealth for the nation.



Unlocking opportunities in science, technology, engineering and mathematics

Skills and experience in science, technology, engineering and mathematics (STEM) continue to grow in importance for Australians – whether people are looking to tap into the jobs market of the future or to navigate other societal changes driven by technology. To address this, we have delivered activities to strengthen community engagement with STEM.

In 2022–23, we focused on increasing diversity in STEM education and careers:

- The independent Pathway to Diversity in STEM Review, chaired by Sally-Ann Williams, is looking into what is working, what is not, and what needs to be done to improve overall diversity in STEM, STEM leadership, and the STEM-skilled workforce. To ensure more people were heard during the consultation process, we translated consultation materials into 5 languages and accepted submissions in a range of formats, including videos and voice recordings.
- We continued to deliver on our commitments to diversity in STEM. As part of this, we finalised a round of the Women in STEM and Entrepreneurship Grants program, awarding \$15.9 million for 17 projects to support more women to study and build careers in STEM. We also worked with the Women in STEM Ambassador on research to support the review.

- We delivered the third annual STEM Equity Monitor,⁵ which shows that while the number of women in STEM-qualified occupations is rising, they still only account for 15% of these roles.
- In March 2023, Katherine Bennell-Pegg was announced as the first person to be trained as an astronaut under the Australian flag. This opportunity will inspire more Australians to pursue STEM-related careers.

We also delivered activities to engage the broader community and celebrate the excellent science work undertaken in Australia:

- On 21 November 2022, Australia's science, innovation and education community came together at Parliament House, for the first time since 2019, celebrating the Prime Minister's Prizes for Science and Science Teaching. Twelve of Australia's leading scientists, innovators and teachers were recognised for their outstanding contributions to Australian society.
- In August 2022, Australia celebrated National Science Week with more than 1,000 events held in universities, schools, research institutions, libraries, museums, science centres and community organisations. We provided \$500,000 in funding to 35 projects through the national grant round.
- In June 2023, we supported the inaugural National Youth STEM Summit, which was delivered by the National Youth Science Forum. It brought together young STEM talent from around Australia to share ideas, explore STEM careers and meet science and technology leaders.

Questacon, the national science and technology centre, supports the community to engage in science, including helping young people to develop the attributes, skills, knowledge and agency to thrive in tomorrow's world. In 2022–23, Questacon:

- held activities across Australia and in Canberra, including the 2022 Governor-General's Design Challenge as part of Questacon's Science Week events. Live broadcasts of science activity workshops were delivered to a local school and then as a national live broadcast that reached 6,850 students from 140 schools across Australia
- helped both students and teachers develop cyber skills under its cyber program, and delivered 166 cyber student workshops to 50 schools
- ran a program of travelling exhibitions which were reached by 187,980 visitors nationally
- hosted the 2023 Mid-Winter Nights which brought 3,248 visitors to its Canberra centre for a unique, family-friendly after-hours experience. It included the usual offerings along with hot- and cold-themed science activities, demonstrations, shows and catering options
- engaged children in the vital early years with Science Time. During 2022–23, more than 1,076 children aged between 3 and 5 participated in the program to encourage a life-long interest in STEM.

These efforts are helping to boost the pipeline of new STEM talent pipeline and build long-term science and technology capabilities to solve challenges and improve Australian productivity and wellbeing.

5 www.industry.gov.au/publications/stem-equity-monitor.

Charting Australia's quantum future

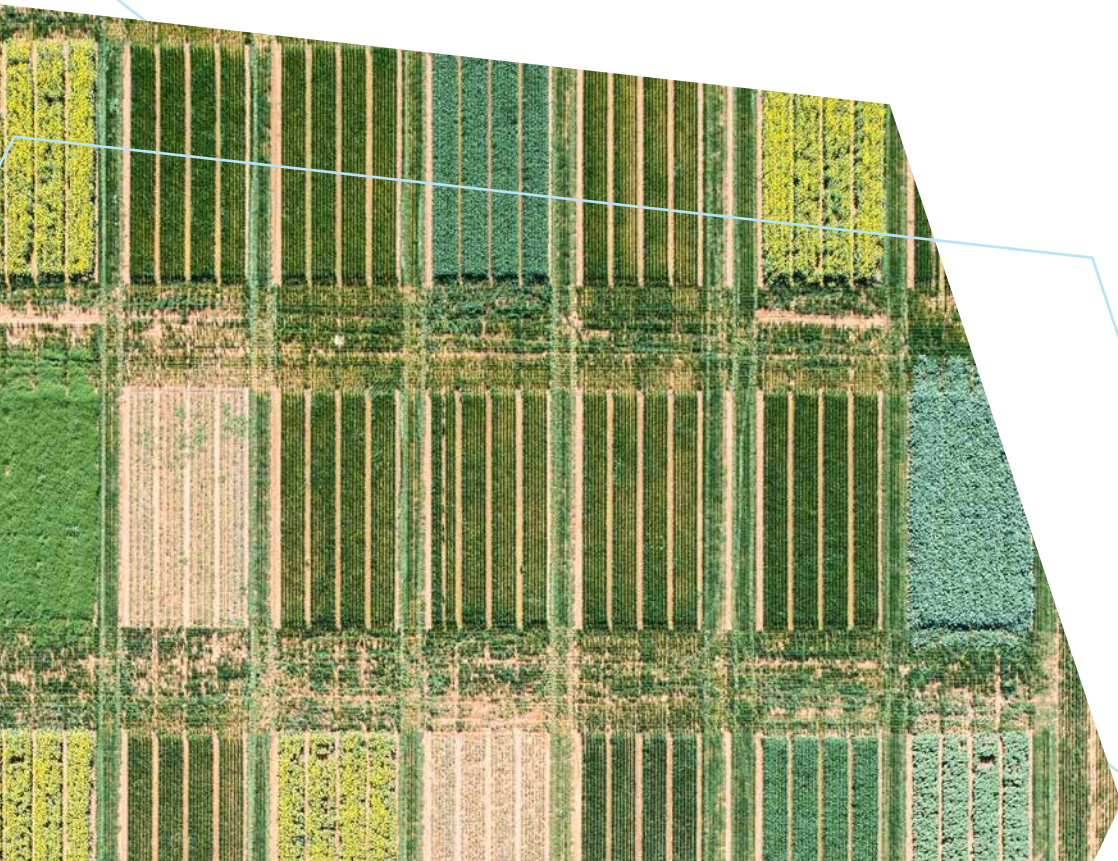
The Minister for Industry and Science, the Hon Ed Husic MP, outlined the government's commitment to quantum technologies and building a sustainable, world-leading quantum economy with the launch of Australia's first National Quantum Strategy⁶ on 3 May 2023. Australia's Chief Scientist, Dr Cathy Foley AO PSM, led the effort to develop the strategy, guided by the National Quantum Advisory Committee.

The strategy provides a national vision for growing the quantum sector over the next 7 years. It details actions the government will take to:

- create a thriving environment for developing and adopting quantum technologies
- secure access to essential infrastructure and materials
- build the future quantum workforce
- create standards and frameworks that support national interests
- grow a trusted, ethical and inclusive quantum ecosystem.

Early priorities include establishing the Australian Centre for Quantum Growth (\$19.8 million) to foster demand for quantum technologies and launching the Critical Technologies Challenge Program (\$40.2 million) to support collaborative research and development projects that apply quantum and other critical technologies to challenges of national significance.

6 www.industry.gov.au/publications/national-quantum-strategy.





The Critical Minerals Strategy

The Critical Minerals Strategy 2023–2030,⁷ released on 17 June 2023 by the Hon Madeleine King MP, Minister for Resources and Minister for Northern Australia, sets out an ambitious vision to grow the geostrategic and economic footprint of Australia's critical minerals sector by becoming a globally significant producer of raw and processed critical minerals. Critical minerals support industries and technologies that are crucial for the global transition to net zero emissions, domestic and regional security, and our defence and economic security.

The strategy provides a policy framework to guide future decisions for government to maximise the national benefits from Australia's significant critical minerals endowments. Focus areas have been identified for further actions to grow the sector and ensure Australia remains competitive in the rapidly evolving global market.

To shape the strategy, the Critical Minerals Office conducted roundtables and one-on-one meetings with representatives from industry, academia, First Nations groups, community groups and state and territory governments. It received more than 130 written submissions in response to the consultation.

Following the strategy's release, the department has begun work with industry, scientific experts and international partners to facilitate investment in the sector, collaborate on research and development, and shape emerging market rules and norms. Consultation has also begun to update Australia's Critical Minerals List based on global technology needs, particularly for emissions reduction, advanced manufacturing and defence.

⁷ www.industry.gov.au/mining-oil-and-gas/minerals/critical-minerals.



Reforming the Australian Domestic Gas Security Mechanism


Australia is one of the biggest exporters of natural gas in the world. The Australian Domestic Gas Security Mechanism (ADGSM), which originally came into effect on 1 July 2017, ensures there is sufficient natural gas supply to meet the needs of Australian energy users. It allows the Minister for Resources to restrict the export of liquefied natural gas (LNG) to prevent a supply shortage in the domestic gas market.

In August 2022, amid ongoing gas market volatility, the Minister for Resources announced that the ADGSM had been formally extended to 2030, ensuring the government retained a mechanism to safeguard domestic gas supplies. The government consulted extensively with industry, stakeholders, export partners and the public on reforms to the ADGSM to improve the mechanism and enable it to be used at short notice in the event of a forecast gas shortfall. The reforms were announced in October 2022 and their implementation brought forward from 1 July to 1 April 2023.

In early 2023, the department sought feedback on the design and operational effectiveness of the ADGSM, leading to the publication of guidelines on 30 March 2023.

The ADGSM reforms:

- allow the Minister for Resources to consider whether to activate the ADGSM quarterly ahead of peak seasonal demands
- require LNG exporters to share equal responsibility for preventing a shortfall
- introduce measures to protect long-term international contracts that underpin investments in Australia's gas industry
- allow export permits to be traded to improve the ADGSM's economic efficiency.



The reformed ADGSM provides the government more flexibility to respond to domestic gas supply shortfalls while maintaining Australia's commitment to remaining a reliable trade and investment partner. The ADGSM remains a measure of last resort, only to be used if market-based solutions and other regulatory interventions fail to provide sufficient gas to Australian consumers.

To further safeguard Australia's domestic supplies, the government established a Heads of Agreement with east coast LNG gas exporters. Its objective is to prevent a gas supply shortfall through access to secure and competitively priced gas for the east coast domestic market. Under the agreement, east coast LNG exporters have committed to supply competitively priced gas to Australian users.

The Minister for Resources and east coast LNG exporters signed the Heads of Agreement on 29 September 2022, and it is in place until 1 January 2026.

To improve the functioning of the east coast gas market, the government introduced a mandatory code of conduct to ensure that east coast gas users can contract for gas at reasonable prices and on reasonable terms. The code came into effect on 11 July 2023.

Portfolio overview

Ministers

The responsible ministers on 30 June 2023 were:

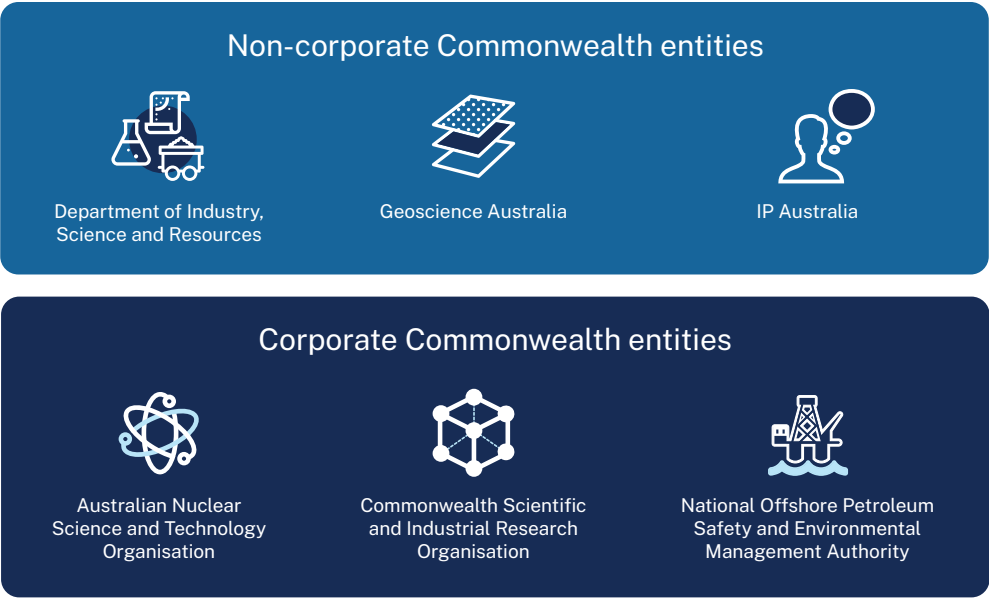
- the Hon Madeleine King MP, Minister for Resources and Minister for Northern Australia
- the Hon Ed Husic MP, Minister for Industry and Science
- Senator the Hon Tim Ayres, Assistant Minister for Manufacturing and Assistant Minister for Trade.

They were sworn in on 1 June 2022.⁸

Portfolio

In 2022–23, we worked closely with entities in our portfolio to deliver on the government’s objectives. Figure 1 shows the Industry, Science and Resources portfolio as at 30 June 2023.

Figure 1: Industry, Science and Resources portfolio



⁸ Details of acting arrangements during 2022–23 of 2 weeks or more are in Appendix A1.

Department overview

Our purpose

Building a better future for all Australians by enabling a productive, resilient and sustainable economy, enriched by science and technology.

Key activities

In 2022–23, we delivered against our purpose through:

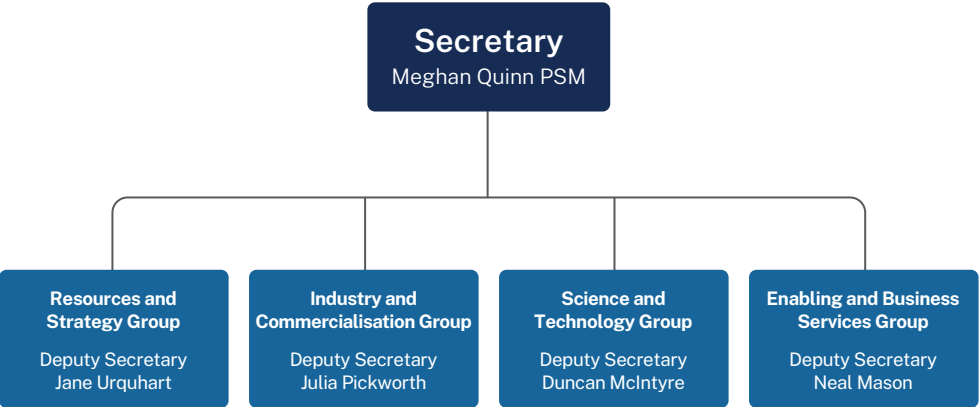
- Key activity 1.1: growing innovative and competitive businesses, industries and regions
- Key activity 1.2: investing in science and technology
- Key activity 1.3: supporting a strong resources sector.

Organisational structure

The department was created on 1 July 2022 following machinery of government changes announced on 1 June 2022. We gained responsibility for the Critical Technologies Policy Coordination Office, Office of Supply Chain Resilience and Digital Technology Taskforce. Climate change and energy functions were transferred to the Department of Climate Change, Energy, the Environment and Water (DCCEEW).

Meghan Quinn PSM was appointed Secretary on 22 August 2022. On 12 December 2022, the department was restructured to align our functions with government objectives and to build policy and enabling centres of excellence that support our activities. Details of the prior organisational structure, along with acting arrangements under both structures, are in Appendix A1.

Figure 2: Organisational structure at 30 June 2023







Chapter 2

Departmental report on performance

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Statement of preparation

I, Meghan Quinn, as the accountable authority of the Department of Industry, Science and Resources, present the annual performance statements 2022–23 of the Department of Industry, Science 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

11 September 2023

Annual performance statements reporting

The annual performance statements demonstrate how our work progressed over the 2022–23 reporting period through performance measures that are aligned to key activities under our purpose statement. The statements were prepared in accordance with the requirements set out for Commonwealth entities in section 16F of the Public Governance Performance and Accountability Rule 2014.

Changes to performance measures from *Corporate plan 2022–23*

We continued reviewing and improving our performance measures to reflect the breadth of activities we undertake to achieve our purposes. We also built on what we learnt from the first audit of our annual performance statements by the Australian National Audit Office (ANAO). Feedback from the audit resulted in some changes to performance measures, as published in the *Corporate plan 2022–23*, which are included in these statements. Table 1 describes the changes.

Table 1: Changes in performance measures

Performance measure	Description of changes from <i>Corporate plan 2022–23</i>
3 – Applicant satisfaction with the experience of the grants application process through the business.gov.au portal	To better describe the performance measure, it was updated to remove reference to ‘overall’ in relation to the experience of the grants application process.
4 – Effective regulation to assure the safety and security of space activities	<p>To better reflect the work of the Australian Space Agency, the target has changed from ‘year-on-year decrease in the number of unresolved safety recommendations per authorised space activity’ to ‘zero fatalities, serious injuries or damage to other property as a result of authorised Australian space activities’.</p> <p>The calculation method also changed in line with this target.</p>
9.1 – Percentage of Questacon’s national STEM events reaching lower socio-economic, regional and remote communities	<p>This is a new measure that reflects the contribution of Questacon’s work to the department’s key activity 1.2 – investing in science and technology.</p> <p>The measure, as it relates to raising awareness of the importance of Science, Technology, Engineering and Maths (STEM), supplements performance measure 9. It demonstrates Questacon’s outreach work to those who may otherwise not have access to the Questacon centre in Canberra.</p>

Performance measure	Description of changes from <i>Corporate plan 2022–23</i>
11 – Grow Australia’s critical minerals sector, including by supporting development of downstream processing capacity	To better describe the performance measure type, it has changed from ‘effectiveness’ to ‘output’.
12 – Increase opportunities for resources project investment	To better describe how this measure relates to our work, the target was updated to reference ‘offshore’ and structurally updated for clarity.
14 – Safe and effective administration and operation of Australia’s offshore oil, gas and greenhouse gas industry	<p>To better align this measure to our role in reviewing the safety regulatory regime, the target was amended from ‘identify, review and implement policy reforms to improve the regulatory framework for offshore oil, gas and greenhouse gas (GHG) industry’ to ‘identify, review and propose policy reforms to improve the safety regulatory regime for Australia’s offshore oil, gas and GHG industry’.</p> <p>The calculation method also changed in line with this target.</p>
15 – Anti-Dumping Commission’s compliance with legislated and World Trade Organization timeframes is maintained or improved	This is a new measure that reflects the contribution of the Anti-Dumping Commission’s work to the department’s key activity 1.1 – growing innovative and competitive businesses, industries and regions.

Structure of performance statements

The annual performance statements 2022–23 report against our purpose and the key activities in the *Corporate plan 2022–23* and *Portfolio budget statements 2022–23*.

The following describes the alignment between our purpose statement and key activities in the corporate plan, and the outcomes statement and programs in the portfolio budget statements (PBS).

Corporate plan 2022–23

Purpose statement

Building a better future for all Australians by enabling a productive, resilient and sustainable economy, enriched by science and technology.

Key activity 1.1

Growing innovative and competitive businesses, industries and regions

Key activity 1.2

Investing in science and technology

Key activity 1.3

Supporting a strong resources sector

Portfolio budget statements 2022–23

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
- supporting resources.

Program 1.2

Growing innovative and competitive businesses, industries and regions

Program 1.1

Investing in science, technology and commercialisation

Program 1.3

Supporting resources

The annual performance statements 2022–23:

- describe the performance measures aligned to each key activity
- incorporate reporting against each performance measure, including:
 - target and results, as well as a comparison with the previous year’s results where a measure has rolled over or the department was able to calculate a comparable previous year’s result
 - qualitative analysis for the measure
 - identification of limitations where applicable.

Performance measures and our overall results

In 2022–23, we demonstrated our performance through 16 performance measures, using a mix of output, efficiency and effectiveness measures.



Output measures assess the quantity and quality of the goods and services produced by an activity (including their volume or quantity).



Efficiency measures are generally expressed as a ratio of inputs to outputs, where efficiency involves maximising outputs for a given volume of inputs. The timely delivery of an output is commonly used as a proxy for efficiency.



Effectiveness measures assess how well the department has delivered on its purposes, and where activities have had the intended impact or contributed to achieving the purposes.

Of the 16 performance measures reported on:

- 13 were met
- 1 was partially met
- 2 measures had their baseline set.

Figure 3: Performance measures by type

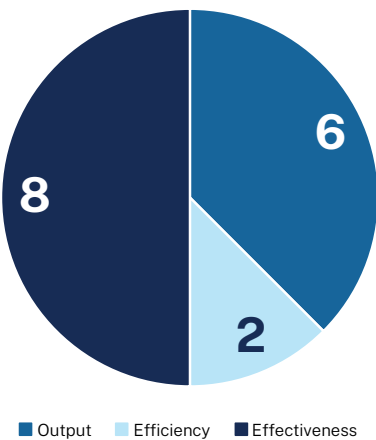


Figure 4: Assessment of performance

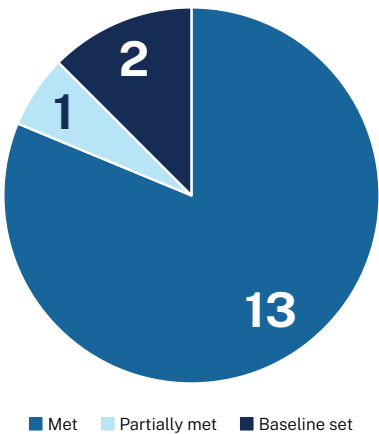


















Table 2: Snapshot of our performance measures by measure type and result

Measure type	Measure title	2022–23 result
Effectiveness 	1. Business co-investment through portfolio initiative funding	Met
Output 	2. Proportion of grants and services delivered to regional businesses	Met
Output 	3. Applicant satisfaction with the experience of the grants application process through the business.gov.au portal	Baseline set
Effectiveness 	4. Effective regulation to assure the safety and security of space activities	Met
Effectiveness 	5. Proportion of major projects that are compliant with their approved Australian Industry Participation (AIP) plans	Met
Efficiency 	6. Applications for registration of research and development activities through the Research and Development Tax Incentive (R&DTI) are processed within designated timeframes	Met
Effectiveness 	7. Grow the number of technology-related jobs to 1.2 million by 2030	Met

Measure type	Measure title	2022–23 result
Output 	15. Anti-Dumping Commission's compliance with legislated and World Trade Organization timeframes is maintained or improved	Baseline set ⁹
Effectiveness 	8. Number of businesses establishing research-focused collaborations that are facilitated by portfolio programs	Met
Effectiveness 	9. Raising awareness of the importance of STEM through the delivery of portfolio initiatives	Partially met
Effectiveness 	9.1. Percentage of Questacon's national STEM events reaching lower socio-economic, regional and remote communities	Met
Effectiveness 	10. Number of third-party accreditations maintained to ensure NMI measurement services meet national and international best practice	Met
Output 	11. Grow Australia's critical minerals sector, including by supporting development of downstream processing capacity	Met
Output 	12. Increase opportunities for resources project investment	Met
Efficiency 	13. National Offshore Petroleum Titles Administrator's published assessment timeframes for applications made under the <i>Offshore Petroleum and Greenhouse Storage Act 2006</i> are met	Met
Output 	14. Safe and effective administration and operation of Australia's offshore oil, gas and greenhouse gas (GHG) industry	Met

⁹ Performance measure 15 was established after the *Corporate plan 2022–23* and its position reflects alignment to key activity 1.1.

Key activity 1.1 – 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 2022–23 Outcome 1, Program 1.2.

1 – Business co-investment through portfolio initiative funding

Target	2021–22 result	2022–23 result
Maintain an average of at least \$1.20 of business co-investment for every \$1 of grant funding for portfolio programs that require business co-investment	New measure in 2022–23	\$2.83 for every \$1.00 of grant funding

2022–23 assessment

Met

Analysis of result

Business co-investment in programs demonstrates commitment to growing innovative and competitive businesses across targeted industries. It provides evidence of business commitment to delivering on the project or activity.

Including a co-investment requirement in programs supports building a resilient, and dynamic economic base. This will support Australian industry to better adapt to new markets and leverage emerging opportunities, thereby creating jobs and benefiting the broader economy.

The departmental programs with contracts in scope for the reporting period are listed at Table 3.

Table 3: Program-specific co-investment requirements

Program name	Program-specific co-investment requirement for every dollar of grant funding	Dollars co-invested for every \$1 of grant funding achieved
Critical Minerals Accelerator Initiative	\$1.00	\$1.50
Critical Minerals Development Program	\$1.00	\$2.10
Cyber Security Skills Partnership Innovation Fund – Round 2	\$1.00	\$1.50
Entrepreneurs' Programme – Accelerating Commercialisation Grant	\$1.00	\$1.05
Entrepreneurs' Programme – Growth Grant	\$1.00	\$1.00
Innovation Connections Grant	\$1.00	\$1.19
Maker Projects – Community STEM Engagement grants 2022	\$0.25	\$0.81
Manufacturing Integration Stream – Round 2	\$1.00	\$1.96
Manufacturing Translation Stream – Round 2	\$1.00	\$2.61
Modern Manufacturing Initiative Manufacturing Collaboration Stream	\$2.00	\$4.45
Moon to Mars Initiative: Demonstrator Mission	\$0.33	\$0.37
Moon to Mars Initiative: Trailblazer Stage 1	\$0.33 ¹⁰	\$0.76
Supply Chain Resilience Initiative Round 2	\$1.00	\$1.56
Cooperative Research Centres Grants	\$1.00	\$2.84
Cooperative Research Centres Projects	\$1.00	\$1.85

¹⁰ Requirement is a minimum co-contribution of \$1 million for a maximum grant amount of \$4 million.

A high co-investment amount indicates the private sector is willing to spend money on projects that are in line with the policy intent of programs. Driving the result for the 2022–23 financial year was a:

- strong co-contribution from the manufacturing sector and the critical minerals sector through the Modern Manufacturing Initiative programs and the Critical Minerals Development Program
- willingness by a broad range of businesses and researchers to participate in the Cooperative Research Centres Program, leading to a high number of partners and more contributions.

Programs with a lower co-investment result were due to:

- targeting emergent industries, such as in the Moon to Mars Initiative
- targeting community organisations, such as in the Maker Projects.

The overall high result indicates that portfolio funding is well targeted, as funding has gone to competitive organisations that are willing to make significant private sector investment.

Limitations

Data provided as part of this measure is based on the contracted business contribution and grant amount for contracts in scope for the reporting period. Actual co-contributions cannot be determined until progress or final reporting, which often occurs outside the reporting period. It is unlikely to vary significantly from the contracted funding ratio. However, this is monitored over the life of these programs to ensure grantees are meeting their contractual requirements.

2 – Proportion of grants and services delivered to regional businesses

Target	2021–22 result	2022–23 result
25% or more total grants or services delivered to regional businesses	28%	32%

2022–23 assessment

Met

Analysis of result

The department strives to ensure equitable access to business support regardless of geographical areas. This is achieved by designing grant opportunities that target a range of sectors across Australia spanning both metropolitan and regional areas. Further support is provided through AusIndustry Business Outreach, which operates a network of 30 regional managers across the country who are connected to regions, communities and industries. Regional managers help local business identify government support mechanisms that enable growth opportunities. Our programs are designed to support businesses across our economy. To ensure regional businesses receive appropriate support we aim for at least 25% of grants and services to be delivered to businesses in the regions.

For grants and services delivered in 2022–23, 32.3% were delivered to businesses with a regional address, and 67.6% were delivered to businesses with an address in a major city. Only 0.1% were delivered to businesses that were outside the scope of the Australian Statistical Geography Standard (ASGS) Remoteness Structure.¹¹

Limitations

Data used in this measure is based on the address of the business, and the delivery of the grant or service may occur at a different project location.

¹¹ The ASGS Remoteness Structure defines remoteness areas for the purpose of releasing and analysing statistics. Remoteness areas are derived from the Accessibility/Remoteness Index of Australia Plus (ARIA+) produced by the University of Adelaide. Remoteness areas divide Australia into 5 classes of remoteness on the basis of a measure of relative access to services. They are: major cities, inner regional, outer regional, remote and very remote. For more information, refer to www.abs.gov.au/statistics/standards/australian-statistical-geography-standard-asgs-edition-3/jul2021-jun2026/remoteness-structure.

3 – Applicant satisfaction with the experience of the grants application process through the business.gov.au portal

Target	2021–22 result	2022–23 result
Baseline to be set in 2022–23	New measure in 2022–23	Baseline set: 90%

2022–23 assessment

Baseline set

Analysis of result

The department operates the Business Grants Hub, which provides grants to businesses and other organisations across Australia. This service is provided on behalf of the department and 11 other Commonwealth agencies. In 2022–23, the Business Grants Hub executed more than 4,900 grant contracts across 116 grant programs, valued at over \$1.94 billion.

These grants help to achieve the government’s policy objectives for the benefit of all Australians. An effective grant application process helps businesses engage with government and effectively access the support provided. By measuring satisfaction with the application process at the end of the application form, the department can collect feedback from a broad range of applicants who interact with government, including those who are later deemed unsuccessful for funding.

We have used 2022–23 to set a baseline to inform the target for future years. Before a question on satisfaction was built into the grant application, applicant satisfaction results were collected via survey.

A total of 2,806 responses were recorded through both the survey and application forms:

- 88% of respondents reported being satisfied or very satisfied with the grant application process
- 9% of respondents were neither satisfied nor dissatisfied
- 3% of respondents were dissatisfied or very dissatisfied.

Table 4: Satisfaction levels by response type

Satisfaction level	Survey responses	Application form responses
Satisfied or very satisfied	289 (73%)	2,176 (90%)
Neither satisfied or dissatisfied	51 (13%)	198 (8%)
Dissatisfied or very dissatisfied	56 (14%)	36 (1%)
Total number of responses	396	2,410

Just over 90% of applicants surveyed through the application form were satisfied or very satisfied with the grant application process (compared with 88% of all respondents) and this has been used to set the baseline.

We use customer feedback to inform continuous improvement of the grant application experience across our systems and processes. For example, based on user feedback, we are improving the user experience of completing budget information within the application form. This means policy agencies can be confident their programs are being accessed with user experience in mind.

