

Portfolio Additional Estimates Statements 2017–18

Industry, Innovation and Science
(Part of the Jobs and Innovation Portfolio)

Explanations of Additional Estimates 2017–18

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ISBN 978-1-925050-03-5

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Please contact the Chief Financial Officer in the Department of Industry, Innovation and Science on (02) 6213 6000.



Senator the Hon Michaelia Cash
Minister for Jobs and Innovation

Senator the Hon Matthew Canavan
Minister for Resources and Northern Australia

President of the Senate
Australian Senate
Parliament House
CANBERRA ACT 2600

Speaker
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Mr President
Dear Mr Speaker

We hereby submit Portfolio Additional Estimates Statements in support of the 2017-18 Additional Estimates for the Department of Industry, Innovation and Science (part of the Jobs and Innovation Portfolio).

These statements have been developed, and are submitted to the Parliament, as a statement on the funding requirements being sought for the Portfolio.

We present these statements by virtue of our ministerial responsibilities for accountability to the Parliament and, through it, the public.

Yours sincerely

Senator the Hon Michaelia Cash

Senator the Hon Matthew Canavan

ABBREVIATIONS AND CONVENTIONS

The following notations may be used:

| | |
|---------|---|
| NEC/nec | not elsewhere classified |
| - | nil |
| .. | not zero, but rounded to zero |
| na | not applicable (unless otherwise specified) |
| nfp | not for publication |
| \$m | \$ million |

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

Enquiries

Should you have any enquiries regarding this publication please contact the Chief Financial Officer in the Department of Industry, Innovation and Science on (02) 6213 6000.

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

**USER GUIDE
TO THE
PORTFOLIO ADDITIONAL
ESTIMATES STATEMENTS**

USER GUIDE

The purpose of the 2017–18 Portfolio Additional Estimates Statements (PAES), like that of the Portfolio Budget Statements (PB Statements), is to inform Senators and Members of Parliament of the proposed allocation of resources to Government outcomes by entities within the portfolio. The focus of the PAES differs from the PB Statements in one important aspect. While the PAES include an Entity Resource Statement to inform Parliament of the revised estimate of the total resources available to an entity, the focus of the PAES is on explaining the changes in resourcing by outcome(s) since the Budget. As such, the PAES provides information on new measures and their impact on the financial and/or non-financial planned performance of programs supporting those outcomes.

The PAES facilitate understanding of the proposed appropriations in Appropriation Bills (Nos. 3 and 4) and Appropriation (Parliamentary Departments) Bill (No. 2) 2017–2018. In this sense, the PAES is declared by the Additional Estimates Appropriation Bills to be a ‘relevant document’ to the interpretation of the Bills according to section 15AB of the *Acts Interpretation Act 1901*.

Whereas the *Mid-Year Economic and Fiscal Outlook (MYEFO) 2017–18* is a mid-year budget report which provides updated information to allow the assessment of the Government’s fiscal performance against its fiscal strategy, the PAES update the most recent budget appropriations for entities within the portfolio.

Structure of the Portfolio Additional Estimates Statements

The PAES are presented in three parts with subsections.

User guide

Provides a brief introduction explaining the purpose of the PAES.

Portfolio overview

Provides an overview of the portfolio, including a chart that outlines the outcomes for entities in the portfolio.

Entity Additional Estimates Statements

A statement (under the name of the entity) for each entity affected by Additional Estimates.

Section 1: Entity overview and resources

This section details the changes in total resources available to an entity, the impact of any measures since Budget, and impact of Appropriation Bills Nos. 3 and 4.

Section 2: Revisions to outcomes and planned performance

This section details **changes** to Government outcomes and/or **changes** to the planned performance of entity programs.

Section 3: Special account flows and budgeted financial statements

This section contains updated explanatory tables on special account flows and staffing levels and revisions to the budgeted financial statements.

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PORTFOLIO OVERVIEW

PORTFOLIO OVERVIEW

On 19 December 2017, the Prime Minister, the Hon Malcolm Turnbull MP, announced changes to his Ministry and areas of responsibility. Senator the Hon Michaelia Cash was given responsibility for the Jobs and Innovation Portfolio, supported by the Hon Craig Laundy MP and Senator the Hon Zed Seselja. Together, they are charged with harnessing the jobs of the future through new industries and small business so Australians can adapt and thrive in an era of innovation and technological change.

Senator the Hon Matthew Canavan is responsible for the Resources and Northern Australia Portfolio. Minister Canavan is charged with working closely with the Australian resources sector, which is one of the major contributors to Australia's economic prosperity, and is focused on unlocking the potential of Northern Australia.

The roles and responsibilities of the Department of Industry, Innovation and Science and portfolio agencies have not changed since the 2017-18 Portfolio Budget Statements.

Structure of the portfolio

The Jobs and Innovation Portfolio is split into two sub-portfolios: Jobs and Small Business, and Industry, Innovation and Science.

The Department of Industry, Innovation and Science (Figure 1) leads the Industry, Innovation and Science sub-portfolio, and the Resources and Northern Australia Portfolio, including related non-corporate Commonwealth and corporate Commonwealth entities. This document provides information on these two areas only.

The Jobs and Small Business sub-portfolio is led by the Department of Jobs and Small Business. For information on Jobs and Small Business, refer to the *Portfolio Additional Estimates Statements 2017-18, Jobs and Small Business (Part of the Jobs and Innovation Portfolio)*.

Ministers and responsibilities

The ministers responsible for the Industry, Innovation and Science sub-portfolio are:

- Senator the Hon Michaelia Cash, Minister for Jobs and Innovation
- The Hon Craig Laundy MP, Minister for Small and Family Business, the Workplace and Deregulation
- Senator the Hon Zed Seselja, Assistant Minister for Science, Jobs and Innovation.

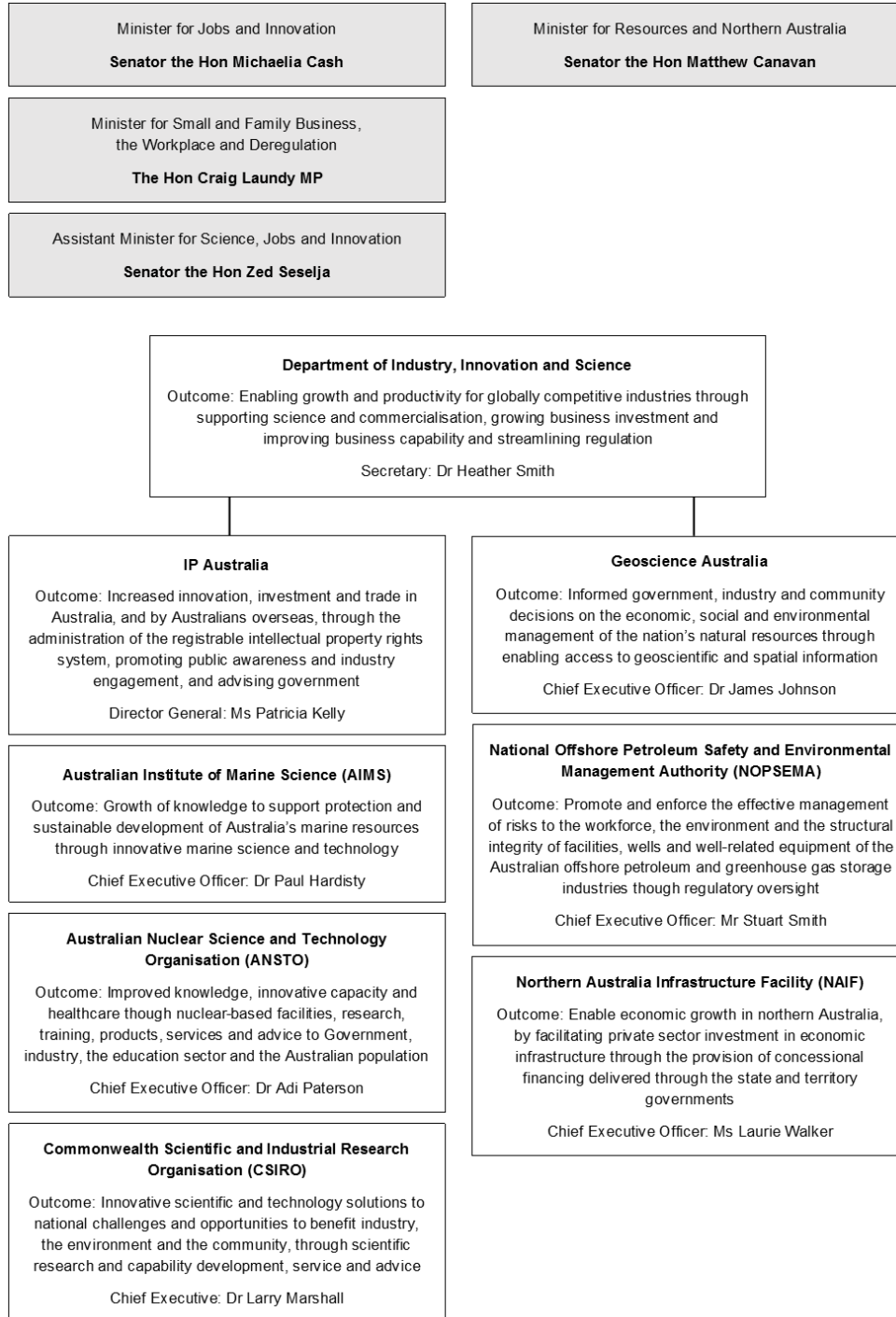
Portfolio Overview

The minister responsible for Resources and Northern Australia is:

- Senator the Hon Matthew Canavan, Minister for Resources and Northern Australia.

A full outline of the Department's Portfolio Overview can be found in the 2017–18 Portfolio Budget Statements.

Figure 1: Industry, Innovation and Science structure and outcomes



ENTITY ADDITIONAL ESTIMATES STATEMENTS

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DEPARTMENT OF INDUSTRY, INNOVATION AND SCIENCE

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DEPARTMENT OF INDUSTRY, INNOVATION AND SCIENCE

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Australian Government seeks to create jobs and capture the opportunities of a modern, digital and globally integrated economy while helping Australians to manage the transition. The Department of Industry, Innovation and Science contributes to this vision by facilitating the growth and productivity of globally competitive industries.

With resources in policy, analysis and program delivery, and the capabilities of Australia's largest science agencies, the department reduces barriers to growth and fosters smart, high growth, globally engaged businesses. The department seeks to capitalise on Australia's competitive strengths, exploit emerging digital technologies and supports the continual improvement of our innovation and scientific advantage.

Further details of the department's strategic direction can be found in the 2017-18 Portfolio Budget Statements and the department's 2017-18 Corporate Plan at www.industry.gov.au.

1.2 ENTITY RESOURCE STATEMENT

The Entity Resource Statement details the resourcing for the Department of Industry, Innovation and Science at Additional Estimates. Table 1.1 outlines the total resourcing available from all sources for the 2017-18 Budget year, including variations through Appropriation Bills No. 3 and No. 4, Special Appropriations and Special Accounts.

