

**PORTFOLIO BUDGET STATEMENTS 2014-15**  
**BUDGET RELATED PAPER NO. 1.12**

**INDUSTRY PORTFOLIO**

**BUDGET INITIATIVES AND EXPLANATIONS OF  
APPROPRIATIONS SPECIFIED BY OUTCOMES  
AND PROGRAMMES BY AGENCY**

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**THE HON IAN MACFARLANE MP**  
PARLIAMENT HOUSE  
CANBERRA 2600

President of the Senate  
Australian Senate  
Parliament House  
CANBERRA ACT 2600

Speaker  
House of Representatives  
Parliament House  
CANBERRA ACT 2600

Dear Mr President  
Dear Madam Speaker

I hereby submit Portfolio Budget Statements in support of the 2014-15 Budget for the Industry portfolio.

These statements have been developed, and are submitted to the Parliament, as a statement on the outcomes for the portfolio.

I present these statements to provide accountability to the Parliament and, through it, the public.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Ian Macfarlane'.

Ian Macfarlane

## **Abbreviations and conventions**

The following notation may be used:

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nfp	not for publication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

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

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A copy of this document can be located on the Australian Government Budget website at: <http://www.budget.gov.au>.

**USER GUIDE  
TO THE  
PORTFOLIO BUDGET STATEMENTS**

## USER GUIDE

The purpose of the 2014-15 Portfolio Budget Statements (PB Statements) is to inform Senators and Members of Parliament of the proposed allocation of resources to Government outcomes by agencies within the portfolio. Agencies receive resources from the annual appropriations acts, special appropriations (including standing appropriations and special accounts), and revenue from other sources.

A key role of the PB Statements is to facilitate the understanding of proposed annual appropriations in Appropriation Bills No. 1 and No. 2 2014-15 (or Appropriation Bill [Parliamentary Departments] No. 1 2014-15 for the parliamentary departments). In this sense the PB Statements are Budget related papers and are declared by the Appropriation Acts to be 'relevant documents' to the interpretation of the Acts according to section 15AB of the *Acts Interpretation Act 1901*.

The PB Statements provide information, explanation and justification to enable Parliament to understand the purpose of each outcome proposed in the Bills.

As required under section 12 of the *Charter of Budget Honesty Act 1998*, non-general government sector entities are not consolidated into the Commonwealth general government sector fiscal estimates and accordingly, these entities are not reported in the PB Statements.

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# **PORTFOLIO OVERVIEW**



# INDUSTRY PORTFOLIO OVERVIEW

## Ministers and Portfolio Responsibilities

The Hon Ian Macfarlane MP is the Minister for Industry. The Hon Bob Baldwin MP is Parliamentary Secretary to the Minister for Industry.

The Industry portfolio was established in the 18 September 2013 Administrative Arrangements Order and comprises the:

- **Department of Industry**

The department works with Australian industry, employers, workers and other stakeholders to achieve its vision of enabling growth and productivity for globally competitive industries through building skills and capability, supporting science and innovation, promoting investment, improving regulation and building a high performance organisation.

- **Australian Institute of Marine Science (AIMS)**

AIMS generates and transfers knowledge to support the sustainable use and protection of the marine environment through innovative, world-class research.

- **Australian Nuclear Science and Technology Organisation (ANSTO)**

ANSTO is Australia's national nuclear research and development organisation and the centre of Australia's nuclear expertise.

- **Australian Skills Quality Authority (ASQA)**

ASQA is the national regulator for Australia's vocational education and training sector. ASQA regulates courses and training providers to ensure nationally approved quality standards are met.

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

CSIRO carries out scientific research to assist Australian industry and to further the interests of the Australian community and contribute to the national and international objectives and responsibilities of the Australian Government.

- **Geoscience Australia**

Geoscience Australia applies geoscience to Australia's most important challenges and provides geoscience information, services and capability to the Australian Government, industry and stakeholders.

*Industry Budget Statements*

- **IP Australia**

IP Australia is the Australian Government agency responsible for granting patent, trade mark, industrial design and plant breeder's rights.

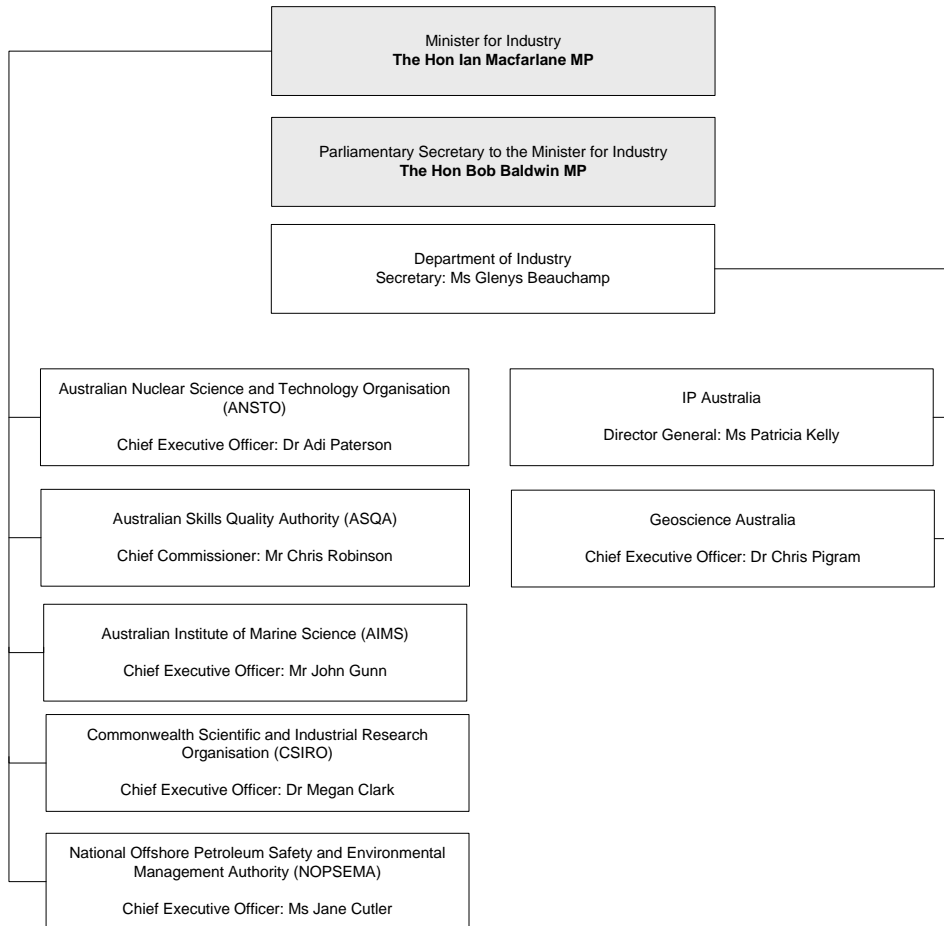
- **National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA)**

NOPSEMA regulates the safety, integrity and environmental management of Australia's offshore petroleum and greenhouse gas storage industries.

In addition, the portfolio has responsibility for the operation of the:

- Office of the Chief Scientist
- Anti-Dumping Commission.

Figure 1: Industry Portfolio Structure



## **PORTFOLIO RESOURCES**

Table 1 shows the total new resources provided to the portfolio in the 2014-15 budget year by agency.

**Table 1: Portfolio Resources 2014-15**

	Appropriation			Receipts	Total
	Bill No. 1 \$m	Bill No. 2 \$m	Special \$m	\$m	\$m
<b>Department of Industry</b>					
Administered appropriations	2,557.861	-	293.982	21.886	2,873.729
Departmental appropriations	534.582	12.736	-	62.789	610.107
<b>Total:</b>	<b>3,092.443</b>	<b>12.736</b>	<b>293.982</b>	<b>84.675</b>	<b>3,483.836</b>
<b>Australian Institute of Marine Science</b>					
Administered appropriations	-	-	-	-	-
Departmental appropriations	38.796	-	-	23.670	62.466
<b>Total:</b>	<b>38.796</b>	<b>-</b>	<b>-</b>	<b>23.670</b>	<b>62.466</b>
<b>Australian Nuclear Science and Technology Organisation</b>					
Administered appropriations	-	-	-	-	-
Departmental appropriations	159.113	93.690	-	113.300	366.103
<b>Total:</b>	<b>159.113</b>	<b>93.690</b>	<b>-</b>	<b>113.300</b>	<b>366.103</b>
<b>Australian Skills Quality Authority</b>					
Administered appropriations	-	-	-	-	-
Departmental appropriations	35.147	2.676	-	-	37.823
<b>Total:</b>	<b>35.147</b>	<b>2.676</b>	<b>-</b>	<b>-</b>	<b>37.823</b>
<b>Commonwealth Scientific and Industrial Research Organisation</b>					
Administered appropriations	-	-	-	-	-
Departmental appropriations	745.268	-	-	468.429	1,213.697
<b>Total:</b>	<b>745.268</b>	<b>-</b>	<b>-</b>	<b>468.429</b>	<b>1,213.697</b>
<b>Geoscience Australia</b>					
Administered appropriations	0.020	-	-	-	0.020
Departmental appropriations	129.578	0.010	-	38.464	168.052
<b>Total:</b>	<b>129.598</b>	<b>0.010</b>	<b>-</b>	<b>38.464</b>	<b>168.072</b>
<b>IP Australia</b>					
Administered appropriations	-	-	-	-	-
Departmental appropriations	2.302	-	-	181.351	183.653
<b>Total:</b>	<b>2.302</b>	<b>-</b>	<b>-</b>	<b>181.351</b>	<b>183.653</b>
<b>National Offshore Petroleum Safety and Environmental Management Authority</b>					
Administered appropriations	-	-	-	-	-
Departmental appropriations	0.150	-	-	37.459	37.609
<b>Total:</b>	<b>0.150</b>	<b>-</b>	<b>-</b>	<b>37.459</b>	<b>37.609</b>
<b>Portfolio total</b>					<b>5,553.259</b>
<b>Resources available within portfolio:</b>					<b>5,553.259</b>





# AGENCY RESOURCES AND PLANNED PERFORMANCE

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# **Department of Industry**

## **Agency Resources and Planned Performance**



## DEPARTMENT OF INDUSTRY

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# DEPARTMENT OF INDUSTRY

## Section 1: Agency Overview and Resources

### 1.1 STRATEGIC DIRECTION STATEMENT

The Department of Industry's vision is to enable growth and productivity for globally competitive industries. The department is working with key industry organisations, employers, workers and other stakeholders to achieve this vision through building skills and capability, supporting science and innovation, promoting investment, improving regulation and building a high performance organisation.

Globally competitive industries are important to contribute to economic growth and productivity. In recent years the rising cost of doing business, including the high Australian dollar, has placed pressure on our trade-exposed manufacturing and services industries. However, the rise of Asia, including the significant growth of middle class consumers, presents a range of opportunities for Australian firms. The department is working with stakeholders to address these challenges and capture these opportunities by enabling growth, productivity and competitiveness through:

- developing the skills of the Australian workforce and enhancing workplace productivity
- supporting science and innovation and promoting the growth of industries of the future
- encouraging private sector investment and creating new jobs
- improving regulation and reducing the burden and costs on businesses, including energy costs.

In particular, there is a focus on simplifying and streamlining industry support to help boost business productivity and increase competitiveness across the economy. The new Entrepreneurs' Infrastructure Programme and Industry Skills Fund will be delivered through a Single Business Service initiative, which is a new simplified and streamlined model for Australian industry to interact with government. The Entrepreneurs' Infrastructure Programme will offer market and industry information, business management advice and skills from experienced private sector providers, access to researchers and innovators to re-engineer business operations, products and services, connections with supply chains and potential markets, and commercialisation advice through specialist sector expertise. Australia's future productivity and competitiveness depend on a highly skilled and trained workforce and under the new Industry Skills Fund businesses will receive the timely support and training they need so they can seize opportunities as they emerge, like the opening of new markets in Asia from trade agreements. Trade Support Loans will also provide support for

### *Industry Budget Statements*

current apprentices to complete their skills training and provide a stronger incentive for young Australians to become an apprentice and complete their apprenticeship.

Australian manufacturing needs to move from traditional manufacturing to knowledge-intensive competitive industries in areas of global growth such as: food and agribusiness; mining equipment, technology and services; medical technologies and pharmaceuticals; oil and gas; and advanced manufacturing. The Manufacturing Transition Grants Programme will support Australian manufacturing transition itself into areas of higher value-added activities and become more outwardly focussed. The Growth Fund will help industry transition from car manufacturing to the higher-value manufacturing sectors of the future. Recognising the importance of the resources sector in attracting private sector investment, creating jobs, supporting local communities and earning export revenue, the Exploration Development Incentive will help small mineral exploration companies raise capital to explore for new mineral deposits. The Energy White Paper will focus on energy policy that supports economy wide reforms, including reducing cost pressures, reforming regulation and improving workforce productivity.