Limitations

Before a question on satisfaction was built into the grant application, applicant satisfaction was assessed via a survey. Two methodologies were used to collect data for 2022–23. Fourteen per cent of total responses were collected through a survey and 86% were collected through the grant application. Each method had limitations:

- Survey responses were optional. The sample was limited to grant applicants who chose to participate. Responses were collected for the period 1 July 2022 to 31 December 2022 and the response rate was 16%. As applicants were surveyed after being notified of the outcome of their application, their response may have been influenced by the success of their application.
- Application responses were compulsory from 9 January 2023 through to 30 June 2023. While the application form stated the satisfaction question would not affect the assessment process, applicants may have believed a positive response would result in a more favourable assessment of their application.

The wording was slightly different across the 2 methods.

- Survey applicants were asked, ‘How satisfied were you with the overall experience of applying for a grant through the portal?’
- Through the application form, applicants were asked, ‘How satisfied were you with the process of applying for this grant?’

Differences in question wording may have influenced applicants’ responses.

From 2023–24 onwards only the application form response will be collected, which will eliminate this discrepancy.

4 – Effective regulation to assure the safety and security of space activities

Target	2021–22 result ¹²	2022–23 result ¹³
Zero: ¹⁴		
• fatalities	Nil	Nil
• serious injuries	Nil	Nil
• damage to other property	Nil	Nil
across the number of authorised space activities.	7 authorised space activities	5 authorised space activities

2022–23 assessment

Met

Analysis of result

Space capability contributes to Australia's economic prosperity, national security and management of challenges such as climate change. The space sector provides critical data for sectors such as resources, agriculture and environment, as well as access to new markets and high-skilled jobs. It diversifies and advances our manufacturing base, and unlocks emerging technologies in communications, remote operations, robotics and automation.

The *Space (Launches and Returns) Act 2018* is administered by the department through the Australian Space Agency. It aims to achieve a reasonable balance between removing barriers to participation in space activities and encouraging entrepreneurship and innovation in the space industry. The agency also oversees the safety of space activities, and the risk of damage to persons or property.

This measure aims to provide a quantitative assessment of the agency's effectiveness in achieving this balance. The measure is contextualised by the level of space activity, represented by the volume of authorisations made by the agency, as part of its regulatory role, over the reporting period.

Any fatality, serious injury or damage to other property as a result of a space activity conducted in 2022–23, but notified outside of the reporting period, will be captured in the subsequent reporting period.

Limitations

The *Space (Launches and Returns) Act 2018* applies only to certain upstream activities in the space sector value chain typically involving space launch. As such, it provides an indicator of activity in the manufacturing and launch segments of the Australian space sector, but does not measure broader Australian space activity.

¹² The 2021–22 result has been calculated retrospectively to reflect the 2022–23 performance measure and target rather than the 2021–22 performance measure, which was to develop and implement flexible approaches in the regulation of Australia's space activities, with a target of year-on-year improvement.

¹³ www.industry.gov.au/australian-space-agency/regulating-australian-space-activities/minister-decisions-about-space-activities.

¹⁴ The *Space (Launches and Returns) Act 2018* has terms consistent with the terms 'zero fatalities', 'serious injuries' and 'damage to other property' as a result of authorised Australian space activities.

5 – Proportion of major projects that are compliant with their approved Australian Industry Participation (AIP) plans

Target	2021–22 result	2022–23 result
100%	100%	100%

2022–23 assessment

Met

Analysis of result

The main objective of the *Australian Jobs Act 2013* is to support the creation and retention of Australian jobs. The Act requires proponents of eligible productive facilities with capital expenditure of \$500 million or more to prepare and implement an AIP plan. AIP plans ensure that Australian entities have the opportunity to tender to supply key goods or services through all stages of a project, and get assistance with capability development and integration into global supply chains. This objective is in line with the department’s priority to grow competitive Australian industries and jobs, and to secure reliable supply chains.

The AIP Authority assesses projects’ 6-monthly compliance reports and supporting evidence to ensure proponents are complying with their AIP plans and not relying solely on their existing supply chains.

The AIP Authority received 167 compliance reports from 95 major projects in 2022–23. 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 major projects providing evidence in their reporting.

Over 2022–23, the AIP Authority actively worked with proponents to achieve compliance and did not detect any compliance breaches requiring use of legislative sanctions. To help proponents to understand and meet the compliance obligations in their AIP plans, the AIP Authority focused on education. This included developing a best-practice user guide and providing feedback on proponents’ reports. The feedback assisted new proponents who were unfamiliar with the reporting process and experienced proponents who needed further information and clarification. It also helped in instances where there had been changes to the project, including key personnel.

6 – Applications for registration of research and development activities through the Research and Development Tax Incentive (R&DTI) are processed within designated timeframes

Target	2021–22 result ¹⁵	2022–23 result
95% of applications processed within:		
• 40 business days for first time registrants	99%	100%
• 20 business days for registrants that have applied within 6 months after the end of the income period	99%	99%
• 80 business days for registrations submitted from 6 to 10 months after the end of the income period.	100%	100%

2022–23 assessment

Met

Analysis of result

The R&DTI program offers a tax offset to companies conducting eligible Research and Development (R&D) activities. This encourages additional R&D investment, which generates wider benefits for the Australian economy.

As at 30 June 2023, for registrations occurring in the 2021–22 financial year:

- more than 12,700 companies were registered for the R&DTI program
- total R&D expenditure was \$15.3 billion.

This measure quantifies the number of business days that elapse between the 2 critical administration points of when a company applies to the R&DTI program, and when that company is registered in the program by the department.

While a standard benchmark of 95% is applied for this measure, different processing timeframes allotted to each of the 3 cohorts reflect variations in processing time to register companies under certain conditions.

¹⁵ The 2021–22 target was the same as the 2022–23 target. However, the 2021–22 result has been re-calculated to exclude weekends, in line with the 2022–23 result assessment.

The improvement in the 2022–23 results, relative to 2021–22 results, may be attributable to the temporary reallocation of staff from other areas in the branch to work on processing registrations during the registration peak period and the use of more streamlined administrative processes.

Specifically, the processing target for:

- ‘first-time registrant’ companies is 40 business days. This allows adequate checks to be performed for companies applying to the program for the first time
- ‘returning registrant’ companies is 20 business days if they are applying within 6 months after the end of the income period (this typically occurs outside peak processing periods)
- ‘returning registrant’ companies is 80 business days if they are applying within 6 to 10 months after the end of the income period. This 6 to 10 month interval is a peak processing period and the extended target is applied to account for this peak.

R&D activities must be registered before an R&D tax offset is claimed through a company’s tax return. Timely registration of an R&D tax offset benefits companies because they can then lodge their tax returns and receive the tax offset benefit.

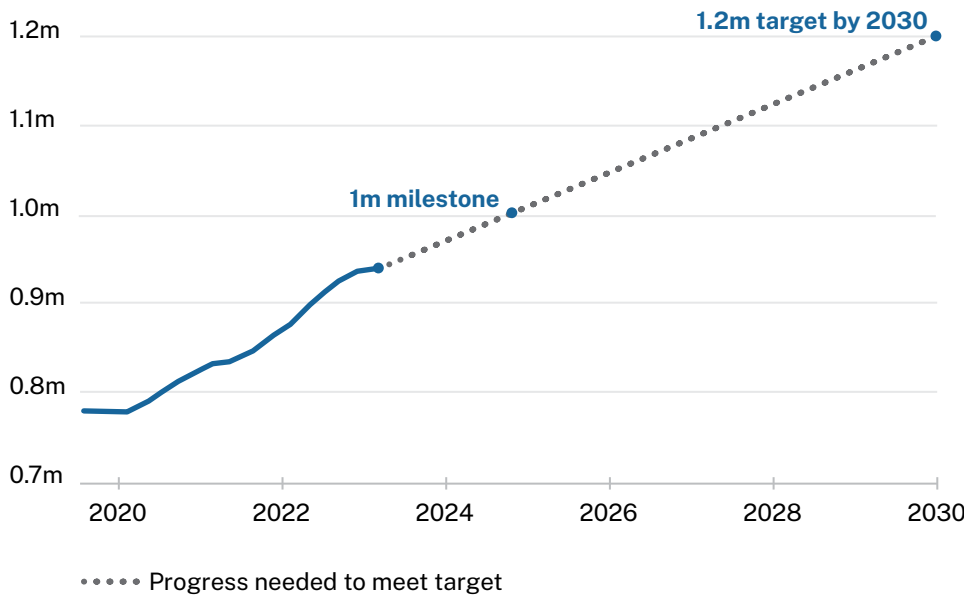
Limitations

The 2022–23 results of this performance measure report processing timeframes for R&D tax incentive applications from the 2021–22 financial year, as companies can apply to register their R&D activities up to 10 months after the end of each financial year.

7 – Grow the number of technology-related jobs to 1.2 million by 2030

Target	2021–22 result	2022–23 result
Year-on-year increase	879,800	940,600

Graph 1: Total employment in technology-related jobs



2022–23 assessment

Met

Analysis of result

Growing the number of technology-related jobs in the Australian workforce is vital to building innovative, competitive businesses that strengthen and drive the growth of our economy. The number of technology-related jobs in May 2023 was 940,600 which represents a 6.9% increase from May 2022, when the total number was 879,800 (6.6% of total employment).

The increase in the number of technology-related jobs is due to a range of economic factors, supported by several government actions. The department leads a range of sectoral strategies, consultations and initiatives that help to mature Australia's technology adoption readiness and highlight the role that technology-related jobs have in improving productivity. Examples include:

- Research and Development Tax Incentive – supports business to invest and grow through R&D, including R&D in relation to technological development
- Initiatives to support the safe and responsible use of artificial intelligence (AI),¹⁶ building on the existing AI ethics framework¹⁷ – the department is also implementing a new responsible AI adopt program and is leading a broader public discussion focussed on ensuring Australia has the right governance mechanisms in place in relation to AI
- National Quantum Strategy¹⁸ – promotes Australia as the world's top destination for people studying, undertaking research in, and working in quantum industries
- National Robotics Strategy¹⁹ – public consultation to inform the strategy is seeking to understand future workforce requirements, including our existing strengths and any gaps that need to be addressed
- Critical Technologies Hub²⁰ – advises the government on critical technology opportunities, developments and risks. The hub developed the List of Critical Technologies in the National Interest
- Australian Space Agency²¹ – through the Australian Space Discovery Centre we showcase the pathways for a career in space, inspiring the future workforce to study subjects and gain experience that will sustain and grow our national space industry
- Questacon, the National Science and Technology Centre²² – is inspiring the next generation of STEM leaders through initiatives like the Questacon Cyber Program, which is improving cyber security skills, technology awareness and job readiness in young Australians.

¹⁶ consult.industry.gov.au/supporting-responsible-ai.

¹⁷ www.industry.gov.au/publications/australias-artificial-intelligence-ethics-framework.

¹⁸ www.industry.gov.au/publications/national-quantum-strategy/executive-summary.

¹⁹ consult.industry.gov.au/national-robotics-strategy.

²⁰ www.industry.gov.au/science-technology-and-innovation/technology.

²¹ www.industry.gov.au/australian-space-agency.

²² www.questacon.edu.au/about/reports/annual-reviews/annual-review-2021.

Government initiatives outside the Industry, Science and Resources portfolio included:

- the increase of permanent migration visas to address persistent and emerging skills shortages, and to attract people with specialist skillsets, including in technology
- the provision of 480,000 fee-free TAFE and 20,000 new university places
 - as of 30 May 2023, more than 14,500 of the 146,000 fee-free TAFE enrolments were in the priority ‘Technology and Digital’ sector
 - more than 4,000 of the new university places were in areas such as engineering and technology (at least 2,275 were in information technology)
- the implementation of industry engagement mechanisms in the vocational education and training system to ensure it is more responsive to industry needs (including a dedicated Jobs and Skills Council in technology)
- initiatives to grow the digital capability of the Australian Public Service, including introducing a program to deliver up to 1,000 digital traineeships.

An essential element of the Australian workforce meeting the demand for technology-related jobs is skills development. We contribute to this through targeted programs and our work with the agencies that have the key levers for skills development. Skills-focused work being led by the department include:

- next-generation AI and emerging technology programs, which are expected to attract and train up to 480 job-ready graduates in AI and other emerging technologies
- support to up to 20 PhDs under the Australian Quantum Graduates Program
- initiatives to support greater participation of women in STEM and the ongoing Pathway to Diversity in STEM Review.

The department works across government to support processes and a more coordinated approach to meeting Australia’s technology-related jobs challenge. This work includes:

- convening a regular Commonwealth digital skill working group to support engagement and discussion on cross-cutting issues relating to tech skills
- partnering with the Department of Employment and Workplace Relations on taking forward the Digital and Tech Skills Compact, a commitment made at the Jobs and Skills Summit by the government to work with industry, unions and education and training providers to meet Australia’s tech-related skills challenge. A working group established under the compact is finalising its report on a model ‘digital apprenticeship’ scheme
- contributing to broader government reform initiatives including the Review of the Migration System, the Employment White Paper and the Australian Universities Accord.

15 – Anti-Dumping Commission compliance with legislated and World Trade Organization (WTO) timeframes is maintained or improved

Target	2021–22 result	2022–23 result
Baseline to be set in 2022–23	New measure in 2022–23	Baseline set – refer to Tables 5 and 6 in analysis of result

2022–23 assessment

Baseline set

Analysis of result

In administering an anti-dumping system, the department seeks to support Australian industry and the economy by remedying proven instances of unfair international trade. It does this through:

- the Anti-Dumping Commission investigating Australian industries’ claims of dumping and subsidisation of imported goods
- seeking and considering evidence from Australian producers and importers, as well as foreign exporters
- making recommendations to the responsible minister on the imposition, continuation, withdrawal or adjustment of dumping and countervailing duties.

The Anti-Dumping Commission operates in accordance with best-practice regulation principles to administer a transparent and accessible system that:

- affords due process to all interested parties
- publishes evidentiary, analytical and process-related material promptly
- meets predictable maximum timeframes.

This is a new performance measure and 2022–23 results established a baseline for future years.

Noting the complexity in building a robust and meaningful performance story, the focus in the first year of reporting is to demonstrate that the Anti-Dumping Commission satisfied its international legal obligations and met strict and extended domestic legislative timeframes for completing cases across all case types. Case types are set out in the:

- *Customs Act 1901*
- *Customs Tariff (Anti-Dumping) Act 1975.*

Table 5 provides a summary of the cases completed (by case type) during 2022–23, the average time taken to complete, the statutory timeframes and a comparison against WTO timeframes, where appropriate.

Table 5: 2022–23 completion timeframes by case type

Case type	Cases completed	Average length (in days) ²³	Statutory timeframe in days (strict or extendable)	WTO timeframe
Dumping and/or subsidy investigation	4	484	155 (extendable)	18 months (or 547 days)
Review of measures	2	347	155 (extendable)	n/a
Duty assessment	20	350	155 (extendable)	18 months (or 547 days)
Accelerated review	4	89	100 (strict)	n/a
Continuation inquiry	7	280	155 (extendable)	n/a
Anti-circumvention inquiry	1	215	155 (extendable)	n/a
Exemption inquiry	8	324	n/a	n/a
Reinvestigations	2	269	As directed by ADRP ²⁴ (extendable)	n/a

To provide context and visibility of the flow and volume of cases received and processed by the Anti-Dumping Commission, Table 6 shows the caseload at the beginning of 2022–23, any actions taken during that period, and the caseload at 30 June 2023.

²³ Including any extensions.

²⁴ Anti-Dumping Review Panel.

Table 6: Volume of cases over 2022–23 by case type

Case type	At 1 July 2022	Received	Rejected/ withdrawn	Initiated	Completed	At 30 June 2023
Dumping and/ or subsidy investigation	5	4	0	0	4	5
Review of measures	3	7	2	7	2	6
Duty assessment	27	15	4	14	20	18
Accelerated review	4	3	1	2	4	2
Continuation inquiry	6	6	0	6	7	5
Anti- circumvention Inquiry	1	1	1	0	1	0
Exemption inquiry	10	5	2	7	8	5
Reinvestigations	1	2	0	2	2	1
Totals	57	43	10	38	48	42

Notes:

- For all case types except reinvestigations, an application is lodged by an external party. 'Received' refers to the original lodgement date of an application. For reinvestigations, 'received' refers to the date a request is submitted by the Anti-Dumping Review Panel.
- Most case types require the Commissioner to reject or not reject an application within 20 days of lodgement (exemptions and reinvestigations have no legislative requirement). If the Commissioner is not satisfied that the application meets the relevant requirements of the particular case type then he must reject the application and notify the applicant. Once an application is rejected and the applicant notified then the case is 'completed'.
- An application may be withdrawn by the applicant in writing at any time during the process either prior to initiation or after initiation. Cases withdrawn are considered 'completed'.
- Where the Commissioner decides not to reject an application, a notice to initiate must be published on the website. For investigations, anti-circumvention inquiries, review of measures and continuation inquiries case types, the statutory requirements for publishing a statement of essential facts and providing the final report to the Minister commence from the publication date of the initiation notice (for example, final report is to be provided to the Minister 155 days from initiation, however this date can be extended). Duty assessments, accelerated reviews, exemption inquiries and reinvestigation case types have no requirement to be initiated by notice on our website. However, if they are not rejected, they are regarded as being initiated on the date received.
- A case is regarded as completed when withdrawn, rejected, terminated or upon publication of notice of findings.

For further context regarding the volume and length of extensions, Table 7 shows the extensions for 2022–23 by case type.

Table 7: Extensions of time for 2022–23 by case type

Case type	# of extensions	# of cases extended	Average number of days extended	Average total period extended
Dumping and/or subsidy investigation	6	2	51	329
Review of measures	8	4	85	192
Duty assessment	59	31	88	195
Continuation inquiry	15	6	38	125
Anti-circumvention inquiry	2	1	30	60
Total	90	44	75	180

Establishing a baseline

Data in this reporting period was used to establish the baseline for future reporting periods against which the Anti-Dumping Commission will need to maintain or improve timeframes in the majority of cases, in the majority of case types.

Limitations

As a demand-driven investigative system, working to both strict and extendable legislative deadlines, the Anti-Dumping Commission has limited ability to control timeframes. A range of factors directly and indirectly affect timeframes across all case types including:

- requirements to meet strict legislative timeframes in new cases or reinvestigate previous cases following a merits review
- the level and timeliness of interested parties' engagement
- the need to appropriately sequence decisions on related cases.

To reflect this, the contextual data on volume of cases, by case type, as well as other relevant contextual data, will be subject to comparative, year-on-year analysis in future reporting periods.

Key activity 1.2 – investing in science and technology

This activity aims to boost our science and technology capability to facilitate the development and uptake of new ideas and technology and build a strong base for science to be used in Australian decision-making. It relates to PBS 2022–23 Outcome 1, Program 1.1.

8 – Number of businesses establishing research-focused collaborations that are facilitated by portfolio programs

Target	2021–22 result ²⁵	2022–23 result
Maintain the number of businesses collaborating year on year	2,070 ²⁶	2,228

2022–23 assessment

Met

Analysis of result

Bridging science and industry through business–research collaboration is essential to help Australia solve problems and bring new technologies, products and services to market. To support this the department delivers initiatives, such as grant programs, to support business–research collaborations. This supports the business community.

The Cooperative Research Centres (CRC) Program (both CRCs and CRC Projects) provides grant funding to support industry-led partnerships working on industry-identified problems to improve Australian industry competitiveness, productivity and sustainability.

The total number of business and research organisations active in CRCs and CRC Projects for the 2022–23 reporting period was 1,921 (1,412 in CRCs and 509 in CRC Projects). This is an overall increase of 9.3% from the equivalent reporting period in 2021–22 (1,758).

The Entrepreneurs' Programme Innovation Connections service provided participants with advice and funding to get research projects underway. This included connecting Australian small and medium-sized enterprises with research institutions and helping them apply for grants to fund research projects.

The total number of business and research organisations supported by the Innovation Connections service for the 2022–23 reporting period was 307, on par with the equivalent 2021–22 reporting period, which supported 312.

The 2022–23 result (both for the overall performance measure and the CRC Program) increased primarily due to the addition of successful Round 23 CRCs to the pool of active CRCs contributing to the performance measure, with all CRCs from the previous year (2021–22) continuing to operate in 2022–23.

²⁵ The 2021–22 target was a year-on-year increase.

²⁶ The 2021–22 result was recalculated using current contributing programs, noting the performance measure for 2021–22 was 'number of business–research collaborations facilitated by portfolio programs', with a year-on-year increase target.

Limitations

Contributing programs may be amended year-to-year. For 2022–23, the performance measure and contributing programs shifted from business–research collaborations (in 2021–22) to research-focused collaborations.

9 – Raising awareness of the importance of STEM through the delivery of portfolio initiatives

Target	2020–21 result	2021–22 result	2022–23 result
Proportion of Australians who consider STEM skills important when considering employment:			
• Parents > 87%	86%	Not conducted	81%
• Educators > 87%	89%	Not conducted	89%
• Young Australians > 87%	Not conducted	92%	Not conducted

2022–23 assessment

Partially met

Analysis of result

The government’s investment in science and technology is focused on building Australia’s capability and engagement in science, technology, engineering, and mathematics (STEM), which is essential in harnessing new technologies for future prosperity. The department leads national policy and programs to support community-wide STEM engagement, including among girls, women and people from diverse backgrounds. These programs target the STEM pathway, partly to alter perceptions and increase understanding of STEM careers for young Australians.

In September 2022, the government announced its plan to revitalise both the National Science and Research Priorities and the National Science Statement, to help shape the long-term vision for Australia’s science system. This process is intended to re-energise conversations across the Australian science and research sector on the importance of STEM to deliver social, economic and environmental benefits for all Australians. The department will also consider the Pathway to Diversity in STEM Review outcomes when they are finalised in late 2023, as well as opportunities to strengthen this performance measure for continued alignment with our work.

This performance measure considers 3 surveys – conducted every 2 years – covering parents, educators and young Australians’ perceptions of the importance of STEM. This year’s result is drawn from the 2 surveys conducted in 2022–23 with parents and educators. The survey for young Australians was conducted and reported in 2021–22. The STEM Equity Monitor and survey results for 2022–23 were released in July 2023.²⁷

²⁷ www.industry.gov.au/publications/stem-equity-monitor.

The departmental programs included in this performance measure are:

- Inspiring Australia Science Engagement Program
- National Science Week
- Prime Minister's Prizes for Science
- Citizen Science Grants
- Sponsorship grants for student science engagement and international competitions
- Maker Project Grants
- Targeted Science Communication
- Women in STEM and Entrepreneurship grants program
- Girls in STEM Toolkit
- Women in STEM Ambassador
- Women in STEM Ambassador national awareness raising initiative
- Advancing Women in STEM strategy
- Advancing Women in STEM 2020 Action Plan
- STEM Equity Monitor
- Superstars of STEM
- Science in Australia Gender Equity (SAGE) initiative
- Elevate: Boosting Women in STEM scholarship.

The surveys measure changes in attitudes and perceptions but do not gather qualitative data on 'why' respondents provide their ratings. As such, it is difficult to analyse why the results differ from the target. It could be attributed to general shifts in the operating environment over the 2 years between surveys, such as the COVID-19 pandemic and the resulting disruption in education and engagement in extra-curricular activities.

The decrease in parents' overall perceptions that STEM skills are important when considering employment is also reflected in their response to STEM skill specific questions:

- science skills 76% (down from 81% in the previous survey)
- technology skills 87% (down from 89% in the previous survey)
- engineering skills 72% (down from 75% in the previous survey)
- mathematics skills 83% (down from 89% in the previous survey).

There were no changes in educators' overall perceptions that STEM skills are important when considering employment.

Limitations

This performance criteria has been chosen as a proxy for understanding national perceptions of the importance of STEM skills. There are limitations with attributing the direct impact of the department's STEM engagement programs on STEM participation due to factors outside of the department's control. It is also not practical economically to measure the response of an entire population. Therefore, representative sample results are used as a proxy.

Each survey sample is analysed to ensure it represents the intended population. Weighting is applied in some cases for under- or over-representation within the sample and additional methodological information is available in research reports. This data is collected biennially through the *Youth in STEM research report* and the *STEM influencers – parents, teachers and career advisors research report* produced by Youth Insight, which is the research arm of Student Edge that provides national surveys for government and industry organisations.

9.1 – Percentage of Questacon's national STEM events reaching lower socio-economic, regional and remote communities

Target	2021–22 result	2022–23 result
50% national STEM events reaching lower socio-economic communities	59%	58%
60% national STEM events reaching regional and remote communities	72%	80%

2022–23 assessment

Met

Analysis of result

Questacon, the national science and technology centre, is contributing to the Australian community's engagement with science, technology and innovation.

Questacon aims to highlight the value of science and technology in everyone's lives, the importance of developing STEM skills, and the future STEM careers can offer.

Questacon is also committed to overcoming social disadvantage and geographic isolation as barriers to engagement.

The government's investment in science and technology through Questacon's national STEM events and virtual programs enable Australians in schools and communities with limited access to a Canberra-based Questacon experience to engage with science, technology and innovation wherever they are.

In 2022–23, national STEM events and virtual programs engaged 44,022 students, teachers, and members of the public across every state and territory. These programs are free to schools, reducing barriers to participation. An additional 249,214 participants interacted with Questacon’s exhibits in informal learning institutions across the country.

Schools volunteer to participate in Questacon’s free national STEM programs following an opt-in approach. Questacon markets and plans national STEM events in regional/remote and low socio-economic areas to share its vision – of creating a better future for all Australians through engagement with science, technology and innovation. Questacon’s national STEM event targets of 50% and 60% are used to provide flexibility in programming circumstances, as well as working into Questacon’s national presence strategy.

Background

The 2022–23 reporting period is the first in which the department has established a performance measure relating to Questacon and the national STEM events programs. A benchmark target was set of 50% national STEM events engaging with lower socio-economic communities, and 60% engaging regional and remote communities. The measure reflects the contribution of Questacon’s outreach work in raising awareness of the importance of STEM.

As Australia’s national science and technology centre, Questacon supports community engagement with science, technology and innovation. In 2022–23, Questacon welcomed 464,297 visitors from the public and schools to enjoy exhibits, shows and inspirational learning experiences at its centre in Canberra. This was 164,297 higher than forecast in Questacon’s 2022–23 planning. During 2022–23, 105,921 school students visited the centre on excursions, showing a slow return to pre-pandemic averages of 150,000 students per year.

Limitations

Geo-locational data was not available for 13 (1.5%) of the national STEM events (869 in total) and were therefore excluded from the data used to calculate the result.

10 – Number of third-party accreditations maintained to ensure NMI measurement services meet national and international best practice

Target	2021–22 result	2022–23 result
Maintain global acceptance of over 300 measurement capabilities under the Mutual Recognition Arrangement of the International Committee of Weights and Measures	New measure in 2022–23	313
Maintain NMI's 24 National Association of Testing Authorities (NATA) accreditations across calibration and testing, reference material production, and proficiency testing functions		25
Maintain World Anti-Doping Agency (WADA) accreditation for NMI's sports drug testing capability		Maintained

2022–23 assessment

Met

Analysis of result

The National Measurement Institute (NMI) plays an important role in the Australian economy by leading Australia's measurement system. This work is driven by advances in science and technology to continuously adapt to, service and enhance the productivity and growth of Australian industry.

Maintaining trusted national and international accreditation for our measurement laboratories, standards and services supports domestic and international trade. It provides assurance to consumers, governments and other stakeholders that Australian products and results across a range of sectors are underpinned by scientific expertise and infrastructure of the highest international standards.

To meet these targets, NMI continuously maintains laboratories and capabilities at a suitable standard for these accreditations. For example, ISO/IEC 17025, *Testing and calibration laboratories*, is the relevant standard for calibration laboratories, and sets out a range of requirements such as ensuring equipment is appropriately calibrated so results are accurate.

Maintenance of these accreditations is achieved via internal and external audit processes, where NMI is required to demonstrate:

- competency in performing the measurement services for which accreditation is held
- compliance with standard accreditation requirements.

Globally accepted measurement capabilities

The Key Comparison Database maintained by the International Bureau of Weights and Measures (BIPM) lists 313 internationally recognised calibration and measurement capabilities (CMCs) for NMI, with 105 in chemistry and biology, and 208 in general physics. This maintains the level of CMCs from the previous financial year and exceeds the minimum requirement of 300 CMCs in this performance measure.

Achieving and maintaining CMCs requires NMI to meet 3 fundamental criteria:

- participation in scientific comparisons
- operation of an appropriate quality management system
- international peer review of claimed calibration and measurement capabilities.²⁸

National Association of Testing Authorities accreditations

NMI's 24 NATA accreditations across the functions of calibration and testing, reference material production, and proficiency testing that are part of this performance measure for 2022–23, were all maintained. The additional NATA accreditation attained in mid-2022 was also maintained, keeping the total number of NATA accreditations at 25.

Each NATA accreditation is reassessed every 3 years, with a surveillance visit of the relevant laboratory at 18 months.²⁹

NMI and its predecessor organisations have continuously maintained the accreditation required to deliver measurement standards and science for decades. In 2022–23, NMI celebrated the 70th anniversary of its oldest NATA accreditation, for sample analysis services delivered from its Melbourne laboratory.

World Anti-Doping Agency accreditation

WADA accreditation for NMI's sports drug testing capability was maintained in such a way that services to Sport Integrity Australia were delivered as per the memorandum of understanding. A new certificate of accreditation received from WADA on 9 January 2022 authorises NMI's Australian Sports Drug Testing Laboratory to conduct doping control analyses from 1 January 2023 to 31 December 2023.

WADA accreditation is renewed annually. Amongst other requirements,³⁰ accreditation must meet the requirements of the International Organization for Standardization's ISO/IEC 17025 which is separately accredited by NATA.

28 More details on the approval process are available at www.bipm.org/en/cipm-mra/cmc-approval-process.

29 The accreditation process and requirements are available at nata.com.au/accreditation/how-to-get-accredited.

30 Accreditation requirements are detailed at www.wada-ama.org/en/accreditation-process.

Key activity 1.3 – 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 2022–23 Outcome 1, Program 1.3.