Table 1.1: Department of Industry, Innovation and Science resource statement — Additional Estimates for 2017–18 as at Additional Estimates February 2018

| | <i>Actual available appropriation</i> | <i>Estimate as at Budget</i> | <i>Proposed Additional Estimates</i> | <i>Total estimate at Additional Estimates 2017-18 \$'000</i> |
|---|---|--------------------------------------|--|--|
| | <i>2016-17 \$'000</i> | <i>2017-18 \$'000</i> | <i>2017-18 \$'000</i> | |
| Departmental | | | | |
| Annual appropriations - ordinary annual services | | | | |
| Prior year appropriations available (a) | 95,585 | 69,602 | - | 69,602 |
| Departmental appropriation | 365,838 | 376,445 | 4,458 | 380,903 |
| s74 retained revenue receipts (b) | 76,536 | 93,618 | - | 93,618 |
| Departmental capital budget (c) | 28,888 | 25,234 | - | 25,234 |
| Annual appropriations - other services - non-operating | | | | |
| Prior year appropriations available (a) | 41,190 | 27,864 | - | 27,864 |
| Equity injection | 4,880 | 11,520 | 387 | 11,907 |
| <i>Total departmental annual appropriations</i> | <i>612,917</i> | <i>604,283</i> | <i>4,845</i> | <i>609,128</i> |
| Special accounts (d) | | | | |
| Opening balance | 28,151 | 11,100 | 787 | 11,887 |
| Appropriation receipts | 4,000 | 4,000 | - | 4,000 |
| Non-appropriation receipts | 7,311 | 7,020 | 1,256 | 8,276 |
| <i>Total special accounts</i> | <i>39,462</i> | <i>22,120</i> | <i>2,043</i> | <i>24,163</i> |
| <i>less departmental appropriations drawn from annual appropriations and credited to special accounts</i> | <i>4,000</i> | <i>4,000</i> | <i>-</i> | <i>4,000</i> |
| Total departmental resourcing | 648,379 | 622,403 | 6,888 | 629,291 |
| Administered | | | | |
| Annual appropriations - ordinary annual services | | | | |
| Outcome 1 | 552,924 | 524,250 | (24,270) | 499,980 |
| Payments to corporate entities (e) | 1,020,264 | 1,042,088 | 2,931 | 1,045,019 |
| Annual appropriations - other services - non-operating | | | | |
| Prior year appropriations available (a) | 111,542 | 116,427 | - | 116,427 |
| Administered assets and liabilities | 28,938 | 8,000 | - | 8,000 |
| Payments to corporate entities | 38,841 | 32,637 | - | 32,637 |

**Table 1.1: Department of Industry, Innovation and Science Resource Statement
— Additional Estimates for 2017–18 as at Additional Estimates February 2018
(continued)**

| | <i>Actual available appropriation</i> | <i>Estimate as at Budget</i> | <i>Proposed Additional Estimates</i> | <i>Total estimate at Additional Estimates</i> |
|---|---|--------------------------------------|--|---|
| | <i>2016-17 \$'000</i> | <i>2017-18 \$'000</i> | <i>2017-18 \$'000</i> | <i>2017-18 \$'000</i> |
| <i>Total administered annual appropriations</i> | 1,752,509 | 1,723,402 | (21,339) | 1,702,063 |
| <i>Total administered special appropriations (f)</i> | 212,996 | 713,189 | (192,000) | 521,189 |
| Special accounts (d) | | | | |
| Opening balance | 174,709 | 150,361 | (6,175) | 144,186 |
| Appropriation receipts | 54,510 | 10,000 | - | 10,000 |
| Non-appropriation receipts | 36,641 | 23,802 | 11 | 23,813 |
| <i>Total special account receipts</i> | 265,860 | 184,163 | (6,164) | 177,999 |
| <i>less administered appropriations drawn from annual appropriations and credited to special accounts</i> | <i>54,510</i> | <i>10,000</i> | <i>-</i> | <i>10,000</i> |
| Total administered resourcing | 2,176,855 | 2,610,754 | (219,503) | 2,391,251 |
| Total resourcing for Industry, Innovation and Science | 2,825,234 | 3,233,157 | (212,615) | 3,020,542 |
| | | | <i>Actual 2016-17</i> | <i>2017-18</i> |
| Average staffing level (number) | | | 2,445 | 2,355 |

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

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

- (a) Actual and estimated adjusted balance carried forward from previous year for annual and equity appropriations.
- (b) Estimated retained revenue receipts under section 74 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).
- (c) Departmental capital budgets are not separately identified in *Appropriation Act (No. 1)* and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.
- (d) Refer to Table 3.1 for further information on Special Accounts.
- (e) This excludes special appropriation payments to the National Offshore Petroleum Safety and Environmental Management authority (NOPSEMA).
- (f) Total special appropriations include funding of \$360 million in 2017–18 for the Northern Australia Infrastructure Facility (NAIF) and payments to NOPSEMA. The payments to NOPSEMA are equal in value to the levies NOPSEMA collects from the oil and gas industries.

Table 1.1: Entity resource statement — Additional Estimates for 2017–18 as at Additional Estimates February 2018 (continued)

Third party payments from and on behalf of other entities

| | <i>Actual available appropriation</i> | Estimate as at Budget | Proposed Additional Estimates | Total estimate at Additional Estimates |
|---|---|-----------------------------|-------------------------------------|---|
| | <i>2016-17 \$'000</i> | <i>2017-18 \$'000</i> | <i>2017-18 \$'000</i> | <i>2017-18 \$'000</i> |
| Payments made to corporate entities within the Portfolio¹ | | | | |
| Ordinary Annual Services | | | | |
| Australian Institute of Marine Science | 41,552 | 41,916 | 2,931 | 44,847 |
| Australian Nuclear Science and Technology Organisation | 183,334 | 198,119 | - | 198,119 |
| Commonwealth Scientific and Industrial Research Organisation | 787,267 | 793,549 | - | 793,549 |
| Northern Australia Infrastructure Facility | 8,111 | 8,504 | - | 8,504 |
| Total ordinary annual services | 1,020,264 | 1,042,088 | 2,931 | 1,045,019 |
| Other Services | | | | |
| Australian Institute of Marine Science | - | 1,600 | - | 1,600 |
| Australian Nuclear Science and Technology Organisation | 28,841 | 21,037 | - | 21,037 |
| Commonwealth Scientific and Industrial Research Organisation | 10,000 | 10,000 | - | 10,000 |
| Total other services | 38,841 | 32,637 | - | 32,637 |
| Total payments to corporate entities within the Portfolio | 1,059,105 | 1,074,725 | 2,931 | 1,077,656 |

¹Excludes special appropriation payments to the National Offshore Petroleum Safety and Environment Management Authority (NOPSEMA).

1.3 ENTITY MEASURES

Table 1.2 summarises new Government measures taken since the 2017–18 Budget. The table is split into revenue, expense and capital measures, with the affected program identified.

Table 1.2: Entity 2017–18 measures since Budget

| | Program | 2017-18 \$'000 | 2018-19 \$'000 | 2019-20 \$'000 | 2020-21 \$'000 |
|--|---------|-------------------|-------------------|-------------------|-------------------|
| Expense measures | | | | | |
| Australian Domestic Gas Security Mechanism - Implementation | 2 | | | | |
| Administered expenses | | 500 | - | - | - |
| Departmental expenses | | 1,183 | 668 | 789 | 596 |
| Total | | 1,683 | 668 | 789 | 596 |
| Clean Energy Initiative - efficiencies | 2 | | | | |
| Administered expenses | | (9,955) | - | - | - |
| Departmental expenses | | - | - | - | - |
| Total | | (9,955) | - | - | - |
| Industry 4.0 Testlabs for Australia - establishment | 2 | | | | |
| Administered expenses | | - | 5,000 | - | - |
| Departmental expenses | | - | - | - | - |
| Total | | - | 5,000 | - | - |
| National Business Simplification Initiative - modernising business registers | 2 | | | | |
| Administered expenses | | - | - | - | - |
| Departmental expenses | | 296 | - | - | - |
| Total | | 296 | - | - | - |
| Commonwealth Redress Scheme for Survivors of Institutional Child Sexual Abuse - additional funding | 1 | | | | |
| Administered expenses | | - | - | (500) | (600) |
| Departmental expenses | | - | - | - | - |
| Total | | - | - | (500) | (600) |
| Total expense measures | | | | | |
| Administered | | (9,455) | 5,000 | (500) | (600) |
| Departmental | | 1,479 | 668 | 789 | 596 |
| Total | | (7,976) | 5,668 | 289 | (4) |
| Capital measures | | | | | |
| Australian Domestic Gas Security Mechanism - Implementation | 2 | | | | |
| Administered capital | | - | - | - | - |
| Departmental capital | | 376 | 54 | - | - |
| Total | | 376 | 54 | - | - |
| National Business Simplification Initiative - modernising business registers | 2 | | | | |
| Administered capital | | - | - | - | - |
| Departmental capital | | 11 | - | - | - |
| Total | | 11 | - | - | - |
| Total capital measures | | | | | |
| Administered | | - | - | - | - |
| Departmental | | 387 | 54 | - | - |
| Total | | 387 | 54 | - | - |

Prepared on a Government Financial Statistics (fiscal) basis.

1.4 ADDITIONAL ESTIMATES, RESOURCING AND VARIATIONS TO OUTCOMES

The following tables detail the changes to the resourcing for the Department of Industry, Innovation and Science at Additional Estimates, by outcome. Table 1.3 details the Additional Estimates resulting from new measures and other variations since the 2017-18 Budget in Appropriation Bills Nos. 3 and 4.

Table 1.3: Additional estimates and other variations to outcomes since 2017-18 Budget

| | Program impacted | 2017-18 \$'000 | 2018-19 \$'000 | 2019-20 \$'000 | 2020-21 \$'000 |
|--|------------------|-------------------|-------------------|-------------------|-------------------|
| Outcome 1 | | | | | |
| Administered | | | | | |
| Annual appropriations | | | | | |
| Measures | | | | | |
| Industry 4.0 Testlabs for Australia - establishment | 2 | - | 5,000 | - | - |
| Australian Domestic Gas Security Mechanism - Implementation | 2 | 500 | - | - | - |
| Commonwealth Redress Scheme for Survivors of Institutional Child Sexual Abuse - additional funding | 1 | - | - | (500) | (600) |
| Movement of Funds | | | | | |
| net increase | 1,2 | 4,704 | 8,525 | 3,000 | 3,000 |
| net decrease | 2 | (20,525) | (3,289) | - | - |
| Changes in Parameters | | | | | |
| net increase | 1,2 | - | 160 | - | 68 |
| Other Variations | | | | | |
| net increase | 2 | 1,006 | - | - | - |
| Special account | | | | | |
| Measures | | | | | |
| Clean Energy Initiative - efficiencies | 2 | (9,955) | - | - | - |
| Special appropriations | | | | | |
| Other Variations | | | | | |
| net increase | 2 | - | 161,000 | 189,000 | - |
| net decrease | 2 | (192,000) | - | - | (90,000) |
| Net impact on appropriations for Outcome 1 (administered) | | (216,270) | 171,396 | 191,500 | (87,532) |

Table 1.3: Additional estimates and other variations to outcomes since 2017–18 Budget (continued)

| | Program impacted | 2017-18 \$'000 | 2018-19 \$'000 | 2019-20 \$'000 | 2020-21 \$'000 |
|--|------------------|-------------------|-------------------|-------------------|-------------------|
| Outcome 1 | | | | | |
| Departmental | | | | | |
| Annual appropriations | | | | | |
| Measures | | | | | |
| Australian Domestic Gas Security Mechanism - Implementation | 3 | 1,559 | 722 | 789 | 596 |
| National Business Simplification Initiative - modernising business registers | 3 | 307 | - | - | - |
| Movement of Funds | | | | | |
| net increase | 3 | 1,340 | - | - | - |
| Changes in Parameters | | | | | |
| net increase | 3 | - | 373 | 367 | 716 |
| Other Variations | | | | | |
| net increase | 3 | 2,686 | - | - | - |
| net decrease | 3 | (1,047) | (1,490) | (1,542) | (1,596) |
| Net impact on appropriations for Outcome 1 (departmental) | | 4,845 | (395) | (386) | (284) |
| Total net impact on appropriations for Outcome 1 | | (211,425) | 171,001 | 191,114 | (87,816) |

1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

The following tables detail the Additional Estimates sought for the Department of Industry, Innovation and Science through Appropriation Bills Nos. 3 and 4.