Science and research is a key requirement for economic growth and better targeting of science and research endeavours in partnership with industry to deliver commercial outcomes is an important focus area. The Australia-China Science and Research Fund will provide support for tightly-focussed international collaborations in manufacturing innovation, advanced services, agriculture and mining. A flexible workforce with strong science, technology, engineering and mathematics skills and science literacy is crucial to developing globally competitive industries. Science for Australia's Future will promote national and international interest and investment in Australian science, encourage young people to pursue science-related studies and careers and deliver new activities that will better prepare the Australian population for a science-led innovation-driven economy.

Together these initiatives will deliver a new direction for industry policy by working more closely and strategically with businesses and enterprises to help them prosper in a rapidly changing global economy.



## **1.2 AGENCY RESOURCE STATEMENT**

Table 1.1 shows the total resources from all sources. The table summarises how resources will be applied by outcome and by administered and departmental classification.

**Table 1.1: Department of Industry Resource Statement — Budget Estimates for 2014-15 as at Budget May 2014**

	Estimate of prior <sup>+</sup> year amounts available in 2014-15 \$'000	Proposed at Budget <sup>=</sup> 2014-15 \$'000	Total estimate 2014-15 \$'000	Actual available appropriation 2013-14 \$'000
<b>Ordinary annual services</b>				
<b>Departmental appropriation</b>				
Prior year departmental appropriation <sup>1</sup>	159,657	-	159,657	187,481
Departmental appropriation <sup>2</sup>	-	534,582	534,582	600,290
s31 Relevant agency receipts <sup>3</sup>	-	53,827	53,827	78,001
<b>Total</b>	<b>159,657</b>	<b>588,409</b>	<b>748,066</b>	<b>865,772</b>
<b>Administered expenses</b>				
Outcome 1	-	2,557,861	2,557,861	2,899,690
Payments to CAC Act bodies	-	943,177	943,177	1,382,370
<b>Total</b>	<b>-</b>	<b>3,501,038</b>	<b>3,501,038</b>	<b>4,282,060</b>
<b>Total ordinary annual services</b> A	<b>159,657</b>	<b>4,089,447</b>	<b>4,249,104</b>	<b>5,147,832</b>
<b>Other services</b>				
<b>Departmental non-operating</b>				
Equity injections	-	12,736	12,736	55,725
<b>Total</b>	<b>-</b>	<b>12,736</b>	<b>12,736</b>	<b>55,725</b>
<b>Administered non-operating</b>				
Administered assets and liabilities	-	-	-	84,168
Payments to CAC Act bodies - non-operating	-	93,690	93,690	45,163
<b>Total</b>	<b>-</b>	<b>93,690</b>	<b>93,690</b>	<b>129,331</b>
<b>Total other services</b> B	<b>-</b>	<b>106,426</b>	<b>106,426</b>	<b>185,056</b>
<b>Total available annual appropriations</b>	<b>159,657</b>	<b>4,195,873</b>	<b>4,355,530</b>	<b>5,332,888</b>
<b>Special appropriations</b>				
<b>Special appropriations limited by criteria/entitlement</b>				
Higher Education Support Act 2003	-	-	-	1,905,911
Indigenous Education (Targeted Assistance) Act 2000	-	-	-	6,883
Social Security (Administration) Act 1999	-	-	-	881,868
Offshore Minerals Act 1994 (Fees)	-	60	60	60
<b>Special appropriations limited by amount</b>				
Australian Renewable Energy Agency Act 2011	-	-	-	404,483
Automotive Transformation Scheme Act 2009	-	268,922	268,922	285,565
Textile, Clothing and Footwear Strategic Investment Program Act 1999	-	25,000	25,000	26,223
<b>Total special appropriations</b> C	<b>-</b>	<b>293,982</b>	<b>293,982</b>	<b>3,510,993</b>
<b>Total appropriations excluding Special Accounts</b>	<b>159,657</b>	<b>4,489,855</b>	<b>4,649,512</b>	<b>8,843,881</b>

**Table 1.1: Department of Industry Resource Statement — Budget Estimates for 2014-15 as at Budget May 2014 (continued)**

	Estimate of prior <sup>+</sup> year amounts available in 2014-15 \$'000	Proposed at Budget <sup>=</sup> 2014-15 \$'000	Total estimate 2014-15 \$'000	Actual available appropriation 2013-14 \$'000
<b>Special Accounts</b>				
Opening balance	191,157	-	191,157	299,753
Appropriation receipts	-	52,859	52,859	35,734
Non-appropriation receipts to Special Accounts	-	30,848	30,848	84,547
<b>Total Special Account</b>	<b>D 191,157</b>	<b>83,707</b>	<b>274,864</b>	<b>420,034</b>
<b>Total resourcing</b>				
A+B+C+D	<b>350,814</b>	<b>4,573,562</b>	<b>4,924,376</b>	<b>9,263,915</b>
Less appropriations drawn from				
Annual appropriations credited to special accounts			(52,859)	(35,734)
Payments to CAC Act bodies			(1,036,867)	(1,427,533)
<b>Total net resourcing for Industry<sup>4</sup></b>			<b>3,834,650</b>	<b>7,800,648</b>

<sup>1</sup>Estimated adjusted balance carried forward from previous year.

<sup>2</sup>Includes an amount of \$34.128 million in 2013-14 and \$27.838 in 2014-15 for the Departmental Capital Budget.

<sup>3</sup>s31 Relevant Agency receipts — estimate.

<sup>4</sup>The resourcing figures include amounts transferred to and from other agencies as a result of Machinery of Government changes.

Reader note: All figures are GST exclusive.

**Third party payments from and on behalf of other agencies**

	2014-15 \$'000	2013-14 \$'000
<b>Payments made to CAC Act bodies within the Portfolio</b>		
<b>Ordinary Annual Services</b>		
Australian Institute of Aboriginal and Torres Strait Islander Studies <sup>1</sup>	-	3,419
Australian Institute of Marine Science	38,796	33,280
Australian Nuclear Science and Technology Organisation	159,113	163,011
Australian Renewable Energy Agency	-	404,483
Commonwealth Scientific and Industrial Research Organisation	745,268	778,177
<b>Total ordinary annual services</b>	<b>943,177</b>	<b>1,382,370</b>
<b>Other services</b>		
Australian Institute of Aboriginal and Torres Strait Islander Studies	-	38
Australian Nuclear Science and Technology Organisation	93,690	45,125
<b>Total other services</b>	<b>93,690</b>	<b>45,163</b>
<b>Total payments to CAC Act bodies within the Portfolio</b>	<b>1,036,867</b>	<b>1,427,533</b>

<sup>1</sup>Responsibility for the Australian Institute of Aboriginal and Torres Strait Islander Studies transferred from the Department of Industry as a result of machinery of government changes.

### **1.3 BUDGET MEASURES**

Budget measures in Part 1 relating to the Department of Industry are detailed in Budget Paper No. 2 and are summarised below.

**Table 1.2: Agency 2014-15 Budget measures**

**Part 1: Measures announced since the 2013-14 MYEFO**

	Programme	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>Revenue measures</b>						
Trade Support Loans - establishment	1					
Administered revenue		-	-	2,677	12,709	27,043
Departmental revenue		-	-	-	-	-
<b>Total</b>		-	-	<b>2,677</b>	<b>12,709</b>	<b>27,043</b>
<b>Total revenue measures</b>						
Administered revenue		-	-	2,677	12,709	27,043
Departmental revenue		-	-	-	-	-
<b>Total</b>		-	-	<b>2,677</b>	<b>12,709</b>	<b>27,043</b>
<b>Expenses measures</b>						
Migration Programme - allocation of places for 2014-15	1					
Administered expenses		(3,825)	(8,554)	(10,753)	(11,339)	(11,426)
Departmental expenses		-	-	-	-	-
<b>Total</b>		<b>(3,825)</b>	<b>(8,554)</b>	<b>(10,753)</b>	<b>(11,339)</b>	<b>(11,426)</b>
Industry Skills Fund - establishment	1					
Administered expenses		(63,798)	(194,074)	(111,566)	(81,584)	(62,384)
Departmental expenses		(772)	(1,227)	(2,201)	(3,460)	(2,690)
<b>Total</b>		<b>(64,570)</b>	<b>(195,301)</b>	<b>(113,767)</b>	<b>(85,044)</b>	<b>(65,074)</b>
Australian Apprenticeship Incentives Programme - Tools For Your Trade - cessation	1					
Administered expenses		-	(142,365)	(254,846)	(257,394)	(259,968)
Departmental expenses		-	-	-	-	-
<b>Total</b>		-	<b>(142,365)</b>	<b>(254,846)</b>	<b>(257,394)</b>	<b>(259,968)</b>
Trade Support Loans - establishment	1					
Administered expenses		-	44,811	124,930	138,797	152,929
Departmental expenses		2,036	2,939	2,122	2,213	2,218
<b>Total</b>		<b>2,036</b>	<b>47,750</b>	<b>127,052</b>	<b>141,010</b>	<b>155,147</b>
Smaller Government - Unique Student Identifier - revised governance arrangement	1					
Administered expenses		-	-	-	-	-
Departmental expenses		-	-	-	-	-
<b>Total</b>		-	-	-	-	-
Australia-China Science and Research Fund - continuation	2					
Administered expenses		-	1,631	2,131	2,436	2,204
Departmental expenses		-	403	401	399	403
<b>Total</b>		-	<b>2,034</b>	<b>2,532</b>	<b>2,835</b>	<b>2,607</b>
Science for Australia's Future - continuation	2					
Administered expenses		-	3,989	3,989	3,989	3,989
Departmental expenses		-	3,036	3,018	3,007	3,035
<b>Total</b>		-	<b>7,025</b>	<b>7,007</b>	<b>6,996</b>	<b>7,024</b>
Acacia Park Industrial Estate Armidale - contribution reversal	3					
Administered expenses		(220)	-	-	-	-
Departmental expenses		-	-	-	-	-
<b>Total</b>		<b>(220)</b>	-	-	-	-

**Part 1: Measures announced since the 2013-14 MYEFO (continued)**

	Programme	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
Australian Renewable Energy Agency - cessation <sup>1</sup>	3					
Administered expenses		-	-	-	-	(357,013)
Departmental expenses		-	5,959	5,403	4,297	2,816
<b>Total</b>		-	<b>5,959</b>	<b>5,403</b>	<b>4,297</b>	<b>(354,197)</b>
Automotive Assistance - reduced funding <sup>2</sup>	3					
Administered expenses		-	-	-	-	(108,350)
Departmental expenses		-	-	-	-	-
<b>Total</b>		-	-	-	-	<b>(108,350)</b>
Carbon Capture and Storage Flagships - reduced funding	3					
Administered expenses		-	-	-	-	(162,900)
Departmental expenses		-	-	-	-	-
<b>Total</b>		-	-	-	-	<b>(162,900)</b>
Ethanol Production Grants Programme - cessation	3					
Administered expenses		-	-	(122,100)	(122,100)	(122,100)
Departmental expenses		-	-	-	-	-
<b>Total</b>		-	-	<b>(122,100)</b>	<b>(122,100)</b>	<b>(122,100)</b>
General Motors Holden - next generation vehicles - cessation	3					
Administered expenses		(36,000)	(50,700)	(112,700)	(15,600)	-
Departmental expenses		-	-	-	-	-
<b>Total</b>		<b>(36,000)</b>	<b>(50,700)</b>	<b>(112,700)</b>	<b>(15,600)</b>	-
Growth Fund - establishment	3					
Administered expenses		(4,686)	8,285	19,066	26,562	13,131
Departmental expenses		-	2,087	1,528	1,295	964
<b>Total</b>		<b>(4,686)</b>	<b>10,372</b>	<b>20,594</b>	<b>27,857</b>	<b>14,095</b>
Entrepreneurs' Infrastructure Programme - establishment	3					
Administered expenses		(53,115)	(41,276)	(121,830)	(126,556)	(131,390)
Departmental expenses		(565)	8,515	(9,715)	(15,539)	(17,836)
<b>Total</b>		<b>(53,680)</b>	<b>(32,761)</b>	<b>(131,545)</b>	<b>(142,095)</b>	<b>(149,226)</b>
Industry grant programmes - reduced funding	3					
Administered expenses		(2,017)	(935)	-	-	-
Departmental expenses		-	-	-	-	-
<b>Total</b>		<b>(2,017)</b>	<b>(935)</b>	-	-	-
Manufacturing Transition Grants Programme - establishment	3					
Administered expenses		-	2,600	34,300	13,100	-
Departmental expenses		-	-	-	-	-
<b>Total</b>		-	<b>2,600</b>	<b>34,300</b>	<b>13,100</b>	-
Montara Commission of Inquiry - implementation of Government response - finalisation <sup>3</sup>	3					
Administered expenses		-	-	-	-	-
Departmental expenses		-	-	-	-	-
<b>Total</b>		-	-	-	-	-

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**Part 1: Measures announced since the 2013-14 MYEFO (continued)**