11 – Grow Australia’s critical minerals sector, including by supporting development of downstream processing capacity

Target	2021–22 result	2022–23 result ³¹
Year-on-year increase in the number, progress and total capital expenditure of critical minerals projects		
• Estimated value	\$22–36 billion	\$30–42 billion
• Project pipeline ³²	71	81
• Publicly announced	16	21
• Feasibility	41	44
• Committed	12	13
• Completed	2	3

2022–23 assessment

Met

Analysis of result

Growing the critical minerals sector in Australia will deliver strong economic benefits, including increased trade and job creation. The Critical Minerals Strategy 2023–2030 positions Australia as an ethical, reliable and secure supplier of critical minerals within global supply chains. The department is responsible for supporting this growth, including in relation to development of downstream processing capability.

The 2022 *Resources and energy major projects* (REMP) report noted, ‘Australia’s critical minerals major project pipeline comprised 81 projects in this year’s report, with an estimated value of \$30–42 billion’. Using the current methodology there were 71 projects for the 2021–22 reporting period.³³

³¹ As reported in the 2022 REMP report.

³² The definitions for each stage are provided in the methodology section of each report.

³³ The *Annual report 2021–22* reported a project pipeline figure of 69. For consistency and ease of comparison, the 2021–22 result in this report uses the Critical Minerals List applied in the 2022 REMP report from which the 2022–23 result is derived. The increased project pipeline 2021–22 figure reflects the inclusion of 2 high-purity alumina projects.

Through the Critical Minerals Development Program, the government approved close to \$100 million in grants across 19 projects to help progress early and mid-stage critical minerals projects towards financing and production, targeting those undertaking downstream processing activities.

The department's activities also contribute to diversifying global supply chains and positioning Australia as an ethical, reliable and secure supplier of critical minerals. Our activities included:

- facilitating strategically important critical minerals projects
- partnering with other countries to build global supply chains
- supporting research and development
- working to align Australia's policy and regulatory settings to better support investment and unlock downstream processing and manufacturing opportunities
- improving access to information about regulatory approvals, funding and investment
- promoting investment and identifying global opportunities.

We publish the data underpinning this performance measure (the REMP report) at www.industry.gov.au/publications/resources-and-energy-major-projects.

Limitations

While a significant contributor to this measure, there are many factors outside of government control which contribute to the achievement of this target, such as investment being subject to market fluctuations. Still, the chosen metric remains the most appropriate metric for assessing the impact of government efforts to grow the sector given its robust methodology, transparency, efficiency, and ongoing applicability.

The focus of the REMP report is solely on 'major' investments valued at over \$50 million each (based on publicly available sources). The report (and this performance measure) does not reflect the substantial investment by mining and energy companies in replenishing equipment, plant and other property. Full methodology of data collection and analysis is provided in the REMP reports.

Changes to Australia's Critical Minerals List affect projects and aggregate figures reported in the REMP report (refer to the analysis of result for the impact on the 2021–22 to 2022–23 reporting periods). Should the list be updated, discontinuities will be clearly identified in performance reporting analyses.

12 – Increase opportunities for resources project investment

2022–23 target	2021–22 result	2022–23 result
At least one of the following:	New measure in 2022–23	
• the release of acreage for:		1
- petroleum exploration		
- greenhouse gas storage exploration		
• the award of titles for:		5
- petroleum exploration		
- greenhouse gas storage exploration		

2022–23 assessment

Met

Analysis of result

Releasing offshore acreage and awarding new permits for petroleum and greenhouse gas storage exploration can support investment in the offshore resources sector and facilitate the abatement of carbon emissions. New investment supports a strong resources sector and is a driver for the creation of high-skilled jobs in regional Australia.

The department manages and facilitates the acreage release process which includes stakeholder consultation across government and the broader public. Consultation supports identification and consideration of any potential impacts of exploration activity in an area, including impacts to First Nations cultural heritage, the environment, other marine users (such as tourism and fishing industries) and communities. The department ensures legislative requirements are met and decisions to award permits are supported by robust, evidence-based advice.

One offshore petroleum exploration acreage release occurred in 2022–23, comprising 10 areas in Commonwealth waters off Western Australia, Victoria, and the Ashmore and Cartier Islands.

Five offshore greenhouse gas storage assessment permits were also awarded during 2022–23, in conclusion of the 2021 Offshore Greenhouse Gas Storage Acreage release. The permits are located in Commonwealth waters offshore Western Australia and the Northern Territory.³⁴

³⁴ www.industry.gov.au/publications/2022-offshore-petroleum-exploration-acreage-release.

13 – National Offshore Petroleum Titles Administrator (NOPTA) published assessment timeframes for applications made under the Offshore Petroleum and Greenhouse Storage Act 2006 (OPGGs Act) are met

Target	2021–22 result	2022–23 result
90%	93%	97%

2022–23 assessment

Met

Analysis of result

NOPTA, within the department, is responsible for the efficient and effective regulation of Australia’s offshore petroleum and greenhouse gas (GHG) activities. As part of this role, it administers petroleum and GHG titles in Australian Commonwealth waters in accordance with the OPGGS Act.

Processing applications that meet published timeframes³⁵ provides transparency and accountability to government and industry. It supports a strong offshore resources sector by creating business certainty and can assist with managing project timelines within energy markets that continue to evolve.

Application assessment target timeframes for Joint Authority–related decisions were agreed by the Joint Authority in 2015.³⁶ In 2019, NOPTA developed indicative assessment timeframes for Titles Administrator decisions.

In 2022–23, NOPTA finalised 382 applications, with 97% of all applications assessed within the published timeframes for assessment. This is an aggregated figure of both petroleum and GHG applications. The improvement in the result for 2022–23 compared with 2021–22 was due to multiple factors including:

- 115 fewer applications and less decisions made on technically complex applications
- improvements to processes and procedures such as monthly application debrief sessions.

35 www.nopta.gov.au/legislation-and-compliance/legislative-overview/application-assessment-timeframes.html.

36 The Joint Authority for the offshore area off each state (except Tasmania) and the Northern Territory is constituted by the responsible Commonwealth minister and the relevant state or Northern Territory minister. Further information about the Joint Authorities is at www.nopta.gov.au/documents/JA-operating-protocols-july2015.pdf.

14 – Safe and effective administration and operation of Australia’s offshore oil, gas and GHG industry

Target	2021–22 result	2022–23 result
Identify, review and propose policy reforms to improve the safety regulatory regime for Australia’s offshore oil, gas and GHG industry	New 2022–23 measure	<p>The department completed the review of the safety regulatory regime for the offshore oil, gas and GHG industry and identified policy reforms to improve the safety of the regulatory regime.</p> <p>The department proposed 23 policy reform measures to the Minister for consideration.</p>

2022–23 assessment

Met

Analysis of result

Safe and effective administration and operation of the offshore oil, gas and GHG industry is essential to supporting a strong resources sector in Australia.

This performance measure reflects the department’s policy responsibility to maintain and improve the industry’s regulatory regime.

During 2022–23, the department identified, reviewed and proposed policy reforms to the regulatory regime for the safety of workers in the offshore oil and gas sector. This drew on the Offshore Oil and Gas Safety Review completed by the department in 2021 in relation to our periodic regulatory and continuous improvement process.³⁷ This review was designed to:

- support the offshore resources sector through continuous regulatory improvement and to ensure the safety regime remains consistent with best oilfield practice
- enable the government to evaluate the efficacy of the regulatory environment
- drive the accountability in the offshore oil, gas and GHG storage industries to continue to enhance safety practices.

³⁷ www.industry.gov.au/publications/offshore-oil-and-gas-safety-review.

Implementing updated safety regulations supports the offshore oil, gas and GHG industry in improving safety practices to comply with the latest regulatory standards. The work undertaken by the department in 2022–23 to identify, review and develop policy proposals ensured that the proposed safety measures included consideration of current and emerging safety priorities. It also provided an opportunity to consider the applicability of the findings of other recent reports into industry safety and additional stakeholder feedback. This included through engagement on current safety priorities at the offshore oil and gas worker Health and Safety Representatives Forum in November 2022. Proposed safety policy reform measures included:

- strengthening the role of health and safety representatives in identifying and managing safety risks
- broadening the definition of workforce health and wellbeing to ensure a good psychosocial working environment
- improving the prevention, reporting and investigation of sexual harassment
- modernising the regulation of diving
- amendments to the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* and supporting regulations, that will support the offshore oil, gas and GHG industry in improving safety practices through compliance with the latest regulatory standards.

The proposed policy reforms are aimed at improving facility design and operation, regulating operators and titleholders, and improving compliance and enforcement measures. These policy reforms will help ensure the safe and effective operation of Australia's offshore oil, gas and GHG industry.



Chapter 3

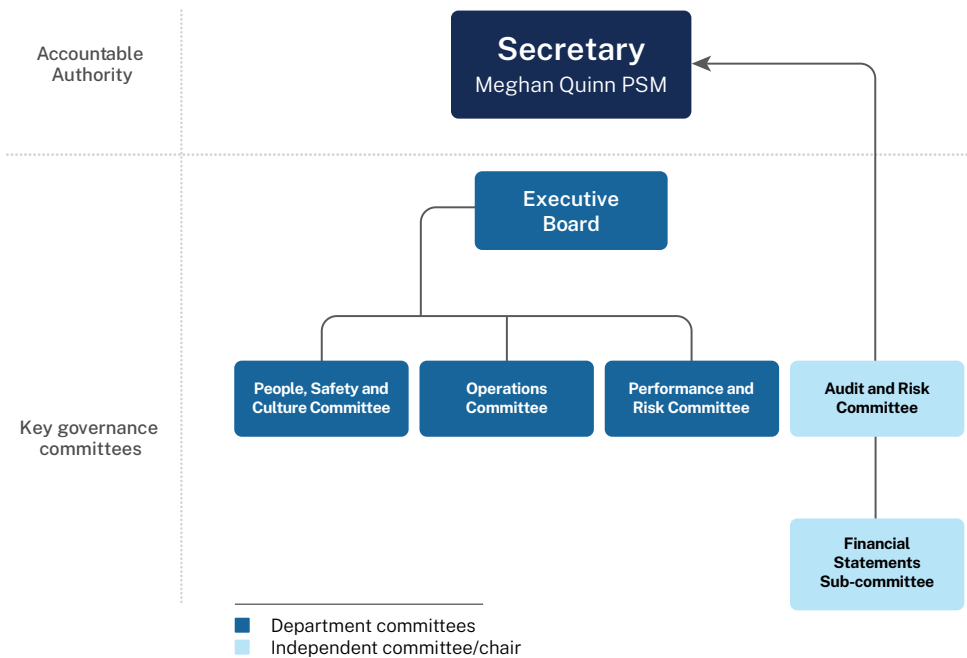
Departmental management and accountability

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Corporate governance

We have strong governance arrangements in place to oversee planning and delivery of our activities. These arrangements support transparency, accountability and integrity across the whole department.

Figure 5: Governance committee structure at 30 June 2023



Executive Board

The Executive Board (the board) is the department’s most senior advisory forum. It supports the Secretary to discharge her legislative and regulatory obligations, including those under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and the *Public Service Act 1999*.

The board sets the department’s overall strategic direction and priorities, and oversees financial and operational performance by:

- establishing frameworks and allocating resources
- managing enterprise risk and ensuring accountability and regulatory requirements are met
- providing direction on organisational matters raised by the sub-committees.

The board is supported by 3 sub-committees: the People, Safety and Culture Committee, the Operations Committee and the Performance and Risk Committee. These sub-committees oversee and monitor the department’s frameworks, provide stewardship on enterprise risks and give assurance to the Secretary and the board.

People, Safety and Culture Committee

The People, Safety and Culture Committee is responsible for providing strategic advice in relation to people, culture, inclusion and work health and safety. This helps us improve our workforce planning and capability, and effectively manage our work health and safety.

Operations Committee

The Operations Committee is responsible for providing strategic advice in relation to the department's frameworks for enterprise information, systems and property security, and financial and property management. This helps us to ensure we have effective management of operational strategies and risks.

Performance and Risk Committee

The Performance and Risk Committee is responsible for providing strategic advice in relation to the department's performance assurance and enterprise risk maturity. This helps us to ensure we have effective frameworks for performance assurance and enterprise risk.

Audit and Risk Committee

The Audit and Risk Committee gives independent advice and assurance to the Secretary, including in relation to the appropriateness of the department's accountability and control framework, and financial and performance reporting. It is supported by the Financial Statements Sub-committee.

The Audit and Risk Committee charter is published at www.industry.gov.au/corporate-governance/assurance-and-audit-committee-charter.

Table 8 sets out Audit and Risk Committee membership details.

Financial Statements Sub-committee

The Financial Statements Sub-committee supports and provides advice to the Audit and Risk Committee in relation to planning, managing and finalising the annual financial statements.

Audit and Risk Committee membership

Table 8: Committee members, attendance at meetings and remuneration

Member name	Qualifications, knowledge, skills and experience	Number of meetings attended/ total number of meetings	Total annual remuneration (\$ incl. GST)
Ian McPhee AO PSM	Public sector and industry experience, including as a company director, audit committee chair and member, chair of various governance reviews and AuditorGeneral for Australia from 2005 to 2015. Qualifications: <ul style="list-style-type: none">• Bachelor of Business (Accountancy)• Bachelor of Arts (Computing Studies)• Fellow of CPA Australia• Fellow of the Institute of Public Administration Australia• Graduate member of the Australian Institute of Company Directors.	6/6	\$55,528
Carol Lilley	Full-time independent board director and audit committee member. Experience in governance and assurance, internal audit, and project and risk management, focusing on government. Currently chair or member of multiple audit and risk committees. Qualifications: <ul style="list-style-type: none">• Graduate of the Australian Institute of Company Directors• Fellow of Chartered Accountants Australia and New Zealand• Certified internal auditor.	6/6	\$56,760

Member name	Qualifications, knowledge, skills and experience	Number of meetings attended/ total number of meetings	Total annual remuneration (\$ incl. GST)
Lesley Seebeck	<p>Independent consultant and honorary professor at the Australian National University. Past appointments include:</p> <ul style="list-style-type: none"> • CEO, Cyber Institute • Chief Investment Officer, Digital Transformation Agency • Chief Information Officer, Bureau of Meteorology • Senior Executive Service (SES) roles in the Australian Government Department of Finance. <p>Qualifications:</p> <ul style="list-style-type: none"> • Doctor of Philosophy in information technology • Master of Business Administration (MBA) • Master of Defence Studies • Bachelor of Applied Science (Physics) • Graduate member of the Australian Institute of Company Directors. 	6/6	\$35,000
David Allen	<p>Worked for local, state and Australian governments and UK government. Since 2010, he has worked at the Australian Taxation Office and is currently the Deputy Commissioner, Enterprise Strategy and Design.</p> <p>Qualifications:</p> <ul style="list-style-type: none"> • MBA • Bachelor of Engineering. 	5/6	n/a – external Australian Public Service member
Katrina DiMarco	<p>Has held senior executive roles across several portfolios and has been an internal member of the Department of the Treasury's Performance and Risk Committee since 2020. Currently First Assistant Secretary of the Tax Analysis Division of the Department of the Treasury.</p> <p>Qualifications:</p> <ul style="list-style-type: none"> • Bachelor of Commerce (Economics) • Bachelor of Laws. 	5/6	n/a – external Australian Public Service member

Integrity

We are committed to ensuring the integrity of our information, advice and decision-making, and the behaviours of our people. In 2022–23, we established a consolidated Integrity Branch that brought together the department's risk, protective security, anti-fraud and corruption, public interest disclosure, and code of conduct functions. This central capability improves the coordination of integrity matters, provides an easier way for our people to seek support, and facilitates our engagement with the new National Anti-Corruption Commission.

Risk management

Effective engagement and management of risk is central to how we meet government and community expectations. We recognise that in some circumstances it is not possible or desirable to eliminate all risk, and that accepting a degree of risk allows us to seize opportunities, promote efficiencies and support innovation.

Our Risk Management Framework is consistent with the Commonwealth Risk Management Policy and aligns 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 builds a positive risk culture. Risk management is also embedded in our broader policies, processes and systems.

As part of our commitment to continuous improvement, we have strengthened risk reporting by developing and testing a new enterprise risk reporting process. This new process ensures our executive is quickly made aware of, and can respond to, changes to enterprise risk status.

Climate-related risk management and reporting

We have a responsibility to manage climate-related risks associated with our operations and support the government's policy on climate change, Australian Public Service (APS) Net Zero 2030.

Our first reporting under the APS Net Zero policy is at Appendix A4.

We aim to improve our approach to climate-related risk management over time, including by engaging with the new Climate Risk and Opportunity Management Program. To implement our response to the APS Net Zero policy, we also plan to use training material and tools being developed by Department of Climate Change, Energy, the Environment and Water (DCCEEW) to enhance the ability of the APS to identify, assess, prioritise, manage and disclose climate risks and opportunities.

Fraud control

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

- prevention – raising awareness, assessing risk and providing training as the first line of defence
- detection – monitoring high-risk areas and using proactive analysis to detect possible fraud
- investigation and response – investigating and assessing allegations, and referrals and recovery
- monitoring and evaluation – ensuring that our approach to fraud control is designed and operates 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 qualifications required by the Australian Government Investigations Standards and the Commonwealth Fraud Control Framework.

Compliance with finance law

There were no instances of significant non-compliance reported to the relevant minister as part of the department's internal compliance reporting process for the 2022–23 financial year.

External scrutiny

Our operations are subject to oversight by several external bodies, including parliamentary committees, the Australian National Audit Office (ANAO), the Commonwealth Ombudsman, the Australian Information Commissioner (AIC) and the courts and administrative tribunals.

In 2022–23, no judicial decisions, decisions of administrative tribunals or decisions by the AIC 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
- a committee of either or both houses of parliament.

In 2022–23, the ANAO tabled 2 performance audits involving the department:

- *Award of funding under the Building Better Regions Fund*
- *Procurement complaints handling.*

Details of these audits, and other ANAO audits in-progress at 30 June 2023 that relate to the department, are available on the ANAO website at www.anao.gov.au. Audits in progress include the ANAO's annual performance statements audit, of which the department is included for the first time in 2022–23.

Information Publication Scheme

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

Our capability

Engaged and inclusive workforce

Our ambition to be a model employer and contribute to an APS that serves our community and country is at the centre of our human resources offering.

In 2022–23, we supported our people and capability in line with this ambition, including as we managed the transition of functions following the machinery of government changes announced on 1 June 2022.

We delivered several capability-building activities. These included launching a pilot mentoring program for our diversity networks and STEM graduates. The program enhances our approach to learning through others and is aligned to the APS Learning and Development Strategy and Action Plan.

In addition, we supported professional development and learning through coaching and study assistance programs. A broad range of courses, including on project management and approaches to performance conversations, were delivered virtually for staff in all locations to access.

We continue to have a strong focus on building inclusion and diversity. In 2022–23, we demonstrated this commitment through:

- the launch of our Stretch Reconciliation Action Plan
- our affirmative measures recruitment process for people with a disability
- hosting the APS Pride Summit
- participation in the Stepping Into Internship program for university students with a disability
- celebration of 7 diversity dates of significance.

The department has 5 employee-led diversity networks. These are:

- Cultural and Linguistic Diversity Network
- Disability and Wellness Network
- Gender Equity Network
- Indigenous Employee Network
- Pride Network.

These networks play a critical role in providing our people with a safe and supportive work environment. They also make significant contributions to positive cultural change in the department.

In March 2023, we completed an update of mandatory e-learning, including our unit on conflict of interest. Staff members also completed foundational courses to assist them in understanding legislative requirements, APS values and workplace behaviours.

By leveraging our national footprint and information communication technology (ICT), we continued to provide a flexible workplace for our people during 2022–23. To facilitate this, we also consulted with staff members about our flexible work approach to align a greater range of flexible work options and decision making to direct managers. In support of these arrangements, the department developed increased guidance for managers and employees in line with the APS Commission's principles for flexible work.

Figure 6: Our inclusive workforce highlights for 2022-23



Supporting the Australian Public Service Reform agenda

We embedded our capability in line with the APS Reform agenda, which prioritises an APS that:

- embodies integrity in everything it does
- puts people and business at the centre of policy and services
- is a model employer
- has the capability to do its job well.

In line with this, we established the Integrity Branch to strengthen our integrity practice and capacity. The new branch brought together existing capability across the department, including to consolidate our security and integrity offerings.

We also established a new Grants Delivery and Business Services Division as a centre of excellence for grants delivery. This brings together our Business Grants Hub, Integrity Branch and Portfolio Program Delivery Branch to strengthen our offering.

To support the government to drive productivity across the APS, we provided payroll and financial management systems to 12 government agencies besides the department. The delivery of repeatable and reusable solutions reduced system duplication and provided a consistent user experience across government.

We are contributing to APS-wide improvements in capability uplift through the department's membership of the Future of Work, Chief Operating Officer, Partnerships Priorities, and the Digital and Data sub-committees of the Secretaries Board, which provides advice to the Secretaries Board on workforce capability and approaches to positioning the APS as an employer of choice.

Senior leadership capability

We are committed to leadership performance and development arrangements that support organisational performance. To support this, we reviewed the Senior Executive Service (SES) performance framework, ensuring that both outputs and behaviours of the SES cohort were included as key components of their performance indicators. The revised framework will be implemented during the 2023–24 performance cycle and will provide SES with strengthened accountability and a clearer alignment to targeted development opportunities.

In 2022–23, our SES cohort undertook a range of initiatives to improve our capability. These included the APS Commission's SES Orientation Program and the Deputy Secretary Leadership Council.

Our Stretch Reconciliation Action Plan commits the department to improving SES cultural competency. SES are encouraged to undertake immersive cultural learning experiences such as attending the Garma Festival and completing *Acknowledge this!* training.

The department continued its focus on building inclusive leadership. In 2022–23, this included refreshing our SES executive diversity champions cohort with 10 SES commencing in new champion roles, Acknowledgement of Country training for our SES, a Garma Festival delegation which included 3 SES officers, and an SES drop-in session on Australia's Disability Strategy.

In December 2022, we brought our leadership group together for an SES forum to explore how members could build their leadership capability by enhancing their curiosity and approach to connecting and collaborating.

Australian Government Graduate Program – Science, Technology, Engineering and Mathematics stream

We facilitated the recruitment and placement for the Australian Government Graduate Program (AGGP) Science, Technology, Engineering and Mathematics (STEM) stream for the third year. This program successfully recruits and places STEM graduates and future leaders in participating agencies. For the 2023 intake, graduate numbers increased by 275% with 44 graduates placed across 15 agencies. This represents the largest cohort for the program to date.

In addition to participating in their agency's graduate development program, STEM graduates are invited to attend several networking events during the 12-month program. These events give them the opportunity to interact with STEM leaders within the APS.

Networking events hosted for STEM graduates included experiences at Questacon, the Commonwealth Scientific and Industrial Research Organisation (CSIRO), Geoscience Australia and the Canberra Deep Space Communication Complex.

Australian Science Policy Fellowship Program

Established in 2018, the Australian Science Policy Fellowship Program is an initiative led by the Office of the Chief Scientist that gives scientists the opportunity to work in a policy role in the APS for up to 12 months. The aim of the program is to strengthen connections between science and policy by bringing science and technology expertise into public policy processes and bringing experience of government processes and policymaking into academia.

In 2022–23, 13 science policy fellows participated in the program and were hosted by 8 Commonwealth entities. We recruited a further 18 fellows to participate in the 2023–24 program across 11 host entities. Demand has remained strong with 15 entities submitting 43 expressions of interest to host fellows in the 2023–24 program. Applications from potential fellows rose from 32 for the 2022–23 program to 87 for the 2023–24 program, the highest number of applications since the program was established.

Feedback from 2022–23 fellows demonstrated the value of the program, which provides scientists with a pathway into the APS. The program also gives scientists an opportunity to understand government processes and apply their transferrable skills to policy development. Many 2022–23 fellows have since taken up ongoing roles in the APS.

Stretch Reconciliation Action Plan 2023–26

In April 2023, we launched our first Stretch Reconciliation Action Plan after completing 2 consecutive Innovate Reconciliation Action Plans. This is a significant step in our reconciliation journey and is the culmination of extensive consultation open to all staff, including Aboriginal and Torres Strait Islander staff members. Staff contributed to the development of the Stretch Reconciliation Action Plan through activities such as divisional workshops, design sessions and a national roadshow.

Under the plan, our vision for reconciliation is to value, understand, engage with, respect, and embrace Aboriginal and Torres Strait Islander peoples' innovations, knowledge and cultures. We will also strengthen our organisation's cultural capabilities and improve Australia's economic and social opportunities for Aboriginal and Torres Strait Islander peoples.

We have set ambitious, yet achievable targets over a 3-year period. These include a strong focus on building cultural capability, increasing First Nations representation in our workforce and engaging with First Nations peoples, communities, and businesses.

In 2022–23, we continued to progress reconciliation by:

- conducting an affirmative measures SES recruitment round, resulting in 2 placements and increasing representation in our SES cohort from 1% to 3%
- engaging 8 First Nations apprentices through the APS Indigenous Apprenticeship Program
- hosting an Indigenous Employee Network Forum that brought together more than 40 First Nations staff members
- promoting the Pat Turner Scholarship, with the department's first scholar being accepted to participate in the program
- participating in the 2022 Garma Festival with an 8-person delegation representing the department.

Inclusive leadership

We continued to build leadership capabilities in inclusivity. In 2022–23, staff completed online training courses in cultural competency, disability awareness, cultural and linguistic diversity, LGBTQIA+ inclusivity and gender equity. We also gave our people opportunities to undertake Acknowledgement of Country training to build their understanding of this important cultural protocol and give them the confidence and capability to deliver it.

As part of inclusivity development opportunities for our leaders:

- managers participated in our disability affirmative measures round where they undertook unconscious bias and reasonable adjustment training
- managers of First Nations staff participated in Aboriginal and Torres Strait Islander mental health first aid training
- leaders of our staff-led diversity networks attended a conference or seminar relevant to their roles.

Work health and safety, including psychological wellbeing

We are committed to the health, safety and wellbeing of our workers and visitors. Throughout 2022–23, we focused on initiatives to promote and increase the wellbeing and psychosocial safety of staff. These included:

- continuing to refine and tailor our holistic wellbeing package, which comprises information sessions and tools to prevent injury and illness, and promote wellbeing
- launching Compassionate Foundations training, which aims to give people the skills to support a person experiencing suicidal thoughts
- learning and development programs to enable managers and employees to find the language and confidence to discuss difficult issues
- putting safety moments on the agenda in meetings, to normalise discussion and reduce stigma around mental health and wellbeing
- flexible work arrangements and making them easier to access, to support staff wellbeing
- analysing data and reporting to provide leaders with evidence-based information for making better business decisions and identifying hot spots for early intervention.

On 1 April 2023, model work health and safety laws took effect that include psychological health risks under the *Work Health and Safety Act 2011* (WHS Act). Our department continues to be well-placed to respond to these changes by building on the action plans established following a 2021–22 Australian Public Service Commission (APSC) maturity scale assessment.

Other activities by the department to address safety included:

- training and appointing new health and safety representatives at Questacon, who continue to identify initiatives to improve safety
- hosting toolbox talks with Questacon's staff to discuss and resolve work health and safety issues
- monitoring of the effectiveness of work health and safety management systems by the National Measurement Institute (NMI) through regular safety reviews.

In 2022–23, 6 matters were deemed notifiable under section 38 of the WHS Act and reported to Comcare.

One investigation was conducted and zero notices were issued under Part 10 of the WHS Act. One matter was being investigated at 30 June 2023.

Digital and cyber capability

We take a strategic approach to ensure digital work programs consider the sustainability of our ICT environment, deliver policy outcomes and efficiency improvements, and have investment predictability. This is evident in our Digital Modernisation Program that is transforming our core ICT service, aligning it with the global transition to cloud computing and addressing emerging risks and challenges. It also gives staff members access to new technology while ensuring the financial sustainability of our digital operating environment.

Staff members can now access Microsoft Teams on all departmental devices. We have also moved away from on-premises solutions to modern cloud-based computing that supports better access, sharing, and security of digital information. As a result, our people are having more opportunities to flexibly collaborate in a post-COVID distributed work environment.

We provide responsive and expert support in the delivery of digital initiatives, programs, and systems. As a part of this, our focus remains fixed on the end-user experience to ensure ICT is easy to use, responsive to user needs and accessible for all.

To this end, we now lead the way in the APS in terms of digital accessibility for people living with a disability. In 2022–23, we were awarded 'best in class' for ICT in the latest Australian Network on Disability Access and Inclusion Index, an industry benchmark for assessing the accessibility maturity of organisations.

Our cyber security focus is on reducing the risk and impacts of cyber attacks, helping to maintain government and community trust, and confidence in our management of the systems and data we hold. In 2022–23, we continued to strengthen our cyber defences and resilience by implementing a Cyber Security Uplift Program dedicated to improving our maturity against the Australian Cyber Security Centre's Essential Eight Maturity Model and the Protective Security Policy Framework. Protecting our organisation and clients from cyber threats and data breaches will remain a focus area in 2023–24, as we continue to further mature our cyber capabilities and protections.

Executive remuneration

This executive remuneration disclosure covers:

- key management personnel (as defined by the Australian Accounting Standards Board (AASB)) in Table 9
- SES employees in Table 10
- other highly paid staff members whose total remuneration exceeds the threshold remuneration result for the 2022–23 reporting period of \$240,000 in Table 11.

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 and Science 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.

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, which are reviewed annually.