Table 1.4: Appropriation Bill (No. 3) 2017–18

| | 2016-17 Available \$'000 | 2017-18 Budget \$'000 | 2017-18 Revised \$'000 | Additional Estimates \$'000 | Reduced Estimates \$'000 |
|---|--------------------------------|-----------------------------|------------------------------|-----------------------------------|--------------------------------|
| Administered items | | | | | |
| Outcome 1 | | | | | |
| Enabling growth and productivity for globally competitive industries through supporting science and commercialisation, growing business investment and improving business capability and streamlining regulation. | 552,924 | 524,250 | 499,980 | 6,210 | (30,480) |
| Total administered | 552,924 | 524,250 | 499,980 | 6,210 | (30,480) |
| Departmental programs | | | | | |
| Outcome 1 | | | | | |
| Enabling growth and productivity for globally competitive industries through supporting science and commercialisation, growing business investment and improving business capability and streamlining regulation. | 394,726 | 401,679 | 406,137 | 5,505 | (1,047) |
| Total departmental | 394,726 | 401,679 | 406,137 | 5,505 | (1,047) |
| Total administered and departmental | 947,650 | 925,929 | 906,117 | 11,715 | (31,527) |

Table 1.5: Appropriation Bill (No. 4) 2017–18

| | 2016-17 Available \$'000 | 2017-18 Budget \$'000 | 2017-18 Revised \$'000 | Additional Estimates \$'000 | Reduced Estimates \$'000 |
|-------------------------------------|--------------------------------|-----------------------------|------------------------------|-----------------------------------|--------------------------------|
| Non-operating | | | | | |
| Equity injections | 4,880 | 11,520 | 11,907 | 387 | - |
| Administered assets and liabilities | 28,938 | 8,000 | 8,000 | - | - |
| Total non-operating | 33,818 | 19,520 | 19,907 | 387 | - |
| Total other services | 33,818 | 19,520 | 19,907 | 387 | - |

Section 2: Revisions to outcomes and planned performance

2. CHANGES TO OUTCOME AND PROGRAM STRUCTURES

There have been no changes to outcome and program structures since the 2017–18 Portfolio Budget Statements.

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Enabling growth and productivity for globally competitive industries through supporting science and commercialisation, growing business investment and improving business capability and streamlining regulation.

Linked programs

There have been no changes to linked programs for Outcome 1 since the 2017–18 Portfolio Budget Statements.

Budgeted expenses for Outcome 1

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

Table 2.1.1 Budgeted expenses for Outcome 1

Outcome 1: Enabling growth and productivity for globally competitive industries through supporting science and commercialisation, growing business investment and improving business capability and streamlining regulation.

| | 2016-17 Actual expenses \$'000 | 2017-18 Revised estimated expenses \$'000 | 2018-19 Forward estimate \$'000 | 2019-20 Forward estimate \$'000 | 2020-21 Forward estimate \$'000 |
|--|---|---|--|--|--|
| Program 1: Supporting Science and Commercialisation | | | | | |
| Administered expenses | | | | | |
| Ordinary annual services (Appropriation Act No. 1 and Bill No. 3) | 151,528 | 163,203 | 165,104 | 193,140 | 196,349 |
| Administered total | 151,528 | 163,203 | 165,104 | 193,140 | 196,349 |
| Total expenses for Program 1 | 151,528 | 163,203 | 165,104 | 193,140 | 196,349 |
| Program 2: Growing Business Investment and Improving Business Capability | | | | | |
| Administered expenses | | | | | |
| Ordinary annual services (Appropriation Act No. 1 and Bill No. 3) | 188,577 | 236,498 | 233,365 | 178,341 | 173,110 |
| Ordinary annual services (Appropriation Act No. 1 and Bill No. 3) credited to special accounts | 26,500 | 33,000 | 9,900 | - | - |
| Special accounts | 22,485 | 18,098 | 300 | 700 | - |
| Expenses not requiring appropriation in the Budget year (a) | - | 139,235 | 523,294 | 583,629 | 425,442 |
| Administered total | 237,562 | 426,831 | 766,859 | 762,670 | 598,552 |
| Total expenses for Program 2 | 237,562 | 426,831 | 766,859 | 762,670 | 598,552 |
| Program 3: Program Support | | | | | |
| Departmental expenses | | | | | |
| Departmental appropriation | 365,838 | 380,903 | 357,513 | 350,715 | 342,231 |
| s 74 Retained revenue receipts (b) | 76,536 | 93,618 | 67,801 | 65,008 | 64,774 |
| Special accounts | 12,912 | 9,116 | 7,552 | 6,321 | 5,307 |
| Expenses not requiring appropriation in the Budget year (c) | 62,894 | 43,197 | 43,217 | 43,483 | 43,483 |
| Departmental total | 518,180 | 526,834 | 476,083 | 465,527 | 455,795 |
| Total expenses for Program 3 | 518,180 | 526,834 | 476,083 | 465,527 | 455,795 |

Table 2.1.1 Budgeted expenses for Outcome 1 (continued)

| | 2016-17 Actual expenses \$'000 | 2017-18 Revised estimated expenses \$'000 | 2018-19 Forward estimate \$'000 | 2019-20 Forward estimate \$'000 | 2020-21 Forward estimate \$'000 |
|--|---|---|--|--|--|
| Outcome 1 Totals by appropriation type | | | | | |
| Administered expenses | | | | | |
| Ordinary annual services (Appropriation Act No. 1 and Bill No. 3) | 340,105 | 399,701 | 398,469 | 371,481 | 369,459 |
| Ordinary annual services (Appropriation Act No. 1 and Bill No. 3) credited to special accounts | 26,500 | 33,000 | 9,900 | - | - |
| Special accounts | 22,485 | 18,098 | 300 | 700 | - |
| Expenses not requiring appropriation in the Budget year (a) | - | 139,235 | 523,294 | 583,629 | 425,442 |
| Administered total | 389,090 | 590,034 | 931,963 | 955,810 | 794,901 |
| Departmental expenses | | | | | |
| Departmental appropriations 74 Retained revenue receipts (b) | 365,838 | 380,903 | 357,513 | 350,715 | 342,231 |
| Special accounts | 76,536 | 93,618 | 67,801 | 65,008 | 64,774 |
| Expenses not requiring appropriation in the Budget year (c) | 12,912 | 9,116 | 7,552 | 6,321 | 5,307 |
| | 62,894 | 43,197 | 43,217 | 43,483 | 43,483 |
| Departmental total | 518,180 | 526,834 | 476,083 | 465,527 | 455,795 |
| Total expenses for Outcome 1 | 907,270 | 1,116,868 | 1,408,046 | 1,421,337 | 1,250,696 |
| Movement of administered funds between years (d) | | | | | |
| | 2016-17 Actual expenses | 2017-18 Revised estimated | 2018-19 Forward estimate | 2019-20 Forward estimate | 2020-21 Forward estimate |
| Outcome 1: | | | | | |
| Program 1 | | | | | |
| Research and Development Tax Initiative | (262) | 262 | - | - | - |
| Program 2 | | | | | |
| Bindaree Beef - assistance | - | (5,525) | 5,525 | - | - |
| Industry Growth Centres | - | (15,000) | 3,000 | 3,000 | 3,000 |
| Victorian Innovation and Investment Fund - Ford assistance | (1,129) | 1,129 | - | - | - |
| Radioactive Waste Management (e) | (1,364) | 4,653 | (3,289) | - | - |
| Total movement of administered funds | (2,755) | (14,481) | 5,236 | 3,000 | 3,000 |
| Average staffing level (number) | | | | | |
| | 2,445 | 2,355 | | | |

(a) Expenses not requiring appropriation relate to depreciation and amortisation expenses for the National Offshore Petroleum Titles Administrator program, and the expenses associated with the concessional loans proposed under the Northern Australia Infrastructure Facility.

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

(c) Expenses not requiring appropriation are made up of depreciation expenses, amortisation expenses and audit fees.

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

(e) In addition to the administered Movement of Funds, \$1.340m was reclassified from administered to departmental in 2017-18.

Table 2.1.2: Program components of Outcome 1

| Program 1: Supporting Science and Commercialisation | | | | | |
|--|---------------------------------------|---|--------------------------------|--------------------------------|--------------------------------|
| | 2016-17 <i>Actual expenses</i> | 2017-18 Revised estimated expenses | 2018-19 Forward estimate | 2019-20 Forward estimate | 2020-21 Forward estimate |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| <i>Sub-program 1.2: Business research, development and commercialisation</i> | | | | | |
| Annual administered expenses: | | | | | |
| Cooperative Research Centres Programme | 149,717 | 160,868 | 163,031 | 191,067 | 194,276 |
| Research and Development Tax Incentive | 1,811 | 2,335 | 2,073 | 2,073 | 2,073 |
| Total annual administered expenses | 151,528 | 163,203 | 165,104 | 193,140 | 196,349 |
| Total sub-program 1.2 expenses | 151,528 | 163,203 | 165,104 | 193,140 | 196,349 |
| Total program 1 expenses | 151,528 | 163,203 | 165,104 | 193,140 | 196,349 |

Table 2.1.2: Program components of Outcome 1 (continued)

| Program 2: Growing Business Investment and Improving Business Capability | | | | | |
|---|---|---|--|--|--|
| | 2016-17 Actual expenses \$'000 | 2017-18 Revised estimated expenses \$'000 | 2018-19 Forward estimate \$'000 | 2019-20 Forward estimate \$'000 | 2020-21 Forward estimate \$'000 |
| <i>Sub-program 2.1: Competitive marketplace</i> | | | | | |
| Annual administered expenses: | | | | | |
| Bindaree Beef - assistance | - | - | 5,525 | - | - |
| Industry 4.0 Testlabs for Australia - establishment | - | - | 5,000 | - | - |
| Support for Industry Service Organisations program | 4,086 | 4,042 | 4,043 | 4,104 | 4,178 |
| Total annual administered expenses | 4,086 | 4,042 | 14,568 | 4,104 | 4,178 |
| Total sub-program 2.1 expenses | 4,086 | 4,042 | 14,568 | 4,104 | 4,178 |
| <i>Sub-program 2.2: Business and market development</i> | | | | | |
| Annual administered expenses: | | | | | |
| Entrepreneurs' Programme | 102,792 | 120,001 | 123,356 | 122,357 | 117,652 |
| Industry Growth Centres | 60,627 | 78,980 | 59,398 | 42,380 | 51,280 |
| Total annual administered expenses | 163,419 | 198,981 | 182,754 | 164,737 | 168,932 |
| Total sub-program 2.2 expenses | 163,419 | 198,981 | 182,754 | 164,737 | 168,932 |
| <i>Sub-program 2.3: Economic transition</i> | | | | | |
| Annual administered expenses: | | | | | |
| Advanced Manufacturing Growth Fund | - | 13,729 | 23,200 | 9,500 | - |
| Automotive Transformation Scheme | 9,207 | 2,648 | - | - | - |
| Victorian Innovation and Investment Fund - Ford assistance | 3,171 | - | - | - | - |
| Total annual administered expenses | 12,378 | 16,377 | 23,200 | 9,500 | - |
| Special account expenses: | | | | | |
| Services for Other Entities and Trust Moneys - Innovation Special Account | 22,485 | 18,098 | 300 | 700 | - |
| Total special account expenses | 22,485 | 18,098 | 300 | 700 | - |
| Total sub-program 2.3 expenses | 34,863 | 34,475 | 23,500 | 10,200 | - |
| <i>Sub-program 2.4: Resources</i> | | | | | |
| Annual administered expenses: | | | | | |
| Australian Domestic Gas Security Mechanism - Implementation | - | 500 | - | - | - |
| Radioactive Waste Management | 8,694 | 16,598 | 12,843 | - | - |
| Total annual administered expenses | 8,694 | 17,098 | 12,843 | - | - |
| Special account expenses: | | | | | |
| Clean Energy Initiative Special Account | | | | | |
| Carbon Capture and Storage Flagships | 26,500 | 33,000 | 9,900 | - | - |
| Total special account expenses | 26,500 | 33,000 | 9,900 | - | - |
| Total sub-program 2.4 expenses | 35,194 | 50,098 | 22,743 | - | - |
| <i>Sub-program 2.6: Northern Australia Development</i> | | | | | |
| Expenses not requiring appropriation in the Budget year: | | | | | |
| Northern Australia Infrastructure Facility (a) | - | 139,235 | 523,294 | 583,629 | 425,442 |
| Total expenses not requiring appropriation in the Budget year | - | 139,235 | 523,294 | 583,629 | 425,442 |
| Total sub-program 2.6 expenses | - | 139,235 | 523,294 | 583,629 | 425,442 |
| Total program 2 expenses | 237,562 | 426,831 | 766,859 | 762,670 | 598,552 |

(a) The figures represent the expenses associated with the concessional loans proposed under the Northern Australia Infrastructure Facility.