	Programme	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
National Low Emissions Coal Initiative - reduced funding	3					
Administered expenses		(6,977)	(9,831)	-	-	-
Departmental expenses		-	-	-	-	-
<b>Total</b>		<b>(6,977)</b>	<b>(9,831)</b>	<b>-</b>	<b>-</b>	<b>-</b>
National Radioactive Waste Management - second stage business	3					
Administered expenses		-	4,850	5,250	6,750	-
Departmental expenses		-	1,916	1,818	2,048	-
<b>Total</b>		<b>-</b>	<b>6,766</b>	<b>7,068</b>	<b>8,798</b>	<b>-</b>
Office of Spatial Policy - transfer of functions	3					
Administered expenses		-	-	-	-	-
Departmental expenses		-	(1,342)	(1,252)	(1,190)	(1,202)
<b>Total</b>		<b>-</b>	<b>(1,342)</b>	<b>(1,252)</b>	<b>(1,190)</b>	<b>(1,202)</b>
Oilcode dispute resolution services - extension <sup>3</sup>	3					
Administered expenses		-	-	-	-	-
Departmental expenses		-	-	-	-	-
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Plantation Manufacturing Innovation and Investment Fund - cessation	3					
Administered expenses		(5,563)	(4,561)	(4,556)	-	-
Departmental expenses		(77)	(365)	(363)	-	-
<b>Total</b>		<b>(5,640)</b>	<b>(4,926)</b>	<b>(4,919)</b>	<b>-</b>	<b>-</b>
Textile, Clothing and Footwear Structural Adjustment Programme - support services	3					
Administered expenses		-	(1,500)	-	-	-
Departmental expenses		-	-	-	-	-
<b>Total</b>		<b>-</b>	<b>(1,500)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Tasmanian Major Projects Approval Agency - establishment	4					
Administered expenses		-	-	-	-	-
Departmental expenses		-	926	904	901	-
<b>Total</b>		<b>-</b>	<b>926</b>	<b>904</b>	<b>901</b>	<b>-</b>
Efficiency Dividend - a further temporary increase of 0.25 per cent	All					
Administered expenses		-	-	-	-	-
Departmental expenses		-	(1,270)	(2,350)	(3,397)	(3,377)
<b>Total</b>		<b>-</b>	<b>(1,270)</b>	<b>(2,350)</b>	<b>(3,397)</b>	<b>(3,377)</b>
<b>Total expense measures</b>						
Administered expenses		(176,201)	(387,630)	(548,685)	(422,939)	(1,043,278)
Departmental expenses		622	21,577	(687)	(9,426)	(15,669)
<b>Total</b>		<b>(175,579)</b>	<b>(366,053)</b>	<b>(549,372)</b>	<b>(432,365)</b>	<b>(1,058,947)</b>



**Part 1: Measures announced since the 2013-14 MYEFO (continued)**

	Programme	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>Capital measures</b>						
Entrepreneurs' Infrastructure Programme – establishment	3					
Administered capital		-	-	-	-	-
Departmental capital		-	9,171	6,486	4,267	3,269
<b>Total</b>		-	<b>9,171</b>	<b>6,486</b>	<b>4,267</b>	<b>3,269</b>
Efficiency Dividend – a further temporary increase of 0.25 per cent	All					
Administered capital		-	-	-	-	-
Departmental capital		-	(71)	(142)	(213)	(217)
<b>Total</b>		-	<b>(71)</b>	<b>(142)</b>	<b>(213)</b>	<b>(217)</b>
<b>Total capital measures</b>						
Administered capital		-	-	-	-	-
Departmental capital		-	9,100	6,344	4,054	3,052
<b>Total</b>		-	<b>9,100</b>	<b>6,344</b>	<b>4,054</b>	<b>3,052</b>
<b>Decisions taken but not yet announced</b>						
		-	<b>(3,144)</b>	<b>(2,230)</b>	<b>(2,148)</b>	<b>(2,343)</b>

Prepared on a Government Finance Statistics (fiscal) basis.

<sup>1</sup>This measure is being reported by the Department of Industry, which is absorbing the functions of the Australian Renewable Energy Agency (ARENA). There is no separate chapter for ARENA.

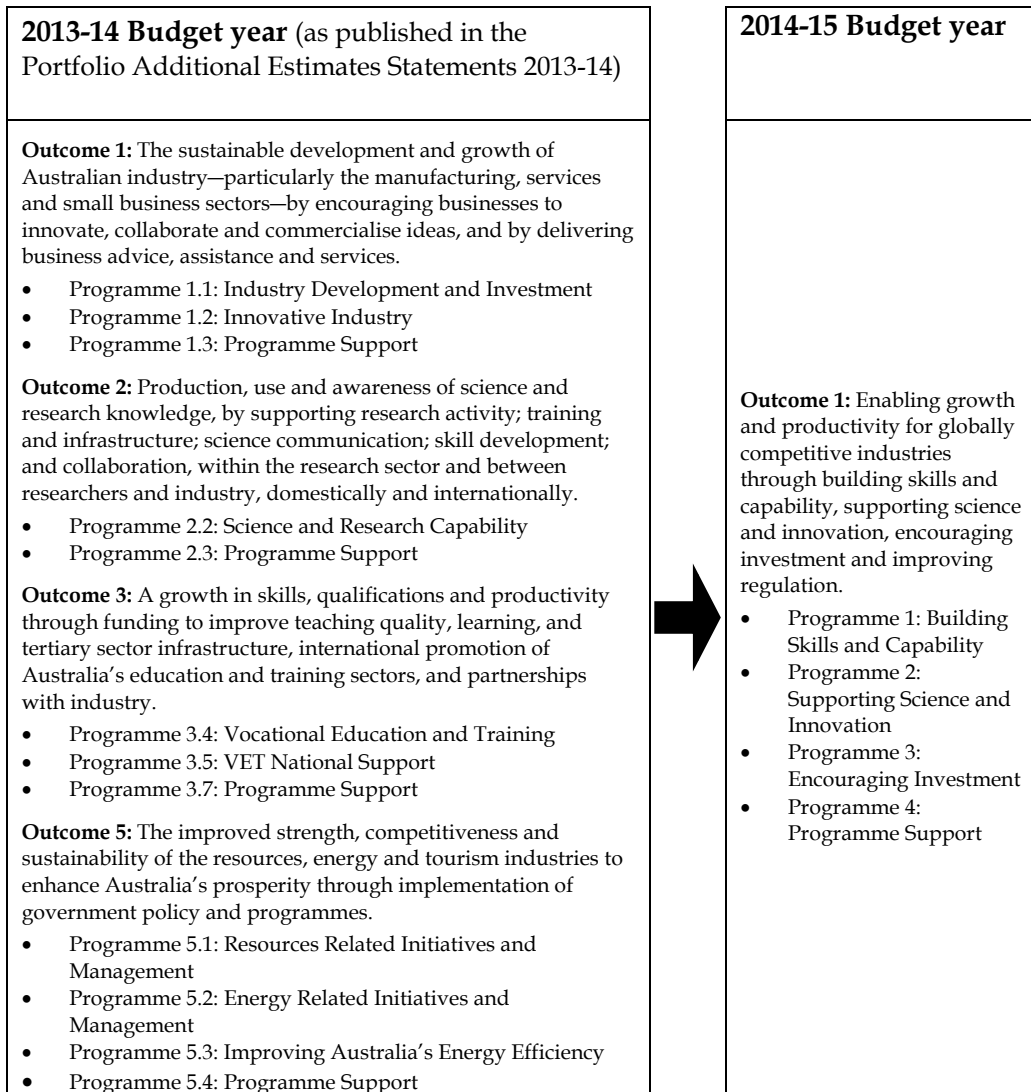
<sup>2</sup>For further details refer to Budget Paper No. 2.

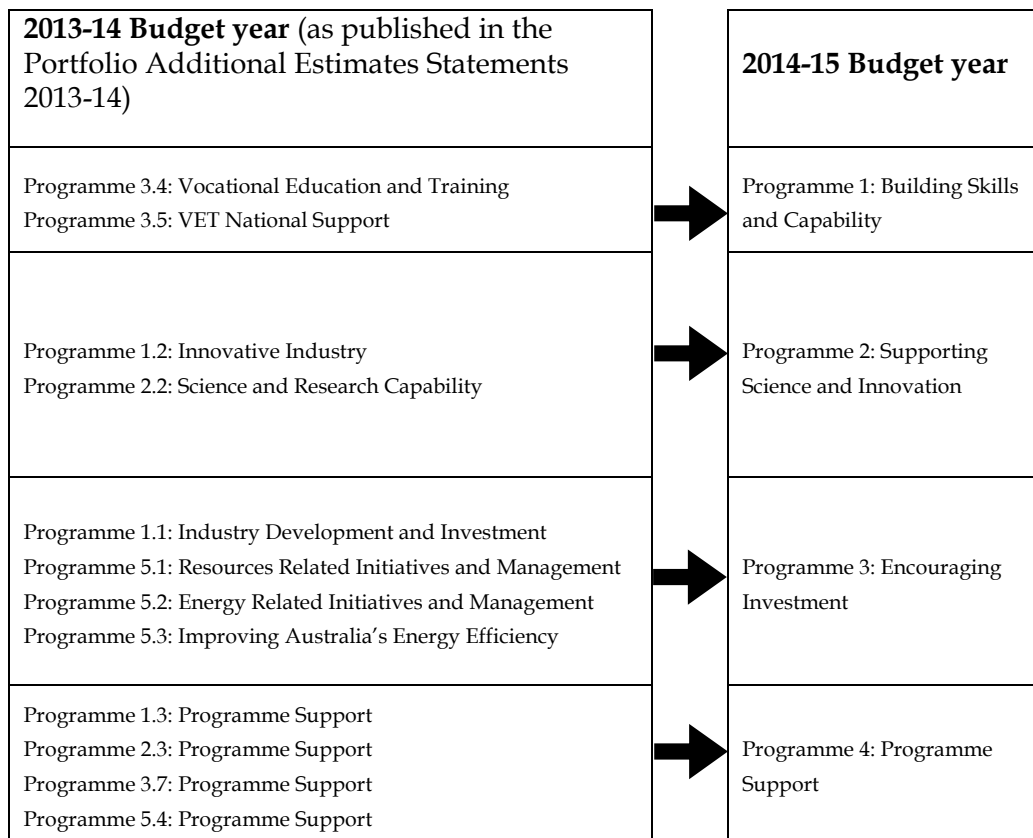
<sup>3</sup>This measure is to be absorbed by the department.

## 1.4 CHANGES IN AGENCY OUTCOMES AND PROGRAMMES

Following the Machinery of Government changes arising from the Administrative Arrangements Orders dated 18 September 2013, 3 October 2013 and 12 December 2013, the Department of Industry has simplified its outcomes and programmes structure.

The changes to the department's outcomes and programmes are summarised as follows:





## **SECTION 2: OUTCOMES AND PLANNED PERFORMANCE**

### **2.1 OUTCOMES AND PERFORMANCE INFORMATION**

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Agencies are required to identify the programmes which contribute to Government outcomes over the Budget and forward years.

Outcomes are described below together with their related programmes, specifying the performance indicators and targets used to assess and monitor performance.

The Department of Industry has an outcome and programmes framework with one outcome and four programmes.

Performance indicators, supported by data, will be applied to assess and monitor the performance of the department in achieving the objectives of the programmes and thereby contributing to the outcome for government.

#### **Outcome Expense Statement**

Table 2.1 provides the combined total budgeted expenses and resources of the Department of Industry outcome.

**Table 2.1: Budgeted Expenses for Outcome 1**

<b>Outcome 1:</b>	2013-14 Estimated actual expenses \$'000	2014-15 Estimated expenses \$'000
Enabling growth and productivity for globally competitive industries through building skills and capability, supporting science and innovation, encouraging investment and improving regulation.		
<b>Programme 1: Building Skills and Capability</b>		
<b>Administered expenses</b>		
Ordinary annual services (Appropriation Bill No. 1 & 3)	1,671,097	1,387,149
Special appropriations	-	58,946
Special Accounts	-	635
<b>Total for Programme 1</b>	<b>1,671,097</b>	<b>1,446,730</b>
<b>Programme 2: Supporting Science and Innovation</b>		
<b>Administered expenses</b>		
Ordinary annual services (Appropriation Bill No. 1 & 3)	289,349	241,544
<b>Total for Programme 2</b>	<b>289,349</b>	<b>241,544</b>
<b>Programme 3: Encouraging Investment</b>		
<b>Administered expenses</b>		
Ordinary annual services (Appropriation Bill No. 1 & 3)	800,545	877,709
Ordinary annual services (Appropriation Bill No. 1 & 3) credited to Special Accounts	106,729	98,912
Special appropriations	725,482	259,831
Special Accounts	17,064	11,300
Expenses not requiring appropriation in the Budget year <sup>1</sup>	1,000	1,000
<b>Total for Programme 3</b>	<b>1,650,820</b>	<b>1,248,752</b>
<b>Programme 4: Programme Support</b>		
<b>Departmental expenses</b>		
Departmental appropriation <sup>2</sup>	657,536	554,955
Special Accounts	21,320	18,856
Expenses not requiring appropriation in the Budget year <sup>3</sup>	45,968	39,308
<b>Total for Programme 4</b>	<b>724,824</b>	<b>613,119</b>
<b>Outcome 1 Totals by appropriation type</b>		
<b>Administered Expenses</b>		
Ordinary annual services (Appropriation Bill No. 1 & 3)	2,760,991	2,506,402
Ordinary annual services (Appropriation Bill No. 1 & 3) credited to Special Accounts	106,729	98,912
Special appropriations	725,482	318,777
Special Accounts	17,064	11,935
Expenses not requiring appropriation in the Budget year <sup>1</sup>	1,000	1,000
<b>Departmental expenses</b>		
Departmental appropriation <sup>2</sup>	657,536	554,955
Special Accounts	21,320	18,856
Expenses not requiring appropriation in the Budget year <sup>3</sup>	45,968	39,308
<b>Total expenses for Outcome 1</b>	<b>4,336,090</b>	<b>3,550,145</b>
	2013-14	2014-15
<b>Average Staffing Level (number)<sup>4</sup></b>	3,715	2,983

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<sup>1</sup>Expenses not requiring appropriation relates to depreciation expenses for the Syntroleum Depreciation programme.