Table 9: Department of Industry, Science and Resources – Information about remuneration for key management personnel 2022–23

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		
Meghan Quinn*	Secretary	611,284	0	858	65,406	16,246	0	0	693,794
David Williamson*	Deputy Secretary	160,831	0	1,033	25,788	3,307	0	0	190,959
Mary Wiley-Smith*	Deputy Secretary	67,805	0	1,033	11,176	804	0	0	80,818
Duncan McIntyre*	Deputy Secretary	197,785	0	25	28,679	5,223	0	0	231,712
Jane Urquhart	Deputy Secretary	375,613	0	1,580	59,699	35,240	0	0	472,132
Julia Pickworth*	Deputy Secretary	185,939	0	162	28,131	4,476	0	0	218,708
Neal Mason*	Deputy Secretary	213,942	0	236	30,650	5,220	0	0	250,048
Janean Richards*	Acting Deputy Secretary	111,433	0	746	15,691	3,625	0	0	131,495
Total 2022–23 KMP Remuneration		1,924,632	0	5,673	265,220	74,141	0	0	2,269,666

* Part-year term as key management personnel

Table 10: Department of Industry, Science and Resources – Information about remuneration for senior executives 2022–23

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*		Average long service leave	Average other long-term benefits	Average termination benefits		
\$0–\$220,000	56	87,246	0	458	14,345	5,382	0	0	0	107,335
\$220,001–\$245,000	13	188,563	0	3,251	31,169	6,658	0	0	0	229,642
\$245,001–\$270,000	15	214,501	0	908	34,906	6,302	0	0	0	256,617
\$270,001–\$295,000	21	220,746	0	5,452	41,648	7,253	0	3,946	0	279,045
\$295,001–\$320,000	9	242,187	0	4,768	43,333	6,751	0	0	0	297,040
\$320,001–\$345,000	8	256,264	0	12,155	46,743	8,669	0	0	0	323,830
\$345,001–\$370,000	4	290,466	0	8,486	51,789	8,352	0	0	0	359,092
\$370,001–\$395,000	0	0	0	0	0	0	0	0	0	0
\$395,001–\$420,000	0	0	0	0	0	0	0	0	0	0
\$420,001–\$445,000	0	0	0	0	0	0	0	0	0	0
\$445,001–\$470,000	0	0	0	0	0	0	0	0	0	0
\$470,001–\$495,000	0	0	0	0	0	0	0	0	0	0
\$495,001–\$520,000	0	0	0	0	0	0	0	0	0	0
\$520,001–\$545,000	0	0	0	0	0	0	0	0	0	0
\$545,001–\$570,000	0	0	0	0	0	0	0	0	0	0
\$570,001–\$595,000	0	0	0	0	0	0	0	0	0	0
\$595,001–\$620,000	0	0	0	0	0	0	0	0	0	0

* Other benefits and allowances include: Overseas posting allowances, ministerial support allowances, skill/task allowances, motor vehicle benefits, car parking benefits

Table 11: Department of Industry, Science and Resources – Information about remuneration for other highly paid staff 2022–23

Total remuneration bands	Number of Other highly paid staff	Short term benefits (\$)			Post-employment benefits (\$)	Other long-term benefits (\$)			Termination benefits (\$)	Total Remuneration (\$)
		Average base salary	Average bonuses	Average other benefits and allowances*		Average long service leave	Average other long-term benefits	Average termination benefits		
\$240,000–\$245,000	2	201,950	0	0	37,699	4,981	0	0	0	244,630
\$245,001–\$270,000	1	211,425	0	547	38,037	5,045	0	0	0	255,054
\$270,001–\$295,000	1	154,264	0	87,294	24,086	3,604	0	0	0	269,248
\$295,001–\$320,000	0	0	0	0	0	0	0	0	0	0
\$320,001–\$345,000	2	157,017	0	140,011	32,602	3,604	0	0	0	333,233
\$345,001–\$370,000	0	0	0	0	0	0	0	0	0	0
\$370,001–\$395,000	0	0	0	0	0	0	0	0	0	0
\$395,001–\$420,000	0	0	0	0	0	0	0	0	0	0
\$420,001–\$445,000	0	0	0	0	0	0	0	0	0	0
\$445,001–\$470,000	0	0	0	0	0	0	0	0	0	0
\$470,001–\$495,000	0	0	0	0	0	0	0	0	0	0
\$495,001– ...	0	0	0	0	0	0	0	0	0	0

* Other benefits and allowances include: Overseas posting allowances, vacation child care subsidy benefits, car parking benefits

Financial performance

Financial performance – departmental

Operating result

The department recorded an operating surplus of \$57.8 million in 2022–23 after excluding depreciation and amortisation, and the impacts of AASB Accounting Standard 16 *Leases* accounting adjustments. 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 surplus of \$18.9 million for 2022–23. This reflects net cash appropriation arrangements where there is no appropriation for depreciation and amortisation expenses, as entities receive a separate capital budget provided through equity appropriations. The surplus is largely due to delays in implementation of various budget measures.

Financial sustainability

As at 30 June 2023, the department reported net assets of \$305.7 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 (\$2,052.0 million), levy receipts generated by the National Offshore Petroleum Safety and Environmental Management Authority (\$41.2 million) and registration fees generated by the National Offshore Petroleum Titles Administrator (\$16.2 million).

Expenses

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

- \$409.6 million to building and investing in science and technology
- \$480.9 million to support the growth of innovative and competitive businesses, industries and regions
- \$575.2 million to support a strong resources sector
- \$1,330.1 million in payments to the portfolio's corporate Commonwealth entities including the:
 - CSIRO
 - Australian Nuclear Science and Technology Organisation (ANSTO)
 - National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA).

Financial management

Table 12: Entity resource statement 2022–23

	Actual Available appropriations for 2022–23 \$'000	Payments made 2022–23 \$'000	Balance remaining 2022–23 \$'000
Departmental			
Annual appropriations - ordinary annual services			
Prior year appropriations available	137,748	137,748	0
Departmental appropriation ¹	660,681	441,085	219,596
PGPA Act - Section 74 receipts ²	122,460	122,460	0
PGPA Act - Section 75 transfers	(38,725)		(38,725)
Annual appropriations-other services- non-operating			
Prior year appropriation available	29,265	17,520	11,745
Equity injections	24,815	4,658	20,157
Total departmental annual appropriations	936,244	723,471	212,773
Special Accounts ³			
Opening balance	23,638		
Non-appropriation receipts	11,806		
Payments made		25,859	
Closing balance			9,586
Total special accounts	35,444	25,859	9,586
<i>less departmental appropriations drawn from annual appropriations and credited to special accounts</i>	(11,806)	0	0
Total departmental resourcing	959,882	749,330	222,359

	Actual Available appropriations for 2022–23 \$'000	Payments made 2022–23 \$'000	Balance remaining 2022–23 \$'000
Administered			
Annual appropriations - ordinary annual services			
Administered appropriation	2,379,018	1,129,753	
PGPA Act - Section 75 transfers	(333,812)	(143,457)	
PGPA Act - Section 74 receipts ⁴	1,785	1,785	
Payments to corporate entities	1,432,730	1,432,730	
Annual appropriations-other services- non-operating			
Administered Assets and Liabilities	1,696,941	1,692,325	
PGPA Act - Section 75 transfers	(1,689,090)	(1,689,090)	
Payments to corporate entities	133,834	133,834	
Total administered annual appropriations	3,621,406	2,557,880	
Total administered special appropriations	0	41,560	
Special Accounts			
Opening balance	5,125,650		
Adjustment	1,314		
Appropriation receipts	2,945	2,945	
Non-appropriated receipts	35,738		
Payments made		4,642,325	
Closing balance			520,376
Total special accounts	5,165,647	4,645,270	520,376
<i>less administered appropriations drawn from annual/special appropriations and credited to special accounts</i>	<i>(2,945)</i>	<i>(2,945)</i>	
<i>less payments to corporate entities from annual/special appropriations and special accounts</i>	<i>(6,075,885)</i>	<i>(6,075,885)</i>	
Total administered resourcing	2,708,223	1,165,880	520,376
Total resourcing for the entity⁵	3,668,105	1,915,210	742,735

Notes

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.

Table 13: Expenses by outcome

Expenses for Outcome 1	Budget* 2022–23 \$'000 (a)	Actual Expenses 2022–23 \$'000 (b)	Variation 2022–23 \$'000 (a) - (b)
Outcome 1: Support economic growth, productivity and job creation for all Australians by investing in science, technology and commercialisation, growing innovative and competitive businesses, industries and regions, and supporting resources			
Program 1.1: Growing innovative and competitive businesses, industries and regions			
Administered expenses			
Ordinary annual services (Appropriation Bill No. 1)	705,347	481,569	223,778
Special accounts	5,282	0	5,282
Expenses not requiring appropriation in the Budget year ¹	0	282	(282)
Administered total	710,629	481,851	228,778
Departmental expenses			
Departmental appropriation	304,046	283,940	20,106
s74 External Revenue ²	3,242	3,723	(481)
Special accounts	6,712	12,113	(5,401)
Expenses not requiring appropriation in the Budget year ¹	33,440	17,631	15,809
Departmental total	347,440	317,407	30,033
Total for Program 1.1	1,058,069	799,258	258,811
Program 1.2: Investing in science, technology and commercialisation			
Administered expenses			
Ordinary annual services (Appropriation Bill No. 1)	428,600	409,203	19,397
Expenses not requiring appropriation in the Budget year ¹	0	377	(377)
Administered total	428,600	409,580	19,020
Departmental expenses			
Departmental appropriation	156,765	146,398	10,367
s74 External Revenue ²	100,478	115,382	(14,904)
Special accounts	2,024	1,215	809
Expenses not requiring appropriation in the Budget year ¹	27,611	14,558	13,053
Departmental total	286,878	277,553	9,325
Total expenses for Program 1.2	715,478	687,133	28,345

Expenses for Outcome 1	Budget* 2022-23 \$'000 (a)	Actual Expenses 2022-23 \$'000 (b)	Variation 2022-23 \$'000 (a) - (b)
Program 1.3: Supporting a strong resources sector			
Administered expenses			
Ordinary annual services (Appropriation Bill No. 1)	152,369	427,959	(275,590)
Special accounts	16,238	146,233	(129,995)
Special appropriations	60	12	48
Expenses not requiring appropriation in the Budget year ¹	41,469	1,039	40,430
Administered total	210,136	575,243	(365,107)
Departmental expenses			
Departmental appropriation	72,303	67,522	4,781
s74 External Revenue ²	2,922	3,355	(433)
Expenses not requiring appropriation in the Budget year ¹	8,011	4,224	3,787
Departmental total	83,236	75,101	8,135
Total for Program 1.3	293,372	650,344	(356,972)

Outcome 1 Totals by Appropriation Type

Administered expenses			
Ordinary annual services (Appropriation Bill No. 1)	2,566,477	2,608,004	(41,527)
Less payments to corporate entities	(1,280,161)	(1,289,273)	9,112
Special accounts	21,520	146,233	(124,713)
Special appropriations	50,782	49,985	797
Less payments to corporate entities	(50,722)	(49,973)	(749)
Expenses not requiring appropriation in the Budget year ¹	41,469	1,698	39,771
Payments to corporate entities	1,330,883	1,330,134	749
Administered total	2,680,248	2,796,808	(116,560)

Expenses for Outcome 1	Budget* 2022-23 \$'000 (a)	Actual Expenses 2022-23 \$'000 (b)	Variation 2022-23 \$'000 (a) - (b)
Departmental expenses			
Departmental appropriation	533,114	497,860	35,254
s74 External Revenue ²	106,642	122,460	(15,818)
Special accounts	8,736	13,328	(4,592)
Expenses not requiring appropriation in the Budget year ¹	69,062	36,412	32,650
Departmental total	717,554	670,060	47,494
Total expenses for Outcome 1	3,397,802	3,466,868	(69,066)
Average staffing level (number)	2022-23 2,881	2022-23 2,885	

Notes

* The budget figures are the estimated actuals in the 2023-24 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.

Purchasing

Our Accountable Authority Instructions and internal policies set out the process to procure goods and services and are consistent with the Commonwealth Procurement Rules which have value for money as the core principle. Our internal policies support our employees to undertake procurement activities that meet these requirements.

In accordance with the Commonwealth Procurement Rules, we published our Annual Procurement Plan on the AusTender website to give prospective suppliers the opportunity to prepare for potential work. This information is available at www.tenders.gov.au.

We also support small business participation in the Australian Government procurement market. Participations statistics involving small and medium enterprises (SMEs) are available on the Department of Finance's website at 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 unfairly discriminated against. These measures include, but are not limited to:

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

We recognise the importance of ensuring that small businesses are paid on time. The Treasury publishes the results of the Survey of Australian Government Payments to Small Business on its website at www.treasury.gov.au.

We support the Indigenous Procurement Policy (IPP) to ensure that opportunities for Indigenous employment and business continue to grow. Further details on the IPP are available on the National Indigenous Australians Agency website at www.niaa.gov.au.

Contracts

In 2022–23, the Accountable Authority did not exempt contracts from being published on the AusTender website.

All contracts valued at \$100,000 or more (GST inclusive) let during 2022–23 allowed for the Auditor-General to have access to the contractor's premises.

Table 14: Expenditure on reportable non-consultancy contracts 2022–23

Reportable non-consultancy contracts	Number	Expenditure (\$)
New contracts entered into during the reporting period	948	\$92,554,666
Ongoing contracts entered into during a previous reporting period	1,171	\$424,012,280
Total	2,119	\$516,566,946

Table 15: Organisations receiving a share of reportable non-consultancy contract expenditure 2022–23

Organisations receiving a share of reportable non-consultancy contract expenditure	Expenditure (\$)
Petrofac Facilities Management Ltd	\$98,006,374
Upstream Production Solutions Pty Ltd	\$45,456,589
Deloitte Consulting Pty Ltd	\$19,599,519
Aref Prop Holdings Pty Ltd	\$13,654,114
Evolve FM Pty Ltd	\$13,502,106

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 at www.tenders.gov.au.

Consultants

Table 16: Expenditure on reportable consultancy contracts 2022–23

Reportable consultancy contracts	Number	Expenditure (\$)
New contracts entered into during the reporting period	164	\$10,109,025
Ongoing contracts entered into during a previous reporting period	96	\$15,484,215
Total	260	\$25,593,240

Table 17: Organisations receiving a share of reportable consultancy contract expenditure 2022–23

Organisations receiving a share of reportable consultancy contract expenditure	Expenditure (\$)
PricewaterhouseCoopers	\$2,916,049
King & Wood Mallesons	\$2,648,273
Proximity Advisory Services	\$1,675,358
Nous Group Pty Ltd	\$992,648
Clayton Utz	\$943,113

In 2022–23, 164 new reportable consultancy contracts were entered into involving total actual expenditure of \$10.1 million. In addition, 96 ongoing reportable consultancy contracts were active during the period, involving total actual expenditure of \$15.5 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 the department's programs.

The decision to engage a consultant is made in accordance with the relevant PGPA Act policies, such as the Commonwealth Procurement Rules and the department's Accountable Authority Instructions. We recognise the need to manage confidentiality and conflicts of interest when engaging consultants. In 2022–23, we enhanced our conflict of interest processes and considered the adequacy of provisions relating to confidentiality. Consultants are subject to their contracted arrangements and relevant departmental policies and processes, including in relation to conduct, confidentiality and managing conflicts of interest.

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 at www.tenders.gov.au.

Grant programs

Information about grants awarded by the department during 2022–23 is available on GrantConnect at www.grants.gov.au.

Advertising and market research

During 2022–23, the department did not conduct any advertising campaigns where expenditure was greater than \$250,000 (GST inclusive).

Table 18 sets out GST-inclusive payments that the department made to external organisations for advertising and market research services in 2022–23. This relates to non-campaign advertising and market research services, as well as preparations for future advertising campaigns. Payments of \$15,200 or less (GST inclusive) are not reported.

Table 18: Payments for advertising and market research, 2022–23

Organisation type	Name of recipient	Services	Total (\$)
Advertising agency	Media Heads	Media pitching and interviews for 2023 National Science Week Ambassador program	37,180
Direct mail	Nil	Nil	Nil
Market research	Catalyst Research & Consultancy	Survey of clients/stakeholders for National Measurement Institute cost-recovered services	40,392
Market research	Hall & Partners	Research to inform and enhance communications for the Prime Minister's Prizes for Science	40,725
Media advertising	Australian Public Service Commission	<i>2022–23 Public Service Gazette</i>	50,713
Media advertising	Mediabrand Australia	Promotion of the AusIndustry Employment Contract Tool and Employment Checklist	45,330
Media advertising	Mediabrand Australia	AusIndustry Strengthening Business program – support for bushfire and flood affected businesses	32,981
Media advertising	Mediabrand Australia	Recruitment advertising for Anti-Dumping Review Panel	17,108
Media advertising	Mediabrand Australia	Advertising for the department's Graduate Recruitment Program	42,924
Media advertising	Mediabrand Australia	Advertising for National Disability Affirmative Measures Recruitment	58,837
Media advertising	Mediabrand Australia	Australian Building Codes Board 'Look for the Watermark' advertising	45,344
Media advertising	Mediabrand Australia	Branding and recruitment advertising – LinkedIn	112,465
Media advertising	Media Heads	Radio and television advertising for National Science Week 2022 Ambassador campaign	28,463
Polling organisation	Nil	Nil	Nil





Chapter 4

Departmental financial statements

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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 and Resources (the Entity) for the year ended 30 June 2023:

- (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements 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 2023 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 2023 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	How the audit addressed the matter
<p>Completeness and accuracy of royalty revenue</p> <p><i>Refer Administered Schedule of Comprehensive Income, Non-taxation revenue - Royalties</i></p> <p>I focused on this balance given the significant value of royalty revenue recognised by the Entity and the complexities associated with its administration.</p> <p>The collection of royalties is reliant on data reporting and administrative functions performed by third parties, including State 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.</p> <p>The effectiveness of the Entity's assurance framework over the collection and administration of royalties is important to reduce the risk of recording incomplete or inaccurate revenue.</p> <p>For the year ended 30 June 2023, the Entity reported royalty revenue of \$2,052.0 million.</p>	<p>The audit procedures I undertook to address the matter included:</p> <ul style="list-style-type: none"> • 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 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 2022–23; • assessing the completeness of royalty revenue by examining large royalties payments received after 30 June 2023 in order to identify any royalty revenue that should have been recorded for 2022–23; 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	How the audit addressed the matter
<p>Valuation of the Rehabilitation Provision</p> <p><i>Refer to Note 4.5: Rehabilitation Provision</i></p> <p>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 comprises the cost relating to the rehabilitation of the Ranger Uranium Mine following its closure in January 2021 and the costs relating to the decommissioning of the Northern Endeavour Floating Production Storage and Offtake (FPSO) facility and associated Laminaria-Corallina oil fields.</p> <p>These provisions are calculated using estimated rehabilitation cost information, including estimates derived by third parties and 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.</p> <p>The balance at 30 June 2023 was \$2,062.5 million.</p>	<p>The audit procedures I undertook to address the matter included:</p> <ul style="list-style-type: none"> • evaluating the methodology used to estimate future rehabilitation costs, including the assessment of any key assumptions made by the Entity; • assessing the completeness and accuracy of data used by the Entity to calculate the estimate; and • recalculating the provision using the estimation inputs including costing data, inflation and discount rates.

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



Lorena Skipper
Executive Director
Canberra
5 September 2023


Department of Industry, Science and Resources

Financial Statements
for the year ended 30 June 2023

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


In our opinion, the attached financial statements for the year ended 30 June 2023 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 and Resources will be able to pay its debts as and when they fall due.

Signed.....

Meghan Quinn
Secretary

4 September 2023

Signed.....

Gavin McCosker
Chief Finance Officer

4 September 2023

Department of Industry, Science and Resources
Statement of Comprehensive Income
for the year ended 30 June 2023

		2023	2022	Original Budget
	Notes	\$'000	\$'000	\$'000
NET COST OF SERVICES				
Expenses				
Employee benefits	1.1A	378,628	406,860	394,470
Suppliers	1.1B	226,918	282,637	247,547
Grants	1.1C	7,304	10,559	6,424
Depreciation and amortisation	3.2A	65,121	77,051	68,412
Finance costs	1.1D	3,031	3,284	2,920
Impairment loss on financial instruments		569	106	-
Write-down and impairment of other assets	1.1E	352	1,619	-
Losses from asset sales		-	13	-
Audit fees		655	680	26
Total expenses		682,578	782,809	719,799
Own-source income				
Own-source revenue				
Revenue from contracts with customers	1.2A	119,868	88,502	89,098
Interest		21	1	-
Rental income	1.2B	2,491	3,122	2,762
Other revenue	1.2C	10,590	17,336	6,327
Total own-source revenue		132,970	108,961	98,187
Gains				
Gains from sale of assets		10	-	-
Foreign exchange gains		10	1	-
Reversals of previous asset write-downs and impairments		-	1	-
Other gains	1.2D	144	1,258	675
Total gains		164	1,260	675
Total own-source income		133,134	110,221	98,862
Net cost of services		(549,444)	(672,588)	(620,937)
Revenue from Government	1.2E	560,666	664,471	577,670
Surplus/(Deficit)		11,222	(8,117)	(43,267)
OTHER COMPREHENSIVE INCOME				
Items not subject to subsequent reclassification to net cost of services				
Changes in asset revaluation reserve		7,679	(1,061)	-
Total comprehensive income		18,901	(9,178)	(43,267)

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

Department of Industry, Science and Resources
Statement of Financial Position
as at 30 June 2023

	Notes	2023 \$'000	2022 \$'000	Original Budget \$'000
ASSETS				
Financial assets				
Cash and cash equivalents	3.1A	10,965	26,420	11,493
Trade and other receivables	3.1B	262,662	224,678	193,984
Accrued revenue		753	241	10,398
Total financial assets		274,380	251,339	215,875
Non-financial assets¹				
Buildings and leasehold improvements	3.2A	309,820	341,441	305,397
Infrastructure, plant and equipment	3.2A	17,161	15,712	15,629
Laboratory equipment	3.2A	29,792	25,939	25,802
Intangibles	3.2A	72,086	83,778	110,773
Inventories		2,012	1,962	1,962
Prepayments		12,513	15,220	14,688
Total non-financial assets		443,384	484,052	474,251
Total assets		717,764	735,391	690,126
LIABILITIES				
Payables				
Suppliers	3.3A	63,153	68,557	65,601
Grants		-	5,800	5,800
Other payables	3.3B	20,252	15,979	6,387
Total payables		83,405	90,336	77,788
Interest bearing liabilities				
Leases	3.4A	223,099	257,029	226,603
Total interest bearing liabilities		223,099	257,029	226,603
Provisions				
Employee provisions	6.1A	103,301	125,450	99,682
Other provisions	3.5A	2,269	1,782	1,782
Total provisions		105,570	127,232	101,464
Total liabilities		412,074	474,597	405,855
Net assets		305,690	260,794	284,271
EQUITY				
Contributed equity		688,654	662,659	703,689
Asset revaluation reserve		27,051	19,372	21,082
Retained surplus/(Accumulated deficit)		(410,015)	(421,237)	(440,500)
Total equity		305,690	260,794	284,271

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 and Resources
Statement of Changes in Equity
for the year ended 30 June 2023

	2023 \$'000	2022 \$'000	Original Budget \$'000
RETAINED EARNINGS			
Opening balance			
Balance carried forward from previous period	(421,237)	(413,120)	(421,237)
Opening balance	(421,237)	(413,120)	(421,237)
Comprehensive income			
Surplus/(Deficit) for the year	11,222	(8,117)	(43,267)
Total comprehensive income	11,222	(8,117)	(43,267)
Closing balance as at 30 June	(410,015)	(421,237)	(464,504)
ASSET REVALUATION RESERVE			
Opening balance			
Balance carried forward from previous period	19,372	20,433	19,372
Opening balance	19,372	20,433	19,372
Comprehensive income			
Other comprehensive income	7,679	(1,061)	1,710
Total comprehensive income	7,679	(1,061)	1,710
Closing balance as at 30 June	27,051	19,372	21,082
CONTRIBUTED EQUITY			
Opening balance			
Balance carried forward from previous period	662,659	604,679	662,659
Opening balance	662,659	604,679	662,659
Transactions with owners			
Distribution to owners			
Restructuring ¹	(23,295)	(5,780)	3,688
Contributions by owners			
Equity injection - Appropriations	23,142	36,328	35,199
Departmental capital budget (DCB)	26,148	27,432	26,147
Total transactions with owners	25,995	57,980	65,034
Closing balance as at 30 June	688,654	662,659	727,693

1. Refer to Note 8.3A Departmental Restructuring.

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

Department of Industry, Science and Resources
Statement of Changes in Equity
for the year ended 30 June 2023

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 and Resources
Cash Flow Statement
for the year ended 30 June 2023

	Notes	2023 \$'000	2022 \$'000	Original Budget \$'000
OPERATING ACTIVITIES				
Cash received				
Appropriations		641,648	727,572	670,259
Revenue from contracts with customers		109,856	105,861	91,860
Net GST received		26,260	30,107	25,896
Rental income		2,500	2,826	-
Other		21,465	27,138	5,006
Total cash received		801,729	893,504	793,021
Cash used				
Employees		383,624	415,828	392,802
Suppliers		249,058	319,382	272,838
Grants		13,254	5,547	6,424
Interest payments on lease liabilities		2,999	3,278	2,920
Section 74 receipts transferred to OPA		122,460	116,532	91,860
Other		4,064	6,063	26
Total cash used		775,459	866,630	766,870
Net cash from operating activities		26,270	26,874	26,151
INVESTING ACTIVITIES				
Cash received				
Proceeds on sale of infrastructure, plant and equipment		2	32	-
Total cash received		2	32	-
Cash used				
Purchase of buildings, infrastructure, plant and equipment		20,271	15,539	24,763
Purchase of intangibles		26,340	30,816	49,565
Total cash used		46,611	46,355	74,328
Net cash used by investing activities		(46,609)	(46,323)	(74,328)
FINANCING ACTIVITIES				
Cash received				
Contributed equity		22,178	20,073	37,534
Departmental capital budget		21,448	25,698	32,534
Total cash received		43,626	45,771	70,068
Cash used				
Restructuring - special accounts cash transferred out		12,518	-	11,943
Principal payments of lease liabilities ¹		26,224	28,505	24,875
Total cash used		38,742	28,505	36,818
Net cash from financing activities		4,884	17,266	33,250
Net increase/(decrease) in cash held		(15,455)	(2,183)	(14,927)
Cash and cash equivalents at the beginning of the reporting period		26,420	28,603	26,420
Cash and cash equivalents at the end of the reporting period	3.1A	10,965	26,420	11,493

1. Total cash outflow for leases for the year ended 30 June 2023 was \$41.585 million (2022: \$40.500 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 and Resources Budget Variance Commentary - Departmental for the year ended 30 June 2023

Budget Variances 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 2022-23 October 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 department.

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

The variance in intangibles relates to lower than expected capital expenditure on software development projects due to resourcing and planning delays.

The variances for revenue from contracts with customers largely relates to higher than expected revenue from increased scientific educational, measurement and services provided to other Australian Government entities under the Memorandum of Understanding arrangements (including information technology and corporate services) largely driven by the machinery of government changes. The variance in other and trade receivables is due to timing of receipts from these revenue from contracts with customers.

The variance in suppliers expense was primarily due to reduced use of consultants during the financial year because of machinery of government changes, project delays, and reduced legal costs.

The variance in revenue from government was a result of quarantined annual appropriations for administration purposes.

The variance in other payables was largely due to timing of receipt of invoices and payments for employees transferred out of the department.

The variance in Equity Injection – Appropriations relates to current year's appropriation withheld under section 51 and reduction of appropriation due to section 75 transfers in accordance with the *Public Governance, Performance and Accountability Act 2013*.

The variance in Contributed equity - Restructuring is due to machinery of government changes.

Affected line items/statements

Statement of Financial Position – Intangibles (\$39 million). Cash Flow Statement – Purchase of intangibles (\$23 million).

Statement of Comprehensive Income – Revenue from contracts with customers – (\$31 million). Cash Flow Statement – Revenue from contracts with customers - (\$18 million). Cash Flow Statement – Section 74 receipts transferred to OPA (\$31 million). Statement of Financial Position – Trade and other receivables (\$69 million).

Statement of Comprehensive Income – Suppliers expense (\$21 million). Cash Flow Statement – Suppliers (\$24 million).

Statement of Comprehensive Income – Revenue from government (\$17 million). Cash Flow Statement – Appropriations (\$29 million).

Statement of Financial Position – Other payables (\$14 million).

Statement of Changes in Equity – Contribution by owners - Equity Injection – Appropriations (\$12.057 million).

Statement of Changes in Equity – Distribution to owners - Restructuring (\$26.983 million).

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

Department of Industry, Science and Resources
Administered Schedule of Comprehensive Income
for the year ended 30 June 2023

		2023	2022	Original Budget
	Notes	\$'000	\$'000	\$'000
NET COST OF SERVICES				
Expenses				
Employee benefits	2.1A	8,877	7,542	9,755
Suppliers	2.1B	318,962	397,298	347,251
Fees		40	40	40
Subsidies		-	12,446	-
Finance costs	2.1C	62,482	8	1,598
Grants	2.1D	738,569	820,920	1,562,069
Depreciation and amortisation	4.2A	1,073	1,988	1,865
Impairment loss on financial instruments	7.3B	625	263	-
Write-down and impairment of assets		-	-	5,508
Payments to corporate Commonwealth entities	2.1E	1,330,134	1,749,683	1,330,643
Rehabilitation activities	2.1F	336,046	1,460,710	-
Other expenses	2.1G	-	7,675	5,282
Total expenses		2,796,808	4,458,573	3,264,011
Income				
Revenue				
Taxation revenue				
Tradex receipts		1,116	1,033	550
Total taxation revenue		1,116	1,033	550
Non-taxation revenue				
Fees from regulatory services	2.2A	69,924	55,108	56,924
Fees		31	5,676	2,324
Interest	2.2B	18,765	9,350	14,862
Dividends		-	163,638	-
Royalties	2.2C	2,051,956	1,535,256	1,557,673
Other non-taxation revenue	2.2D	120,801	561,655	-
Total non-taxation revenue		2,261,477	2,330,683	1,631,783
Total revenue		2,262,593	2,331,716	1,632,333
Gains				
Gains from sale of assets	2.2E	-	162,385	-
Foreign exchange gains		-	4,972	-
Other gains		-	548	-
Total gains		-	167,905	-
Total income		2,262,593	2,499,621	1,632,333
Net cost of services		(534,215)	(1,958,952)	(1,631,678)
Surplus(Deficit)		(534,215)	(1,958,952)	(1,631,678)
OTHER COMPREHENSIVE INCOME				
Items subject to subsequent reclassification to net cost of services				
Changes in asset revaluation reserve ¹		556,868	(2,491,770)	-
Total comprehensive income/(loss)		22,653	(4,450,722)	(1,631,678)

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 and Resources
Administered Schedule of Assets and Liabilities
as at 30 June 2023

		2023	2022	Original Budget
	Notes	\$'000	\$'000	\$'000
ASSETS				
Financial assets				
Cash in special accounts	5.2A	520,376	5,126,964	489,852
Trade and other receivables	4.1A	668,894	1,034,647	628,479
Other investments	4.1B	4,706,366	19,400,790	4,151,659
Accrued revenue		110,928	81,628	129,920
Total financial assets		6,006,564	25,644,029	5,399,910
Non-financial assets				
Land	4.2A	502	548	-
Buildings and leasehold improvements ¹	4.2A	3,650	802	4,247
Infrastructure, plant and equipment	4.2A	294	50	626
Intangibles	4.2A	6,256	4,329	7,679
Inventories	4.2B	-	33,387	-
Prepayments		1,943	211	196
Total non-financial assets		12,645	39,327	12,748
Total assets administered on behalf of Government		6,019,209	25,683,356	5,412,658
LIABILITIES				
Payables				
Suppliers	4.3A	33,975	38,490	14,815
Grants	4.3B	10,703	27,439	6,979
Other payables		343	295	295
Total payables		45,021	66,224	22,089
Interest bearing liabilities				
Leases	4.4A	3,337	462	3,198
Total interest bearing liabilities		3,337	462	3,198
Provisions				
Employee provisions	6.1B	2,612	2,383	2,383
Rehabilitation provisions	4.5A	2,062,512	2,052,337	1,544,279
Total provisions		2,065,124	2,054,720	1,546,662
Total liabilities administered on behalf of Government		2,113,482	2,121,406	1,571,949
Net assets		3,905,727	23,561,950	3,840,709

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 and Resources Budget Variance Commentary - Administered for the year ended 30 June 2023

Budget Variances 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 2022-23 October 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 department.