Table 2.1.2: Program components of Outcome 1 (continued)

| Program 3: Program Support | | | | | |
|---|---|---|--|--|--|
| | 2016-17 Actual expenses \$'000 | 2017-18 Revised estimated expenses \$'000 | 2018-19 Forward estimate \$'000 | 2019-20 Forward estimate \$'000 | 2020-21 Forward estimate \$'000 |
| Annual departmental expenses: | | | | | |
| Ordinary annual services (Appropriation Act No. 1 and Bill No. 3) | 365,838 | 380,903 | 357,513 | 350,715 | 342,231 |
| s74 Retained revenue receipts (a) | 76,536 | 93,618 | 67,801 | 65,008 | 64,774 |
| Special accounts (b) | 12,912 | 9,116 | 7,552 | 6,321 | 5,307 |
| Expenses not requiring appropriation in the Budget year (c) | 62,894 | 43,197 | 43,217 | 43,483 | 43,483 |
| Total program 3 expenses | 518,180 | 526,834 | 476,083 | 465,527 | 455,795 |

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

(b) Excludes expenditure funded via the Ordinary Annual Services (Appropriation Bill No. 1)

(c) Expenses not requiring appropriation are made up of depreciation expenses, amortisation expenses and audit fees.

Table 2.1.3: Performance criteria for Outcome 1

There have been no changes to the performance criteria since the 2017–18 Budget, therefore Table 2.1.3 is not presented. Refer to pp. 35–44 of the 2017–18 Industry, Innovation and Science Portfolio Budget Statements for current performance criteria.

Section 3: Special account flows and budgeted financial statements

3.1 SPECIAL ACCOUNT FLOWS

Estimates of special account flows

Special Accounts provide a means to set aside and record amounts used for specified purposes. Table 3.1 shows the expected additions (receipts) and reductions (payments) for each account used by the Department of Industry, Innovation and Science.

Table 3.1: Estimates of special account flows and balances

| | Outcome | Opening balance \$'000 | Receipts \$'000 | Payments \$'000 | Adjustments \$'000 | Closing balance \$'000 |
|---|---------|------------------------------|--------------------|--------------------|-----------------------|------------------------------|
| Clean Energy Initiative Special Account (A) ^(a) | 1 | | | | | |
| 2017-18 | | 44,421 | 10,000 | (33,000) | - | 21,421 |
| 2016-17 | | 70,914 | 54,510 | (71,048) | - | 54,376 |
| National Offshore Petroleum Titles Administrator Special Account (A) | 1 | | | | | |
| 2017-18 | | 6,627 | 16,080 | (15,468) | - | 7,239 |
| 2016-17 | | 3,968 | 17,591 | (14,932) | - | 6,627 |
| Ranger Rehabilitation Special Account 2017 (A) | 1 | | | | | |
| 2017-18 | | 71,632 | 1,733 | - | - | 73,365 |
| 2016-17 | | 69,791 | 144,262 | (142,421) | - | 71,632 |
| Services for Other Entities and Trust Moneys - Innovation Special Account (A) | 1 | | | | | |
| 2017-18 | | 21,506 | 6,000 | (18,098) | - | 9,408 |
| 2016-17 | | 30,036 | 17,209 | (25,739) | - | 21,506 |
| Australian Building Codes Board Special Account 2017 (D) ^(b) | 1 | | | | | |
| 2017-18 | | 9,603 | 9,586 | (10,222) | - | 8,967 |
| 2016-17 | | - | - | - | - | - |
| Australian Building Codes Board Special Account (D) ^(b) | 1 | | | | | |
| 2017-18 | | - | - | - | - | - |
| 2016-17 | | 9,893 | 9,254 | (9,544) | - | 9,603 |

Table 3.1: Estimates of special account flows and balances (continued)

| | Outcome | Opening balance \$'000 | Receipts \$'000 | Payments \$'000 | Adjustments \$'000 | Closing balance \$'000 |
|--|---------|------------------------------|--------------------|--------------------|-----------------------|------------------------------|
| Clean Energy Initiative Special Account (D) | 1 | | | | | |
| 2017-18 | | - | - | - | - | - |
| 2016-17 | | 14,723 | 74 | (134) | (14,663) | - |
| Innovation, Science and Technology - Donations, Bequests and Sponsorship Special Account 2016 (D) ^(c) | 1 | | | | | |
| 2017-18 | | 2,284 | 2,690 | (2,894) | - | 2,080 |
| 2016-17 | | - | - | - | - | - |
| Science and Technology Donations/Sponsorship Special Account (D) ^(c) | 1 | | | | | |
| 2017-18 | | - | - | - | - | - |
| 2016-17 | | 3,535 | 1,983 | (3,234) | - | 2,284 |
| Total special accounts | | | | | | |
| 2017-18 Budget estimate | | 156,073 | 46,089 | (79,682) | - | 122,480 |
| <i>Total special accounts 2016-17 actual</i> | | <i>202,860</i> | <i>244,883</i> | <i>(267,052)</i> | <i>(14,663)</i> | <i>166,028</i> |

(A) = Administered

(D) = Departmental

(a) Prior year appropriation was reduced in 2017–18 as an efficiency save.

(b) This is the extension of *Determination 2006/68 - Australian Building Codes Board Special Account Establishment 2006* which sunsetted on 1 April 2017.

(c) This is the extension of *Determination 2006/40 - Science and Technology Donations/Sponsorships Special Account Establishment 2006* which sunsetted on 1 October 2016.

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Analysis of budgeted financial statements

Budgeted Departmental Income Statement

The statement shows the estimated net cost of services for the department.

The budgeted net cost of services to the department for delivering its programs in 2017-18 is \$424.2 million.

Expenses

Total departmental expenses budgeted for in 2017-18 are \$526.8 million, comprising \$280.7 million for employee expenses, \$201.9 million for suppliers, \$43.0 million for depreciation and amortisation, \$0.5 million for grants and \$0.7 million for other expenses.

Income

Total departmental own-source income budgeted for in 2017-18 is \$102.6 million, comprising \$93.6 million from sale of goods and rendering of services, \$8.3 million from other independent sources and \$0.7 million in resources received free of charge.

Revenue from Government for 2017-18 is budgeted at \$380.9 million.

Budgeted Departmental Balance Sheet

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

Assets

Total departmental assets budgeted for 2017-18 are \$361.4 million, comprising \$246.3 million in non-financial assets and \$115.0 million in financial assets.

Non-financial assets include \$106.0 million for land and buildings, \$69.4 million for property, plant and equipment, \$59.2 million for intangibles, \$2.3 million for inventories and \$9.4 million in other assets. Financial assets consist of \$97.8 million for receivables, \$13.9 million for cash, and \$3.4 million in accrued revenue.

Liabilities

Total departmental liabilities budgeted for in 2017-18 are \$150.0 million, comprising \$87.7 million in provisions and \$62.3 million in payables.

Budgeted Departmental Statement of Cash Flows

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

Statement of Changes in Equity – Summary of movement

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

Administered Financial Statements

Schedule of Budgeted Income and Expenses

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

Income

Total administered income budgeted for in 2017-18 is \$997.8 million, represented by \$898.0 million in royalties, \$29.1 million in interest, \$48.4 million in fees and \$22.3 million in other revenue.

Expenses

Total administered expenses budgeted for in 2017-18 are \$1.9 billion, represented by \$1.1 billion in payments to corporate Commonwealth entities, \$467.0 million in grants, \$139.2 million in concessional loan discounts, \$111.4 million in subsidies, \$89.5 million in suppliers and depreciation and \$6.8 million in employee benefits.

Schedule of Budgeted Assets and Liabilities

The schedule shows the estimated end of year position for assets and liabilities administered by the department on behalf of the Government.

Assets

Total administered assets budgeted for in 2017-18 are \$4.1 billion, represented by \$3.6 billion in investments, \$377.3 million in cash and receivables, \$80.5 million in other financial assets and \$4.7 million in non-financial assets.

Liabilities

Total administered liabilities budgeted for in 2017-18 are \$77.2 million, represented by \$75.4 million in payables and \$1.9 million in provisions.

Schedule of Budgeted Administered Cash Flows

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

3.2.2 Budgeted financial statements

Table 3.2: Comprehensive income statement (showing net cost of services) for the period ended 30 June

| | 2016-17 Actual \$'000 | 2017-18 Revised budget \$'000 | 2018-19 Forward estimate \$'000 | 2019-20 Forward estimate \$'000 | 2020-21 Forward estimate \$'000 |
|--|-----------------------------|--|--|--|--|
| EXPENSES | | | | | |
| Employee benefits | 293,456 | 280,696 | 286,083 | 288,394 | 291,201 |
| Suppliers | 165,340 | 201,935 | 146,168 | 133,313 | 120,840 |
| Grants | 3,499 | 466 | 77 | 66 | - |
| Depreciation and amortisation | 38,089 | 43,009 | 43,027 | 43,026 | 43,026 |
| Write-down and impairment of assets | 16,854 | - | - | - | - |
| Losses from asset sales | 338 | - | - | - | - |
| Other expenses | 604 | 728 | 728 | 728 | 728 |
| Total expenses | 518,180 | 526,834 | 476,083 | 465,527 | 455,795 |
| LESS: | | | | | |
| OWN-SOURCE INCOME | | | | | |
| Own-source revenue | | | | | |
| Sale of goods and rendering of services | 67,826 | 93,618 | 67,801 | 65,008 | 64,774 |
| Interest | 63 | - | - | - | - |
| Rental income | | | | | |
| Other revenue | 16,659 | 8,276 | 6,763 | 5,050 | 5,036 |
| Total own-source revenue | 84,548 | 101,894 | 74,564 | 70,058 | 69,810 |
| Gains | | | | | |
| Foreign exchange gains | 3 | - | - | - | - |
| Reversals of previous asset write-downs and impairments | 2 | - | - | - | - |
| Other gains | 24,852 | 728 | 728 | 728 | 728 |
| Total gains | 24,857 | 728 | 728 | 728 | 728 |
| Total own-source income | 109,405 | 102,622 | 75,292 | 70,786 | 70,538 |
| Net cost of / (contribution by) services | (408,775) | (424,212) | (400,791) | (394,741) | (385,257) |
| Revenue from Government | 365,838 | 380,903 | 357,513 | 350,715 | 342,231 |
| Deficit attributable to the Australian Government | (42,937) | (43,309) | (43,278) | (44,026) | (43,026) |
| OTHER COMPREHENSIVE INCOME | | | | | |
| Changes in asset revaluation reserve | (2,166) | - | - | - | - |
| Total other comprehensive income/(loss) | (2,166) | - | - | - | - |
| Total comprehensive income/(loss) attributable to the Australian Government | (45,103) | (43,309) | (43,278) | (44,026) | (43,026) |

Table 3.2: Comprehensive income statement (showing net cost of services) for the period ended 30 June (continued)

| | 2016-17 \$'000 | 2017-18 \$'000 | 2018-19 \$'000 | 2019-20 \$'000 | 2020-21 \$'000 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations | (7,014) | (300) | (251) | (1,000) | - |
| less depreciation/amortisation expenses previously funded through revenue appropriations | (38,089) | (43,009) | (43,027) | (43,026) | (43,026) |
| Total comprehensive income/(loss) - as per the statement of comprehensive income | (45,103) | (43,309) | (43,278) | (44,026) | (43,026) |

Prepared on Australian Accounting Standards basis.