<sup>2</sup>Departmental Appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s31)'.

<sup>3</sup>Expenses not requiring appropriation in the Budget year is made up of Depreciation Expense, Amortisation Expense, Makegood Expense and Audit Fees.

<sup>4</sup>The estimate for 2013-14 and 2014-15 includes the full year impact of the ASL that transferred to the department for the resources and energy functions from the former Department of Resources, Energy and Tourism as a result of the abolition of the agency on 18 September 2013. The estimate for 2013-14 also includes the part year impact for all functions that transferred to and from the department as a result of the 18 September 2013 Administrative Arrangements Order.

**Outcome 1: Enabling growth and productivity for globally competitive industries through building skills and capability, supporting science and innovation, encouraging investment and improving regulation.**

### Outcome 1 Strategy

The department's overall goal is to enable growth and productivity of globally competitive industries. The department aims to achieve this outcome through the delivery of a wide range of measures and activities under the following four programmes:

- Programme 1: Building Skills and Capability
- Programme 2: Supporting Science and Innovation
- Programme 3: Encouraging Investment
- Programme 4: Programme Support.

### Contributions to Outcome 1

#### Programme 1: Building Skills and Capability

##### Programme Objective

Programme 1 supports the Government's vision for the future of Australia's industries in a globally competitive market through a responsive vocational education and training (VET) sector delivering the skills that employers need for their workforce.

The Australian Government is working to create a more efficient and effective skills and training system, which is industry led and outcome-driven. A range of reforms will be undertaken to improve the responsiveness of the system including programmes to support skills for industry.

A key element of this commitment is the new Industry Skills Fund, an investment of over \$460 million to support industries to diversify successfully and improve their competitiveness in a global market.

The components of Programme 1 are grouped under the following sub-programmes:

- Sub-programme 1.1: Industry competitiveness – this sub-programme facilitates training that will enhance Australian businesses' competitiveness in a global market.
- Sub-programme 1.2: Skills development – this sub-programme is designed to increase participation in apprenticeships and develop the skills of the Australian

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workforce. A key component is the Government's election commitment to provide Trade Support Loans that assist apprentices to complete their apprenticeships.

- Sub-programme 1.3: Access to training—this sub-programme is designed to provide clearer training pathways and improved access to training which allows Australians to progress to better careers and opportunities.
- Sub-programme 1.4: Support for the National Training System—this sub-programme is designed to develop an effective and efficient national training system that meets the skills needs of Australia's new and emerging industries.

**Linked to:**

- Specific Purpose Payments (SPP) and National Partnerships (NP)—linked to the Department of the Treasury.



<b>Programme Expenses 1: Building Skills and Capability</b>					
	2013-14 Revised Budget \$'000	2014-15 Budget \$'000	2015-16 Forw ard year 1 \$'000	2016-17 Forw ard year 2 \$'000	2017-18 Forw ard year 3 \$'000
<b>Sub-programme 1.1: Industry competitiveness</b>					
<b>Annual Administered Expenses:</b>					
Industry Skills Fund	-	24,208	131,404	151,390	157,715
<b>Closed/closing programmes</b>					
National Workforce Development Fund	94,835	27,685	1,352	719	702
<b>Total Annual Administered Expenses</b>	<b>94,835</b>	<b>51,893</b>	<b>132,756</b>	<b>152,109</b>	<b>158,417</b>
<b>Total Sub-programme expenses 1.1</b>	<b>94,835</b>	<b>51,893</b>	<b>132,756</b>	<b>152,109</b>	<b>158,417</b>
<b>Sub-programme 1.2: Skills development</b>					
<b>Annual Administered Expenses:</b>					
Australian Apprenticeships Centres	207,642	219,418	210,757	210,757	210,757
Australian Apprenticeships Incentives Programme	898,681	576,212	443,627	423,698	421,124
Australian Apprenticeships Information Management System	308	-	-	-	-
Job Ready Programme - Trades Recognition	4,634	4,634	4,634	4,634	4,634
<b>Closed/closing programmes</b>					
Accelerated Australian Apprenticeships Alternative Pathw ays Programme for Skills Training	1,473	2,381	490	-	-
Apprentice to Business Ow ner - business skills and mentoring	103	-	-	-	-
Australian Apprenticeships Mentoring Programme	5,296	3,866	2,100	-	-
Incentives for Higher Technical Skills	19,800	12,268	-	-	-
Skills Connect Fund - More Effective	104	-	-	-	-
Enterprise Training	19	-	-	-	-
<b>Total Annual Administered Expenses</b>	<b>1,138,060</b>	<b>818,779</b>	<b>661,608</b>	<b>639,089</b>	<b>636,515</b>
<b>Special Appropriations:</b>					
Trade Support Loans	-	58,946	188,723	209,673	231,021
<b>Total Special Appropriations Expenses</b>	<b>-</b>	<b>58,946</b>	<b>188,723</b>	<b>209,673</b>	<b>231,021</b>
<b>Total Sub-programme expenses 1.2</b>	<b>1,138,060</b>	<b>877,725</b>	<b>850,331</b>	<b>848,762</b>	<b>867,536</b>

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<b>Programme Expenses 1: Building Skills and Capability (continued)</b>					
	2013-14 Revised Budget \$'000	2014-15 Budget \$'000	2015-16 Forw ard year 1 \$'000	2016-17 Forw ard year 2 \$'000	2017-18 Forw ard year 3 \$'000
<b>Sub-programme 1.3: Access to training</b>					
Adult Migrant English Programme	185,461	236,035	233,924	247,037	240,918
National Foundation Skills Strategy	1,166	1,187	1,205	1,227	1,249
Skills for Education and Employment Programme	135,110	152,518	152,690	155,439	158,236
<b>Closed/closing programmes</b>					
Australian Apprenticeships Access Investing in Experience - Skills Recognition and Training	12,664	5,712	-	-	-
Productive Ageing through Community Education	5,141	-	-	-	-
Workplace English Language and Literacy	243	-	-	-	-
	12,495	8,267	4,763	293	-
<b>Total Annual Administered Expenses</b>	<b>352,280</b>	<b>403,719</b>	<b>392,582</b>	<b>403,996</b>	<b>400,403</b>
<b>Total Sub-programme expenses 1.3</b>	<b>352,280</b>	<b>403,719</b>	<b>392,582</b>	<b>403,996</b>	<b>400,403</b>
<b>Sub-programme 1.4: Support for the National Training System</b>					
Industry Workforce Training	44,802	62,494	66,368	67,559	68,776
My Skills Website	1,615	1,642	623	634	645
National Centre for Vocational Education Research	685	697	710	723	736
National Skills Standards Council	1,644	1,688	1,746	1,776	1,808
National Training System COPE	31,517	46,131	47,122	47,972	48,835
<b>Closed/closing programmes</b>					
Clean Sustainable Skills Package - Green Skills Agreement	146	-	-	-	-
Industry Training Strategies	3,385	-	-	-	-
Workforce Innovation	2,128	106	-	-	-
<b>Total Annual Administered Expenses</b>	<b>85,922</b>	<b>112,758</b>	<b>116,569</b>	<b>118,664</b>	<b>120,800</b>
<b>Special Account Expenses:</b>					
Services for Other Entities and Trust Moneys - s20 Special Account	-	635	-	-	-
<b>Total Special Account Expenses</b>	<b>-</b>	<b>635</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Sub-programme expenses 1.4</b>	<b>85,922</b>	<b>113,393</b>	<b>116,569</b>	<b>118,664</b>	<b>120,800</b>
<b>Total programme expenses</b>	<b>1,671,097</b>	<b>1,446,730</b>	<b>1,492,238</b>	<b>1,523,531</b>	<b>1,547,156</b>

**Programme Components**

**Sub-programme 1.1: Industry competitiveness**

- Industry Skills Fund

Closed/closing programmes

- National Workforce Development Fund

**Sub-programme 1.2: Skills development**

- Australian Apprenticeships Centres
- Australian Apprenticeships Incentives Programme
- Job Ready Programme—Trades Recognition
- Trade Support Loans

Closed/closing programmes

- Accelerated Australian Apprenticeships
- Apprentice to Business Owner – business skills and mentoring
- Australian Apprenticeships Mentoring Programme

**Sub-programme 1.3: Access to training**

- Adult Migrant English Programme
- National Foundation Skills Strategy
- Skills for Education and Employment Programme

Closed/closing programmes

- Australian Apprenticeships Access
- Workplace English Language and Literacy

**Sub-programme 1.4: Support for the National Training System**

- Industry Workforce Training
- My Skills Website
- National Centre for Vocational Education Research
- National Skills Standards Council
- National Training System COPE
- National Partnership on Skills Reform (NP)
- National Agreement for Skills and Workforce Development (SPP)

Closed/closing programmes

- Workforce Innovation

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<b>Programme 1 Performance</b>						
Performance measures for Programme 1 (some measured over time):						
<ul style="list-style-type: none"> <li>• Growth in the number and proportion of Australians with VET skills (includes measurement of whether employed or not)</li> <li>• Growth in the number of skilled employees in knowledge-intensive industries, including persons with PhDs employed in the private sector</li> <li>• Growth in the number of apprentices</li> <li>• Growth in the apprenticeship completion rate</li> <li>• Change in reported employer satisfaction with vocationally-trained graduates</li> <li>• Contribution to productivity growth from changes in skills acquisition</li> <li>• Changes in individual returns from investment in education and training, including employment and wages.</li> </ul>						
Performance measures and targets that are set out for assessing and reporting on the output, effectiveness and efficiency of Programme 1:						
Sub-programme 1.1: Industry competitiveness						
<ul style="list-style-type: none"> <li>• Improved training and support services for industries seeking to enhance their global competitiveness.</li> </ul>						
Contributing Component	Performance Measure	2013-14 Revised Estimate	2014-15 Budget Estimate	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Industry Skills Fund	Number of participants supported to undertake training and/or support services	-	7,000	38,000	44,000	45,500
Sub-programme 1.2: Skills development						
<ul style="list-style-type: none"> <li>• Increased participation in apprenticeships and increased skills levels in the workforce.</li> <li>• Uptake of the Trade Support Loans to apprentices.</li> </ul>						
Contributing Component	Performance Measure	2013-14 Revised Estimate	2014-15 Budget Estimate	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Australian Apprenticeships Centres	Number of organisations contracted to provide services as Australian Apprenticeships Centres	23	22	-	-	-

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Australian Apprenticeships Incentives Programme	Total number of employers assisted nationally through the programme	80,000	81,000	82,000	82,000	83,000
	Total number of Australian apprentices receiving a Personal Benefit through the programme	190,000	84,000	40,000	40,500	41,000
Trade Support Loans	Total number of Australian Apprentices assisted through Trade Support Loan payments	-	59,500	74,500	82,000	89,500
<b>Sub-programme 1.3: Access to training</b>						
<ul style="list-style-type: none"> <li>Improved access to training.</li> </ul>						
Contributing Component	Performance Measure	2013-14 Revised Estimate	2014-15 Budget Estimate	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Adult Migrant English Programme	Number of eligible migrants and humanitarian entrants assisted through the programme	57,000	57,000	57,000	57,000	57,000
Skills for Education and Employment Programme	Number of individuals assisted through the programme	27,000	30,000	30,000	30,000	30,000
<b>Sub-programme 1.4: Support for the National Training System</b>						
<ul style="list-style-type: none"> <li>Effective and efficient support for the national training system.</li> </ul>						
Contributing Component	Performance Measure	2013-14 Revised Estimate	2014-15 Budget Estimate	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
National Partnership on Skills Reform (NP); Building Australia's Future Workforce-Skills Reform (SPP)	Monitoring of progress of NP reforms through assessment of achievement as outlined in Annual Performance Reports	Implementation Plans and appropriate payments monitored. (This measure will remain the same for each financial year)				

**Programme 2: Supporting Science and Innovation**

**Programme Objective**

The objective of Programme 2 is to facilitate science, research and innovation to deliver improved productivity for Australian industry. By working in partnership with science agencies, researchers, businesses and industries, the department will achieve this objective through measures that support the creation and utilisation of knowledge to address Australia's economic, social, health and environmental challenges, and ensure the progress of new ideas and technology to deliver benefits to Australia.