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
Grants expenditure was lower than budget due to delays in execution of grants agreements over the financial year.	Schedule of Comprehensive Income – Grants expense (\$824 million).
Variances in rehabilitation provisions mostly related to Northern Endeavour and Ranger provisions annual unwinding expenses and updated cost estimates that were sourced from information that was not available at the time of the budget. Additional security is expected to be provided to meet the Ranger rehabilitation costs which is recorded as revenue and other receivables.	Schedule of Assets and Liabilities – Rehabilitation provisions (\$518 million). Schedule of Comprehensive Income – Rehabilitation activities (\$336 million). Schedule of Comprehensive Income – Finance costs (\$61 million). Schedule of Comprehensive Income – Other non-taxation revenue (\$121 million). Schedule of Assets and Liabilities – Trade and other receivables (\$40 million).
The variance in royalties' revenues largely related to the significant increase in commodity prices over 2022-23. In particular, realised sales prices for Liquefied Natural Gas (LNG) were significantly higher than those used in prior forecasts.	Schedule of Assets and Liabilities – Accrued revenue (\$19 million). Schedule of Comprehensive Income – Royalties revenue (\$494 million).
Administered investments were difficult to predict when the 2022-23 PBS was prepared. Refer to Note 4.1B.	Schedule of Assets and Liabilities – Other Investments (\$555 million). Schedule of Comprehensive Income – Changes in asset revaluation reserve (\$557 million).
The variance in suppliers payable was predominantly due to higher than expected payables relating to the Northern Endeavour program at year end.	Schedule of Assets and Liabilities – Suppliers payable (\$19 million).
The variance in fees from regulatory services and license revenues related to unbudgeted Offshore Infrastructure Registrar receipts which commenced in December 2022.	Schedule of Comprehensive Income – Fees from regulatory services (\$13 million).

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

Department of Industry, Science and Resources
Administered Reconciliation Schedule
for the year ended 30 June 2023

	2023 \$'000	2022 \$'000
Opening assets less liabilities as at 1 July	23,561,950	25,694,384
Net (cost of)/contribution by services		
Income	2,262,593	2,499,621
Expenses		
Payments to entities other than corporate Commonwealth entities	(1,466,674)	(2,708,890)
Payments to corporate Commonwealth entities	(1,330,134)	(1,749,683)
Other comprehensive income		
Revaluations transferred to/(from) reserves	556,868	(2,491,770)
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	3,235	909,476
Payments to corporate Commonwealth entities	171,751	55,652
Annual appropriations		
Payments to entities other than corporate Commonwealth entities	1,131,538	1,306,612
Payments to corporate Commonwealth entities	1,289,273	1,404,643
Special appropriations (limited)		
Payments to entities other than corporate Commonwealth entities	-	12,446
Payments to corporate Commonwealth entities	-	304,836
Special appropriations (unlimited)		
Payments to entities other than corporate Commonwealth entities	699	1,957
Payments to corporate Commonwealth entities	40,861	40,204
Appropriation transfers to OPA		
Transfers to OPA	(2,078,431)	(1,738,773)
Appropriation repayments	(42,371)	(2,553)
Return of appropriation from prior years	4,468	2,165
Restructuring ¹	(20,199,899)	21,623
Closing assets less liabilities as at 30 June	3,905,727	23,561,950

1. 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 and Resources
Administered Cash Flow Statement
for the year ended 30 June 2023

	2023	2022
	\$'000	\$'000
OPERATING ACTIVITIES		
Cash received		
Interest	365	573
Dividends	-	163,638
Fees	12,811	5,742
Royalties	2,022,656	1,515,404
Net GST received	87,179	103,436
Other	23,569	20,989
Levy receipts	41,174	39,206
Total cash received	2,187,754	1,848,988
Cash used		
Suppliers	352,349	435,303
Grants	789,895	950,625
Employees	8,668	7,424
Subsidies	-	12,446
Interest payments on lease liabilities	53	8
Payment for rehabilitation costs	145,875	-
Payment to corporate Commonwealth entities	1,330,134	1,749,683
Total cash used	2,626,974	3,155,489
Net cash from/(used by) operating activities	(439,220)	(1,306,501)
INVESTING ACTIVITIES		
Cash received		
Repayments of advances and loans	2,025	900
Investments	8,936	11,356
Return of capital contributions - corporate Commonwealth Entities	37,917	-
Interest	10,394	1,314
Total cash received	59,272	13,570
Cash used		
Advances and loans made	-	6,000
Investments	227	1,502,861
Purchase of intangibles	2,173	1,457
Purchase of buildings, infrastructure, plant and equipment	338	8
Purchase of inventories	-	33,387
Investments - corporate Commonwealth entity capital contributions	171,751	55,652
Total cash used	174,489	1,599,365
Net cash from/(used by) investing activities	(115,217)	(1,585,795)
FINANCING ACTIVITIES		
Cash used		
Restructuring – Special accounts transferred out	4,574,000	-
Principal payments of lease liabilities ¹	405	919
Total cash used	4,574,405	919
Net cash from/(used by) financing activities	(4,574,405)	(919)

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

Department of Industry, Science and Resources
Administered Cash Flow Statement
for the year ended 30 June 2023

	2023	2022
	\$'000	\$'000
Cash from Official Public Account		
Appropriations	2,462,371	3,070,698
Appropriation - Administered assets and liabilities	3,235	909,476
Equity appropriation - corporate Commonwealth entities	133,834	55,652
GST appropriations	92,879	105,007
Total cash from official public account	2,692,319	4,140,833
Cash to Official Public Account		
Appropriations	(2,078,432)	(1,738,773)
GST appropriations	(87,179)	(103,436)
Appropriation repayments	(4,454)	(2,553)
Total cash to official public account	(2,170,065)	(1,844,762)
Net increase/(decrease) in cash held	(4,606,588)	(597,144)
Cash and cash equivalents at the beginning of the reporting period	5,126,964	5,724,108
Cash and cash equivalents at the end of the reporting period	520,376	5,126,964

- 1 Total cash outflow for leases for the year ended 30 June 2023 was \$0.535 million (2022: \$3.200 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.

Department of Industry, Science and Resources

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

Overview

The Department of Industry, Science and Resources (the department) is an Australian Government controlled and a not-for-profit entity. The department's central location is in Canberra, ACT and has offices throughout Australia.

The department's purpose is to help the government build a better future for all Australians through a productive, resilient and sustainable economy enriched by science and technology. The department conducts the following administered activities on behalf of the Australian Government:

- Growing innovative and competitive businesses, industries and regions;
- Investing in science and technology; and
- Supporting a strong resources sector.

The continued existence of the department in its present form and with its present programs is dependent on Government policy and on continuing funding by Parliament for the department's administration and programs.

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

Adoption of New Australian Accounting Standard Requirements

Two amending standards (AASB 2021-2 and AASB 2021-6) were adopted earlier than the application date as stated in the standard. These amending standards have been adopted for the 2022-23 reporting period.

The following amending standards were issued prior to the signing of the statement by the accountable authority and chief finance officer, were applicable to the current reporting period:

- *AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates* amends AASB 7, AASB 101, AASB 108, AASB 134 and AASB Practice Statement 2. The amending standard requires the disclosure of material, rather than significant, accounting policies, and clarifies what is considered a change in accounting policy compared to a change in accounting estimate.
- *AASB 2021-6 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies*: Tier 2 and Other Australian Accounting Standards amends the Tier 2 reporting requirements set out in AASB 1049, AASB 1054 and AASB 1060 to reflect the changes made by AASB 2021-2.

These amending standards are not considered to have a material impact on the department's financial statements for the current reporting period or future reporting periods.

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

Estimation Uncertainty

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

- Ranger rehabilitation provision. The rehabilitation provision is based on management's best estimate of the costs to rehabilitate the Ranger project area. The basis for the 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. The results will be available late 2023 which will likely result in changes to the provision amount during 2023-24. 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.
- Northern Endeavour rehabilitation provision. This provision represents the estimated future cost of decommissioning the Northern Endeavour Floating Production Storage and Offtake facility and remediating the associated Laminaria and Corallina oil fields. Decommissioning and remediation involve three phases of work. The Phase 1 cost estimate is based on contract costs for various work packages. The phases 2 and 3 cost estimate (which were adjusted for cost uplifts and escalated) are 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 Phases 2 and 3 works has not been detailed yet and therefore the final outcome will differ to the provision. More accurate cost estimate information is expected to be available during 2023-24 which will likely result in changes to the provision amount during 2023-24.
- Maralinga provision. The provision is based on management's best estimate of the costs to remove non-radiological general waste debris. The basis for the estimate includes assumptions and judgements about future events that have not transpired. More accurate cost estimate information is expected to be available during 2023-24 which will likely result in changes to the provision amount during 2023-24.

Machinery of Government Changes

The climate change and energy functions were transferred to the Department of Climate Change, Energy, the Environment and Water as a result of an Administrative Arrangements Order effective from 1 July 2022. A number of portfolio bodies and offices also transferred as a result of these Machinery of Government changes. Assets transferred included administered investments in Snowy Hydro Limited (SHL), Clean Energy Finance Corporation (CEFC), Australian Institute of Marine Science (AIMS), Australian Renewable Energy Agency (ARENA), the CEFC special account, and the departmental Energy special account. The department assumed some functions that were previously the responsibility of the Department of Prime Minister and Cabinet.

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. Except where otherwise stated, administered items are accounted for on the same basis and using the same policies as for departmental items, including the application of Australian Accounting Standards. Administered activities are shown as shaded.

Taxation

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

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

Breach of Section 83 of the Constitution

Section 83 of the *Commonwealth of Australia Constitution Act 1900* (the 'Constitution') provides that no amount may be paid out of the Consolidated Revenue Fund except under an appropriation by law. In 2022-23, the department identified one payment that did not meet the statutory conditions for payment under Section 83, which resulted in one confirmed breach of the National Offshore Petroleum Titles Administrator (NOPTA) Special Account under section 695K of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (OPGGs Act).

The confirmed Section 83 breach relating to the payment made from the NOPTA Special Account was for a payment of \$43,954 for services provided to the department, rather than for services provided to NOPTA. Upon identification of this breach corrective action was taken on 6 July 2023 for the NOPTA special account to recover the amount incorrectly paid.

Events After the Reporting Period

There were no events occurring after 30 June 2023 that would have a material impact on these financial statements.

Department of Industry, Science 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

	2023	2022
	\$'000	\$'000
Note 1.1A: Employee Benefits		
Wages and salaries	276,803	303,672
Superannuation:		
Defined contribution plans	38,690	38,220
Defined benefit plans	16,870	19,978
Leave and other entitlements	42,605	42,238
Separation and redundancies	1,034	1,687
Other employee expenses	2,626	1,065
Total employee benefits	378,628	406,860

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

Contractors and consultants	97,995	130,855
Rendering of services and maintenance	60,741	91,452
Property operating expense	19,538	18,151
Other goods and services	17,058	18,942
Travel	10,453	3,912
Inventory related costs	8,515	6,476
Communication, marketing and freight	3,205	2,820
Total goods and services supplied or rendered	217,505	272,608
Services rendered	200,962	258,938
Goods supplied	16,543	13,670
Total goods and services supplied or rendered	217,505	272,608

Other suppliers

Low value leases	4,724	4,475
Short-term leases	3,363	4,295
Workers compensation expenses	1,273	1,232
Operating lease rentals	53	27
Total other suppliers	9,413	10,029
Total suppliers	226,918	282,637

The department has short-term lease commitments of \$7.736 million and low value lease commitments of \$1.616 million as at 30 June 2023.

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

Department of Industry, Science 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 per asset). The department recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

	2023	2022
	\$'000	\$'000
Note 1.1C: Grants		
Australian Government entities	5,800	9,585
State and Territory Governments	-	403
Non-profit organisations	1,504	570
Other	-	1
Total grants	7,304	10,559

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	2,999	3,280
Unwinding of discount	32	4
Total finance costs	3,031	3,284

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

Accounting Policy

Finance costs

All borrowing costs are expensed as incurred.

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
Impairment of laboratory equipment	2	1
Impairment of intangible assets	348	1,415
Write-down of inventories	2	29
Total write-down and impairment of other assets	352	1,619

Department of Industry, Science and Resources

Notes to and forming part of the Financial Statements

1.2. Own-Source Revenue and Gains

	2023	2022
Own-Source Revenue	\$'000	\$'000
Note 1.2A: Revenue from contracts with customers		
Sale of goods	5,240	3,409
Rendering of services	114,628	85,093
Total revenue from contract with customers	119,868	88,502

Disaggregation of revenue from contracts with customers

Major product / service line:

Grants administration services	35,109	38,846
Measurement services and products	34,001	28,434
IT project services	19,137	4,135
Shared services	14,632	4,441
Scientific educational services	11,542	4,909
Other	4,293	6,681
Building codes services	1,154	1,056
	119,868	88,502

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:

- 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.
- 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.
- Science and educational services –Questacon, a division of the department, recognises revenue from memberships, subscriptions, and facility visits, including interactive science and technology related exhibits. The revenue is recognised at the time services are provided.
- IT Project services and Shared services – the department has performance obligations under several MoU's with other government related entities. Services range from provision of corporate services, equipment, property maintenance and software development. Revenue recognised over time where the services are provided and consumed simultaneously.

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.

Department of Industry, Science and Resources

Notes to and forming part of the Financial Statements

	2023	2022
	\$'000	\$'000
<u>Note 1.2B: Rental Income</u>		
Operating lease		
Variable lease payments income	2,491	3,122
Total rental income	2,491	3,122

Maturity analysis of operating lease income receivables:

Within 1 year	1,515	1,242
One to two years	1,448	211
Two to three years	202	93
Three to four years	80	41
Four to five years	41	37
More than 5 years	432	193
Total undiscounted lease payments receivable	3,718	1,817

Note 1.2C: Other Revenue

State receipts	4,000	12,810
Other	5,935	3,846
Resources received free of charge		
Remuneration of auditors	655	680
Total other revenue	10,590	17,336

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	144	1,116
Other	-	142
Total other gains	144	1,258

Note 1.2E: Revenue from Government

Departmental appropriations	560,666	641,701
Supplementation	-	22,770
Total revenue from Government	560,666	664,471

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

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 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

	2023	2022
	\$'000	\$'000
Note 2.1A: Employee benefits		
Wages and salaries	6,303	5,606
Superannuation		
Defined contribution plans	909	769
Defined benefit plans	314	265
Leave and other entitlements	1,351	902
Total employee benefits	8,877	7,542
Note 2.1B: Suppliers		
Services rendered		
Fee for services	140,593	228,535
Membership fees	120,010	114,219
Inventory sold	33,387	-
Consultants and contractors	13,405	16,219
Other	10,173	9,949
Communication, marketing and freight	1,317	26,141
Total services rendered	318,885	395,063
Other suppliers		
Variable lease payments	77	2,235
Total other suppliers	77	2,235
Total suppliers	318,962	397,298

The department has nil short-term lease commitments as at 30 June 2023 (2022: \$23.678 million).

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

Note 2.1C: Finance Costs

Interest on lease liabilities	53	8
Unwinding of present value discount	62,429	-
Total finance costs	62,482	8

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

Department of Industry, Science and Resources

Notes to and forming part of the Financial Statements

	2023	2022
	\$'000	\$'000
Note 2.1D: Grants		
Public sector		
Australian Government entities (related parties)	14,826	14,095
State and Territory Governments	2,141	7,065
Local Governments	245	1,918
Private sector		
External entities	622,600	693,479
Non-profit organisations	63,883	71,127
Multi-jurisdictional sector	33,770	28,914
Other	1,104	4,322
Total grants	738,569	820,920
Note 2.1E: Payments to Corporate Commonwealth Entities		
Commonwealth Scientific and Industrial Research Organisation	991,134	949,037
Australian Nuclear Science and Technology Organisation	289,027	279,506
Australian Institute of Marine Science	-	45,548
Australian Renewable Energy Agency	-	422,009
National Offshore Petroleum Safety and Environmental Management Authority	49,973	41,704
Northern Australia Infrastructure Facility	-	4,740
Clean Energy Finance Corporation	-	7,139
Total payments to corporate Commonwealth entities	1,330,134	1,749,683
Accounting Policy		
<u>Payments to corporate Commonwealth entities</u>		
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.		
The above disclosures should be read in conjunction with the accompanying Note 8.3B.		
Note 2.1F: Rehabilitation Activities		
Rehabilitation expenses	336,046	1,460,710
Total rehabilitation expenses	336,046	1,460,710
The above rehabilitation activities expense should be read in conjunction Note 4.5A.		
Note 2.1G: Other Expenses		
Act of grace payments	-	5,373
Other	-	2,302
Total other expenses	-	7,675

Department of Industry, Science and Resources

Notes to and forming part of the Financial Statements

2.2. Administered - Income		
	2023	2022
	\$'000	\$'000
Revenue		
<u>Note 2.2A: Fees from Regulatory Services</u>		
Petroleum fees	16,169	15,902
Levy receipts	41,174	39,206
Application and license fees	12,581	-
Total fees from regulatory services	69,924	55,108
<u>Note 2.2B: Interest</u>		
Loans	365	520
Unwinding of discount - concessional loans	8,006	7,516
Deposits	10,394	1,314
Total interest	18,765	9,350
<u>Note 2.2C: Royalties</u>		
Royalties	2,051,956	1,535,256
Total royalties	2,051,956	1,535,256
<u>Note 2.2D: Other Revenue</u>		
Security funds - Ranger rehabilitation	119,948	560,490
Other revenue	853	1,165
Total other revenue	120,801	561,655
<u>Note 2.2E: 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 revenues and levies collected by the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA), the National Offshore Petroleum Titles Administrator (NOPTA) and Offshore Infrastructure Registrar. 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 4.5A).

Sale of Assets

2022: Net gains from the disposal of oil inventory was recognised when control of the assets had passed to the buyer.

Department of Industry, Science 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

	2023	2022
	\$'000	\$'000
Note 3.1A: Cash and Cash Equivalents		
Cash in special accounts	9,586	23,638
Cash on hand	15	15
Cash at bank	1,364	2,767
Total cash and cash equivalents	10,965	26,420

The closing balance of Cash in special accounts does not include amounts held in trust \$0.136 million (2022: \$0.133 million). 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	29,136	21,627
Contract assets	16,464	10,813
Total goods and services receivables	45,600	32,440

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

Appropriations receivables

Departmental appropriations	169,782	130,311
Departmental Capital Budget	11,087	7,436
Equity appropriations	31,902	29,265
Total appropriations receivables	212,771	167,012

Other receivables

GST receivable from the Australian Taxation Office	2,901	4,211
Other	1,928	1,014
Receivable from Government	-	22,770
Total other receivables	4,829	27,995
Total trade and other receivables (gross)	263,200	227,447

Less expected credit loss allowance

Goods and services	(538)	(2,769)
Total impairment loss allowance	(538)	(2,769)
Total trade and other receivables (net)	262,662	224,678

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 within 30 days (2022: 30 days).

Cash and cash equivalents are recognised at its nominal amounts and include a) cash on hand, b) demand deposits in bank accounts with an original maturity of 3 months or less, readily convertible to cash and subject to insignificant risk of changes in value and c) cash in special accounts.

Department of Industry, Science 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 for 2023

	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 2022							
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 1 July 2022	291,795	49,646	15,712	25,939	83,647	131	466,870
Additions:							
Purchase or internally developed	5,347	4,354	5,853	8,094	26,262	-	49,910
Right-of-use assets	5,684	-	670	-	-	-	6,355
Revaluations recognised through other comprehensive income	(2,362)	10,412	-	-	-	-	8,050
Impairments recognised in net cost of services	-	-	-	(2)	(348)	-	(350)
Depreciation / amortisation	(1,239)	(8,251)	(4,276)	(4,196)	(17,095)	(131)	(35,188)
Depreciation on right-of-use assets	(29,092)	-	(798)	(43)	-	-	(29,933)
Disposals:							
From disposal of entities or operations (including restructuring)	(13,437)	(3,037)	-	-	(20,380)	-	(36,854)
Total as at 30 June 2023	256,696	53,124	17,161	29,792	72,086	-	428,859
Total as at 30 June 2023 represented by							
Gross book value	357,549	47,777	25,775	24,845	158,458	13,304	627,708
Work in progress	6,055	5,347	9,180	9,314	42,337	-	72,233
Accumulated depreciation, amortisation and impairment	(106,908)	-	(17,794)	(4,367)	(128,709)	(13,304)	(271,082)
Total as at 30 June 2023	256,696	53,124	17,161	29,792	72,086	-	428,859
Carrying amount of right-of-use assets	209,352	-	856	119	-	-	210,327

Revaluations of non-financial assets

All revaluations were conducted in accordance with the revaluation policy. A revaluation was conducted as at 30 June 2023 for buildings and leasehold improvements by Pickles.

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

All capital commitments totalling \$18,401 million (2022: \$21,461 million) are payable within 12 months. The projects include \$3,915 million for Questacon Construction Manager project, \$3,650 million for Science Capability - National Measurement Institute project, \$1,984 million for Better Emissions and Energy Data Management and Reporting, \$1.161 million for Information Technology Service Project, \$0.802 million for Cyber Uplift Program, \$0.773 million for Sustain and Extend Laboratory Equipment, \$0.631 million for National Measurement Institute (NMI) Lindfield Electrical Remediation, \$0.605 million for Questacon Hail Damage Roof Works, \$0.600 million for Service Management Tool and \$4,280 million for other projects.

Department of Industry, Science 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 buildings and 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 (excluding ROU asset) 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 valuation depends upon the volatility of movements in market values for the relevant assets. The buildings and leasehold improvement asset classes were revalued effective 30 June 2023 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:

Department of Industry, Science and Resources

Notes to and forming part of the Financial Statements

	2023	2022
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.

Impairment

All assets were assessed for impairment at 30 June 2023 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 (2022: 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. (2022: Administered inventories comprised coal which was held for distribution and valued at cost).

Department of Industry, Science and Resources

Notes to and forming part of the Financial Statements

3.3. Payables

	2023	2022
	\$'000	\$'000
Note 3.3A: Suppliers		
Trade creditors and accruals	38,078	35,475
Other creditors	435	445
Contract liabilities	24,640	32,637
Total suppliers	63,153	68,557

Settlement is usually made within 20 days (2022: 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	15,930	12,696
Superannuation	1,442	1,361
Other	2,880	1,922
Total other payables	20,252	15,979

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 2023 represents outstanding contributions for the year.

3.4. Interest Bearing Liabilities

	2023	2022
	\$'000	\$'000
Note 3.4A: Leases		
Lease liabilities		
Buildings	222,109	255,894
Infrastructure, plant and equipment	869	971
Laboratory equipment	121	164
Total leases	223,099	257,029
Maturity analysis - contractual undiscounted cash flows		
Within 1 year	28,829	32,485
Between 1 to 5 years	132,549	120,682
More than 5 years	74,082	133,394
Total leases	235,460	286,561

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.

Material leasing arrangements:

- 10 Binara Street Canberra – 24.3-year lease term expiring 31 Dec 2031. Contains annual fixed price increases based on 3% annual fix rate review.
- 105 Dehli Road Sydney – 19-year lease term expiring 15 June 2032. Contains annual fixed price increases based on 3.75% annual fix rate review.

Department of Industry, Science 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 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 \$'000	Total \$'000
As at 1 July 2022	1,782	1,782
Additional provisions made	228	228
Amounts reversed	(144)	(144)
Change in revaluation rates	371	371
Unwinding of discount	32	32
Total as at 30 June 2023	2,269	2,269

Accounting Judgements and Estimates

The department has 12 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 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

	2023	2022
	\$'000	\$'000
Note 4.1A: Trade and Other Receivables		
Loans		
Amortised cost	134,517	134,656
Total loans	134,517	134,656
Other receivables		
Grant recoveries and other receivables	526,597	891,516
Net GST receivable	9,076	9,431
Total other receivables	535,673	900,947
Total trade and other receivables (gross)	670,190	1,035,603
Less expected credit loss allowance		
Loans - amortised cost	(67)	(72)
Grant recoveries and other receivables	(1,229)	(884)
Total impairment loss allowance	(1,296)	(956)
Total trade and other receivables (net)	668,894	1,034,647

Credit terms for other receivables were within 30 days (2022: 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 2023			
	Advances and loans \$'000	Other receivables \$'000	Total \$'000
As at 1 July 2022	72	884	956
Amounts written off	(6)	-	(6)
Increase/(Decrease) recognised in net cost of services	3	622	625
Restructuring	(2)	(277)	(279)
Total as at 30 June 2023	67	1,229	1,296
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

Department of Industry, Science 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:

- 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'.
- 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. 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. As a result of the Administrative Arrangement Order effective 1 July 2022, this loan was transferred to the Department of Climate Change, Energy, the Environment and Water, refer to Note 8.3.

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 Notes 2.2D and 4.5A).

Department of Industry, Science and Resources

Notes to and forming part of the Financial Statements

	2023	2022
	\$'000	\$'000
Note 4.1B: Other Investments		
Australian Institute of Marine Science	-	178,230
Australian Nuclear Science and Technology Organisation	1,056,815	775,373
Commonwealth Scientific and Industrial Research Organisation	3,488,521	3,115,779
National Offshore Petroleum Safety and Environmental Management Authority	34,498	26,416
Innovation Investment Fund (Rounds 1 and 3)	80,704	91,799
Quantum Computing	43,750	13,159
PSMA Australia Limited	2,078	2,071
Snowy Hydro Limited	-	8,250,000
Australian Renewable Energy Agency	-	524,211
Clean Energy Finance Corporation	-	6,423,752
Total other investments	4,706,366	19,400,790

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 2023. 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. As a result of the Administrative Arrangement Order effective 1 July 2022, this administered investment was transferred to the Department of Climate Change, Energy, the Environment and Water, refer to Note 8.3.

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 and Resources Notes to and forming part of the Financial Statements

Accounting Policy

Innovation Investment Fund (IIF)

The Australian Government co-invested in venture capital funds - 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.

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. As a result of the Administrative Arrangement Order effective 1 July 2022, this administered investment was transferred to the Department of Climate Change, Energy, the Environment and Water, refer to Note 8.3.

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. As a result of the Administrative Arrangement Order effective 1 July 2022, this administered investment was transferred to the Department of Climate Change, Energy, the Environment and Water, refer to Note 8.3.

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. As a result of the Administrative Arrangement Order effective 1 July 2022, this administered investment was transferred to the Department of Climate Change, Energy, the Environment and Water, refer to Note 8.3.

Department of Industry, Science 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 property, plant and equipment and intangibles for 2023						
	Land \$'000	Buildings and leasehold improvements \$'000	Infrastructure, plant & equipment \$'000	Computer software internally developed \$'000	Computer software purchased \$'000	Total \$'000
As at 1 July 2022						
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 1 July 2022	548	802	50	4,329	-	5,729
Additions - purchased, acquired or internally developed	-	-	338	2,284	-	2,622
Right-of-use assets	-	3,281	-	-	-	3,281
Revaluations recognised in other comprehensive income	(46)	189	-	-	-	143
Depreciation/ Amortisation	-	(181)	(94)	(357)	-	(632)
Depreciation on right-of-use assets	-	(441)	-	-	-	(441)
Total as at 30 June 2023	502	3,650	294	6,256	-	10,702
Total as at 30 June 2023 represented by:						
Gross book value	502	6,851	498	14,602	286	22,739
Work in progress	-	-	-	2,651	-	2,651
Accumulated depreciation, amortisation and impairment	-	(3,201)	(204)	(10,997)	(286)	(14,688)
Total as at 30 June 2023	502	3,650	294	6,256	-	10,702
Carrying amount of right-of-use assets	-	3,295	-	-	-	3,295
Revaluations of non-financial assets						
All revaluations were conducted in accordance with the revaluation policy. A revaluation was conducted as at 30 June 2023 for land, buildings and leasehold improvements by Pickles.						
Contractual commitments for the acquisition of infrastructure, plant, equipment and intangible assets						
Capital commitments totalling \$2.887 million (2022: \$3.710 million) relate to enhancements to NOPTA's systems and software.						

Department of Industry, Science and Resources

Notes to and forming part of the Financial Statements

	2023	2022
	\$'000	\$'000
<u>Note 4.2B: Inventories</u>		
Inventories held for distribution:		
Inventories	-	33,387
Total inventories	-	33,387

During 2023, \$33.387 million of inventory was recognised as an expense (2022: \$102.668 million).

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

	2023	2022
	\$'000	\$'000
<u>Note 4.3A: Suppliers</u>		
Trade creditors and accruals	33,975	38,490
Total suppliers	33,975	38,490

Settlement is usually made within 20 days.

Note 4.3B: Grants

Public sector	-	177
Private sector	10,703	27,262
Total grants	10,703	27,439

Settlement is usually made according to the terms and conditions of each grant. This is usually within 20 days (2022: 20 days) of performance or eligibility.