Table 3.3: Budgeted departmental balance sheet (as at 30 June)

| | 2016-17 Actual \$'000 | 2017-18 Revised budget \$'000 | 2018-19 Forward estimate \$'000 | 2019-20 Forward estimate \$'000 | 2020-21 Forward estimate \$'000 |
|-----------------------------------|-----------------------------|--|--|--|--|
| ASSETS | | | | | |
| Financial assets | | | | | |
| Cash and cash equivalents | 13,761 | 13,857 | 13,347 | 12,347 | 12,347 |
| Trade and other receivables | 104,446 | 97,792 | 96,552 | 95,010 | 93,414 |
| Accrued revenue | 3,394 | 3,387 | 3,387 | 3,387 | 3,387 |
| Total financial assets | 121,601 | 115,036 | 113,286 | 110,744 | 109,148 |
| Non-financial assets | | | | | |
| Land and buildings | 108,061 | 106,017 | 101,730 | 99,942 | 93,399 |
| Property, plant and equipment | 78,375 | 69,429 | 60,586 | 49,248 | 38,267 |
| Intangibles | 48,699 | 59,154 | 57,547 | 54,226 | 55,659 |
| Inventories | 2,337 | 2,338 | 2,338 | 2,338 | 2,338 |
| Other non-financial assets | 9,401 | 9,399 | 9,399 | 9,399 | 9,399 |
| Total non-financial assets | 246,873 | 246,337 | 231,600 | 215,153 | 199,062 |
| Total assets | 368,474 | 361,373 | 344,886 | 325,897 | 308,210 |
| LIABILITIES | | | | | |
| Payables | | | | | |
| Suppliers | 17,662 | 47,360 | 45,870 | 44,328 | 42,732 |
| Grants | 270 | 270 | 270 | 270 | 270 |
| Other payables | 45,406 | 14,661 | 14,661 | 14,661 | 14,661 |
| Total payables | 63,338 | 62,291 | 60,801 | 59,259 | 57,663 |
| Provisions | | | | | |
| Employee provisions | 85,851 | 85,965 | 85,965 | 85,965 | 85,965 |
| Other provisions | 1,747 | 1,747 | 1,747 | 1,747 | 1,747 |
| Total provisions | 87,598 | 87,712 | 87,712 | 87,712 | 87,712 |
| Total liabilities | 150,936 | 150,003 | 148,513 | 146,971 | 145,375 |
| Net assets | 217,538 | 211,370 | 196,373 | 178,926 | 162,835 |
| EQUITY* | | | | | |
| Contributed equity | 471,444 | 508,585 | 536,866 | 563,445 | 590,380 |
| Reserves | 9,079 | 9,079 | 9,079 | 9,079 | 9,079 |
| Accumulated deficit | (262,985) | (306,294) | (349,572) | (393,598) | (436,624) |
| Total Equity | 217,538 | 211,370 | 196,373 | 178,926 | 162,835 |

*Equity is the residual interest in assets after the deduction of liabilities.

Prepared on Australian Accounting Standards basis.

Table 3.4: Departmental statement of changes in equity — summary of movement (Budget Year 2017–18)

| | Retained earnings | Asset revaluation reserve | Contributed equity / capital | Total equity |
|--|----------------------|---------------------------------|------------------------------------|-----------------|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Opening balance as at 1 July 2017 | | | | |
| Balance carried forward from previous period | (262,985) | 9,079 | 471,444 | 217,538 |
| Adjusted opening balance | (262,985) | 9,079 | 471,444 | 217,538 |
| Comprehensive income | | | | |
| Deficit for the period | (43,309) | - | - | (43,309) |
| Total comprehensive income | (43,309) | - | - | (43,309) |
| Contributions by owners | | | | |
| Equity Injection - Appropriation | - | - | 11,907 | 11,907 |
| Departmental Capital Budget (DCB) | - | - | 25,234 | 25,234 |
| Sub-total transactions with owners | - | - | 37,141 | 37,141 |
| Estimated closing balance as at 30 June 2018 | (306,294) | 9,079 | 508,585 | 211,370 |
| Closing balance attributable to the Australian Government | (306,294) | 9,079 | 508,585 | 211,370 |

Prepared on Australian Accounting Standards basis.

Table 3.5: Budgeted departmental statement of cash flows (for the period ended 30 June)

| | 2016-17 Actual \$'000 | 2017-18 Revised budget \$'000 | 2018-19 Forward estimate \$'000 | 2019-20 Forward estimate \$'000 | 2020-21 Forward estimate \$'000 |
|---|-----------------------------|--|--|--|--|
| OPERATING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Appropriations | 466,862 | 387,557 | 358,753 | 352,257 | 343,827 |
| Sale of goods and rendering of services | 72,045 | 93,618 | 67,801 | 65,008 | 64,774 |
| Net GST received | 16,822 | 20,316 | 14,700 | 13,419 | 12,173 |
| Rental income | 4,845 | - | - | - | - |
| Other | 7,436 | 8,283 | 6,763 | 5,050 | 5,036 |
| Total cash received | 568,010 | 509,774 | 448,017 | 435,734 | 425,810 |
| Cash used | | | | | |
| Employees | 303,873 | 280,582 | 286,083 | 288,394 | 291,201 |
| Suppliers | 179,929 | 202,248 | 146,930 | 134,127 | 121,708 |
| Grants | 4,904 | 466 | 77 | 66 | - |
| Section 74 Retained Revenue Receipts transferred to OPA | 76,536 | - | - | - | - |
| Net GST paid | - | 20,316 | 14,700 | 13,419 | 12,173 |
| Other | 2,491 | 728 | 728 | 728 | 728 |
| Total cash used | 567,733 | 504,340 | 448,518 | 436,734 | 425,810 |
| Net cash from / (used by) operating activities | 277 | 5,434 | (501) | (1,000) | - |
| INVESTING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Proceeds from sales of property, plant and equipment | 154 | - | - | - | - |
| Total cash received | 154 | - | - | - | - |
| Cash used | | | | | |
| Purchase of property, plant, equipment and intangibles | 42,493 | 42,479 | 28,290 | 26,579 | 26,935 |
| Total cash used | 42,493 | 42,479 | 28,290 | 26,579 | 26,935 |
| Net cash from / (used by) investing activities | (42,339) | (42,479) | (28,290) | (26,579) | (26,935) |
| FINANCING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Contributed equity | 39,754 | 37,141 | 28,281 | 26,579 | 26,935 |
| Total cash received | 39,754 | 37,141 | 28,281 | 26,579 | 26,935 |
| Cash used | | | | | |
| Restructuring - Special accounts cash transferred out | 14,663 | - | - | - | - |
| Total cash used | 14,663 | - | - | - | - |
| Net cash from / (used by) financing activities | 25,091 | 37,141 | 28,281 | 26,579 | 26,935 |
| Net increase/(decrease) in cash held | (16,971) | 96 | (510) | (1,000) | - |
| Cash and cash equivalents at the beginning of the reporting period | 30,732 | 13,761 | 13,857 | 13,347 | 12,347 |
| Cash and cash equivalents at the end of the reporting period | 13,761 | 13,857 | 13,347 | 12,347 | 12,347 |

Prepared on Australian Accounting Standards basis.

Table 3.6: Departmental capital budget statement (for the period ended 30 June)

| | 2016-17 Actual \$'000 | 2017-18 Revised budget \$'000 | 2018-19 Forward estimate \$'000 | 2019-20 Forward estimate \$'000 | 2020-21 Forward estimate \$'000 |
|--|-----------------------------|--|--|--|--|
| NEW CAPITAL APPROPRIATIONS | | | | | |
| Capital budget - Act No. 1 (DCB) | 29,697 | 25,234 | 25,174 | 25,242 | 25,591 |
| Equity injections - Act No. 2 | 10,057 | 11,907 | 3,107 | 1,337 | 1,344 |
| Total new capital appropriations | 39,754 | 37,141 | 28,281 | 26,579 | 26,935 |
| Provided for: | | | | | |
| Purchase of non-financial assets | 39,754 | 37,141 | 28,281 | 26,579 | 26,935 |
| Total Items | 39,754 | 37,141 | 28,281 | 26,579 | 26,935 |
| PURCHASE OF NON-FINANCIAL ASSETS | | | | | |
| Funded by capital appropriations | 10,057 | 14,236 | 3,107 | 1,337 | 1,344 |
| Funded by capital appropriation - DCB | 29,697 | 26,156 | 25,174 | 25,242 | 25,591 |
| Funded internally from departmental resources | 3,175 | 2,087 | 9 | - | - |
| TOTAL AMOUNT SPENT | 42,929 | 42,479 | 28,290 | 26,579 | 26,935 |
| RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE | | | | | |
| Total purchases | 42,929 | 42,479 | 28,290 | 26,579 | 26,935 |
| TOTAL CASH REQUIRED TO ACQUIRE ASSETS | 42,929 | 42,479 | 28,290 | 26,579 | 26,935 |

Prepared on Australian Accounting Standards basis.

Table 3.7: Statement of asset movements (2017–18 Budget year)

| | Buildings | Other property, plant and equipment | Computer software and intangibles | Total |
|---|-----------------|--|--|-----------------|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| As at 1 July 2017 | | | | |
| Gross book value | 108,056 | 122,085 | 108,916 | 339,057 |
| Accumulated depreciation/amortisation and impairment | - | (43,710) | (60,217) | (103,927) |
| Opening net book balance | 108,056 | 78,375 | 48,699 | 235,130 |
| CAPITAL ASSET ADDITIONS | | | | |
| Estimated expenditure on new or replacement assets | | | | |
| By purchase - appropriation ordinary annual services | 9,411 | 13,013 | 20,055 | 42,479 |
| Total additions | 9,411 | 13,013 | 20,055 | 42,479 |
| Other movements | | | | |
| Depreciation/amortisation expense | (11,450) | (21,959) | (9,600) | (43,009) |
| Total other movements | (11,450) | (21,959) | (9,600) | (43,009) |
| As at 30 June 2018 | | | | |
| Gross book value | 117,467 | 135,098 | 128,971 | 381,536 |
| Accumulated depreciation/amortisation and impairment | (11,450) | (65,669) | (69,817) | (146,936) |
| Closing net book balance | 106,017 | 69,429 | 59,154 | 234,600 |

Prepared on Australian Accounting Standards basis.