The components of Programme 2 are grouped under the following sub-programmes:

- Sub-programme 2.1: Science awareness, infrastructure and international engagement—this sub-programme is designed to improve science awareness, infrastructure and international engagement to support the creation and dissemination of scientific and technical information as an input to the economic process.
- Sub-programme 2.2: Business research, development and commercialisation—this sub-programme is designed to provide incentives for business research, development and commercialisation to drive innovation and thus contribute to improved productivity.

**Linked to:**

- Square Kilometre Array—linked to the Commonwealth Scientific and Industrial Research Organisation through their Astronomy and Space Science (CASS) Division.
- Research and Development (R&D) Tax Incentive; Early Stage Venture Capital Limited Partnerships tax concession; Venture Capital Limited Partnerships tax concession; and Pooled Development Funds tax concession—linked to the Department of the Treasury and the Australian Taxation Office through taxation benefits.

<b>Programme Expenses 2: Supporting Science and Innovation</b>					
	2013-14 Revised Budget \$'000	2014-15 Budget \$'000	2015-16 Forw ard year 1 \$'000	2016-17 Forw ard year 2 \$'000	2017-18 Forw ard year 3 \$'000
<b>Sub-programme 2.1: Science awareness, infrastructure and international engagement</b>					
<b>Annual Administered Expenses:</b>					
Asialink Business	4,059	3,531	3,392	3,467	3,259
Australian Astronomical Observatory	1,499	1,527	1,555	1,584	1,616
Australia-China Science and Research Fund	3,000	1,631	2,131	2,436	2,204
International Education and Training <sup>1</sup>	9,280	6,373	2,766	-	-
Science for Australia's Future	5,246	3,989	3,989	3,989	3,989
Square Kilometre Array Radio Telescope Project	8,365	7,649	6,938	-	-
<b>Closed/closing programmes</b>					
Establishment of an ICT-enabled research laboratory - Commonwealth assistance	5,555	6,700	2,720	-	-
<b>Total Annual Administered Expenses</b>	<b>37,004</b>	<b>31,400</b>	<b>23,491</b>	<b>11,476</b>	<b>11,068</b>
<b>Total Sub-programme expenses 2.1</b>	<b>37,004</b>	<b>31,400</b>	<b>23,491</b>	<b>11,476</b>	<b>11,068</b>
<b>Sub-programme 2.2: Business research development and commercialisation</b>					
Cooperative Research Centres Programme	144,729	149,828	149,291	148,353	138,900
Research and Development Tax Incentive	3,177	2,823	2,073	2,073	2,073
<b>Closed/closing programmes</b>					
A Plan for Australian Jobs - Information Campaign	84	-	-	-	-
Clean Technology Innovation Programme	21,169	7,629	1,897	375	-
Commercialisation Australia	74,679	49,497	18,171	3,545	-
CSL - Commonwealth assistance	2,100	-	-	-	-
Enterprise Solutions Programme	57	-	-	-	-
Green Car Innovation Fund	6,050	267	-	-	-
Innovation Investment Fund	300	100	105	110	116
<b>Total Annual Administered expenses</b>	<b>252,345</b>	<b>210,144</b>	<b>171,537</b>	<b>154,456</b>	<b>141,089</b>
<b>Total Sub-programme expenses 2.2</b>	<b>252,345</b>	<b>210,144</b>	<b>171,537</b>	<b>154,456</b>	<b>141,089</b>
<b>Total programme 2 expenses</b>	<b>289,349</b>	<b>241,544</b>	<b>195,028</b>	<b>165,932</b>	<b>152,157</b>

<sup>1</sup>This is an element of the Australia-India Strategic Research Fund.

**Programme 2 Components**

**Sub-programme 2.1: Science awareness, infrastructure and international engagement**

- Asialink Business
- Australian Astronomical Observatory
- Australia-China Science and Research Fund
- International Education and Training (Australia-India Strategic Research Fund)
- Science for Australia's Future
- Square Kilometre Array Radio Telescope Project

Closed/closing programmes

- Establishment of an ICT-enabled research laboratory – Commonwealth assistance

**Sub-programme 2.2: Business research, development and commercialisation**

- Cooperative Research Centres Programme
- Early Stage Venture Capital Limited Partnerships<sup>(1)</sup>
- Innovation Investment Follow-on Fund<sup>(2)</sup>
- Pooled Development Funds<sup>(2)</sup>
- Pre Seed Fund<sup>(2)</sup>
- Research & Development (R&D) Tax Incentive<sup>(1)</sup>
- Venture Capital Limited Partnerships<sup>(2)</sup>
- Venture Australia – extension and enhancement<sup>(1)</sup>

Closed/closing programmes

- Clean Technology Innovation Programme
- Commercialisation Australia
- Green Car Innovation Fund
- Innovation Investment Fund<sup>(2)</sup>

(1) Revenue forgone.

(2) Capital.



**Programme 2 Performance**

Performance measures for Programme 2:

- Growth in the proportions of small, medium and large firms engaging in innovative activity
- Growth in business investment in intangible capital
- Contribution to productivity growth from changes in intangible capital investment
- Growth in the value-added of knowledge-intensive industries
- Growth in export values and volumes of advanced manufacturing and elaborately transformed manufactures (ETMs)
- Growth in income from commercialisation of research
- Changes in Australia's performance in scientific research.

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Performance measures and targets that are set out for assessing and reporting on the output, effectiveness and efficiency of Programme 2:						
Sub-programme 2.1: Science awareness, infrastructure and international engagement						
<ul style="list-style-type: none"> <li>Increased science awareness</li> <li>Improved research infrastructure</li> <li>Enhanced international engagement.</li> </ul>						
Contributing Component	Performance Measure	2013-14 Revised Estimate	2014-15 Budget Estimate	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Asialink Business	Number of courses run on Asia Capability Development	2	5	5	5	5
	Number of events held promoting and building Asia capabilities	50	50	50	50	50
Australian Astronomical Observatory (AAO)	Number of research students supervised or funded by the AAO	41	39	39	39	39
	Number of users accessing AAO research facilities to facilitate and support research activities: (1) AAO Telescope (Australian); (2) international 8 metre access (Overseas)	130	130	180	180	180
		80	80	54	0	0
	Number of international visitors supported by the AAO Distinguished Visitor Scheme	4	4	4	4	4
	Number of international conferences and workshops supported by AAO	3	3	3	3	3
Australia-China Science and Research Fund; International Education and Training (Australia-India Strategic Research Fund)	Number of collaborative research projects completed that reported strengthened international relationships	71	54	27	33	4
Science for Australia's Future	Number of participants in activities that promote science based careers	5,206,996	4,740,000	4,900,000	5,000,000	5,000,000
Square Kilometre Array Radio Telescope Project	Number of Australian companies/research institutions participating in the SKA Pre-Construction Work Programme	7	7	-	-	-

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Sub-programme 2.2: Business research, development and commercialisation						
<ul style="list-style-type: none"> <li>Increased R&amp;D in businesses</li> <li>Increased commercialisation.</li> </ul>						
Contributing Component	Performance Measure	2013-14 Revised Estimate	2014-15 Budget Estimate	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Cooperative Research Centres (CRCs) Programme	Number of commercialisation agreements reported by the CRCs	165	174	169	178	165
	Number of patents held/maintained by the CRCs	833	877	855	899	833
	Number of applications for patents filed by the CRCs	81	85	83	87	81
R&D Tax Incentive	R&D expenditure registered with AusIndustry in order to claim the tax incentive or tax concession through their annual tax returns (\$'000)	Not Available <sup>(1)</sup>	Not Available <sup>(1)</sup>			
	Number of entities registering R&D expenditure with AusIndustry in order to claim the tax incentive or tax concession through their annual tax returns	Not Available <sup>(1)</sup>	Not Available <sup>(1)</sup>			

(1) The department does not have forward estimates for the R&D Tax Incentive programme. Number of entities includes R&D performing subsidiaries of head companies registered under the R&D Tax Incentive. The registered R&D is reported against the income year in which it is registered. This is the year following the year in which the companies undertake the R&D activity.

### Programme 3: Encouraging Investment

#### Programme Objective

The objective of Programme 3 is to encourage investment and build the future of Australia's industry. By working with businesses and industries the department will achieve this objective through measures that support the formation and growth of new or existing industries to ensure Australia has a diversified, flexible and dynamic economic base that successfully competes in existing markets, and allows access to global markets.

The components of Programme 3 are grouped under the following sub-programmes:

- Sub-programme 3.1: Competitive marketplace—this sub-programme is designed to create a more competitive marketplace to achieve profitable and sustainable industry futures.
- Sub-programme 3.2: Business and market development—this sub-programme is designed to enhance business leadership, management and entrepreneurial skills and open up international export markets to Australian businesses.
- Sub-programme 3.3: Economic transition—this sub-programme is designed to encourage innovation and investment that will underpin industry transition.
- Sub-programme 3.4: Resources—this sub-programme is designed to support the sustainable development of the resources sector, attract private sector investment and encourage innovative technologies.
- Sub-programme 3.5: Energy—this sub-programme is designed to support the safe and sustainable operations of energy markets and improve Australia's energy efficiency performance and productivity.

#### Linked to:

- Australian Business Number and Business Names Registration System—linked to the Department of the Treasury, the Australian Taxation Office and the Australian Securities and Investments Commission through provision of business name registration and related processes.
- Certain Inputs to Manufacture; Enhanced Project By-law Scheme—linked to Australian Customs and Border Protection Service through provision of tariff and duty credits and concessions.
- Textile, Clothing and Footwear (TCF) - Structural Adjustment Programme—linked to the Department of Employment through administration of labour adjustment component (Part 1).
- Textile, Clothing and Footwear - Register of Approved Occupational Clothing—linked to the Australian Taxation Office through provision of tax benefits.
- Tradex—linked to Australian Customs and Border Protection Service and the Australian Taxation Office through the provision of duty and GST concessions.

<b>Programme Expenses 3: Encouraging Investment</b>					
	2013-14 Revised Budget \$'000	2014-15 Budget \$'000	2015-16 Forw ard year 1 \$'000	2016-17 Forw ard year 2 \$'000	2017-18 Forw ard year 3 \$'000
<b>Sub-programme 3.1: Competitive marketplace</b>					
<b>Annual Administered Expenses:</b>					
Australian Business Number and Business Names Registration System	320	50	50	50	50
Oilcode Dispute Resolution Services - extension	-	66	-	-	-
Support for Industry Service Organisations programme	4,117	4,104	4,179	4,239	4,295
<b>Closed/closing programmes</b>					
Bindaree Beef - assistance	-	13,874	4,480	4,588	-
Clean Business Australia - Green Building Fund	6,311	-	-	-	-
Clean Technology Investment Programmes <sup>1</sup>	126,875	63,967	37,753	9,536	150
Enhanced and amalgamated mediation services for the Franchising Code of Conduct, the Horticultural Code of Conduct, the Oilcode and the Produce and Grocery Industry Code of Conduct	214	-	-	-	-
Liquefied Petroleum Gas Vehicle Scheme	10,018	-	-	-	-
<b>Total Annual Administered Expenses</b>	<b>147,855</b>	<b>82,061</b>	<b>46,462</b>	<b>18,413</b>	<b>4,495</b>
<b>Total Sub-programme expenses 3.1</b>	<b>147,855</b>	<b>82,061</b>	<b>46,462</b>	<b>18,413</b>	<b>4,495</b>

<b>Programme Expenses 3: Encouraging Investment (continued)</b>					
	2013-14 Revised Budget \$'000	2014-15 Budget \$'000	2015-16 Forw ard year 1 \$'000	2016-17 Forw ard year 2 \$'000	2017-18 Forw ard year 3 \$'000
<b>Sub-programme 3.2: Business and market development</b>					
<b>Annual Administered Expenses:</b>					
Australian Small Business Commissioner <sup>2</sup>	245	220	220	-	-
Entrepreneurs' Infrastructure Programme	-	57,985	82,629	95,848	106,214
Small Business Advisory Services	7,251	5,983	6,319	6,014	6,306
Small Business Support Line	1,318	1,318	1,300	-	-
<b>Closed/closing programmes</b>					
Enterprise Connect	22,833	18,038	4,403	-	-
Expediting Clinical Trial Reform in Australia	1,400	850	500	100	-
Leveraging Australia's Global Expat Platform - Advance	505	1,000	750	500	-
Industry Innovation Precincts	13,600	15,856	-	-	-
Opening up opportunities through Australian Industry Participation <sup>3</sup>	16,579	7,814	-	-	-
<b>Total Annual Administered Expenses</b>	<b>63,731</b>	<b>109,064</b>	<b>96,121</b>	<b>102,462</b>	<b>112,520</b>
<b>Special Account Expenses:</b>					
Services for Other Entities and Trust Moneys - s20 FMA Act Det 2011/09 Special Account	26	-	-	-	-
<b>Total Special Account Expenses:</b>	<b>26</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Sub-programme expenses 3.2</b>	<b>63,757</b>	<b>109,064</b>	<b>96,121</b>	<b>102,462</b>	<b>112,520</b>
<b>Sub-programme 3.3: Economic transition</b>					
<b>Annual Administered Expenses:</b>					
Australian Government Innovation and Investment Fund (Tasmania)	-	5,000	4,000	2,000	-
Automotive Diversification Programme <sup>4</sup>	-	8,319	5,795	2,562	1,339
Manufacturing Transition Grants Programme	-	2,600	34,300	13,100	-
Next Generation Manufacturing Investment <sup>4</sup> Programme	-	-	10,000	15,000	7,684
Regional Infrastructure Programme <sup>4</sup>	-	4,280	10,000	9,000	4,108
<b>Closed/closing programmes</b>					
Australia Paper's Maryvale Pulp and Paper Mill - assistance	2,880	2,400	-	-	-
Automotive New Markets Initiative	6,943	5,815	400	-	-
Automotive Transformation Scheme	54,238	34,072	28,584	20,142	6,517
Diamond Energy Assistance	300	300	-	-	-
Energy Brix Australia Corporation - assistance	37,787	61,614	-	-	-
Illawarra and Region Innovation and Investment Fund	837	-	-	-	-