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

4.4. Administered - Interest Bearing Liabilities		
	2023	2022
	\$'000	\$'000
Note 4.4A: Leases		
Lease liabilities		
Buildings	3,337	462
Total leases	3,337	462
Maturity analysis - contractual undiscounted cash flows		
Within 1 year	757	244
Between 1 to 5 years	2,169	223
More than 5 years	830	-
Total leases	3,756	467

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

4.5. Administered – Provisions		
	2023	2022
	\$'000	\$'000
Note 4.5A: Rehabilitation Provisions		
Rehabilitation provisions	2,062,512	2,052,337
Total rehabilitation provisions	2,062,512	2,052,337
	Rehabilitation Provision	Total
	\$'000	\$'000
As at 1 July 2022	2,052,337	2,052,337
Unwinding of discount	62,429	62,429
Amounts new/remeasured	120,594	120,594
Amounts used	(172,848)	(172,848)
Total as at 30 June 2023	2,062,512	2,062,512

Accounting Policy

Administered Provisions

The department recognises a provision for rehabilitation when there is a present obligation (legal or constructive) 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. The provision balance is subject to annual review. The value has been calculated using a discounted cash flow methodology and therefore subsequent measurement of the value of the provisions may vary from year to year due to changes in the underlying estimated costs, estimated indexation factors, discount rates at the reporting date and estimated cash flow timings.

Changes in the rehabilitation provisions year on year are recognised in profit or loss in the reporting year in which the estimates change.

Department of Industry, Science 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')

	2023 \$'000	2022 \$'000
Departmental		
Ordinary annual services		
Annual Appropriation ¹	636,477	653,257
Adjustments²		
PGPA Act - Section 74 receipts	122,460	116,532
PGPA Act - Section 75 transfers	(38,725)	(8,856)
Total	720,212	760,933
Appropriation applied (current and previous years)	643,051	726,577
Variance ³	77,161	34,356
Capital Budget⁴		
Annual Appropriation	26,148	27,432
Total	26,148	27,432
Appropriation applied (current and previous years)	21,448	25,698
Variance	4,700	1,734
Other services		
Equity Injection	35,199	36,916
Total	35,199	36,916
Appropriation applied (current and previous years)	22,178	20,073
Variance ³	13,021	16,843
Administered		
Ordinary annual services⁵		
Administered items	2,379,018	2,367,925
Payments to corporate Commonwealth entities		
Adjustments⁶	1,432,730	1,418,870
PGPA Act 74 Appropriation Repayment	1,785	1,189
PGPA Act - Section 75 transfers	(333,812)	(45,004)
Total	3,479,721	3,742,980
Appropriation applied (current and previous years)	2,420,811	2,711,255
Variance ⁷	1,058,910	1,031,725
Other Services		
Administered assets and liabilities	1,696,941	848,920
Payments to corporate Commonwealth entities	133,834	55,652
Adjustments		
PGPA Act - Section 75 transfers	(1,689,090)	-
Total	141,685	904,572
Appropriation applied (current and previous years)	174,986	965,128
Variance ⁸	(33,301)	(60,556)

Department of Industry, Science and Resources

Notes to and forming part of the Financial Statements

Note 5.1A: Annual Appropriations ('Recoverable GST exclusive')

Notes:

1. Current year departmental annual appropriations withheld under section 51 of the PGPA Act are Supply Act (No.3) 2022-23 \$17.004 million and Supply Act (No.4) \$9.374 million. No current year appropriations are quarantined for administrative purposes.
2. Adjustments to appropriations include adjustments to current year annual appropriations including PGPA Act section 74 receipts and PGPA Act section 75 transfers. Adjustments to current year departmental annual appropriation include PGPA Act section 74 receipts Appropriation Act (No.1) 2022-23 of \$63.129 million and Supply Act (No.1) 2022-23 of \$59.331 million and PGPA Act section 75 transfer of Supply Act (No.1) 2022-23 of \$38.725 million.
3. Departmental variances are due to drawdowns against prior year appropriations and undrawn current year appropriations.
4. Departmental Capital Budgets are appropriated through Appropriation Acts (No.1, 3, 5) and Supply Acts (No.1,3,5). They form part of ordinary annual services and are not separately identified in the Appropriation Acts.
5. Current year administered annual appropriations withheld under section 51 of the PGPA Act are Supply Act (No.3) 2022-2023 \$487.127 million and Appropriation Act (No.1) \$116.935 million. No current year annual appropriations have been quarantined for administrative purposes.
6. Adjustments to current year administered appropriations include PGPA Act section 74 receipts (repayments) of \$1.785 million and PGPA Act section 75 transfers of Supply Act (No.1) 2022-2023 of \$190.355 million; AIMS Supply Act (No.1) 2022-2023 \$19.247 million; ARENA Supply Act (No.1) 2022-23 \$120.535 million; CEFC Supply Act (No.1) 2022-23 \$3.675 million and Supply Act (No.2) 2022-23 of \$1,689.090 million.
7. Adjustments to current year administered appropriations include PGPA Act section 74 receipts (repayments) of \$1.649 million and PGPA Act section 75 transfers of Supply Act (No.1) 2022-2023 of \$190.355 million; AIMS Supply Act (No.1) 2022-2023 \$19.247 million; ARENA Supply Act (No.1) 2022-23 \$120.535 million; CEFC Supply Act (No.1) 2022-23 \$3.675 million and Supply Act (No.2) 2022-23 of \$1,689.090 million.
8. Administered variances are due to drawdowns and repayments against prior year appropriations and undrawn current year appropriations.
9. No other entities spent money from the Consolidated Revenue Fund on behalf of the department.

Department of Industry, Science and Resources

Notes to and forming part of the Financial Statements

Note 5.1B: Unspent Annual Appropriations ('Recoverable GST exclusive')

	2023	2022
	\$'000	\$'000
Departmental		
Appropriation Act (No.1) 2019-20	-	5,000
Appropriation Act (No.1) 2020-21	2,364	2,364
Appropriation Act (No.1) 2021-22	2,620	120,162
Appropriation Act (No.1) 2021-22 - DCB	-	7,437
Appropriation Act (No.2) 2021-22	2,941	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	8,382
Supply Act (No.3) 2022-2023	112,958	-
Appropriation Act (No.1) 2022-2023	73,828	-
Supply Act (No.3) 2022-2023 - DCB	11,087	-
Supply Act (No.2) 2022-2023	9,268	-
Supply Act (No.4) 2022-2023	15,545	-
Appropriation Act (No.2) 2022-2023	5,728	-
Appropriation Act (No.1) 2022-2023 - Cash	1,379	-
Total departmental	246,100	180,367
Administered		
Supply Act (No.1) 2019-20	-	2,299
Appropriation Act (No.1) 2019-20	-	152,159
Supply Act (No.2) 2019-20	-	3,532
Appropriation Act (No.2) 2019-20	-	2,916
Appropriation Act (No.3) 2019-20	-	14,247
Appropriation Act (No.4) 2019-20	-	1,639
Appropriation Act (No.2) 2019-20 (CCE-CSIRO)	-	26,250
Supply Act (No.2) 2019-20 (CCE-CSIRO)	-	18,750
Supply Act (No.1) 2020-21	1	1,138
Appropriation Act (No.1) 2020-21	188,920	207,679
Supply Act (No.2) 2020-21	735	735
Appropriation Act (No.2) 2020-21	6,195	6,422
Supply Act (No.2) 2020-21 (CCE-CSIRO)	-	37,917
Appropriation Act (No.3) 2020-21	53,678	93,624
Appropriation Act (No.1) 2021-22	583,357	985,611
Appropriation Act (No.2) 2021-22	732	795
Appropriation Act (No.3) 2021-22	73,207	145,651
Appropriation Act (No.4) 2021-22	-	298,367
Supply Act (No. 3) 2022-2023	580,166	-
Appropriation Act (No. 1) 2022-2023	498,754	-
Appropriation Act (No. 2) 2022-2023	4,906	-
Total administered	1,990,651	1,999,731

Department of Industry, Science and Resources

Notes to and forming part of the Financial Statements

Note 5.1B: Unspent Annual Appropriations ('Recoverable GST exclusive')

- Unspent prior year annual Appropriations include appropriations withheld under s51 of the PGPA Act, which constitutes a permanent loss of control as well as temporarily quarantined amounts for administrative reasons, as these have not been formally reduced by law prior to 30 June 2023.
- Unspent amounts in 2019-20 Appropriation Acts were repealed in 2022-2023.
- Departmental prior year annual appropriations reduced under s51: Appropriation Act (No.1) 2020-2021 by \$2.364 million; Appropriation Act (No.1) 2021-2022 by \$2.620 million and Appropriation Act (No.2) 2021-2022 by \$0.588 million.
- No adjustments were made to departmental prior year unspent annual appropriations under section 74 of the PGPA Act.
- Adjustments in the current year to departmental prior year annual appropriations under section 75 of the PGPA Act include: Appropriation Act (No.1) 2021-2022 -\$23.757 million; Appropriation Act (No.1) DCB -\$1.049 million; Appropriation Act (No.3) 2021-2022 \$1.668 million; and Appropriation Act (No.2) 2021-2022 -\$1.010 million.
- Departmental unspent annual appropriations lapse on 1 July 2023 include: Appropriation Act (No.1) 2020-2021 \$2.364 million.
- Administered appropriations reduced under section 51: Appropriation Act (No.1) 2020-2021 by \$87.309 million, Appropriation Act (No.3) 2020-2021 by \$17.197 million and Appropriation Act (No.2) 2020-2021 by \$0.795 million.
- Administered appropriations reduced under administrative Quarantines: Appropriation Act (No.1) 2020-2021 by \$87.615 million.
- Adjustments to prior year administered appropriations include PGPA Act section 74 receipts (repayments) of Supply Act (No.1) 2020-2021 \$0.001 million, Appropriation Act (No.1) 2020-2021 \$1.297 million and Appropriation Act (No.1) 2021-2022 \$1.371 million.
- Adjustments to prior year administered appropriations include PGPA Act section 75 transfers of Supply Act (No.1) 2020-2021 of \$1.138 million; Appropriation Act (No.1) 2020-2021 of \$19.380 million; Appropriation Act (No.3) 2020-2021 \$39.946 million; Appropriation Act (No.1) 2021-2022 \$384.290 million; Appropriation Act (No.3) 2021-2022 \$72.444 million; and Appropriation Act (No.4) 2021-2022 \$298.367 million.
- Administered annual appropriation that will lapse on 1 July 2023 under section 39 of the FRR include: Supply Act (No.1) 2020-2021 \$0.001 million; Appropriation Act (No.1) 2020-2021 \$188.920 million; Appropriation Act (No.3) 2020-2021 \$53.678 million; Supply Act (No.2) 2020-2021 \$0.735 million; Appropriation Act (No.2) 2020-2021 \$6.195 million.

Note 5.1C: Disclosure by Agent in Relation to Annual and Special Appropriations ('Recoverable GST exclusive')

	2023 \$'000	2023 \$'000	2022 \$'000	2022 \$'000
	Total receipts	Total payments	Total receipts	Total payments
Department of Health and Aged Care	-	33,477	-	34,809
Department of Defence	136	36,897	-	57,317
National Emergency Management Agency	-	27,117	-	-
Climate Change Authority	246	3,443	-	-
Department of Home Affairs	-	198	-	60,034
Total	382	101,132	-	152,160

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 and Resources

Notes to and forming part of the Financial Statements

Note 5.1D: Special Appropriations Applied ('Recoverable GST exclusive')

Authority	Appropriation applied	
	2023 \$'000	2022 \$'000
<i>Offshore Minerals Act 1994 (Unlimited Amount)</i>	12	-
<i>Offshore Petroleum and Greenhouse Gas Storage Act 2006 (Unlimited Amount)</i>	40,861	40,204
<i>Australian Renewable Energy Agency Act 2011 (Limited Amount)</i>	-	304,836
<i>Fuel Security Act 2021 s58 (Limited Amount)</i>	-	12,446
<i>Public Governance, Performance and Accountability Act 2013 s.77 (Refund)</i>	687	1,957
Total special appropriation applied	41,560	359,443

The following special appropriations had zero transactions and budgets during the reporting and comparative year:

- *Automotive Transformation Scheme Act 2009;*
- *Science and Industry Endowment Act 1926;*
- *Space (Launches and Returns) Act 2018;*
- *Textile, Clothing and Footwear Investment and Innovation Programs Act 1999;*
- *Uranium Royalty (Northern Territory) Act 2009.*

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

5.2. Special Accounts

Note 52A: 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	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Balance brought forward from previous period	4,574,000	5,174,000	8,916	9,277	8,910	6,988
Increases						
Departmental	-	-	92	30	-	-
Administered	-	-	3,522	977	21,116	18,900
Total increases	-	-	3,614	1,007	21,116	18,900
Available for payments	4,574,000	5,174,000	12,530	10,284	30,026	25,888
Decreases						
Departmental	-	-	13	11	-	-
Administered	4,574,000	600,000	3,467	1,357	18,474	16,978
Total decreases	4,574,000	600,000	3,480	1,368	18,474	16,978
Total balance carried to the next period	-	4,574,000	9,050	8,916	11,552	8,910
Balance represented by:						
Cash Held in the Official Public Account - Administered	-	4,574,000	8,859	8,804	11,552	8,910
Cash held in the Official Public Account - Departmental	-	-	191	112	-	-
Total balance carried to the next period	-	4,574,000	9,050	8,916	11,552	8,910

	Innovation, Science and Technology – Donations, Requests and Sponsorship Special Account ⁴		Australian Building Codes Board Special Account ⁵		Energy Special Account ⁶	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Balance brought forward from previous period	1,303	433	9,838	10,661	12,518	15,763
Increases						
Departmental	-	1,308	10,814	9,424	-	14,789
Departmental - Investments	903	959	-	-	-	-
Total increases	903	2,267	10,814	9,424	-	14,789
Available for payments	2,206	2,700	20,652	20,085	12,518	30,552
Decreases						
Departmental	-	1,308	12,113	10,247	12,518	18,034
Departmental - Investments	1,215	89	-	-	-	-
Total decreases	1,215	1,397	12,113	10,247	12,518	18,034
Total balance carried to the next period	991	1,303	8,539	9,838	-	12,518
Balance represented by:						
Cash held in entity bank accounts	991	1,303	202	151	-	-
Cash held in the Official Public Account - Departmental	-	-	8,337	9,687	-	12,518
Total balance carried to the next period	991	1,303	8,539	9,838	-	12,518

	Ranger Rehabilitation Special Account ⁷		Offshore Infrastructure Registrar Special Account ⁸	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Balance brought forward from previous period	535,250	533,936	-	-
Increases				
Administered	-	-	-	-
Administered - Investments	1,207,572	1,147,387	11,100	-
Total increases	1,207,572	1,147,387	11,100	-
Available for payments	1,742,822	1,681,323	11,100	-
Decreases				
Administered	56,778	-	-	-
Administered - Investments	1,197,178	1,146,073	-	-
Total decreases	1,253,956	1,146,073	-	-
Total balance carried to the next period	488,866	535,250	11,100	-
Balance represented by:				
Cash held in entity bank accounts	488,866	535,250	-	-
Cash held in the Official Public Account - Administered	-	-	11,100	-
Total balance carried to the next period	488,866	535,250	11,100	-

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

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</i> – to provide a capital facility for the CEFC to invest directly and indirectly in clean energy technologies, and make payments to ARENA where authorised. As a result of the Administrative Arrangement Order effective 1 July 2022, this special account was transferred to the Department of Climate Change, Energy, the Environment and Water.	N/A
2	78	<i>Determination 2021/711 – Services for Other Entities and Trust Moneys (SOETM)</i> , to enable the department to continue to hold and expend amounts on behalf of persons or entities other than the Commonwealth.	30 June 2031
3	80	<i>Offshore Petroleum and Greenhouse Gas Storage Act 2006</i> , 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.	N/A
4	78	<i>PGPA Act Determination (Innovation, Science and Technology – Donations, Bequests and Sponsorship Special Account 2016) – Establishment</i> , 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 \$0.135 million (2021-22: \$0.133 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.	1 October 2026
5	78	<i>PGPA Act Determination – Establishment of Australian Building Codes Board Special Account 2019</i> , for expenditure towards creating nationally consistent building codes, standards, regulatory requirements, educational guidance materials and regulatory systems in design, construction and use of buildings.	1 April 2030
6	78	<i>PGPA Act (Energy Special Account 2015 - Establishment) Determination 2015/07</i> , 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. As a result of the Administrative Arrangement Order effective 1 July 2022, this special account was transferred to the Department of Climate Change, Energy, the Environment and Water.	1 October 2025
7	78	<i>PGPA Act Determination – Establishment of Ranger Rehabilitation Special Account 2017</i> , 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 \$488.866 million at 30 June 2023 in term deposits as a result of investments made under s58 of the PGPA Act. This includes amounts realised and automatically reinvested in term deposits and a payment of \$56.778 million.	1 April 2027

Department of Industry, Science and Resources

Notes to and forming part of the Financial Statements

8	80	<i>Offshore Electricity Infrastructure Act 2021</i> , 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 account is non-interest bearing.	N/A
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5.3. Regulatory Charging Summary

	2023 \$'000	2022 \$'000
Note 5.3A: Regulatory Charging Summary		
Amount applied		
Departmental		
Annual appropriations	1,025	3,009
Administered		
Annual appropriations	1,251	2,783
Special appropriations (including special accounts)	11,100	-
Total amounts applied	13,376	5,792
Expenses		
Departmental	2,043	3,792
Administered	16,715	16,851
Total expenses	18,758	20,643
Revenue		
Departmental	1,018	783
Administered	17,675	21,648
Total revenue	18,693	22,431

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/publications/national-measurement-institute-cost-recovery-implementation-statement>

National Offshore Petroleum Titles Administrator Fee

Documentation - <https://www.nopta.gov.au/documents/nopta-cris-2022-aug22.pdf>

Offshore Electricity Infrastructure (OEI)

Documentation - <https://www.dccew.gov.au/sites/default/files/documents/oei-cris.pdf>

Greenhouse and Energy Minimum Standards (GEMS)

As a result of the Administrative Order effective 1 July 2022, this regulatory activity was transferred to the Department of Climate Change, Energy, the Environment and Water, refer to Note 8.3.

Commercial Building Disclosure (CBD)

As a result of the Administrative Order effective 1 July 2022, this regulatory activity was transferred to the Department of Climate Change, Energy, the Environment and Water, refer to Note 8.3.

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

5.4. Net Cash Appropriation Arrangements

	2023	2022
	\$'000	\$'000
Note 5.4A: Net Cash Appropriation Arrangements		
Total comprehensive income/(loss) - as per the Statement of Comprehensive Income	18,901	(9,178)
Plus: depreciation/amortisation of assets funded through appropriations (departmental capital budget funding and/or equity injections)	35,188	44,260
Plus: depreciation of right-of-use assets	29,933	32,791
Less: lease principal repayments	(26,224)	(28,505)
Net Cash Operating Surplus	57,798	39,368

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 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

	2023	2022
	\$'000	\$'000
Note 6.1A: Employee Provisions		
Leave	102,940	124,168
Separations and redundancies	361	1,282
Total employee provisions	103,301	125,450

Note 6.1B: Administered - Employee Provisions

Leave	2,612	2,383
Total employee provisions	2,612	2,383

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 2023 and management assessments 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 and Resources

Notes to and forming part of the Financial Statements

6.2. Key Management Personnel Remuneration

Key Management Remuneration

	2023	2022
	\$000	\$000
Short-term employee benefits	1,930	2,651
Post-employment benefits	265	498
Other long-term employee benefits	74	137
Total Key Management Remuneration expenses	2,269	3,286

Key Management Personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling the activities of the department, 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 8 (2022: 7). The number of KMP roles is 5 (2022: 6).

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 material 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 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: Departmental Contingent Assets and Liabilities

As at 30 June 2023, the department has no quantifiable departmental contingent assets or liabilities with a possible likelihood of progression (2022: nil).

There are no unquantifiable or significant remote departmental contingent assets or liabilities (2022: nil).

Note 7.1B: Administered Contingent Assets and Liabilities

Unquantifiable Administered Contingencies

As at 30 June 2023, the department had the following unquantifiable administered contingencies detailed below. It is not possible to estimate the amounts of eventual payments that may be required in relation to these claims.

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, and is preparing to undertake remediation works at the site to reduce hazards and risks.

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.

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.

National Radioactive Waste Management Facility – site selection process

The Commonwealth, represented by the department was involved in legal proceedings before the Federal Court in relation to the National Radioactive Waste Management Facility – site selection process. On 18 July 2023, the Federal Court handed down its decision in *Barnarla Determination Aboriginal Corporation RNTBC & Ors v Minister for Resources and Commonwealth of Australia* [SAD224/2021]. The Court set aside the former Minister's decision to declare the site for the facility.

Department of Industry, Science and Resources

Notes to and forming part of the Financial Statements

7.2. Financial Instruments

	2023	2022
	\$'000	\$'000
Note 7.2A: Categories of Financial Instruments		
Financial assets at amortised cost		
Cash and cash equivalents	10,965	26,420
Trade and other receivables	46,990	30,685
Accrued revenue	753	241
Total financial assets at amortised cost	58,708	57,346
Total financial assets	58,708	57,346
Financial liabilities measured at amortised cost		
Suppliers	63,153	68,557
Grants payable	-	5,800
Other payables	2,880	1,922
Total financial liabilities measured at amortised cost	66,033	76,279
Total financial liabilities	66,033	76,279

Note 7.2B: Net Gains or Losses

The net gains/losses on financial instruments is 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 and Resources
Notes to and forming part of the Financial Statements

7.3. Administered – Financial Instruments

	2023 \$'000	2022 \$'000
Note 7.3A: Categories of Financial Instruments		
Financial assets at amortised cost		
Cash and cash equivalents	520,376	5,126,964
Grant recoveries and other receivables	525,368	890,632
Loans - amortised cost	134,450	134,584
Total financial assets at amortised cost	1,180,194	6,152,180
Financial assets at fair value through other comprehensive income (FVOCI)		
Administered investments	4,706,366	19,400,790
Total financial assets at fair value through other comprehensive income	4,706,366	19,400,790
Total financial assets	5,886,560	25,552,970
Financial liabilities		
Financial liabilities measured at amortised cost		
Grants and subsidies payable	10,703	27,439
Suppliers payable	33,975	38,490
Other payables	343	295
Total financial liabilities measured at amortised cost	45,021	66,224
Total financial liabilities	45,021	66,224
Note 7.3B: Net Gains or Losses on Financial Assets		
Financial assets at amortised cost		
Interest revenue	18,765	9,350
Dividends	-	163,638
Impairment	(625)	(263)
Net gains on financial assets at amortised cost	18,140	172,725
Financial assets at fair value through other comprehensive income		
Change in fair value	556,868	(2,491,770)
Net gains/(losses) on financial assets at fair value through other comprehensive income	556,868	(2,491,770)
Net gains/(losses) on financial assets	575,008	(2,319,045)

Department of Industry, Science 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 2023.

Department of Industry, Science 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.

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

Note 7.4A: 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
	2023 \$'000	2022 \$'000		Valuation technique(s) \$'000
Financial assets:				
Other investments - Snowy Hydro Limited	-	8,250,000	Level 3	Discounted cash flow
Other investments - Various	4,706,366	11,150,790	Level 3	Net asset balance; Market Approach; Discounted cash flow
Total financial assets	4,706,366	19,400,790		
Non-financial assets:				
Infrastructure, plant and equipment ¹	294	50	Level 2	Market approach
Land	502	548	Level 3	Market approach
Buildings	355	347	Level 3	Depreciated replacement cost
Total non-financial assets	1,151	945		
Total fair value measurements of assets in the administered schedule of assets and liabilities	4,707,517	19,401,735		

1. Prices derived from observed transactions of similar equipment.

Note 7.4B: Administered Reconciliation for Recurring Level 3 Fair Value Measurements

Recurring Level 3 fair value measurements - reconciliation

	Financial assets		Non-financial assets	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Opening balance	19,400,790	20,345,401	895	564
Total gains/(losses) recognised in other comprehensive income	556,725	(2,491,770)	143	-
(Disposals)/ Additions (including Restructuring)	(15,376,193)	-	-	556
Investment contributions	134,061	1,558,515	-	-
Distributions	(9,017)	(11,356)	-	-
Depreciation	-	-	(181)	(225)
Closing balance	4,706,366	19,400,790	857	895

Department of Industry, Science 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

	2023 \$'000	2022 \$'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	10,965	26,420
Trade and other receivables	262,662	224,678
Accrued revenue	753	241
Inventories	2,012	1,962
Prepayments	10,652	13,018
Total no more than 12 months	287,044	266,319
More than 12 months		
Buildings and leasehold improvements	309,820	341,441
Infrastructure, plant and equipment	17,161	15,712
Laboratory equipment	29,792	25,939
Intangibles	72,086	83,778
Prepayments	1,861	2,202
Total more than 12 months	430,720	469,072
Total assets	717,764	735,391
Liabilities expected to be settled in:		
No more than 12 months		
Suppliers	63,153	68,557
Grants	-	5,800
Other payables	20,252	15,979
Leases	26,151	27,758
Employee provisions	29,196	45,677
Other provisions	7	1,264
Total no more than 12 months	138,759	165,035
More than 12 months		
Leases	196,948	229,271
Employee provisions	74,105	79,773
Other provisions	2,262	518
Total more than 12 months	273,315	309,562
Total liabilities	412,074	474,597

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

Note 8.1B: Administered Current/Non-current Distinction for Assets and Liabilities		
	2023	2022
	\$'000	\$'000
Assets expected to be recovered in:		
No more than 12 months		
Cash in special accounts	520,376	5,126,964
Trade and other receivables	14,065	290,383
Other investments	-	900
Accrued revenue	110,928	81,628
Inventories	-	33,387
Prepayments	1,889	211
Total no more than 12 months	647,258	5,533,473
More than 12 months		
Trade and other receivables	654,829	744,264
Other investments	4,706,366	19,399,890
Land	502	548
Buildings	3,650	802
Infrastructure, plant and equipment	294	50
Intangibles	6,256	4,329
Prepayments	54	-
Total more than 12 months	5,371,951	20,149,883
Total assets	6,019,209	25,683,356
Liabilities expected to be settled in:		
No more than 12 months		
Suppliers	33,975	38,490
Grants	10,703	27,439
Other payables	343	295
Leases	620	179
Employee provisions	726	843
Rehabilitation provision	620,250	525,865
Total no more than 12 months	666,617	593,111
More than 12 months		
Leases	2,717	283
Employee provisions	1,886	1,540
Rehabilitation provision	1,442,262	1,526,472
Total more than 12 months	1,446,865	1,528,295
Total liabilities	2,113,482	2,121,406

Department of Industry, Science 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.

	2023 \$'000	2022 \$'000
Innovation, Science and Technology - Donations, Bequests and Sponsorships Special Account		
As at 1 July	133	133
Receipts	3	-
Payments	-	-
Total as at 30 June	136	133
Total monetary assets held in trust	136	133

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

8.3. Restructuring

Note 8.3A: Departmental Restructuring

	ASSUMED	ASSUMED
	2023	2022
	The Office of Supply Chain Resilience, Digital Technologies Taskforce and Critical Technologies Policy Department of Prime Minister and Cabinet ¹	
	\$'000	\$'000
FUNCTIONS ASSUMED		
Assets recognised		
Appropriation receivables	1,668	-
Total assets	1,668	-
Liabilities recognised		
Employee provisions	1,668	-
Total liabilities	1,668	-
Net assets/(liabilities) recognised	-	-
Income assumed		
Recognised by the receiving entity	-	-
Recognised by the losing entity	-	-
Total income assumed	-	-
Expenses assumed		
Recognised by the receiving entity	7,920	-
Recognised by the losing entity	604	-
Total expenses assumed	8,524	-

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

	RELINQUISHED	RELINQUISHED	
	2023	2022	2022
	Climate Change and Energy	Northern Australia policy	Small Business
	Department of Climate Change, Energy, the Environment and Water ²	Department of Infrastructure, Transport, Regional Development and Communications ³	Department of the Treasury ⁴
	\$'000	\$'000	\$'000
FUNCTIONS RELINQUISHED			
Assets relinquished			
Cash from special accounts	12,518	-	-
Appropriation receivables	25,816	668	5,780
Trade Receivables	253	-	-
Buildings and Leasehold improvements	16,474	-	-
Intangibles	20,380	-	-
Prepayments	532	-	-
Total assets relinquished	75,973	668	5,780
Liabilities relinquished			
Employee provisions	27,317	668	-
Unearned revenue	8,434	-	-
Payables	2,885	-	-
Lease Liabilities	14,042	-	-
Total liabilities relinquished	52,678	668	-
Net assets/(liabilities) relinquished	23,295	-	5,780

1. The Office of Supply Chain Resilience, Digital Technologies Taskforce and Critical Technologies functions were assumed as a result of an Administrative Arrangements Order on 1 July 2022 with effect from 3 August 2022.
2. The Climate Change and Energy functions were transferred to the Department of Climate Change, Energy, the Environment and Water as a result of an Administrative Arrangements Order on 1 July 2022 with effect from 1 September 2022.
3. 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.
4. 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.

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

Note 8.3B: Administered Restructuring		
	RELINQUISHED	RELINQUISHED
	2023	2022
	Climate Change and Energy Department of Climate Change, Energy, the Environment and Water¹	Northern Australia policy Department of Infrastructure, Transport, Regional Development and Communications²
	\$'000	\$'000
FUNCTIONS		
Assets relinquished		
Cash and cash equivalents	4,574,000	-
Trade and other receivables	-	269,492
Advances and loans	6,113	-
Other receivables	270,663	-
Investments	15,376,193	-
Prepayments	15	-
Total assets	20,226,984	269,492
Liabilities relinquished		
Suppliers payables	7,092	-
Grants payables	19,993	-
Loan commitment provision	-	291,115
Total liabilities	27,085	291,115
Net assets/(liabilities)	20,199,899	(21,623)

1. The Climate Change and Energy functions were transferred to the Department of Climate Change, Energy, the Environment and Water as a result of an Administrative Arrangements Order effective from 1 July 2022.
2. 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.





Chapter 5

Departmental appendices

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Appendix A1: Portfolio or departmental structure during 2022–23

Ministers

The following acting arrangements were made under instruments of authority during 2022–23 where the acting arrangement was for 2 weeks or more.³⁸

Table 19: Acting Ministerial arrangements 2022–23

Minister	Acting Minister	Acting period start	Acting period end
The Hon Ed Husic MP	The Hon Chris Bowen MP	28 December 2022	11 January 2023
The Hon Madeleine King MP	The Hon Catherine King MP	18 January 2023	1 February 2023

Organisational structure

The Department of Industry, Science and Resources was created on 1 July 2022 following machinery of government changes announced on 1 June 2022. On 12 December 2022, the department was restructured to align our functions with government priorities.

The department’s organisational structure over 2022–23, and all office holders for 2 weeks or more, are detailed in the following tables.