Table 3.8: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

| | 2016-17 Actual \$'000 | 2017-18 Revised budget \$'000 | 2018-19 Forward estimate \$'000 | 2019-20 Forward estimate \$'000 | 2020-21 Forward estimate \$'000 |
|--|-----------------------------|--|--|--|--|
| EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT | | | | | |
| Employee benefits | 7,026 | 6,828 | 6,878 | 6,878 | 6,878 |
| Suppliers | 76,412 | 88,507 | 94,951 | 90,802 | 90,792 |
| Fees | 40 | 40 | 40 | 40 | 40 |
| Subsidies | 168,489 | 111,370 | 64,449 | 61,116 | 31,590 |
| Grants | 490,589 | 467,038 | 441,113 | 391,988 | 371,909 |
| Depreciation and amortisation | 1,227 | 1,032 | 1,032 | 1,032 | 1,032 |
| Payments to corporate Commonwealth entities | 1,054,797 | 1,077,292 | 1,129,801 | 1,140,044 | 1,143,395 |
| Concessional loan discount | - | 139,235 | 523,294 | 583,629 | 425,442 |
| Total expenses administered on behalf of Government | 1,798,580 | 1,891,342 | 2,261,558 | 2,275,529 | 2,071,078 |
| LESS: | | | | | |
| OWN-SOURCE INCOME | | | | | |
| Own-source revenue | | | | | |
| Taxation revenue | | | | | |
| Indirect tax | 942 | 750 | 550 | 550 | 550 |
| Total taxation revenue | 942 | 750 | 550 | 550 | 550 |
| Non-taxation revenue | | | | | |
| Fees from regulatory services | 49,882 | 48,353 | 53,771 | 53,776 | 53,776 |
| Fees | 5,875 | - | - | - | - |
| Interest | 9,572 | 29,057 | 112,044 | 204,246 | 269,976 |
| Royalties | 950,106 | 897,985 | 836,301 | 835,457 | 804,112 |
| Other non-taxation revenue | 24,231 | 21,619 | 15,956 | 11,373 | 11,391 |
| Total non-taxation revenue | 1,039,666 | 997,014 | 1,018,072 | 1,104,852 | 1,139,255 |
| Total own-source revenue administered on behalf of Government | 1,040,608 | 997,764 | 1,018,622 | 1,105,402 | 1,139,805 |
| Gains | | | | | |
| Reversal of previous asset write-downs and impairments | 248 | - | - | - | - |
| Total gains administered on behalf of Government | 248 | - | - | - | - |
| Total own-source income administered on behalf of Government | 1,040,856 | 997,764 | 1,018,622 | 1,105,402 | 1,139,805 |
| Net (cost of)/contribution by services | (757,724) | (893,578) | (1,242,936) | (1,170,127) | (931,273) |
| Total comprehensive income (loss) | (757,724) | (893,578) | (1,242,936) | (1,170,127) | (931,273) |

Prepared on Australian Accounting Standards basis.

Table 3.8: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June) (continued)

| | 2016-17 Actual \$'000 | 2017-18 Revised budget \$'000 | 2018-19 Forward estimate \$'000 | 2019-20 Forward estimate \$'000 | 2020-21 Forward estimate \$'000 |
|--|-----------------------------|--|--|--|--|
| OTHER COMPREHENSIVE INCOME | | | | | |
| Items not subject to subsequent reclassification to profit or loss | | | | | |
| Changes in asset revaluation surplus | 114,515 | - | - | - | - |
| Total other comprehensive income | 114,515 | - | - | - | - |
| Total comprehensive income (loss) attributable to the Australian Government | (643,209) | (893,578) | (1,242,936) | (1,170,127) | (931,273) |

Prepared on Australian Accounting Standards basis.

Table 3.9: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

| | 2016-17 Actual \$'000 | 2017-18 Revised budget \$'000 | 2018-19 Forward estimate \$'000 | 2019-20 Forward estimate \$'000 | 2020-21 Forward estimate \$'000 |
|---|-----------------------------|--|--|--|--|
| ASSETS | | | | | |
| Financial assets | | | | | |
| Cash in special accounts | 82,509 | 38,068 | 36,944 | 36,556 | 36,868 |
| Trade and other receivables | 118,847 | 339,258 | 1,166,282 | 2,083,209 | 2,746,591 |
| Other investments | 3,660,784 | 3,622,974 | 3,567,791 | 3,494,408 | 3,421,201 |
| Accrued revenue | 84,618 | 80,467 | 69,947 | 70,336 | 69,622 |
| Total financial assets | 3,946,758 | 4,080,767 | 4,840,964 | 5,684,509 | 6,274,282 |
| Non-financial assets | | | | | |
| Leasehold improvements | 192 | 519 | 547 | 575 | 603 |
| Property, plant and equipment | 197 | 1,065 | 1,633 | 1,601 | 1,569 |
| Intangibles | 3,825 | 3,097 | 2,969 | 3,441 | 3,913 |
| Total non-financial assets | 4,214 | 4,681 | 5,149 | 5,617 | 6,085 |
| Total assets administered on behalf of Government | 3,950,972 | 4,085,448 | 4,846,113 | 5,690,126 | 6,280,367 |
| LIABILITIES | | | | | |
| Payables | | | | | |
| Suppliers | 12,523 | 12,524 | 12,524 | 12,524 | 12,524 |
| Subsidies | 38,559 | 18,269 | 14,623 | 15,875 | - |
| Grants | 44,570 | 44,570 | 44,570 | 44,570 | 44,570 |
| Total payables | 95,652 | 75,363 | 71,717 | 72,969 | 57,094 |
| Provisions | | | | | |
| Employee provisions | 1,875 | 1,876 | 1,876 | 1,876 | 1,876 |
| Total provisions | 1,875 | 1,876 | 1,876 | 1,876 | 1,876 |
| Total liabilities administered on behalf of Government | 97,527 | 77,239 | 73,593 | 74,845 | 58,970 |
| Net assets/(liabilities) | 3,853,445 | 4,008,209 | 4,772,520 | 5,615,281 | 6,221,397 |

Prepared on Australian Accounting Standards basis.

Table 3.10: Schedule of budgeted administered cash flows (for the period ended 30 June)

| | 2016-17 Actual \$'000 | 2017-18 Revised budget \$'000 | 2018-19 Forward estimate \$'000 | 2019-20 Forward estimate \$'000 | 2020-21 Forward estimate \$'000 |
|---|-----------------------------|--|--|--|--|
| OPERATING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Interest | 2,431 | 991 | 793 | 594 | - |
| Fees | 5,953 | 16,080 | 16,080 | 16,080 | 16,080 |
| Royalties | 938,764 | 903,135 | 847,837 | 836,101 | 805,877 |
| Net GST received | 49,648 | 57,927 | 53,378 | 48,823 | 46,825 |
| Other | 36,010 | 21,370 | 15,490 | 10,890 | 10,890 |
| Levy receipts | 34,645 | 32,273 | 37,691 | 37,696 | 37,696 |
| Total cash received | 1,067,451 | 1,031,776 | 971,269 | 950,184 | 917,368 |
| Cash used | | | | | |
| Suppliers | 82,179 | 88,547 | 94,991 | 90,842 | 90,832 |
| Grants | 545,530 | 467,038 | 441,113 | 391,988 | 371,909 |
| Employees | 7,418 | 6,828 | 6,878 | 6,878 | 6,878 |
| Subsidies | 183,349 | 131,660 | 68,095 | 59,864 | 47,465 |
| Net GST paid | - | 57,927 | 53,378 | 48,823 | 46,825 |
| Other | - | - | 1,136 | - | - |
| Payments to corporate Commonwealth entities | 1,054,797 | 1,077,292 | 1,129,801 | 1,140,044 | 1,143,395 |
| Total cash used | 1,873,273 | 1,829,292 | 1,795,392 | 1,738,439 | 1,707,304 |
| Net cash from / (used by) operating activities | (805,822) | (797,516) | (824,123) | (788,255) | (789,936) |
| INVESTING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Repayments of advances and loans | 23,165 | 28,419 | 113,933 | 212,096 | 281,152 |
| Total cash received | 23,165 | 28,419 | 113,933 | 212,096 | 281,152 |
| Cash used | | | | | |
| Advances and loans made | - | 360,000 | 1,353,000 | 1,509,000 | 1,100,000 |
| Investments | 24,026 | 5,000 | 5,000 | 5,000 | 5,000 |
| Purchase of property, plant and equipment | 268 | 1,500 | 1,500 | 1,500 | 1,500 |
| Corporate Commonwealth entity investments | 38,841 | 31,037 | 38,461 | 10,000 | 10,000 |
| Total cash used | 63,135 | 397,537 | 1,397,961 | 1,525,500 | 1,116,500 |
| Net cash from / (used by) investing activities | (39,970) | (369,118) | (1,284,028) | (1,313,404) | (835,348) |

Prepared on Australian Accounting Standards basis.

Table 3.10: Schedule of budgeted administered cash flows (for the period ended 30 June) (continued)

| | 2016-17 Actual \$'000 | 2017-18 Revised budget \$'000 | 2018-19 Forward estimate \$'000 | 2019-20 Forward estimate \$'000 | 2020-21 Forward estimate \$'000 |
|---|-----------------------------|--|--|--|--|
| FINANCING ACTIVITIES | | | | | |
| Cash from Official Public Account | | | | | |
| Appropriations | 1,707,178 | 1,672,531 | 1,698,569 | 1,656,763 | 1,628,284 |
| Appropriations - Administered assets and liabilities | 24,053 | 365,000 | 1,358,000 | 1,514,000 | 1,105,000 |
| Equity appropriation - corporate Commonwealth entities | 38,841 | 31,037 | 38,461 | 10,000 | 10,000 |
| Special accounts | 54,510 | 33,813 | 27,741 | 17,885 | 17,927 |
| GST appropriations | 55,711 | 57,927 | 53,378 | 48,823 | 46,825 |
| Total cash received | 1,880,293 | 2,160,308 | 3,176,149 | 3,247,471 | 2,808,036 |
| Cash to Official Public Account | | | | | |
| Appropriations | (939,151) | (913,622) | (988,640) | (1,080,909) | (1,119,847) |
| Special accounts | (66,566) | (66,566) | (27,104) | (16,468) | (15,768) |
| GST appropriations | (51,192) | (57,927) | (53,378) | (48,823) | (46,825) |
| Total cash used | (1,056,909) | (1,038,115) | (1,069,122) | (1,146,200) | (1,182,440) |
| Net cash from/(used by) financing activities | 823,384 | 1,122,193 | 2,107,027 | 2,101,271 | 1,625,596 |
| Net increase/(decrease) in cash held | (22,408) | (44,441) | (1,124) | (388) | 312 |
| Cash and cash equivalents at beginning of reporting period | 104,917 | 82,509 | 38,068 | 36,944 | 36,556 |
| Cash and cash equivalents at end of reporting period | 82,509 | 38,068 | 36,944 | 36,556 | 36,868 |

Prepared on Australian Accounting Standards basis.

Table 3.11: Schedule of administered capital budget (for the period ended 30 June)

| | 2016-17 Actual \$'000 | 2017-18 Revised budget \$'000 | 2018-19 Forward estimate \$'000 | 2019-20 Forward estimate \$'000 | 2020-21 Forward estimate \$'000 |
|--|-----------------------------|--|--|--|--|
| NEW CAPITAL APPROPRIATIONS | | | | | |
| Administered Assets and Liabilities - Bill 2 | 28,938 | 8,000 | 5,000 | 5,000 | 5,000 |
| Total new capital appropriations | 28,938 | 8,000 | 5,000 | 5,000 | 5,000 |
| Provided for: | | | | | |
| Other Items | 28,938 | 8,000 | 5,000 | 5,000 | 5,000 |
| Total Items | 28,938 | 8,000 | 5,000 | 5,000 | 5,000 |

Prepared on Australian Accounting Standards basis.