<b>Programme Expenses 3: Encouraging Investment (continued)</b>					
	2013-14 Revised Budget \$'000	2014-15 Budget \$'000	2015-16 Forw ard year 1 \$'000	2016-17 Forw ard year 2 \$'000	2017-18 Forw ard year 3 \$'000
<b>Closed/closing programmes</b>					
Tasmanian Economic Diversification Projects	600	-	-	-	-
Tasmanian Innovation and Investment Fund	914	-	-	-	-
Textile Clothing and Footw ear - Strategic Capability Programme	7,752	4,100	-	-	-
Textile Clothing and Footw ear - Structural Adjustment Programme	2,476	990	-	-	-
Toyota Major Facelift Vehicle and Supplier Grant	5,750	15,500	5,125	1,000	1,250
Victorian Innovation Investment Fund - Ford Assistance	10,000	10,000	10,000	-	-
<b>Total Annual Administered Expenses</b>	<b>130,477</b>	<b>154,990</b>	<b>108,204</b>	<b>62,804</b>	<b>20,898</b>
<b>Special Appropriations:</b>					
<b>Closed/closing programmes</b>					
<i>Automotive Transformation Scheme Act 2009</i>	294,716	234,771	125,000	150,000	75,000
<i>Textile, Clothing and Footwear Investment and Innovation Programs Act 1999</i>	26,223	25,000	-	-	-
<b>Total Special Appropriations</b>	<b>320,939</b>	<b>259,771</b>	<b>125,000</b>	<b>150,000</b>	<b>75,000</b>
<b>Special Account Expenses:</b>					
Services for Other Entities and Trust Moneys - s20 FMA Act Det 2011/09 Special Account	17,038	11,300	9,300	-	-
<b>Total Special Account Expenses:</b>	<b>17,038</b>	<b>11,300</b>	<b>9,300</b>	<b>-</b>	<b>-</b>
<b>Total Sub-programme expenses 3.3</b>	<b>468,454</b>	<b>426,061</b>	<b>242,504</b>	<b>212,804</b>	<b>95,898</b>
<b>Sub-programme 3.4: Resources</b>					
<b>Annual Administered Expenses:</b>					
Maralinga Maintenance	239	239	239	239	239
Petroleum Royalties Administration	40	40	40	-	-
Radioactive Waste Management Rum Jungle Mine Site - Environmental Rehabilitation	7,500	7,850	9,250	21,750	-
	400	300	158	-	-
<b>Total Annual Administered Expenses</b>	<b>8,179</b>	<b>8,429</b>	<b>9,687</b>	<b>21,989</b>	<b>239</b>
<b>Special Appropriations:</b>					
<i>Offshore Minerals Act 1994</i>	60	60	60	-	-
<b>Total Special Appropriations</b>	<b>60</b>	<b>60</b>	<b>60</b>	<b>-</b>	<b>-</b>

<b>Programme Expenses 3: Encouraging Investment (continued)</b>					
	2013-14 Revised Budget \$'000	2014-15 Budget \$'000	2015-16 Forw ard year 1 \$'000	2016-17 Forw ard year 2 \$'000	2017-18 Forw ard year 3 \$'000
<b>Special Account Expenses:</b>					
Clean Energy Initiative Special Account: <sup>5</sup>					
Carbon Capture and Storage Flagships <sup>6</sup>	32,139	52,796	63,300	23,500	10,000
National Offshore Petroleum Titles Administrator <sup>7</sup>	9,406	9,985	10,206	10,206	10,206
<b>Closed/closing programmes</b>					
Clean Energy Initiative Special Account: <sup>5</sup>					
Low Emission Technology Demonstration Fund	20,000	-	40,000	-	-
National Low Emissions Coal Initiative	44,084	35,031	16,921	602	-
<b>Total Special Account Expenses:</b>	<b>105,629</b>	<b>97,812</b>	<b>130,427</b>	<b>34,308</b>	<b>20,206</b>
<b>Expenses not requiring appropriation in the Budget year</b>					
Syntroleum Depreciation	1,000	1,000	1,000	-	-
<b>Total Expenses not requiring appropriation in the Budget year</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>-</b>	<b>-</b>
<b>Total Sub-programme expenses 3.4</b>	<b>114,868</b>	<b>107,301</b>	<b>141,174</b>	<b>56,297</b>	<b>20,445</b>
<b>Sub-programme 3.5: Energy</b>					
<b>Annual Administered Expenses:</b>					
Australian Renewable Energy Agency <sup>6,8</sup>	-	331,167	112,973	68,738	108,076
Energy Efficiency Programmes	800	800	620	620	620
GEMS National Legislative Framework	5,486	5,852	5,546	5,832	5,832
<b>Closed/closing programmes</b>					
Clean Energy Future Carbon Price Deductible Gift Recipient Fund	1,000	100	-	-	-
Energy Efficiency Information Grants	11,000	9,839	-	-	-
Low Carbon Communities	81,117	47,988	23,780	-	-
Coal Mining Technology Abatement Support Package	6,000	5,319	11,369	13,000	-
Coal Sector Jobs Package	229,900	-	-	-	-
Ethanol Production Grants	115,000	122,100	-	-	-
<b>Total Annual Administered Expenses</b>	<b>450,303</b>	<b>523,165</b>	<b>154,288</b>	<b>88,190</b>	<b>114,528</b>
<b>Special Appropriations:</b>					
<b>Closed/closing programmes</b>					
<i>Australian Renewable Energy Agency Act 2011 - Payments to ARENA<sup>8</sup></i>	404,483	-	-	-	-
<b>Total Special Appropriations</b>	<b>404,483</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Special Account Expenses:</b>					
Energy Special Account	1,100	1,100	-	-	-
<b>Total Special Account Expenses:</b>	<b>1,100</b>	<b>1,100</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Sub-programme expenses 3.5</b>	<b>855,886</b>	<b>524,265</b>	<b>154,288</b>	<b>88,190</b>	<b>114,528</b>
<b>Total programme 3 expenses</b>	<b>1,650,820</b>	<b>1,248,752</b>	<b>680,549</b>	<b>478,166</b>	<b>347,886</b>



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<sup>1</sup>Clean Technology Investment Programmes includes the Clean Technology Investment - Food and Foundries Programme and the Clean Technology Investment - General Programme.

<sup>2</sup>Department of Industry component only.

<sup>3</sup>This programme includes Buy Australian at Home and Abroad, the Australian Industry Participation Authority and the Clean Technology Focus for Supply Chains.

<sup>4</sup>This is a component of the Growth Fund.

<sup>5</sup>Expenses from this special account are funded by administered appropriations.

<sup>6</sup>Funding for this programme finishes beyond the forward estimates.

<sup>7</sup>Expenses from this special account are funded by industry.

<sup>8</sup>Refer to Budget Paper No. 2.

**Programme 3 Components**

**Sub-programme 3.1: Competitive marketplace**

- Australian Business Number and Business Names Registration System
- Certain Inputs to Manufacture<sup>(1)</sup>
- Enhanced Project By-law Scheme<sup>(1)</sup>
- Oilcode – dispute resolution services - extension
- Space concession<sup>(1)</sup>
- Support for Industry Service Organisations
- Textile Clothing and Footwear – Register of Approved Occupational Clothing<sup>(1)</sup>
- Tradex<sup>(1)</sup>

Closed/closing programmes

- Bindaree Beef – assistance
- Clean Technology Investment – General Programme
- Clean Technology Investment – Food and Foundries Programme

**Sub-programme 3.2: Business and market development**

- Australian Small Business Commissioner
- Entrepreneurs' Infrastructure Programme
- Small Business Advisory Services
- Small Business Support Line

Closed/closing programmes

- Enterprise Connect
- Expediting Clinical Trial Reform in Australia
- Industry Innovation Precincts
- Leveraging Australia's Global Expat Platform – Advance
- Opening up opportunities through Australian Industry Participation

**Sub-programme 3.3: Economic transition**

- Australian Government Innovation and Investment Fund (Tasmania)
- Automotive Diversification Programme
- Manufacturing Transition Grants Programme
- Next Generation Manufacturing Investment Programme

- Regional Infrastructure Programme

Closed/closing programmes

- Australian Paper's Maryvale Pulp and Paper Mill – assistance
- Automotive New Markets Initiative
- Automotive Transformation Scheme
- Diamond Energy assistance
- Energy Brix Australia Corporation – assistance
- Textile Clothing and Footwear – Structural Adjustment Programme
- Textile Clothing and Footwear – Small Business Programme
- Textile Clothing and Footwear – Strategic Capability Programme
- Toyota Major Facelift Vehicle Grant
- Toyota Supplier Development Programme Grant
- Victorian Innovation and Investment Fund – Ford Assistance

**Sub-programme 3.4: Resources**

- Carbon Capture and Storage Flagships
- Crude oil exercise condensate compensation (SPP)
- Maralinga Maintenance
- National Offshore Petroleum Titles Administrator
- Northern Territory (NT) Royalty (Ranger Project Area) Administration (including SPP)
- *Offshore Minerals Act 1994*
- Petroleum Royalties Administration
- Radioactive Waste Management
- Royalty Payments WA - *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (SPP)
- Rum Jungle Mine Site – Environmental Rehabilitation (SPP)
- Syntroleum Depreciation

Closed/closing programmes

- Low Emissions Technology Demonstration Fund
- National Low Emission Coal Initiative

**Sub-programme 3.5: Energy**

- Australian Renewable Energy Agency

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- Energy Efficiency Programmes
- Greenhouse and Energy Minimum Standards National Legislative Framework
- National Solar Schools Plan (SPP)

Closed/closing programmes

- Charities Maritime and Aviation Support Programme (Carbon Price Deductible Gift Recipient Fund)
- Coal Mining Technology Abatement Support Package
- Energy Efficiency Information Grants
- Energy Special Account
- Ethanol Production Grants
- Low Carbon Communities

(1) Revenue forgone

**Programme 3 Performance**

Performance measures for Programme 3 (some measured over time):

- Growth in new private sector capital expenditure
- Growth in expected investment, particularly in resources and energy
- Growth in foreign direct investment as a percentage of GDP
- Change in the Fraser Institute investment attractiveness index (states and territories)
- Change in the ranking position in the International Trade Centre Trade Performance index
- Change in exports and imports as a percentage of GDP.