³⁸ Reporting of acting arrangements of 2 weeks or more in the annual report is consistent with Bell Inquiry recommendations at www.ministriesinquiry.gov.au/.

Table 20: Organisational structure and office holders from 1 July 2022 to 11 December 2022

Secretary	Deputy Secretary A	Deputy Secretary B	Deputy Secretary C
David Williamson (a/g)	Narelle Luchetti (a/g)	Mary Wiley-Smith	Jane Urquhart (a/g)
1 July 2022 – 21 August 2022	1 July 2022 – 21 August 2022	1 July 2022 – 21 August 2022	1 July 2022 – 4 September 2022
Meghan Quinn PSM	David Williamson	Janean Richards (a/g)	Jane Urquhart
22 August 2022 – 11 December 2022	22 August 2022 – 23 October 2022	22 August 2022 – 11 December 2022	5 September 2022 – 11 December 2022
	Russ Campbell (a/g)		
	24 October 2022 – 22 November 2022		
	Narelle Luchetti (a/g)		
	23 November 2022 – 11 December 2022		

a/g = acting in role

Table 21: Organisational structure and office holders from 12 December 2022 to 30 June 2023

Secretary	Deputy Secretary A	Deputy Secretary B	Deputy Secretary C	Deputy Secretary D
Meghan Quinn PSM	Jane Urquhart	Julia Pickworth	Duncan McIntyre	Neal Mason
12 December 2022 – 15 January 2023	12 December 2022 – 2 April 2023	12 December 2022 – 30 June 2023	12 December 2022 – 30 June 2023	12 December 2022 – 30 June 2023
Jane Urquhart (a/g)	Carolyn Patteson (a/g)			
16 January 2023 – 30 January 2023	3 April 2023 – 14 April 2023			
Meghan Quinn PSM	Jane Urquhart			
31 January 2023 – 30 June 2023	15 April 2023 – 30 June 2023			

a/g = acting in role

Appendix A2: Regulatory functions

We delivered regulatory functions in 2022–23 that supported strong settings for businesses, the economy and the Australian community. Functions are set out in the Department of Finance’s website at www.regulatoryreform.gov.au.

Regulatory functions consider their performance in the context of the 3 principles of 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.

The following provides an overview of each regulatory function, the establishing legislation and, where relevant to a key activity of the department, the related performance measure.

Office of the Space Regulator, Australian Space Agency

Space capability is important to Australia’s economic prosperity and national security, and in managing critical contemporary challenges such as climate change. The Office of the Space Regulator within the Australian Space Agency is responsible for regulation of Australian space activities and high-power rockets under the *Space (Launches and Returns) Act 2018*. The Office of the Space Regulator’s purpose is to provide an internationally recognised regulatory framework that enables entrepreneurship and sector growth while assuring risks to safety and other national interests are managed appropriately. This includes ensuring Australia implements its obligations under United Nations space treaties.

The Act applies to persons operating a launch facility in Australia, launching or returning a space object or high-power rocket to or from Australia, and an Australian national launching or returning a space object overseas.

Establishing legislation	Related performance measure
<i>Space (Launches and Returns) Act 2018</i> <i>Space (Launches and Returns) (General) Rules 2019</i> <i>Space (Launches and Returns) (High Power Rocket) Rules 2019</i> <i>Space (Launches and Returns) (Insurance) Rules 2019</i>	4: Effective regulation to assure the safety and security of space activities

Australian Industry Participation Authority

The Australian Industry Participation (AIP) Authority is the regulator for the *Australian Jobs Act 2013* (Jobs Act). One function of the authority is to approve AIP plans for major projects and to monitor compliance of those projects with the AIP plan. In undertaking this function, the AIP Authority provides feedback to project proponents on draft AIP plans and compliance reports. The authority uses internal standard operating procedures and review processes to maintain a consistent approach and continuously improve its performance. The authority has consultative relationships with its stakeholders that help support a shared understanding of the objectives and obligations of the Jobs Act.

The AIP Authority annually reports its activities under the Jobs Act in the department's annual report (refer to Appendix A3) and conducts a regular stakeholder survey to assess stakeholder satisfaction with the authority's performance across its functions to allow for continuous improvement.

Establishing legislation	Related performance measure
<i>Australian Jobs Act 2013</i>	5: Proportion of major projects that are compliant with their approved AIP Plans

Research and Development Tax Incentive

Under delegation from Industry Innovation and Science Australia (IISA), the department registers businesses for the Research and Development Tax Incentive (R&DTI) program, and in certain circumstances makes findings on the eligibility of research and development (R&D) activities. These functions are set out in Part III of the *Industry Research and Development Act 1986*. The Australian Taxation Office (ATO) is responsible for administering R&DTI expenditure claims. The department and ATO work together under a dual administration model to administer and promote the integrity of the program, including through targeted joint compliance activities.

By reducing the cost of eligible R&D activities, the R&DTI stimulates additional business investment in R&D in Australia. Support for eligible R&D activities helps companies innovate and grow and drives productivity through knowledge ‘spill overs’ that benefit the broader economy. Eligible R&D activities are defined in the *Income Tax Assessment Act 1997*.

Each year, IISA reports on the R&DTI in its annual report at www.industry.gov.au/publications/industry-innovation-and-science-australia-annual-reports.

Establishing legislation	Related performance measure
<u><i>Industry, Research and Development Act 1986</i></u> <u><i>Income Tax Assessment Act 1997</i></u>	6: Applications for registration of research and development activities through the R&DTI are processed within designated timeframes

National Measurement Institute

The Secretary and the Chief Metrologist both have regulatory functions under the *National Measurement Act 1960*. The National Measurement Institute (NMI) supports delivery of these functions and administers Australia’s regulatory framework for measurement. Trust in this framework is underpinned by recognition of NMI’s world-class measurement standards, service and expertise. Together with these capabilities, measurement regulation plays a core role in delivering on the department’s aim to build a better future for all Australians.

Observing regulator performance principles, NMI’s approach to compliance planning considers industry risk, qualitative, anecdotal and workforce information. NMI considers proportionality, consistency and transparency when approaching enforcement actions. Observing the regulator performance best practice principles, NMI will continue to enhance its assessment of risk and use of data to focus effort in areas of greatest potential harm, and to build trust in regulatory settings. It will also collaborate with stakeholders to develop and continuously improve the regulatory framework and assess performance.

NMI also supports other government regulatory activities by undertaking monitoring for the *Tobacco Plain Packaging Act 2011* and the *Fuel Quality Standards Act 2000* and associated regulations.

The government has committed to reforming the legislation that underpins accurate measurement in Australia to enhance speed-to-market for new technologies and provide greater support for fairness in measurement-based transactions. NMI will consult widely in the development of the new legislation.

Establishing legislation	Related performance measure
<u><i>National Measurement Act 1960</i></u>	10: Number of third-party accreditations maintained to ensure NMI measurement services meet national and international best practice
<u>National Measurement Regulations 1999</u>	
<u>National Trade Measurement Regulations 2009</u>	
<u><i>National Measurement Guidelines 2016</i></u>	

National Offshore Petroleum Titles Administrator

The National Offshore Petroleum Titles Administrator (NOPTA) administers titles and data management for petroleum and greenhouse gas titles in Australian Commonwealth waters.³⁹ A function of NOPTA is to undertake technical assessment of titles applications made in accordance with the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (OPGGs Act). This involves NOPTA's delivery of timely, accurate and transparent advice and decisions under the OPGGS Act.

NOPTA uses a range of internal reporting, audit and feedback tools to monitor and continuously improve its performance. NOPTA also has collaborative and consultative stakeholder relationships that support a shared understanding of how its internal processes and compliance program underpins decision making. NOPTA publishes an annual report of its activities and conducts a biennial stakeholder survey to assess stakeholder satisfaction with performance across its functions.

Establishing legislation	Related performance measure
<u><i>Offshore Petroleum and Greenhouse Gas Storage Act 2006</i></u> and associated regulations	13: NOPTA's-published assessment timeframes for applications made under the OPGGS Act are met
<u><i>Offshore Petroleum and Greenhouse Gas Storage (Regulatory Levies) Act 2003</i></u> and associated regulations	

39 In December 2022, the General Manager of NOPTA Branch was appointed as the Offshore Infrastructure Registrar (registrar) under *Offshore Electricity Infrastructure Act 2021* (the OEI Act) by the Secretary of the Department of Climate Change, Energy, the Environment and Water (DCCEEW). The OEI Act provides the legislative framework for licensing and regulation of offshore renewable energy infrastructure and offshore electricity transmission infrastructure in Commonwealth waters. The registrar has a range of functions under the OEI Act, including assessment of licence applications and providing advice and recommendations to the Minister for Climate Change and Energy, as decision maker, in addition to ongoing licence compliance and administration.

Anti-Dumping Commission

The Anti-Dumping Commission supports the Australian economy by remedying unfair international trade and regulating dumped and subsidised imports that injure Australian industry. The commission:

- investigates Australian industries' claims of injurious dumping and subsidisation, seeking and analysing evidence from Australian producers and importers as well as foreign exporters
- uses a range of techniques to interrogate and verify data presented in investigations, including on-site and virtual verifications. Based on investigative findings, the Anti-Dumping Commissioner makes recommendations to the Minister for Industry and Science on the imposition, continuation, withdrawal or adjustment of dumping and countervailing duties
- complies with Australia's international obligations as a member of the World Trade Organization.

In carrying out this role, the commission operates in line with best practice, using risk-based, data-driven and transparent methodologies, engaging closely with stakeholders and users of the system, and driving continuous improvement in its practices and processes.

Establishing legislation	Related performance measure
<u>Customs Act 1901</u>	15: Anti-Dumping Commission's compliance with legislated and World Trade Organization timeframes is maintained or improved
<u>Customs Tariff (Anti-Dumping) Act 1975</u>	
<u>Customs Tariff (Anti-Dumping) Regulation 2013</u>	

Kimberley Process Certification Scheme

Under regulation 9AA of the Customs (Prohibited Exports) Regulations 1958, regulation 4MA of the Customs (Prohibited Imports) Regulations 1956, and in accordance with the Kimberly Process Certification Scheme (KPCS), all rough diamonds with the following classifications require an export permit:

- 7102.10: unsorted, worked, and unworked diamonds
- 7102.21: industrial diamonds which are unworked or simply sawn, cleaved or bruted
- 7102.31: non-industrial diamonds which are unworked or simply sawn, cleaved or bruted.

The Minister for Resources retains the sole authority for issuing export permissions for rough diamonds and has delegated authority to the department to:

- assess export permit applications and issue KPCS certificates accordingly
- fulfill Australia’s Kimberley Process statistical reporting obligations, including biannual, annual and ad hoc reporting
- coordinate with the Australian Border Force and the Department of Foreign Affairs and Trade to ensure Australia’s participant obligations are met.

The KPCS is an international effort to reduce the trade in ‘conflict diamonds’ which are ‘rough’ diamonds (those in their natural state) used by rebel movements to finance wars against legitimate governments. Only the countries participating in the scheme can receive rough diamond exports, providing certainty to purchasers that diamonds are from legitimate sources.

The department is committed to continuing to deliver its KPSC function in line with best practice standards and procedures.

Establishing legislation	Related performance measure
Customs (Prohibited Exports) Regulations 1958	Nil

Mineral export permissions (uranium and controlled ores)

Under regulation 9 of the Customs (Prohibited Exports) Regulations 1958, and with regard to the *Nuclear Non-Proliferation (Safeguards) Act 1987*, material with the following characteristics requires an export permit:

- uranium oxide concentrate or uranium ore concentrate (UOC)
- source materials containing 0.05% by weight or 500 ppm or more of uranium and thorium combined (controlled ores).

The Minister for Resources retains the sole authority for issuing export permissions for uranium ores and concentrates. The Minister for Resources has delegated authority to the department to:

- issue export permissions for controlled ores
- issue shipping approvals for UOC and controlled ores
- monitor compliance to export permission conditions.

The department, working closely with the Australian Non-Proliferation and Safeguards Office, administers and monitors export permits to uphold Australia’s nuclear export policy and international nuclear safeguards obligations.

All uranium produced in Australia is exported for use in nuclear energy generation or research reactors and can only be used for peaceful purposes in countries Australia has approved.

The department is committed to ensuring the continued application of best practice standards and procedures in carrying out its mineral export permissions function.

Establishing legislation	Related performance measure
Customs (Prohibited Exports) Regulations 1958	Nil

Appendix A3: Other legislative requirements

Australian Jobs Act 2013

The *Australian Jobs Act 2013* (Jobs Act) commenced on 27 December 2013. The Jobs Act is accompanied by the Australian Jobs (Australian Industry Participation) Rule 2014. The primary objective of the Jobs Act is to provide a full, fair and reasonable opportunity for Australian entities to participate in major Australian projects.

- Full: 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: Australian industry is given the same opportunity as global suppliers to compete on an equal and transparent basis, including being given reasonable and equal time to tender.
- Reasonable: 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 – whether public or private – with capital expenditure of \$500 million or more. Section 83 of the Jobs Act requires that the AIP Authority prepares an annual report on its operations. This report addresses this requirement for 2022–23.

The AIP Authority and the Jobs Act

The Jobs Act establishes a statutory position – the AIP Authority. Donna Looney, acting Head of Division, was appointed on 23 August 2021 as the acting AIP Authority for a 12-month term (beginning on 2 September 2021) by the former Minister for Industry, Science and Technology.

John Krbaleski, General Manager, was appointed on 31 August 2022 as the acting AIP Authority for a 12-month term (beginning on 2 September 2022) by the Minister for Industry and Science.

The AIP Authority's role is to:

- ensure compliance with the Jobs Act
- evaluate, approve and publish summaries of AIP plans
- monitor the implementation of these 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 around pre-qualifications and standards used in the project
- offer feedback, including identifying areas for capability improvement and training
- encourage and facilitate capability development, connections to global supply chains and technology transfer.

In 2022–23, the AIP Authority approved 34 AIP plans for major projects, with a total capital expenditure of more than \$22 billion. Major projects are eligible productive facilities with capital expenditure of \$500 million. Projects are mainly in the resources, infrastructure, renewable power generation and commercial construction sectors.

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 a new facility's operations phase.

In 2022–23, the AIP Authority received, evaluated and accepted 167 AIP plan compliance reports.

Monitoring

The AIP 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.

The AIP 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 2022–23, the AIP Authority:

- wrote to 17 project proponents, alerting them to their potential obligations under the Jobs Act and providing guidance on meeting those obligations
- received formal notification of 41 major projects with current or future obligations under the Jobs Act.

Evaluation

The department undertook an AIP impact evaluation survey to examine the effectiveness of AIP policy in meeting its intended objectives across major projects with obligations under the Jobs Act and eligible projects receiving Australian Government funding of \$20 million or more. Relevant project proponents, suppliers, Australian Government agencies, peak bodies and unions were invited to submit feedback on the implementation of AIP policy to inform future government decision making. The findings and recommendations of the evaluation are under consideration.

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 – the ICN Gateway. The database plays an important role in connecting potential Australian suppliers with public and private project opportunities. The department provides annual funding to ICN Limited as a contribution to delivering national coordination and information technology support for the ICN.

In 2022–23, ICN Limited continued its important work helping small and medium enterprises (SMEs) win contracts nationally on major government and civil projects across the defence, construction, mining, oil and gas, rail and manufacturing sectors. ICN Limited also supported industry by supplying industry capability information to government.

During the year, the department's funding assisted ICN Limited deliver on its strategic milestones. This included establishing an ICN office covering the Australian Capital Territory. All states and territories are now represented in ICN's footprint and Australia-wide local businesses can use the ICN to connect with major government and civil contracts. ICN also delivered its first national sector conference in June 2023, helping SMEs understand and bid for opportunities in the defence industry.

The department also helped ICN Limited to introduce new value to suppliers through the development of a Carbon Neutral Strategy and a ClimateClever tool to help businesses calculate and reduce their carbon footprint.

The AIP manages funding for ICN Limited under the Australian Jobs (Australian Industry Participation) Rule 2014.

Commonwealth procurements, grants and investments

The Australian Government applies the AIP National Framework's principles to provide Australian industry with full, fair and reasonable opportunities to participate in Commonwealth-funded projects. It applies the framework's key principles to:

- Australian Government procurements through AIP plans for government procurement
- grants in accordance with 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 AIP policy, successful tenderers and funding recipients for projects that have Commonwealth funding of \$20 million or more may need to provide an AIP plan. We continue to look for ways to streamline processes and reduce the compliance burden on regulated entities.

AIP plans in Commonwealth funding

In 2022–23, 46 AIP plans were approved for Commonwealth funded projects (see Table 22). We publish summaries of AIP plans at www.industry.gov.au/major-projects-and-procurement/australian-industry-participation.

Table 22: AIP plans for Commonwealth procurements

Activity	Number
Number of AIP plans approved	18
Number of determinations that a proposed approach to market has an AIP plan requirement	23
Number of determinations that a proposed approach to market is exempt from AIP plan requirements	29
Number of determinations with an AIP clause requirement	3

Table 23: AIP plans for Commonwealth grants and Commonwealth-funded infrastructure projects

Activity	Number
Number of AIP plans approved	18
Number of determinations that a grant has an AIP plan requirement	18
Number of grants and projects exempted from AIP plan requirements	6
Number of determinations with an AIP clause requirement	2

Table 24: AIP plans for Commonwealth investments – Clean Energy Finance Corporation

Activity	Number
Number of AIP plans approved	6
Number of investments exempted from AIP plan requirements	5

Table 25: AIP plans for Commonwealth investments – Northern Australia Infrastructure Facility

Activity	Number
Number of AIP plans approved	4
Number of investments exempted from AIP plan requirements (due to already having a state or territory local industry participation plan)	2

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* (OPGGs Act). Under section 695N(1) of the OPGGS Act, 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 their activities during the year. This section meets the requirement for 2022–23.

NOPTA's main functions are to:

- provide advice and information to the responsible Commonwealth minister and the Joint Authority (comprising the responsible Commonwealth minister and the relevant state and territory ministers)
- keep a register of titles
- collect, manage and release data.

NOPTA operates on a full cost recovery basis, funded by the offshore petroleum and greenhouse gas industries. It is co-located with the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) and has offices in Perth and Melbourne.

In 2022–23, NOPTA:

- assessed 382 titles-related applications (compared to 455 in 2021–22 and 325 in 2020–21)
- met target assessment timeframes more than 90% of the time, on average
- granted 5 greenhouse gas assessment permits (the first since 2014) in Commonwealth waters offshore of the Northern Territory and Western Australia
- processed 633 regulatory data submission items and authorised the release of 102 data packages on wells and surveys
- held more than 370 meetings with industry and government stakeholders
- held annual field performance review meetings with titleholders responsible for offshore petroleum production
- released functionality enhancements for the 'secure portal' of the National Electronic Approvals Tracking System to allow titleholders to electronically submit and track applications and legislative forms
- continued to modernise the National Offshore Petroleum Information Management System and integrated internal systems to allow collaboration with NOPSEMA and Geoscience Australia
- worked with the Offshore Resources Branch to review and remake relevant regulations, including publishing a consultation paper on proposed amendments to the data management provisions of the OPGGS Act

- shared insights from its internal benchmarking program with industry to inform, consult and encourage better regulatory outcomes
- conducted a comprehensive survey of its stakeholders to gauge satisfaction with its performance in areas such as transparency, accountability and trust
- published the 2021–22 *NOPTA annual report of activities*.⁴⁰

Offshore Electricity Infrastructure Act 2021 – registrar’s report

The *Offshore Electricity Infrastructure Act 2021* (OEI Act) commenced on 2 June 2022 and provides the legislative framework for licensing and regulating offshore renewable energy infrastructure and electricity transmission infrastructure in Commonwealth waters. The OEI Act establishes the Offshore Infrastructure Registrar.

The registrar’s principal function relates to administration of the licensing scheme, including managing the assessment process, providing advice and recommendations to the Minister for Climate Change and Energy on applications, overseeing compliance and administration, and maintaining a register of licences.

Under section 153 of the OEI Act, the registrar is a Senior Executive Service employee in any department of state of the Commonwealth who is appointed to the role by the Secretary of the Department of Climate Change, Energy, the Environment and Water (DCCEEW). In December 2022, the General Manager of the NOPTA Branch, who is a Senior Executive Service employee in the Department of Industry, Science and Resources, was appointed as the registrar.

The registrar is assisted by Australian Public Service employees in any department of state of the Commonwealth who are made available for the purpose by the Secretary of that department in accordance with section 158 of the OEI Act. The Secretary of the Department of Industry, Science and Resources has made NOPTA staff available to assist the registrar. The registrar operates on a cost recovery basis.

Under section 159 of the OEI Act, the registrar must, as soon as practicable after the end of each financial year, prepare and provide the Minister for Climate Change and Energy with a report on the registrar’s activities under the OEI Act during that year for presentation to parliament. This report should be included in the annual report of the registrar’s department. The following meets this requirement.

40 www.nopta.gov.au/media/activities-report/index.html.

Registrar's activity report for 2022–23

In 2022–23, staff assisting the registrar:

- began assessing 37 feasibility licence applications received in relation to the invitation to apply for the Gippsland Declared Area OEI012022, offshore Victoria, which closed on 27 April 2023
- assisted DCCEEW in drafting the Offshore Electricity Infrastructure Regulations 2022
- developed a range of regulatory guidance materials, forms and factsheets to assist eligible persons, and other stakeholders, to understand requirements and processes relating to feasibility licence applications under the OEI Act (in consultation with DCCEEW)
- held more than 65 meetings with industry and government stakeholders
- developed a governance protocol for the registrar to implement appropriate governance and oversight mechanisms between the department and DCCEEW in relation to the registrar's functions under the OEI Act (in consultation with DCCEEW)
- expanded functionality of the National Electronic Approvals Tracking System to include licences under the OEI Act and to allow for the electronic submission and tracking of feasibility licence applications
- launched a new dedicated website for the registrar
- provided input into a cost recovery implementation statement, which details how entities, including the registrar, will implement full cost recovery for the administration and regulation of OEI licences and offshore infrastructure activities under the OEI Act, the *Offshore Electricity Infrastructure (Regulatory Levies) Act 2021*, and associated regulations.

Work Health and Safety Act 2011

This mandatory requirement is included within the 'Our capability' section in Chapter 3.

Ecologically sustainable development and environmental performance

This report is made under section 516A of the *Environment 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 in 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 ESD in 2022–23.

Advancing Rum Jungle and Maralinga rehabilitation projects

We continue to work with the Northern Territory Government, Kungarakana and Warai Traditional Owners, and other stakeholders to prepare for rehabilitation works at Rum Jungle, subject to receipt of environmental approvals.

We are also working with the South Australia Government and Maralinga Tjarutja Traditional Owners to remediate debris pits located throughout Maralinga that have eroded over time. Debris pits contain general waste (for example, building rubble and scrap metal) used in the British atomic testing program and subsequent rehabilitation projects. The Australian Government announced funding for the Maralinga Site Maintenance Project at the Mid-Year Economic and Fiscal Outlook in 2021.

How it accords with the principles of ESD

The projects focus on rehabilitating sites previously disturbed by mining (Rum Jungle) and nuclear testing (Maralinga).

Rehabilitating these areas will improve biological diversity, promote environmental outcomes and cultural values, reduce health and safety risks, and allow current and future generations of Traditional Owners to use the land.

How it furthers or advances ESD principles

Rehabilitation activities improved the biodiversity and environmental conditions of the project areas. Planned future works will continue to improve project area conditions by positively impacting the environmental sustainability of the project areas and surrounding regions.

Effective implementation of these projects will provide a blueprint for successful rehabilitation that can be implemented at other disturbed sites in the future.

Supporting rehabilitation of Ranger Uranium Mine

We continued to work with the Ranger Uranium Mine operator – Energy Resources of Australia, the Northern Territory Government, the Northern Land Council, the Gundjeihmi Aboriginal Corporation and other stakeholders to support the mine operator's rehabilitation of the site. Restoration of the site to conditions that are similar to those of the surrounding Kakadu National Park will fulfil longstanding legal obligations. This includes extending the unique regulatory arrangements until rehabilitation has been completed.

How it accords with the principles of ESD

Ranger is subject to unique and site-specific rehabilitation obligations that impose the highest standard of environmental protection. The land will be returned to its Traditional Owners once these obligations have been met.

How it furthers or advances ESD principles

Rehabilitation activities will continue to undergo comprehensive and periodic assessment by the Australian and Northern Territory governments, with input from Traditional Owners to ensure First Nations' knowledge and practices are incorporated into Ranger's rehabilitation and closure.

Supporting domestic end-to-end battery industries through the Australian Made Batteries Plan

The Australian Made Batteries Plan supports domestic end-to-end battery industries, and recognises the economic and strategic importance of Australian-made batteries in meeting our renewable energy targets.

How it accords with the principles of ESD

Batteries play a role in Australia achieving net zero emissions. Australian-made batteries can help decarbonise industry, homes, vehicles, and communities. A diverse and sustainable end-to-end battery industry in Australia creates local jobs and boosts the national economy.

Australian-made batteries will leverage Australia's environmental, social and governance (ESG) credentials. These include relatively high levels of renewable energy usage, as well as safe and transparent labour practices.

How it furthers or advances ESD principles

The Australian Made Batteries Plan will advance ESD principles by fostering and growing a sustainable and thriving battery manufacturing ecosystem. This includes supporting the circular economy and battery recycling.

Planning for National Radioactive Waste Management Facility

Australia's radioactive waste is currently stored in more than 100 locations across the country. While this waste is safely stored and regulated in the short term, these storage arrangements are not sustainable and pose a long-term risk to safety and security.

We continued project planning for a National Radioactive Waste Management Facility (NRWMF), which will substantially mitigate this risk by providing a highly engineered, purpose-built and permanent disposal solution and consolidated radioactive waste storage. A facility will follow internationally accepted best practice – applied to the Australian context – for the safe and secure long-term management of radioactive waste.

Consolidation of Australia's radioactive waste to a NRWMF will meet international best practice and sustain Australia's future nuclear medicine and research operations by relieving the limited radioactive waste storage capacity at the Australian Nuclear Science and Technology Organisation's Lucas Heights facility.

How it accords with the principles of ESD

The project planning considers relevant environmental impacts, and all activities associated with a NRWMF will comply with the objectives of the EPBC Act and principles of ecologically sustainable development, as set out in the Act.

How it furthers or advances ESD principles

Decision-making processes regarding a NRWMF integrate long-term and short-term economic, environmental, social and equitable considerations. The relevant impacts will be assessed by an environmental impact statement.

Remaking the Offshore Petroleum and Greenhouse Gas Storage (Environment) Regulations 2009

We continued to remake the Offshore Petroleum and Greenhouse Gas Storage (Environment) Regulations 2009 (2009 Environment Regulations) before their scheduled sunset date of 1 April 2024. The Offshore Petroleum and Greenhouse Gas Storage (Environment) Regulations 2023 (2023 Environment Regulations) were made by the Governor-General on 6 July 2023 and were registered on the Federal Register of Legislation on 10 July 2023. The 2023 Environment Regulations will commence on 10 January 2024, 6 months after the day of registration. The 2009 Environment Regulations will be repealed when the 2023 Environment Regulations commence. This will preserve continuity of regulatory coverage.

The 2023 Environment Regulations have been made without substantive policy change from the 2009 Environment Regulations.

Minor technical amendments have been made to modernise the provisions and their language to align with current practice. These amendments include the restructuring and renumbering of provisions.

NOPSEMA will administer the 2023 Environment Regulations. Under these regulations, persons who want to conduct a petroleum or greenhouse gas activity are required to prepare and implement a plan for the activity. The environment plan must set out the risks and impacts of the activity as well as the titleholder's proposed measures to manage and reduce the risks and impacts. A proposed petroleum or greenhouse gas activity cannot proceed unless NOPSEMA is satisfied that the impacts and risks to the environment will be reduced to levels that are acceptable and as low as reasonably practicable.

How it accords with the principles of ESD

The 2023 Environment Regulations will ensure that offshore petroleum and greenhouse gas storage titleholders are required to carry out offshore activities in a manner that is consistent with the principles of ESD.

How it furthers or advances ESD principles

The 2023 Environment Regulations will ensure that offshore petroleum and greenhouse gas activities are carried out in a manner that is consistent with the principles of ESD. Titleholders must identify, assess and reduce all environmental impacts and risks (including socioeconomic risks) linked to their activities to levels that are acceptable and as low as reasonably practicable.

Administering the Research and Development Tax Incentive

Under delegation from Industry Innovation and Science Australia, we administer the R&DTI program. We do this by working with the Australian Taxation Office under a dual administration model. This offers a tax offset for companies conducting eligible R&D activities that support a broad range of socioeconomic objectives across all industries.

Businesses may register and claim for R&D activities that improve the physical environment. These include:

- improving pollution control, by identifying and analysing the sources and causes of pollutants, including their dispersal in the environment and the effects on humans, species (fauna, flora and micro-organisms) and the biosphere
- developing monitoring facilities for measuring all types of pollution
- eliminating and preventing all forms of pollution in diverse environments.

How it accords with the principles of ESD

R&DTI supports all businesses conducting eligible R&D activities, including those directed towards the study and improvement of the physical environment, both pristine and degraded or altered conditions.

How it furthers or advances ESD principles

R&DTI supports businesses conducting eligible R&D activities, including those aimed at studying and improving pristine, degraded or altered physical environments.

Launching Questacon's QNetZero Project for carbon neutrality by 2030

Questacon's environmental policy expresses a commitment to minimising its impacts on the environment and promotes consideration of environmental issues in all decision making, planning and science communication activities.

The centre measured and recorded its environmental impact, and set yearly targets and objectives aimed at reducing it. The QNetZero Project and environmental management are integrated into Questacon's business plan and day-to-day operations.

Questacon's long-term aim is to deliver services with net zero greenhouse gas emissions by 2030. It has established its emissions footprint and developed a short-term emissions reduction plan.

How it accords with the principles of ESD

Questacon engages future generations in environmental science through its exhibitions and science, technology, engineering and mathematics program activities, and actively supports the United Nations Sustainable Development Goals.

How it furthers or advances ESD principles

Questacon engages with communities, students and teachers, raising awareness of the importance of sustainability and promoting actions to lower everybody's carbon footprint.

Supporting the National Measurement Institute environmental monitoring services

The National Measurement Institute (NMI) provided specialised environmental analysis services to the Australian Government, regulators and industry to help meet environmental legislative requirements. NMI's definitive analytical results led to higher quality risk assessments and management of environmental issues (for example, through ultra-trace level testing for persistent organic pollutants, such as dioxins and perfluoroalkyl and polyfluoroalkyl substances).