Table 3.12: Statement of administered asset movements (2017-18 Budget year)

| | Buildings \$'000 | Other property, plant and equipment \$'000 | Computer software and intangibles \$'000 | Total \$'000 |
|---|---------------------|--|--|-----------------|
| As at 1 July 2017 | | | | |
| Gross book value | 191 | 493 | 9,823 | 10,507 |
| Accumulated depreciation/amortisation and impairment | - | (296) | (5,998) | (6,294) |
| Opening net book balance | 191 | 197 | 3,825 | 4,213 |
| CAPITAL ASSET ADDITIONS | | | | |
| Estimated expenditure on new or replacement assets | | | | |
| By purchase - other | 400 | 1,000 | 100 | 1,500 |
| Total additions | 400 | 1,000 | 100 | 1,500 |
| Other movements | | | | |
| Depreciation/amortisation expense | (72) | (132) | (828) | (1,032) |
| Total other movements | (72) | (132) | (828) | (1,032) |
| As at 30 June 2018 | | | | |
| Gross book value | 591 | 1,493 | 9,923 | 12,007 |
| Accumulated depreciation/amortisation and impairment | (72) | (428) | (6,826) | (7,326) |
| Closing net book balance | 519 | 1,065 | 3,097 | 4,681 |

Prepared on Australian Accounting Standards basis.

AUSTRALIAN INSTITUTE OF MARINE SCIENCE

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AUSTRALIAN INSTITUTE OF MARINE SCIENCE

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

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

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

On 22 January 2018, the Prime Minister, with the Minister for Jobs and Innovation and the Minister for the Environment and Energy, announced an 18 month research and development program for coral reef restoration. The additional appropriation for AIMS is to assess the viability of developing and deploying coral reef restoration and adaption technologies onto the Great Barrier Reef. The funding will enable scientific, engineering and social validation of the proposed program approach, stakeholder and partner engagement (Australian and international), development of co-ordination and governance frameworks, future program costing (research and development and deployment phases), the identification of funding options, and independent review.

Further details of AIMS' strategic direction can be found in the 2017-18 Portfolio Budget Statements or in the Corporate Plan 2017-2018 at www.aims.gov.au.

1.2 ENTITY RESOURCE STATEMENT

The Entity Resource Statement details the resourcing for AIMS at Additional Estimates. Table 1.1 outlines the total resourcing available from all sources for the 2017–18 Budget year, including variations through Appropriation Bills No. 3 and No. 4, Special Appropriations and Special Accounts.

Table 1.1: AIMS resource statement — Additional Estimates for 2017–18 as at Additional Estimates February 2018

| | <i>Actual available appropriation</i> | <i>Estimate as at Budget</i> | <i>Proposed Additional Estimates</i> | <i>Total estimate at Additional Estimates</i> |
|---|---|--------------------------------------|--|---|
| | <i>2016-17 \$'000</i> | <i>2017-18 \$'000</i> | <i>2017-18 \$'000</i> | <i>2017-18 \$'000</i> |
| Opening balance/Reserves at bank | 36,438 | 35,504 | - | 35,504 |
| Revenue from Government | | | | |
| Ordinary annual services (a) | | | | |
| Outcome 1 | 41,552 | 41,916 | 2,931 | 44,847 |
| Total ordinary annual services | 41,552 | 41,916 | 2,931 | 44,847 |
| Other services (b) | | | | |
| Equity Injection | - | 1,600 | - | 1,600 |
| Total annual appropriations | 41,552 | 43,516 | 2,931 | 46,447 |
| Total funds from Government | 41,552 | 43,516 | 2,931 | 46,447 |
| Funds from other sources | | | | |
| Interest | 1,272 | 1,114 | 86 | 1,200 |
| Sale of goods and services | 16,623 | 19,838 | (145) | 19,693 |
| Other | 1,117 | 376 | - | 376 |
| Total funds from other sources | 19,012 | 21,328 | (59) | 21,269 |
| Total net resourcing for agency | 97,002 | 100,348 | 2,872 | 103,220 |
| | | | | |
| | | | <i>Actual 2016-17</i> | <i>2017-18</i> |
| Average staffing level (number) | | | 221 | 228 |

All figures are GST exclusive.

(a) Appropriation Act (No. 1) 2017–2018 and Appropriation Bill (No. 3) 2017–2018

(b) Appropriation Act (No. 2) 2017–2018 and Appropriation Bill (No. 4) 2017–2018

Note: AIMS is not directly appropriated as it is a corporate Commonwealth entity. Appropriations are made to DIIS, which are then paid to AIMS and are considered "departmental" for all purposes.

1.3 ENTITY MEASURES

Table 1.2 summarises new Government measures taken since the 2017–18 Budget. The table is split into revenue, expense and capital measures, with the affected program identified.

Table 1.2: Entity 2017–18 measures since Budget

| | Program | 2017-18 \$'000 | 2018-19 \$'000 | 2019-20 \$'000 | 2020-21 \$'000 |
|---|---------|-------------------|-------------------|-------------------|-------------------|
| Expense measures | | | | | |
| Investing in the future of our Great Barrier Reef | 1 | | | | |
| Departmental expenses (a) | | 2,931 | 3,036 | - | - |
| Total | | 2,931 | 3,036 | - | - |

Prepared on a Government Financial Statistics (fiscal) basis.

(a) Measure relates to a decision made post MYEFO.

1.4 ADDITIONAL ESTIMATES, RESOURCING AND VARIATIONS TO OUTCOMES

The following tables detail the changes to the resourcing for AIMS at Additional Estimates, by outcome. Table 1.3 details the Additional Estimates resulting from new measures and other variations since the 2017–18 Budget in Appropriation Bills Nos. 3 and 4.

Table 1.3: Additional estimates and other variations to outcomes since 2017–18 Budget

| | Program impacted | 2017-18 \$'000 | 2018-19 \$'000 | 2019-20 \$'000 | 2020-21 \$'000 |
|--|------------------|-------------------|-------------------|-------------------|-------------------|
| Outcome 1 | | | | | |
| Departmental | | | | | |
| Annual appropriations | | | | | |
| Investing in the future of our Great Barrier Reef | 1 | 2,931 | 3,036 | | |
| Changes in Parameters | | | | | |
| net increase | 1 | - | 36 | 36 | 74 |
| Net impact on appropriations for Outcome 1 (departmental) | | 2,931 | 3,072 | 36 | 74 |
| Total net impact on appropriations for Outcome 1 | | 2,931 | 3,072 | 36 | 74 |

1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

The following tables detail the Additional Estimates sought for AIMS through Appropriation Bills Nos. 3 and 4.

Table 1.4: Appropriation Bill (No. 3) 2017–18

| | 2016-17 Available \$'000 | 2017-18 Budget \$'000 | 2017-18 Revised \$'000 | Additional Estimates \$'000 | Reduced Estimates \$'000 |
|---|--------------------------------|-----------------------------|------------------------------|-----------------------------------|--------------------------------|
| Departmental program | | | | | |
| Outcome 1 | | | | | |
| Growth of knowledge to support protection and sustainable development of Australia's marine resources through innovative marine science and technology. | 41,552 | 41,916 | 44,847 | 2,931 | - |
| Total departmental | 41,552 | 41,916 | 44,847 | 2,931 | - |

Table 1.5: Appropriation Bill (No. 4) 2017–18

AIMS has not received any additional appropriations from Appropriation Bill No. 4; therefore Table 1.5 is not presented.

Section 2: Revisions to outcomes and planned performance

2. CHANGES TO OUTCOME AND PROGRAM STRUCTURES

There have been no changes to outcome and program structures since the 2017–18 Portfolio Budget Statements.

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

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

Linked programs

There have been no changes to linked programs for Outcome 1 since the 2017–18 Portfolio Budget Statements.

Budgeted expenses for Outcome 1

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

Table 2.1.1 Budgeted expenses for Outcome 1

| Outcome 1: Growth of knowledge to support protection and sustainable development of Australia's marine resources through innovative marine science and technology. | | | | | |
|--|---|---|--|--|--|
| | 2016-17 Actual expenses \$'000 | 2017-18 Revised estimated expenses \$'000 | 2018-19 Forward estimate \$'000 | 2019-20 Forward estimate \$'000 | 2020-21 Forward estimate \$'000 |
| Program 1: Marine Research | | | | | |
| Revenue from Government | | | | | |
| Ordinary annual services (Appropriation Act No. 1) | 41,552 | 44,847 | 47,377 | 44,836 | 45,371 |
| Expenses not requiring appropriation in the budget year (a) | 1,474 | 4,099 | 4,116 | 3,753 | 3,837 |
| Revenues from industry sources | 18,312 | 21,603 | 19,644 | 19,894 | 19,872 |
| Total expenses for Program 1.1 | 61,338 | 70,549 | 71,137 | 68,483 | 69,080 |
| Outcome 1 totals by resource type | | | | | |
| Revenue from Government | | | | | |
| Ordinary annual services (Appropriation Act No. 1) | 41,552 | 44,847 | 47,377 | 44,836 | 45,371 |
| Expenses not requiring appropriation in the budget year | 1,573 | 4,099 | 4,116 | 3,753 | 3,837 |
| Revenues from industry sources | 18,312 | 21,603 | 19,644 | 19,894 | 19,872 |
| Total expenses for Outcome 1 | 61,437 | 70,549 | 71,137 | 68,483 | 69,080 |
| Average staffing level (number) | | | | | |
| | 221 | 228 | | | |

(a) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses and amortisation expenses.

Table 2.1.2: Program components for Outcome 1

AIMS has only one program and outcome; therefore Table 2.1.2 is not presented.

Table 2.1.3: Performance criteria for Outcome 1

There have been no changes to the performance criteria since the 2017–18 Budget. Refer to pp. 72–73 of the Industry, Innovation and Science Portfolio Budget Statements and the Corporate Plan 2017–2018 at www.aims.gov.au for current performance criteria.

Section 3: Special account flows and budgeted financial statements

3.1 SPECIAL ACCOUNT FLOWS

Estimates of special account flows

Special Accounts provide a means to set aside and record amounts used for specified purposes. AIMS has no special accounts; therefore Table 3.1 is not presented.

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Analysis of budgeted financial statements

The additional appropriation primarily relates to the new measure 'Investing in the future of our Great Barrier Reef', which provides \$6.0 million over two years from 2017-18 to undertake a program feasibility and assessment phase.

3.2.2 Budgeted financial statements

Table 3.2: Comprehensive income statement (showing net cost of services) for the period ended 30 June

| | 2016-17 Actual \$'000 | 2017-18 Revised budget \$'000 | 2018-19 Forward estimate \$'000 | 2019-20 Forward estimate \$'000 | 2020-21 Forward estimate \$'000 |
|--|-----------------------------|--|--|--|--|
| EXPENSES | | | | | |
| Employee benefits | 27,404 | 28,343 | 28,921 | 29,873 | 30,648 |
| Suppliers | 22,103 | 30,086 | 30,079 | 26,836 | 26,574 |
| Depreciation and amortisation | 11,758 | 12,120 | 12,137 | 11,774 | 11,858 |
| Losses from asset sales | 146 | - | - | - | - |
| Other expenses | 26 | - | - | - | - |
| Total expenses | 61,437 | 70,549 | 71,137 | 68,483 | 69,080 |
| LESS: | | | | | |
| OWN-SOURCE INCOME | | | | | |
| Own-source revenue | | | | | |
| Sale of goods and rendering of services | 16,318 | 20,263 | 18,294 | 18,544 | 18,522 |
| Interest | 1,109 | 1,200 | 1,200 | 1,200 | 1,200 |
| Other | 885 | 140 | 150 | 150 | 150 |
| Total own-source revenue | 18,312 | 21,603 | 19,644 | 19,894 | 19,872 |
| Gains | | | | | |
| Sale of assets | 99 | - | - | - | - |
| Total gains | 99 | - | - | - | - |
| Total own-source income | 18,411 | 21,603 | 19,644 | 19,894 | 19,872 |
| Net (cost of)/contribution by services | 43,026 | 48,946 | 51,493 | 48,589 | 49,208 |
| Revenue from Government | 41,552 | 44,847 | 47,377 | 44,836 | 45,371 |
| Surplus/(deficit) attributable to the Australian Government | (1,474) | (4,099) | (4,116) | (3,753) | (3,837) |
| Total comprehensive income/(loss) attributable to the Australian Government | (1,474) | (4,099) | (4,116) | (3,753) | (3,837) |

Prepared on Australian Accounting Standards basis.