Performance measures and targets that are set out for assessing and reporting on the output, effectiveness and efficiency of Programme 3:

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Sub-programme 3.1: Competitive marketplace						
<ul style="list-style-type: none"> <li>Improved market competitiveness.</li> </ul>						
Contributing Component	Performance Measure	2013-14 Revised Estimate	2014-15 Budget Estimate	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Certain Inputs to Manufacture; Enhanced Project By-law Scheme; Space Concession; Tradex	Number of new duty and/or tax registrations	667	654	637	622	612
	Total value of duty and/or tax concessions to eligible firms (\$'000)	321,600	294,000	250,500	217,000	207,000
Textile Clothing and Footwear—Register of Approved Occupational Clothing	Proportion of registrations within 30 days of complete information being provided (%)	90	90	90	90	90
Support for Industry Service Organisations	Memberships of key international standardisation and conformity assessment bodies maintained					
Sub-programme 3.2: Business and market development						
<ul style="list-style-type: none"> <li>Improved business management capability</li> <li>Development of new markets.</li> </ul>						
Contributing Component	Performance Measure	2013-14 Revised Estimate	2014-15 Budget Estimate	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Entrepreneurs' Infrastructure Programme	Number of SMEs supported to strengthen their business management and commercialisation skills	-	To be developed following finalisation of programme design and consultation with stakeholders			
Small Business Advisory Services	Number of services provided to small businesses through the Small Business Advisory Services	41,000	43,500	40,000	40,000	40,000
Small Business Support Line	Number of clients accessing the Small Business Support Line	25,300	26,000	26,700	27,500	-
Expediting Clinical Trial Reform in Australia	Establishment of an interactive clinical trials web portal and a framework for education and training of governance for clinical trials					-
Leveraging Australia's Global Expat Platform – Advance	Project milestones are achieved and appropriate reports are submitted					-

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Sub-programme 3.3: Economic transition						
<ul style="list-style-type: none"> <li>Increased capital and innovation investment</li> <li>Increased job opportunities.</li> </ul>						
Contributing Component	Performance Measure	2013-14 Revised Estimate	2014-15 Budget Estimate	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Australian Government Innovation and Investment Fund (Tasmania)	Induced private sector investment in new or expanded business activity	-	To be developed following finalisation of programme design and consultation with stakeholders			-
Automotive Diversification Programme	Induced private sector investment in new or expanded activity by the Australian automotive supply chain	-	To be developed following finalisation of programme design and consultation with stakeholders			
Automotive Transformation Scheme	Total value of plant and equipment and innovation investment by Australian automotive industry induced by the Automotive Transformation Scheme(\$'000)	731,425	819,837	895,026	814,772	556,536
Manufacturing Transition Grants Programme	Induced private sector investment in new or expanded business activity	-	To be developed following finalisation of programme design			
Next Generation Manufacturing Investment Programme	Induced private sector investment in new or expanded business activity	-	To be developed following finalisation of programme design and consultation with stakeholders			
Regional Infrastructure Programme	Induced private sector investment in infrastructure to enhance economic activity in the region	-	To be developed following finalisation of programme design and consultation with stakeholders			
Toyota Major Facelift Vehicle Grant; Toyota Supplier Development Programme Grant	Total amount of investment by Toyota induced by the grants (\$'000)	9,608	50,700	15,100	2,000	2,053
Victorian Innovation and Investment Fund—Ford assistance	Number of jobs created from projects	0	35	655	-	-
	Amount of private sector investment induced by the Victorian Innovation and Investment Fund - Ford assistance (\$'000)	2,000	70,000	160,194	-	-

Sub-programme 3.4: Resources						
<ul style="list-style-type: none"> <li>Sustainable development of the resources sector</li> <li>Uptake of innovative technologies.</li> </ul>						
Contributing Component	Performance Measure	2013-14 Revised Estimate	2014-15 Budget Estimate	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
<i>Offshore Minerals Act 1994</i>	Percentage of offshore minerals titles administered within the regulatory requirements (%)	100	100	100	100	100
Petroleum Royalties Administration	Timely and accurate delivery of audit and monthly administration and verification of royalties					
NT Uranium Royalty (Ranger Project Area) Administration (including SPP)	Efficient and effective biannual collection, payment and reconciliation of uranium royalties					
Royalty Payments WA - <i>Offshore Petroleum and Greenhouse Gas Storage Act 2006</i> (SPP)	Timely and accurate calculation, verification and advice to the Commonwealth Treasury of the amount payable to Western Australia					
Maralinga Maintenance	Effective management of the Maralinga section 400: (1) The Maralinga board is satisfied with the maintenance of the Maralinga area; (2) Maintenance activities are completed on time and to plan					
Radioactive Waste Management	Effective delivery of activities supporting the government's radioactive waste management strategy					
Rum Jungle Mine Site - Environmental Rehab (SPP)	Effective delivery of scheduled activities for the Rum Jungle Mine Site Rehabilitation Project				-	-
Syntroleum Depreciation	The syntroleum depreciation schedule is administered in accordance with Government agreement and no material errors are made					
Low Emissions Technology Demonstration Fund	Number of companies investing in innovation supported through the Low Emissions Technology Demonstration Fund	2	2	2	2	2
National Low Emissions Coal Initiative	Number of projects supported for the development and deployment of low emission coal technologies	12	8	2	1	-

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Sub-programme 3.5: Energy						
<ul style="list-style-type: none"> <li>• Safe and sustainable operations of energy markets</li> <li>• Improved energy efficiency</li> <li>• Support for private sector investment.</li> </ul>						
Contributing Component	Performance Measure	2013-14 Revised Estimate	2014-15 Budget Estimate	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Australian Renewable Energy Agency	Number of projects supported to improve uptake of renewable energy	202	145	87	35	10
Ethanol Production Grants	Number of eligible companies paid fuel excise reimbursements in accordance with funding agreement terms	3	3	-	-	-
Greenhouse and Energy Minimum Standards National Legislative Framework	Number of regulatory services to improve energy efficiency and labelling standards for appliances and other products:	3	8	-	-	-
	(1) Number of new Product Profiles published;					
	(2) Number of new Consultation Regulatory Impact Statements published;	4	8	-	-	-
	(3) Number of new products registered under the <i>Greenhouse and Energy Minimum Standards (GEMS) Act 2012</i>	4,200	4,500	-	-	-
	Effective implementation of the Equipment Energy Efficiency Programme under the <i>GEMS Act 2012</i>			-	-	-
Coal Mining Abatement Technology Support Package	Number of co-funded projects developing and demonstrating technologies funded under the Coal Mining Abatement Technology Support Package	5	5	5	5	5
Community Energy Efficiency Programme	Improved energy management practices within councils, organisations and the broader community through the Community Energy Efficiency Programme				-	-
Low Income Energy Efficiency Programme	Improved data and information to inform future policies and programmes to make low-income households around Australia become more energy efficient				-	-
Charities Maritime and Aviation Support Programme (Carbon Price Deductible Gift Recipient Fund)	Offset of the effect of carbon price increase on charities that use maritime and aviation fuels			-	-	-
Energy Efficiency Information Grants	Improved access to quality energy efficiency information for SMEs and community organisations: (1) Prepare milestone and end of project reports as outlined within individual funding agreements; (2) Programme-level surveys of participating SMEs and community organisations conducted			-	-	-



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Energy Efficiency Programmes	Number of Tenancy Lighting Assessments issued	1,000	1,000	1,000	1,000	1,000
	Number of audits of Tenancy Lighting Assessments issued	50	50	50	50	50
	Number of views of the Building Energy Efficiency Register	3,000	3,000	3,000	3,000	3,000
	Number of Building Energy Efficiency Certificates issued	1,000	1,000	1,000	1,000	1,000
	Number of Commercial Building Disclosure accredited assessors	200	200	200	200	200

#### Programme 4: Programme Support

##### Programme Objective

The objectives of Programme 4 are to streamline regulatory settings to reduce the cost of doing business in Australia, and to provide effective and efficient administrative services and support to the department, government, industries and other stakeholders.

The components of Programme 4 are grouped under the following sub-programmes:

- Sub-programme 4.1: Improving regulation – this sub-programme aims to reduce the burden on industry from inefficient regulation, which can lower the cost to businesses, and ensure that the regulatory environment strikes the right balance between efficient markets and community expectations. By working collaboratively with governments and industries the department will achieve this objective through activities including:
  - high quality and timely policy advice to the Minister to support the Australian Government’s de-regulation agenda
  - effective and efficient implementation of programmes to support the Australian Government’s deregulation agenda
  - implementation of regulatory reform across the portfolio.
- Sub-programme 4.2: Building a high performance organisation – this sub-programme aims to provide effective and efficient operational and administrative support and specific services to the department, governments, industries and other stakeholders. This includes:
  - providing policy advice on a broad range of issues impacting industry and opportunities for growth
  - supporting the delivery of programmes designed to have a positive impact on industry
  - effective and efficient corporate, financial and ICT services to the department.

<b>Programme Expenses 4: Programme Support</b>					
	2013-14 Revised budget \$'000	2014-15 Budget \$'000	2015-16 Forw ard year 1 \$'000	2016-17 Forw ard year 2 \$'000	2017-18 Forw ard year 3 \$'000
Annual departmental expenses:					
Ordinary Annual Services (Appropriation Bill No. 1 & 3)	592,493	501,128	463,465	445,161	441,129
Revenues from independent sources (s31)	65,043	53,827	53,207	52,901	52,789
Special Accounts	21,320	18,856	15,782	9,068	8,727
Expenses not requiring appropriation in the Budget year <sup>1</sup>	45,968	39,308	42,546	43,348	43,458
<b>Total programme expenses</b>	<b>724,824</b>	<b>613,119</b>	<b>575,000</b>	<b>550,478</b>	<b>546,103</b>

<sup>1</sup>Expenses not requiring appropriation in the Budget year is made up of Depreciation Expense, Amortisation Expense, Makegood Expense and Audit Fees.

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<b>Programme 4 Performance</b>						
Performance measures for Programme 4:						
<ul style="list-style-type: none"> <li>Quality of regulation (via OECD reviews)</li> <li>Business and government satisfaction with delivery of regulation reform.</li> </ul>						
Performance measures and targets that are set out for assessing and reporting on the output, effectiveness and efficiency of Programme 4:						
Sub-programme 4.1: Improving regulation						
<ul style="list-style-type: none"> <li>Reducing the cost of doing business in Australia.</li> </ul>						
Contributing Component	Performance Measure	2013-14 Revised Estimate	2014-15 Budget Estimate	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Regulatory policy advice	Provision of high-quality, timely and strategic industry policy advice to support the Government's deregulation agenda					
Regulatory programme delivery	Effective and efficient delivery of programmes that support the Government's deregulation agenda					
Portfolio Regulatory Reform	Successful implementation of Portfolio Regulatory Reform					
Sub-programme 4.2: Building a high performance organisation						
<ul style="list-style-type: none"> <li>Effective and efficient provision of general operational and administrative support</li> <li>Effective and efficient provision of specific services.</li> </ul>						
Contributing Component	Performance Measure	2013-14 Revised Estimate	2014-15 Budget Estimate	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
General policy advice on matters impacting on industry	Provision of high-quality, timely and strategic industry policy advice to the Minister					
General programme delivery designed to have a positive impact on industry	Effective and efficient delivery of programmes that support government industry policy					
Corporate, financial and ICT services	Effective and efficient provision of corporate, financial and ICT services					

## **Evaluations for Outcome 1**

**The following evaluations are planned for 2014-15**

### ***Skills for Education and Employment Programme***

The Skills for Education and Employment Programme provides eligible job seekers with up to 800 hours of language, literacy and numeracy training to enable them to undertake further training and/or participate more effectively in the labour force.

The evaluation of the Skills for Education and Employment Programme will be undertaken over June – October 2014. The evaluation is being conducted in accordance with the Department of Finance expenditure review principles.

### ***Adult Migrant English Program***

The Adult Migrant English Programme is a legislated programme under the *Immigration (Education) Act 1971*, which provides up to 510 hours of free English language tuition to new migrants and humanitarian entrants to help them learn foundation English language and settlement skills to enable them to confidently participate in Australian society.

The evaluation of the Adult Migrant English Programme will be undertaken over June – October 2014. The evaluation is being conducted in accordance with the Department of Finance expenditure review principles.

### ***Australian Industry Participation policies and programmes***

Australian Industry Participation (AIP) policies and programmes encourage full, fair and reasonable opportunity for Australian industry to compete for work in major public and private sector projects. AIP programmes also support the matching of capable and competitive Australian companies with supply opportunities in major projects. The evaluation will analyse the costs, benefits, appropriateness and effectiveness of existing policies and programmes and will be completed in 2014.

**The following evaluations were completed in 2013-14**

### ***Inspiring Australia Strategy***

Inspiring Australia is a national strategy which provides coherent action in public science engagement.

The departmental review of the Inspiring Australia strategy commenced in March 2013 and was finalised in March 2014. The review assessed the performance of the Inspiring Australia strategy against the Department of Finance expenditure review principles, highlighting the value, impact, reach and influence of Inspiring Australia to date. The review considered future opportunities in providing ongoing funding support for science engagement. The 2014-15 Budget measure Science for Australia's Future provides \$28 million over four years for science engagement.

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### ***Commercialisation Australia***

The purpose of Commercialisation Australia is to build the capacity of, and opportunities for, Australia's researchers, entrepreneurs and innovative firms to convert intellectual property into new successful commercial ventures, enhancing Australia's participation and competitiveness in the global economy and generating commercial returns from Australia's significant investment in public and private sector research and development.

The evaluation of Commercialisation Australia commenced in October 2012 and was finalised in November 2013. The evaluation was conducted in accordance with the Department of Finance expenditure review principles. The evaluation noted the benefit of support for facilitation of commercialisation pathways and the value of using advisors with business experience.

### **The following evaluations commenced in 2013-14**

#### ***Business.gov.au***

The Government's business website ([www.business.gov.au](http://www.business.gov.au)) seeks to make it easier for businesses to deal with the three tiers of government in Australia. It provides online access to government information and enables business to transact with government online. The information and services provided via [business.gov.au](http://business.gov.au) help to reduce the compliance burden faced by Australian small businesses and assist in implementing the Government's *e-Government and digital economy policy*. The website also helps Australian businesses to increase their productivity and performance.

The evaluation of the [business.gov.au](http://business.gov.au) initiative has recently commenced and will be finalised by 30 June 2014. It will assess the effectiveness and efficiency of the website and be conducted in accordance with the Department of Finance expenditure review principles.