NMI also sought to maintain systems that reduce impacts on the environment (for example, by providing support for the safe and effective operation of gas supply networks). NMI's accurate and trusted calibration of flowmeters helped network operators to minimise the risk of fugitive emissions from gas pipelines.

How it accords with the principles of ESD

Through 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.

National Quantum Strategy

The National Quantum Strategy articulates the Australian Government's ambition to become a leader in the global quantum technologies that are integral to a prosperous, fair and inclusive Australia by 2030. Quantum technologies could have transformative impacts on the global economy, and the National Quantum Strategy provides a framework to both promote technological advances that support Australia's ESD ambitions and support the domestic quantum industry to develop in a responsible manner.

How it accords with the principles of ESD

Action 5.1 of the National Quantum Strategy commits the Australian Government to working with industry, academia and states and territories to develop principles to support the responsible and inclusive development and use of quantum technologies. By implementing this action we can support quantum companies to consider the carbon footprint associated with energy-intensive segments of their technology stack. Embedding good ESD practice into quantum technology development could help keep Australia's quantum sector competitive internationally.

How it furthers or advances ESD principles

Future applications in quantum technology may have major implications for reducing global emissions. Quantum could potentially:

- enable advances in materials science, leading to improved industrial materials and battery technologies
- optimise transport and logistics networks, reducing carbon emissions from city traffic or port operations
- drive new discoveries in biotechnology to support the green economy
- improve sensing capabilities to support environmental monitoring and the agricultural sector.

Theme 1 of the National Quantum Strategy encourages the development and adoption of quantum technologies through programs such as the Australian Centre for Quantum Growth and the Critical Technologies Challenge Program and highlights the role of quantum in optimising supply chains, improving public transport and reducing waste and emissions throughout the Australian economy.

Critical minerals

Implementation of the Critical Minerals Strategy 2023–2030 will help grow Australia's critical minerals industry and will underpin Australia's net zero ambitions. A key component of this work is to promote Australia as a world leader in ESG performance, and ensure that regulatory and policy frameworks set by the Australian Government are fit for purpose. This includes by applying the highest ESG standards and practices relevant to critical minerals to guide investment decisions and enable Australia to maintain its position as an ethical and sustainable producer of critical minerals.

How it accords with the principles of ESD

Critical minerals are essential to manufacturing priority technologies that will contribute to emissions reduction (for example, solar panels, electric vehicles, and wind turbines). Growing Australia's critical minerals industry can support Australia's climate change commitments and can help international partners achieve their emissions reduction targets.

How it furthers or advances ESD principles

Implementation of the strategy will allow Australia to apply the highest ESG standards and promote Australia as a leader in ESG performance. For example, by:

- enabling fast, efficient and durable environmental approvals while upholding robust environmental protections
- embedding strong ESG practices that enable to access to global markets
- supporting the sector's enduring social license to operate
- fairly sharing the benefits of critical minerals development with communities, including First Nations Australians.

Square Kilometre Array

How it accords with the principles of ESD

Construction of the Square Kilometre Array (SKA)-Low radio-telescope has been designed to minimise the impact on the environment.

- The SKA telescope is located on the traditional lands of the Wajarri Yamaji in the Mid-West Region of Western Australia. Formerly a pastoral station, Boolardy, the land has been destocked and many parts are now regenerating with native vegetation.
- Wajarri Yamaji heritage and environmental protection at the SKA site is of critical importance. The department works with the Wajarri Yamaji and Western Australia regulatory bodies to ensure the protection and preservation of native vegetation and First Nations heritage. Monitoring of priority flora and fauna species is taking place to ensure their protection.
- Environmental protection and management obligations of the SKA project are outlined in the established Indigenous land use agreement (ILUA) with the Wajarri Yamaji. These matters are managed through the ILUA Liaison Committee, with representatives from all signatories, and commenced in 2023 for a period of 50 years. Through a cultural heritage management plan, the department and the Wajarri Yamaji work together to collaborate on protection of Wajarri Yamaji heritage.

How it furthers or advances ESD principles

Destocking and ongoing land management, including the preparation of a decommissioning plan that will return the site to its original state, will ensure the long-term protection of the local environment.

Internal operations environmental performance

A report on the environmental performance of our internal operations can be found at www.industry.gov.au/publications.

Appendix A4: Australian Public Service Net Zero 2030 reporting

Australian Public Service (APS) Net Zero 2030 is the government’s policy for the APS to reduce its greenhouse gas emissions to net zero by 2030, and to transparently report on its emissions. As part of this, non-corporate and corporate Commonwealth entities are required to report on their operational greenhouse gas emissions.

The Greenhouse Gas Emissions Inventory presents greenhouse gas emissions over the 2022–23 period. Results are presented on the basis of carbon dioxide equivalent (CO₂-e) emissions. Greenhouse gas emissions reporting has been developed with methodology that is consistent with the whole-of-Australian-Government approach as part of the APS Net Zero 2030 policy. Not all data sources were available at the time of the report and adjustments to baseline data may be required in future reports.

Table 26: Emissions reported using location-based approach (kg CO₂-e)

Emission Source	Scope 1	Scope 2	Scope 3	Total
Electricity	N/A	11,796,751	995,956	12,792,70
Natural gas	199,593	N/A	30,293	229,885
Fleet vehicles	244,871	N/A	60,512	305,383
Domestic flights	N/A	N/A	-	-
Other energy	-	N/A	-	-
Total	444,464	11,796,751	1,086,760	13,327,975

Table 27: Emissions reported using market-based approach (kg CO₂-e)

Emission source	Scope 1	Scope 2	Scope 3	Total
Electricity	N/A	8,492,485	1,124,005	9,616,491
Natural gas	199,593	N/A	30,293	229,885
Fleet vehicles	244,871	N/A	60,512	305,383
Domestic flights	N/A	N/A	-	-
Other energy	-	N/A	-	-
Total	444,464	8,492,485	1,214,810	10,151,759

Notes

- Scope 1 is direct emissions from entity facilities and company owned vehicles. Scope 2 is indirect emissions from purchased electricity, steam, heating and cooling for own use. Scope 3 is all other indirect emissions, including from leased assets up and down stream.
- The electricity emissions reported in Table 26 are calculated using the location-based approach. When applying the market-based method, which accounts for activities such as GreenPower, purchased large-scale generation certificates and/or being located in the Australian Capital Territory, the total emissions for electricity, are in Table 27.
- The domestic flight emissions referenced in Table 26 and Table 27 were not reported in 2022–23. An estimated 7 kilotons of carbon dioxide equivalent emissions from domestic commercial flights are divided among the entities: Department of Agriculture, Fisheries and Forestry (DAFF), Department of Industry, Science and Resources (DISR), Department of Infrastructure, Transport, Regional Development, Communications and the Arts (DITRDCA) and DCCEE. The exact allocation of domestic commercial flight emissions for each entity has not been determined yet due to machinery of government changes in the 2022–23 financial year. In future reports, the emissions data will be provided separately for each entity.
- Further information on APS Net Zero 2030 is at www.finance.gov.au/government/aps-net-zero-emissions-2030.

Appendix A5: Workforce statistics

Table 28: All ongoing employees, current report period (2022–23)

	Man/male			Woman/female			Non-binary (X)			Prefers not to answer			Uses a different term			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
NSW	164	6	170	130	21	151	-	-	-	-	-	-	-	-	-	321
Qld	54	2	56	66	10	76	-	-	-	-	-	-	-	-	-	132
SA	80	1	81	70	17	87	-	-	-	-	-	-	-	-	-	168
Tas	13	1	14	19	4	23	-	-	-	-	-	-	-	-	-	37
Vic	139	5	144	127	21	148	-	-	-	-	-	-	-	-	-	292
WA	43	1	44	50	9	59	-	-	-	-	-	-	-	-	-	103
ACT	689	39	728	900	171	1,071	-	-	-	-	-	-	-	-	-	1,799
NT	2	0	2	4	0	4	-	-	-	-	-	-	-	-	-	6
Overseas	1	0	1	3	0	3	-	-	-	-	-	-	-	-	-	4
Total	1,185	55	1,240	1,369	253	1,622	-	-	-	-	-	-	-	-	-	2,862

Notes:

To protect their privacy, the above table does not include 11 employees who identify as non-binary (that would bring the total of all ongoing employees to 2,873).

External territories are territories of Australia which are external to the borders of Australia. Examples include Norfolk Island and the Australian Antarctic Territory. Please see www.infrastructure.gov.au/territories-regions-cities/australian-territories for further information.

Table 29: All ongoing employees, previous report period (2021–22)

	Man/male			Woman/female			Non-binary (X)			Prefers not to answer			Uses a different term		Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total
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
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 5 ongoing employees who identify as non-binary (that would bring the total of all ongoing employees to 3,288).

Table 30: All non-ongoing employees, current report period (2022–23)

	Man/male			Woman/female			Non-binary (X)			Prefers not to answer			Uses a different term			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
NSW	15	0	15	24	1	25	-	-	-	-	-	-	-	-	-	40
Qld	0	1	1	4	2	6	-	-	-	-	-	-	-	-	-	7
SA	4	0	4	8	0	8	-	-	-	-	-	-	-	-	-	12
Tas	2	0	2	0	0	0	-	-	-	-	-	-	-	-	-	2
Vic	9	1	10	17	6	23	-	-	-	-	-	-	-	-	-	33
WA	3	0	3	6	0	6	-	-	-	-	-	-	-	-	-	9
ACT	39	7	46	64	14	78	-	-	-	-	-	-	-	-	-	124
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	72	9	81	123	23	146	-	-	-	-	-	-	-	-	-	227

Notes:

To protect their privacy, the above table does not include 5 employees who identify as non-binary (that would bring the total of all non-ongoing employees to 232).

This table does not include the 129 casuals employed by the department at 30 June 2023.

External territories are territories of Australia which are external to the borders of Australia. Examples include Norfolk Island and the Australian Antarctic Territory. Please see www.infrastructure.gov.au/territories-regions-cities/australian-territories for further information.

Table 31: All non-ongoing employees, previous report period (2021–22)

	Man/male			Woman/female			Non-binary (X)			Prefers not to answer			Uses a different term			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
NSW	6	1	7	7	0	7	-	-	-	-	-	-	-	-	-	14
Qld	1	0	1	1	2	3	-	-	-	-	-	-	-	-	-	4
SA	1	0	1	6	2	8	-	-	-	-	-	-	-	-	-	9
Tas	1	0	1	0	0	0	-	-	-	-	-	-	-	-	-	1
Vic	5	0	5	3	2	5	-	-	-	-	-	-	-	-	-	10
WA	1	0	1	1	0	1	-	-	-	-	-	-	-	-	-	2
ACT	56	8	64	43	11	54	-	-	-	-	-	-	-	-	-	118
NT	0	0	0	0	0	0	-	-	-	-	-	-	-	-	-	0
Overseas	0	0	0	0	0	0	-	-	-	-	-	-	-	-	-	0
Total	71	9	80	61	17	78	-	-	-	-	-	-	-	-	-	158

Notes:

To protect their privacy, the above table does not include 2 non-ongoing employees who identify as non-binary (that would bring the total of all non-ongoing employees to 160).

This table does not include 111 casuals employed by the department at 30 June 2022.

Table 32: Australian Public Service Act ongoing employees, current report period (2022–23)

	Man/male			Woman/female			Non-binary (X)			Prefers not to answer			Uses a different term			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
SES 3	2	0	2	3	0	3	-	-	-	-	-	-	-	-	-	5
SES 2	10	0	10	14	0	14	-	-	-	-	-	-	-	-	-	24
SES 1	32	0	32	49	6	55	-	-	-	-	-	-	-	-	-	87
EL 2	210	4	214	234	29	263	-	-	-	-	-	-	-	-	-	477
EL 1	380	21	401	433	86	519	-	-	-	-	-	-	-	-	-	920
APS 6	330	20	350	340	87	427	-	-	-	-	-	-	-	-	-	777
APS 5	136	6	142	169	23	192	-	-	-	-	-	-	-	-	-	334
APS 4	52	2	54	91	19	110	-	-	-	-	-	-	-	-	-	164
APS 3	26	0	26	30	3	33	-	-	-	-	-	-	-	-	-	59
APS 2	4	2	6	0	0	0	-	-	-	-	-	-	-	-	-	6
APS 1	3	0	3	5	0	5	-	-	-	-	-	-	-	-	-	8
Other (SEC)	0	0	0	1	0	1	-	-	-	-	-	-	-	-	-	1
Total	1,185	55	1,240	1,369	253	1,622	-	-	-	-	-	-	-	-	-	2,862

Notes:

To protect their privacy, the above table does not include 11 employees who identify as non-binary (that would bring the total of ongoing employees to 2,873).

Figures reported in this table include acting arrangements by ongoing staff.

Table 33: Australian Public Service Act ongoing employees, previous report period (2021–22)

	Man/male			Woman/female			Non-binary (X)			Prefers not to answer			Uses a different term			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
SES 3	2	0	2	3	0	3	-	-	-	-	-	-	-	-	-	5
SES 2	12	0	12	17	0	17	-	-	-	-	-	-	-	-	-	29
SES 1	41	0	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	0	32	35	1	36	-	-	-	-	-	-	-	-	-	68
APS 2	6	1	7	2	2	4	-	-	-	-	-	-	-	-	-	11
APS 1	6	0	6	8	0	8	-	-	-	-	-	-	-	-	-	14
Other (SEC)	0	0	0	0	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 5 employees who identify as non-binary (that would bring the total of ongoing employees to 3,288).

Table 34: Australian Public Service Act non-ongoing employees, current report period (2022–23)

	Man/male			Woman/female			Non-binary (X)			Prefers not to answer			Uses a different term			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
SES 3	0	0	0	0	0	0	-	-	-	-	-	-	-	-	-	0
SES 2	1	0	1	0	0	0	-	-	-	-	-	-	-	-	-	1
SES 1	0	0	0	0	0	0	-	-	-	-	-	-	-	-	-	0
EL 2	3	0	3	2	1	3	-	-	-	-	-	-	-	-	-	6
EL 1	11	4	15	13	4	17	-	-	-	-	-	-	-	-	-	32
APS 6	22	1	23	31	5	36	-	-	-	-	-	-	-	-	-	59
APS 5	12	2	14	24	3	27	-	-	-	-	-	-	-	-	-	41
APS 4	19	1	20	39	6	45	-	-	-	-	-	-	-	-	-	65
APS 3	4	0	4	11	2	13	-	-	-	-	-	-	-	-	-	17
APS 2	0	1	1	1	1	2	-	-	-	-	-	-	-	-	-	3
APS 1	0	0	0	2	1	3	-	-	-	-	-	-	-	-	-	3
Other	0	0	0	0	0	0	-	-	-	-	-	-	-	-	-	0
Total	72	9	81	123	23	146	-	-	-	-	-	-	-	-	-	227

Notes:

To protect their privacy, the above table does not include 5 employees who identify as non-binary (that would bring the total of non-ongoing employees to 232).

This table does not include 129 casuals employed by the department at 30 June 2023.

Table 35: Australian Public Service Act non-ongoing employees, previous report period (2021–22)

	Man/male			Woman/female			Non-binary (X)			Prefers not to answer			Uses a different term			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
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	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	0	6	4	1	5	-	-	-	-	-	-	-	-	-	11
APS 2	0	0	0	1	0	1	-	-	-	-	-	-	-	-	-	1
APS 1	0	0	0	0	1	1	-	-	-	-	-	-	-	-	-	1
Other	0	0	0	0	0	0	-	-	-	-	-	-	-	-	-	0
Total	71	9	80	61	17	78	-	-	-	-	-	-	-	-	-	158

Notes:

To protect their privacy, the above table does not include 2 employees who identify as non-binary (that would bring the total of non-ongoing employees to 160).

This table does not include 111 casuals employed by the department at 30 June 2022.

Table 36: Australian Public Service Act employees by full time and part time status, current report period (2022–23)

	Ongoing			Non-ongoing			Total
	Full time	Part time	Total	Full time	Part time	Total	
SES 3	5	0	5	0	0	0	5
SES 2	24	0	24	1	0	1	25
SES 1	81	6	87	0	0	0	87
EL 2	444	33	477	5	1	6	483
EL 1	815	108	923	24	8	32	955
APS 6	672	108	780	53	6	59	839
APS 5	307	29	336	38	5	43	379
APS 4	144	21	165	61	7	68	233
APS 3	58	3	61	15	2	17	78
APS 2	4	2	6	1	2	3	9
APS 1	8	0	8	2	1	3	11
Other	1	0	1	0	0	0	1
Total	2,563	310	2,873	200	32	232	3,105

Note: This table does not include 129 casuals employed by the department at 30 June 2023.

Table 37: Australian Public Service Act employees by full-time and part-time status, previous report period (2021–22)

	Ongoing			Non-ongoing			Total
	Full time	Part time	Total	Full time	Part time	Total	
SES 3	5	0	5	0	0	0	5
SES 2	29	0	29	0	0	0	29
SES 1	94	4	98	0	0	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	0	11
APS 1	14	0	14	0	1	1	15
Other	0	0	0	0	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 38: Australian Public Service Act employment type by location, current report period (2022–23)

	Ongoing	Non-ongoing	Total
NSW	323	40	363
Qld	132	7	139
SA	168	12	180
Tas	38	2	40
Vic	292	34	326
WA	103	9	112
ACT	1,807	128	1,935
NT	6	0	6
External territories	0	0	0
Overseas	4	0	4
Total	2,873	232	3,105

Note: This table does not include 129 casuals employed by the department at 30 June 2023.

Table 39: Australian Public Service Act employment type by location, previous report period (2021–22)

	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

Notes:

The above table does not include 111 casuals employed by the department at 30 June 2022.

External territories are territories of Australia which are external to the borders of Australia. Examples include Norfolk Island and the Australian Antarctic Territory. Please see www.infrastructure.gov.au/territories-regions-cities/australian-territories for further information.

Table 40: Australian Public Service Act Indigenous employment, current report period (2022–23)

	Total
Ongoing	60
Non-ongoing	2
Total	62

Table 41: Australian Public Service Act Indigenous employment, previous report period (2021–22)

	Total
Ongoing	84
Non-ongoing	1
Total	85

Table 42: Australian Public Service Act employment arrangements, current report period (2022–23)

	SES	Non-SES	Total
IFA	0	197	197
Common law contract	96	0	96
Determination	0	2,812	2,812
Enterprise agreement	0	0	0
Total	96	3,009	3,105

Note: This table does not include 129 casuals employed by the department at 30 June 2023.

Table 43: Australian Public Service Act employment salary ranges by classification level (minimum/maximum), current report period (2022–23)

	Minimum salary	Maximum salary
SES 3	\$347,906	\$358,069
SES 2	\$272,878	\$319,353
SES 1	\$216,127	\$257,750
EL 2	\$136,550	\$242,581
EL 1	\$112,591	\$168,457
APS 6	\$91,077	\$118,088
APS 5	\$80,250	\$98,081
APS 4	\$72,967	\$79,258
APS 3	\$65,011	\$70,489
APS 2	\$57,889	\$64,575
APS 1	\$51,179	\$51,179
Other	0	0
Minimum/maximum range	\$51, 179	\$358, 069

Note: The department 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:

- annual influenza immunisation
- contributions to relevant professional memberships
- executive-level coaching
- internal and external mobility and secondment opportunities
- in-house capability development programs
- an early intervention triage and treatment program providing capped treatment for injuries or illnesses that affect an employee's ability to work
- access to Osara Health which provides support and coaching for people who have cancer or who care for someone with cancer
- an employee assistance program and access to a wellbeing hub that hosts articles, videos and guidance material across several health topics
- internal wellbeing initiatives promoting a holistic view of health, designed to increase staff members' physical, emotional and psychological wellbeing
- superannuation for staff on unpaid and part-paid maternity leave.

Table 44: Australian Public Service Act employment performance pay by classification level, current report period (2022–23)

	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 A6: Corrections to previous annual reports

The *Department of Industry, Science and Resources annual report 2021–22* contained an error in Chapter 2, annual performance statements. There was reference in the results of performance measure 1 – number of business-research collaborations facilitated by portfolio programs – to a ‘1,759 cumulative total’ for science and commercialisation. This figure should be 1,758.

Abbreviations and acronyms

AAS – Australian Accounting Standards	CBD – Commercial Building Disclosure
AASB – Australian Accounting Standards Board	CEFC – Clean Energy Finance Corporation
ADGSM – Australian Domestic Gas Security Mechanism	CMCs – calibration and measurement capabilities
ADRP – Anti-Dumping Review Panel	CRMs – chemical reference materials
AGEST – Australian Government Employees Superannuation Trust	CO ₂ -e – carbon dioxide equivalent
AGGP – Australian Government Graduate Program	CRC – Cooperative Research Centre
AI – artificial intelligence	CSIRO – Commonwealth Scientific and Industrial Research Organisation
AIC – Australian Information Commissioner	CSS – Commonwealth Superannuation Scheme
AIMS – Australian Institute of Marine Science	DAFF – Department of Agriculture, Fisheries and Forestry
ANM – ANSTO Nuclear Medicine Pty Ltd	DCCEEW – Department of Climate Change, Energy, the Environment and Water
AIP – Australian Industry Participation	Department, DISR – Department of Industry, Science and Resources
ANAO – Australian National Audit Office	DITRDCA – Department of Infrastructure, Transport, Regional Development, Communications and the Arts
ANSTO – Australian Nuclear Science and Technology Organisation	DCB – Department Capital Budget
APS – Australian Public Service	EPBC Act – <i>Environment Protection and Biodiversity Conservation Act 1999</i>
APSC – Australian Public Service Commission	ECL – expected credit loss
ARENA – Australian Renewable Energy Agency	ESD – ecologically sustainable development
ARWA – Australian Radioactive Waste Agency	ESG – environmental, social and governance
ASGS – Australian Statistical Geography Standard	FBT – Fringe Benefits Tax
ATO – Australian Taxation Office	FRR – Public Governance, Performance and Accountability (Financial Reporting) Rule 2015
a/g – acting in role	GEMS – Greenhouse and Energy Minimum Standards
Board – Executive Board	
BIPM – International Bureau of Weights and Measures	

References

GHG – greenhouse gas	PAIGC – Powering Australia Industry Growth Centre
GST – Goods and Services Tax	
ICN – Industry Capability Network	PBS – portfolio budget statements
ICT – information communication technology	PGPA Act – <i>Public Governance, Performance and Accountability Act 2013</i>
IIF – Innovation Investment Fund	PSMA – PSMA Australia Limited
IISA – Industry, Innovation and Science Australia	PSS – Public Sector Superannuation Scheme
ILUA – Indigenous land use agreement	PSSap – PSS accreditation plan
IPP – Indigenous Procurement Policy	REMP – resources and major energy projects
Jobs Act – <i>Australian Jobs Act 2013</i>	R&D – research and development
KMP – key management personnel	R&DTI – Research and Development Tax Incentive
KPCS – Kimberley Process Certification Scheme	RAP – Reconciliation Action Plan
LNG – liquefied natural gas	ROU – right of use
MBA – Master of Business Administration	SES – Senior Executive Service
MOUs - Memoranda of Understanding	SHL - Snowy Hydro Limited
NATA – National Association of Testing Authorities	SKA – Square Kilometre Array (telescope)
NEATS – National Electronic Approvals Tracking System	SME – small and medium(-sized) enterprise
NMI – National Measurement Institute	SPPI - solely payments of principal and interest
NRF – National Reconstruction Fund	STEM – science, technology, engineering and mathematics
NRWMF – National Radioactive Waste Management Facility	USA – United States of America
NOPSEMA – National Offshore Petroleum Safety and Environmental Management Authority	UOC – uranium ore concentrate
NOPTA – National Offshore Petroleum Titles Administrator	WADA – World Anti-Doping Agency
OEI Act – <i>Offshore Electricity Infrastructure Act 2021</i>	WHS Act – <i>Work Health and Safety Act 2011</i>
OPA – Official Public Account	WTO – World Trade Organization
OPGGS – offshore petroleum and greenhouse gas storage	2009 Environment Regulations – Offshore Petroleum and Greenhouse Gas Storage (Environment) Regulations 2009
	2023 Environment Regulations – Offshore Petroleum and Greenhouse Gas Storage (Environment) Regulations 2023

List of requirements

Below is the table set out in Schedule 2 of the PGPA Rule. Section 17AJ(d) requires this table be included in entities' annual reports as an aid of access.

PGPA Rule Reference	Part of Report	Description	Requirement
17AD(g)	Letter of transmittal		
17AI	vii	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		
17AJ(a)	v	Table of contents (print only).	Mandatory
17AJ(b)	207	Alphabetical index (print only).	Mandatory
17AJ(c)	195	Glossary of abbreviations and acronyms.	Mandatory
17AJ(d)	197	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		
17AD(a)	2–5	A review by the accountable authority of the entity.	Mandatory
17AD(b)	Overview of the entity		
17AE(1)(a)(i)	14–15	A description of the role and functions of the entity.	Mandatory
17AE(1)(a)(ii)	15	A description of the organisational structure of the entity.	Mandatory
17AE(1)(a)(iii)	15, 21	A description of the outcomes and programmes administered by the entity.	Mandatory

PGPA Rule Reference	Part of Report	Description	Requirement
17AE(1)(a)(iv)	15	A description of the purposes of the entity as included in corporate plan.	Mandatory
17AE(1)(aa)(i)	15	Name of the accountable authority or each member of the accountable authority	Mandatory
17AE(1)(aa)(ii)	15	Position title of the accountable authority or each member of the accountable authority	Mandatory
17AE(1)(aa)(iii)	15, 154–55	Period as the accountable authority or member of the accountable authority within the reporting period	Mandatory
17AE(1)(b)	14	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		
17AD(c)(i); 16F	17–54	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 Financial Performance		
17AF(1)(a)	74	A discussion and analysis of the entity's financial performance.	Mandatory
17AF(1)(b)	75–79	A table summarising the total resources and total payments of the entity.	Mandatory

PGPA Rule Reference	Part of Report	Description	Requirement
17AF(2)	N/A	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			
17AG(2)(a)	61	Information on compliance with section 10 (fraud systems)	Mandatory
17AG(2)(b)(i)	vii	A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared.	Mandatory
17AG(2)(b)(ii)	vii	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)	vii	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)	56–60	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 noncompliance with Finance law and action taken to remedy noncompliance.	If applicable, Mandatory

PGPA Rule Reference	Part of Report	Description	Requirement
Audit Committee			
17AG(2A)(a)	57	A direct electronic address of the charter determining the functions of the entity's audit committee.	Mandatory
17AG(2A)(b)	58–59	The name of each member of the entity's audit committee.	Mandatory
17AG(2A)(c)	58–59	The qualifications, knowledge, skills or experience of each member of the entity's audit committee.	Mandatory
17AG(2A)(d)	58–59	Information about the attendance of each member of the entity's audit committee at committee meetings.	Mandatory
17AG(2A)(e)	58–59	The remuneration of each member of the entity's audit committee.	Mandatory
External Scrutiny			
17AG(3)	62	Information on the most significant developments in external scrutiny and the entity's response to the scrutiny.	Mandatory
17AG(3)(a)	62	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)	62	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)	62	Information on any capability reviews on the entity that were released during the period.	If applicable, Mandatory
Management of Human Resources			
17AG(4)(a)	62–69	An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives.	Mandatory

PGPA Rule Reference	Part of Report	Description	Requirement
17AG(4)(aa)	180–193	<p>Statistics on the entity's employees on an ongoing and non-ongoing basis, including the following:</p> <ul style="list-style-type: none"> (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)	180–193	<p>Statistics on the entity's APS employees on an ongoing and non-ongoing basis; including the following:</p> <ul style="list-style-type: none"> · 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)	70, 191	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)	191	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)	192	The salary ranges available for APS employees by classification level.	Mandatory
17AG(4)(c)(iii)	192	A description of non-salary benefits provided to employees.	Mandatory
17AG(4)(d)(i)	193	Information on the number of employees at each classification level who received performance pay.	If applicable, Mandatory

PGPA Rule Reference	Part of Report	Description	Requirement
17AG(4)(d)(ii)	193	Information on aggregate amounts of performance pay at each classification level.	If applicable, Mandatory
17AG(4)(d)(iii)	193	Information on the average amount of performance payment, and range of such payments, at each classification level.	If applicable, Mandatory
17AG(4)(d)(iv)	193	Information on aggregate amount of performance payments.	If applicable, Mandatory
Assets Management			
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
Purchasing			
17AG(6)	80	An assessment of entity performance against the <i>Commonwealth Procurement Rules</i> .	Mandatory
Reportable consultancy contracts			
17AG(7)(a)	81–82	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)	82	A statement that “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]”.	Mandatory

PGPA Rule Reference	Part of Report	Description	Requirement
17AG(7)(c)	82	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)	82	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
Reportable non-consultancy contracts			
17AG(7A)(a)	81	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)	81	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		
17AGA	81–82	Additional information, in accordance with section 17AGA, about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts.	Mandatory

PGPA Rule Reference	Part of Report	Description	Requirement
Australian National Audit Office Access Clauses			
17AG(8)	81	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 AuditorGeneral 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
Exempt contracts			
17AG(9)	81	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
Small business			
17AG(10)(a)	80	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)	80	An outline of the ways in which the procurement practices of the entity support small and medium enterprises.	Mandatory

PGPA Rule Reference	Part of Report	Description	Requirement
17AG(10)(c)	80	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
Financial Statements			
17AD(e)	85–151	Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act.	Mandatory
Executive Remuneration			
17AD(da)	70–72	Information about executive remuneration in accordance with Subdivision C of Division 3A of Part 23 of the Rule.	Mandatory
17AD(f)	Other Mandatory Information		
17AH(1)(a)(i)	N/A	If the entity conducted advertising campaigns, a statement that “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.”	If applicable, Mandatory
17AH(1)(a)(ii)	83	If the entity did not conduct advertising campaigns, a statement to that effect.	If applicable, Mandatory
17AH(1)(b)	82	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

PGPA Rule Reference	Part of Report	Description	Requirement
17AH(1)(c)	62–64	Outline of mechanisms of disability reporting, including reference to website for further information.	Mandatory
17AH(1)(d)	62	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)	194	Correction of material errors in previous annual report	If applicable, mandatory
17AH(2)	68–69, 164–170	Information required by other legislation	Mandatory

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