Table 3.3: Budgeted departmental balance sheet (as at 30 June)

| | 2016-17 Actual \$'000 | 2017-18 Revised budget \$'000 | 2018-19 Forward estimate \$'000 | 2019-20 Forward estimate \$'000 | 2020-21 Forward estimate \$'000 |
|-------------------------------------|-----------------------------|--|--|--|--|
| ASSETS | | | | | |
| Financial assets | | | | | |
| Cash and cash equivalents | 8,764 | 7,720 | 7,720 | 7,720 | 7,720 |
| Trade and other receivables | 5,534 | 6,104 | 5,582 | 4,910 | 4,905 |
| Other investments | 27,800 | 27,074 | 27,757 | 32,459 | 34,380 |
| Total financial assets | 42,098 | 40,898 | 41,059 | 45,089 | 47,005 |
| Non-financial assets | | | | | |
| Land and buildings | 90,005 | 88,969 | 89,516 | 88,348 | 86,331 |
| Property, plant and equipment | 54,217 | 53,257 | 48,955 | 46,306 | 43,529 |
| Intangibles | 2,305 | 3,687 | 3,304 | 3,439 | 3,329 |
| Inventories | 163 | 163 | 170 | 169 | 168 |
| Other non-financial assets | 2,719 | 2,935 | 3,306 | 2,923 | 2,914 |
| Total non-financial assets | 149,409 | 149,011 | 145,251 | 141,185 | 136,271 |
| Total assets | 191,507 | 189,909 | 186,310 | 186,274 | 183,276 |
| LIABILITIES | | | | | |
| Payables | | | | | |
| Suppliers | 1,813 | 2,073 | 2,086 | 3,490 | 3,441 |
| Other payables | 3,252 | 3,160 | 2,880 | 4,521 | 4,541 |
| Total payables | 5,065 | 5,233 | 4,966 | 8,011 | 7,982 |
| Provisions | | | | | |
| Employee provisions | 9,890 | 10,623 | 11,257 | 11,929 | 12,797 |
| Total provisions | 9,890 | 10,623 | 11,257 | 11,929 | 12,797 |
| Total liabilities | 14,955 | 15,856 | 16,223 | 19,940 | 20,779 |
| Net assets | 176,552 | 174,053 | 170,087 | 166,334 | 162,497 |
| EQUITY(a) | | | | | |
| Parent entity interest | | | | | |
| Contributed equity | 86,607 | 88,207 | 88,357 | 88,357 | 88,357 |
| Reserves | 68,144 | 68,144 | 68,144 | 68,144 | 68,144 |
| Retained surplus | 21,801 | 17,702 | 13,586 | 9,833 | 5,996 |
| Total parent entity interest | 176,552 | 174,053 | 170,087 | 166,334 | 162,497 |
| Total Equity | 176,552 | 174,053 | 170,087 | 166,334 | 162,497 |

(a) Equity is the residual interest in assets after the deduction of liabilities.

Prepared on Australian Accounting Standards basis.

Table 3.4: Departmental statement of changes in equity — summary of movement (Budget Year 2017–18)

| | Retained earnings \$'000 | Asset revaluation reserve \$'000 | Contributed equity / capital \$'000 | Total equity \$'000 |
|--|--------------------------------|---|--|---------------------------|
| Opening balance as at 1 July 2017 | | | | |
| Balance carried forward from previous period | 21,801 | 68,144 | 86,607 | 176,552 |
| Adjusted opening balance | 21,801 | 68,144 | 86,607 | 176,552 |
| Comprehensive income | | | | |
| Surplus/(deficit) for the period | (4,099) | - | - | (4,099) |
| Total comprehensive income | (4,099) | - | - | (4,099) |
| of which: | | | | |
| Attributable to the Australian Government | (4,099) | - | - | (4,099) |
| Transactions with owners | | | | |
| Contributions by owners | | | | |
| Equity Injection - Appropriation | - | - | 1,600 | 1,600 |
| Sub-total transactions with owners | - | - | 1,600 | 1,600 |
| Estimated closing balance as at 30 June 2018 | 17,702 | 68,144 | 88,207 | 174,053 |
| Closing balance attributable to the Australian Government | 17,702 | 68,144 | 88,207 | 174,053 |

Prepared on Australian Accounting Standards basis.

Table 3.5: Budgeted departmental statement of cash flows (for the period ended 30 June)

| | 2016-17 Actual \$'000 | 2017-18 Revised budget \$'000 | 2018-19 Forward estimate \$'000 | 2019-20 Forward estimate \$'000 | 2020-21 Forward estimate \$'000 |
|---|-----------------------------|--|--|--|--|
| OPERATING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Appropriations | 41,552 | 44,847 | 47,377 | 44,836 | 45,371 |
| Sale of goods and rendering of services | 16,623 | 19,693 | 18,816 | 19,216 | 18,527 |
| Interest | 1,272 | 1,200 | 1,200 | 1,200 | 1,200 |
| Net GST received | 1,586 | - | - | - | - |
| Other | 885 | 140 | 150 | 1,791 | 170 |
| Total cash received | 61,918 | 65,880 | 67,543 | 67,043 | 65,268 |
| Cash used | | | | | |
| Employees | 26,821 | 27,610 | 28,287 | 29,201 | 29,780 |
| Suppliers | 26,315 | 30,042 | 30,444 | 25,048 | 26,613 |
| Other | - | 92 | 280 | - | - |
| Total cash used | 53,136 | 57,744 | 59,011 | 54,249 | 56,393 |
| Net cash from / (used by) operating activities | 8,782 | 8,136 | 8,532 | 12,794 | 8,875 |
| INVESTING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Proceeds from sales of property, plant and equipment | 232 | 236 | 196 | 426 | 201 |
| Investments (a) | 300 | 726 | - | - | - |
| Total cash received | 532 | 962 | 196 | 426 | 201 |
| Cash used | | | | | |
| Purchase of property, plant, equipment and intangibles | 8,888 | 11,742 | 8,195 | 8,518 | 7,155 |
| Investments (a) | - | - | 683 | 4,702 | 1,921 |
| Total cash used | 8,888 | 11,742 | 8,878 | 13,220 | 9,076 |
| Net cash from / (used by) investing activities | (8,356) | (10,780) | (8,682) | (12,794) | (8,875) |
| FINANCING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Contributed equity | - | 1,600 | 150 | - | - |
| Total cash received | - | 1,600 | 150 | - | - |
| Net increase/(decrease) in cash held | 426 | (1,044) | - | - | - |
| Cash and cash equivalents at the beginning of the reporting period | 8,338 | 8,764 | 7,720 | 7,720 | 7,720 |
| Cash and cash equivalents at the end of the reporting period | 8,764 | 7,720 | 7,720 | 7,720 | 7,720 |

(a) Relates to the movement in excess funds that are held in term deposit for more than three months.
Prepared on Australian Accounting Standards basis.

Table 3.6: Departmental capital budget statement (for the period ended 30 June)

| | 2016-17 Actual \$'000 | 2017-18 Revised budget \$'000 | 2018-19 Forward estimate \$'000 | 2019-20 Forward estimate \$'000 | 2020-21 Forward estimate \$'000 |
|--|-----------------------------|--|--|--|--|
| NEW CAPITAL APPROPRIATIONS | | | | | |
| Equity injections - Bill 2 | - | 1,600 | 150 | - | - |
| Total new capital appropriations | - | 1,600 | 150 | - | - |
| Provided for: | | | | | |
| Purchase of non-financial assets | - | 1,600 | 150 | - | - |
| Total Items | - | 1,600 | 150 | - | - |
| PURCHASE OF NON-FINANCIAL ASSETS | | | | | |
| Funded by capital appropriations (a) | - | 1,600 | 150 | - | - |
| Funded internally from departmental resources (b) | - | 10,142 | 8,045 | 8,518 | 7,155 |
| TOTAL AMOUNT SPENT | - | 11,742 | 8,195 | 8,518 | 7,155 |
| RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE | | | | | |
| Total purchases | - | 11,742 | 8,195 | 8,518 | 7,155 |
| TOTAL CASH REQUIRED TO ACQUIRE ASSETS | - | 11,742 | 8,195 | 8,518 | 7,155 |

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

(b) Includes the following sources of funding:

- current bill No. 3 and prior year act No. 1/3/5 appropriations (excluding amounts from the DCB);
- donations and contributions;
- gifts;
- internally developed assets;
- s74 Retained revenue receipts;
- proceeds from the sale of assets.

Prepared on Australian Accounting Standards basis.

Table 3.7: Statement of asset movements (2017–18 Budget year)

| | Buildings | Other property, plant and equipment | Computer software and intangibles | Total |
|---|----------------|--|--|-----------------|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| As at 1 July 2017 | | | | |
| Gross book value | 99,397 | 69,759 | 4,538 | 173,694 |
| Accumulated depreciation/amortisation and impairment | (9,392) | (15,542) | (2,233) | (27,167) |
| Opening net book balance | 90,005 | 54,217 | 2,305 | 146,527 |
| CAPITAL ASSET ADDITIONS | | | | |
| Estimated expenditure on new or replacement assets | | | | |
| By purchase - appropriation equity (a) | - | 1,600 | - | 1,600 |
| By purchase - other | 3,167 | 4,983 | 1,991 | 10,141 |
| Total additions | 3,167 | 6,583 | 1,991 | 11,741 |
| Other movements | | | | |
| Depreciation/amortisation expense | (4,203) | (7,307) | (610) | (12,120) |
| Disposals | - | (236) | 1 | (235) |
| Total other movements | (4,203) | (7,543) | (609) | (12,355) |
| As at 30 June 2018 | | | | |
| Gross book value | 102,564 | 76,106 | 6,530 | 185,200 |
| Accumulated depreciation/amortisation and impairment | (13,595) | (22,849) | (2,843) | (39,287) |
| Closing net book balance | 88,969 | 53,257 | 3,687 | 145,913 |

(a) "Appropriation equity" refers to equity injections or Administered Assets and Liabilities appropriations provided through Appropriation Act (No.2) 2017–2018 and Bill (No.4) 2017–2018, including CDABs. Prepared on Australian Accounting Standards basis.

Table 3.8: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

AIMS has no budgeted income and expenses administered on behalf of Government; therefore Table 3.8 is not presented.

Table 3.9: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

AIMS has no budgeted assets and liabilities administered on behalf of Government; therefore Table 3.9 is not presented.

Table 3.10: Schedule of budgeted administered cash flows (for the period ended 30 June)

AIMS has no budgeted administered cash flows; therefore Table 3.10 is not presented.

Table 3.11: Schedule of administered capital budget (for the period ended 30 June)

AIMS has no budgeted administered capital budget; therefore Table 3.11 is not presented.

Table 3.12: Statement of administered asset movements (2017–18 Budget year)

AIMS has no budgeted administered asset movements; therefore Table 3.12 is not presented.