#### ***Buy Australian at Home and Abroad***

The Buy Australian at Home and Abroad - Resources Sector initiative commenced in 2011. It assists Australian firms to enhance their competitiveness and link with business opportunities on major resources projects. Key elements of the Buy Australian at Home and Abroad - Resources Sector initiative include: Resources Sector Supplier Advocates; increased resources to Enterprise Connect; and an expansion of the Supplier Access to Major Projects.

The evaluation of Buy Australian at Home and Abroad has commenced and will be finalised by 30 June 2014.

***Cooperative Research Centres Program***

The Cooperative Research Centres (CRC) Programme aims to deliver significant economic, environmental and social benefits to Australia by supporting industry led research partnerships between publicly funded researchers, business and the community to address major challenges that require medium to long term collaborative efforts. The programme supports research collaborations across all disciplines and industry sectors, with a focus on developing real world solutions improving the competitiveness, productivity and sustainability of Australian industries. A review of the CRC Programme is expected to commence by 30 June 2014 and be finalised by 30 March 2015. It will be conducted in accordance with the Department of Finance expenditure review principles.

***Australia-China Science and Research Fund***

The Australia-China Science and Research Fund (ACSRF) builds enduring Australia-China science and research relationships in areas of strategic priority. Initially funded for three years from 2011-12 to 2013-14, with AUD\$9 million committed and matched by the Government of the People's Republic of China, Australian Government support to the ACSRf has been extended to 30 June 2018.

The review is guided by the Department of Finance expenditure review principles. The initial review of the ACSRf commenced in December 2013. Preliminary findings are expected in June 2014, and will be discussed during the Australia-China Joint Science and Technology Commission meeting scheduled for August 2014.

## **Section 3: Explanatory Tables and Budgeted Financial Statements**

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the 2014-15 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and programme expenses, movements in administered funds, special accounts and government Indigenous expenditure.



### 3.1 EXPLANATORY TABLES

#### 3.1.1 Movement of Administered Funds Between Years

Administered funds can be provided for a specified period, for example under annual Appropriation Acts. Funds not used in the specified period with the agreement of the Finance Minister may be moved to a future year. Table 3.1.1 shows the movement of administered funds approved between years.

**Table 3.1.1: Movement of Administered Funds Between Years<sup>1</sup>**

	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>Annual Administered Appropriations</b>					
<b>Outcome 1:</b>					
<b>Programme 3</b>					
Low Carbon Communities	(1,862)	1,862	-	-	-
<b>Total (Programme 3.5)</b>	<b>(1,862)</b>	<b>1,862</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Special Accounts Expenditure</b>					
<b>Outcome 1:</b>					
<b>Programme 3</b>					
Carbon Capture and Storage Flagships	(22,161)	15,861	25,300	22,500	(41,500)
National Low Emissions Coal Initiative	5,270	18,839	(2,079)	602	-
Low Emission Technology Demonstration Fund	-	(40,000)	40,000	-	-
<b>Total (Programme 3.4)</b>	<b>(16,891)</b>	<b>(5,300)</b>	<b>63,221</b>	<b>23,102</b>	<b>(41,500)</b>
<b>Special Appropriation</b>					
<b>Outcome 1:</b>					
<b>Programme 3</b>					
<i>Australian Renewable Energy     Agency</i>					
<i>Act 2011 - Payments to ARENA</i>	(1,793)	1,827	22,982	11,788	(34,804)
<b>Total (Programme 3.5)</b>	<b>(1,793)</b>	<b>1,827</b>	<b>22,982</b>	<b>11,788</b>	<b>(34,804)</b>
<b>Total Movement of Administered Funds</b>	<b>(20,546)</b>	<b>(1,611)</b>	<b>86,203</b>	<b>34,890</b>	<b>(76,304)</b>

<sup>1</sup>Figures displayed as a negative (-) represent a decrease in funds and a positive reflect an increase in funds.

### **3.1.2 Special Accounts**

Special Accounts provide a means to set aside and record amounts used for specified purposes. Special Accounts can be created by a Finance Minister's Determination under the FMA Act or under separate enabling legislation. Table 3.1.2 shows the expected additions (receipts) and reductions (payments) for each account used by the Department of Industry.

**Table 3.1.2: Estimates of Special Account Flows and Balances**

	Opening balance <b>2014-15</b>	Receipts <b>2014-15</b>	Payments <b>2014-15</b>	Adjustments <b>2014-15</b>	Closing balance <b>2014-15</b>
	2013-14	2013-14	2013-14	2013-14	2013-14
Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
1					
Australian New Zealand Land Information Special Account - s20 FMA Act Det 2001/11 (A)	- 139	- -	- -	- (139)	- -
Clean Energy Initiative Special Account - s20 FMA Act Det 2009/21 (A)	<b>83,284</b> 169,415	<b>50,359</b> 33,000	<b>87,827</b> 96,223	- (22,908)	<b>45,816</b> 83,284
EIF Education Portfolio Special Account - s21 FMA Act (s181 Nation- building Funds Act 2008) (A) <sup>1</sup>	- -	- 44,150	- 44,150	- -	- -
National Offshore Petroleum Titles Administrator Special Account - s21 FMA Act (s695H Offshore Petroleum and Greenhouse Gas Storage Act 2006)(A)	<b>11,735</b> 11,735	<b>9,985</b> 9,406	<b>9,985</b> 9,406	- -	<b>11,735</b> 11,735
Overseas Students Tuition Fund - s21 FMA Act - Education Services for Overseas Students Legislation Amendment (Tuition Protection Service and Other Measures) Bill 2011 (A) <sup>2</sup>	- 14,561	- -	- -	- (14,561)	- -
Ranger Rehabilitation Special Account - s20 FMA Act Det 2006/70 (A)	<b>66,526</b> 63,925	<b>2,601</b> 2,601	- -	- -	<b>69,127</b> 66,526
Services for Other Entities and Trust Moneys - Department of Industry Special Account - s20 FMA Act Det 2011/09 (A)	<b>5,435</b> 11,259	<b>9,300</b> 12,919	<b>11,935</b> 17,064	- (1,679)	<b>2,800</b> 5,435
Australian Building Codes Board Special Account -s20 FMA Act Det	<b>8,372</b> 8,871	<b>5,050</b> 10,071	<b>9,315</b> 10,570	- -	<b>4,107</b> 8,372
Climate Change Special Account - s20 FMA Act Det 2012/16 (D)	<b>3,995</b> 5,851	<b>5,577</b> 4,600	<b>8,858</b> 6,456	- -	<b>714</b> 3,995
Energy Special Account - s20 FMA Act Det 2005/08 (D)	<b>11,170</b> 11,170	- 2,976	- 2,976	- -	<b>11,170</b> 11,170
Science and Technology Donations/Sponsorship Special Account - s20 FMA Act Det 2006/40 (D)	<b>640</b> 1,140	<b>835</b> 449	<b>683</b> 949	- -	<b>792</b> 640
Services for Other Entities and Trust Moneys - Department of Industr - s20 FMA Act Det 2011/09 (D)	- 1,687	- 109	- 369	- (1,427)	- -
<b>Total Special Accounts 2014-15 Budget estimate</b>	<b>191,157</b>	<b>83,707</b>	<b>128,603</b>	-	<b>146,261</b>
<i>Total Special Accounts 2013-14 estimated actual</i>	<i>299,753</i>	<i>120,281</i>	<i>188,163</i>	<i>(40,714)</i>	<i>191,157</i>

(A) = Administered

(D) = Departmental

<sup>1</sup>These special accounts have transferred from the Department of Industry as a result of machinery of government changes.

### 3.1.3 Australian Government Indigenous Expenditure

**Table 3.1.3: Australian Government Indigenous Expenditure (AGIE)**

Outcome	Appropriations				Other \$'000	Total Programme	
	Bill No. 1 \$'000	Bill No. 2 \$'000	Special approp \$'000	Total approp \$'000		\$'000	
<b>Department of Industry</b>							
<b>Outcome 1</b>							
Departmental 2014-15	320	-	-	320	-	320	4
<i>Departmental 2013-14</i>	<i>423</i>	-	-	<i>423</i>	-	<i>423</i>	<i>4</i>
Administered 2014-15	76	-	-	76	-	76	1
<i>Administered 2013-14</i>	<i>1,815</i>	-	-	<i>1,815</i>	-	<i>1,815</i>	<i>1</i>
Total outcome 2014-15	<b>396</b>	-	-	<b>396</b>	-	<b>396</b>	
<i>Total outcome 2013-14</i>	<i>2,238</i>	-	-	<i>2,238</i>	-	<i>2,238</i>	
Total administered 2014-15	<b>76</b>	-	-	<b>76</b>	-	<b>76</b>	
<i>Total administered 2013-14</i>	<i>1,815</i>	-	-	<i>1,815</i>	-	<i>1,815</i>	
Total departmental 2014-15	<b>320</b>	-	-	<b>320</b>	-	<b>320</b>	
<i>Total departmental 2013-14</i>	<i>423</i>	-	-	<i>423</i>	-	<i>423</i>	
<b>Total AGIE 2014-15</b>	<b>396</b>	-	-	<b>396</b>	-	<b>396</b>	
<i>Total AGIE 2013-14</i>	<i>2,238</i>	-	-	<i>2,238</i>	-	<i>2,238</i>	

## **3.2 BUDGETED FINANCIAL STATEMENTS**

### **3.2.1 Differences in Agency Resourcing and Financial Statements**

There are no material variances between the agency resources table and the financial statements.

### **3.2.2 Analysis of Budgeted Financial Statements**

#### **Departmental Financial Statements**

##### **Budgeted Departmental Income Statement**

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

The budgeted net cost of services to the department for delivering its programmes in 2014-15 is \$549.6 million.

The department is expecting an operating loss in 2014-15 and in the forward estimate years due to the removal of depreciation funding as part of the Operation Sunlight net cash appropriations framework.

##### **Expenses**

Total departmental expenses budgeted for in 2014-15 are \$613.1 million, comprising \$387.6 million for employee expenses, \$176.5 million for suppliers, \$46.8 million for depreciation and amortisation, \$1.3 million for grants and \$0.9 million for other expenses.

##### **Income**

Total departmental own-source income budgeted for in 2014-15 is \$63.5 million, comprising \$53.8 million from sale of goods and rendering of services, \$9.0 million from other independent sources and \$0.7 million in resources received free of charge.

Revenue from Government for 2014-15 is budgeted at \$501.1 million.

##### **Budgeted Departmental Balance Sheet**

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

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### **Assets and Liabilities**

Total departmental assets budgeted for 2014-15 are \$497.1 million, comprising \$288.6 million in non-financial assets and \$208.5 million in financial assets. Non-financial assets includes \$133.3 million for land and buildings, \$89.8 million for infrastructure, plant and equipment, \$59.3 million for intangibles, \$2.0 million for Inventories and \$4.3 million in other assets. Financial assets consist of \$197.2 million for receivables, \$10.0 million for cash, and \$1.3 million in other assets.

Total departmental liabilities budgeted for in 2014-15 are \$258.2 million, comprising \$99.9 million in provisions and \$158.3 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 programmes administered by the department on behalf of the Government.

Appropriations can only be made to *Financial Management and Accountability Act 1997* (FMA Act) agencies. While *Commonwealth Authorities and Companies Act 1997* (CAC Act) agencies may receive funds from appropriations, this is made as a payment from government rather than CAC Act bodies being appropriated directly. As a result these funds are reported in the portfolio department's income statement as an administered expense.

### **Income**

Total administered income budgeted for in 2014-15 is \$1.8 billion, represented by \$1.6 billion in royalties, \$32.9 million in dividends and interest, \$4.7 million for the sale of goods and services and \$95.4 million in other revenue.

### **Expenses**

Total administered expenses budgeted for in 2014-15 is \$3.9 billion, largely represented by \$1.2 billion in grants, \$943.2 million in payments to CAC Act bodies, \$838.8 million in subsidies, \$704.2 million in suppliers, \$150.8 million in personal benefits and \$6.1 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 and Liabilities**

Total administered assets budgeted for in 2014-15 are \$4.5 billion, represented by \$4.0 billion in investments, \$276.0 million in receivables, \$199.0 million in other financial assets and \$2.6 million in intangible assets. Total administered liabilities budgeted for in 2014-15 are \$244.0 million, represented by \$242.5 million in payables and \$1.5 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.

Appropriations can only be made to *Financial Management and Accountability Act 1997* (FMA Act) agencies. While *Commonwealth Authorities and Companies Act 1997* (CAC Act) agencies may receive funds from appropriations, this is made as a payment from government rather than CAC Act bodies being appropriated directly. As a result these funds are reported in the portfolio department's Administered cash flow statement. The amounts also include payments of the portfolio agencies' Bill 2 appropriation equity injection.

### 3.2.3 Budgeted Financial Statements Tables

**Table 3.2.1 Comprehensive Income Statement (Showing Net Cost of Services) for the period ended 30 June**

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>EXPENSES</b>					
Employee benefits	452,958	387,595	352,517	345,638	337,938
Suppliers	219,707	176,510	174,050	155,285	158,780
Grants	1,365	1,335	1,335	1,335	1,335
Depreciation and amortisation	49,907	46,792	46,211	47,333	47,163
Other expenses	887	887	887	887	887
<b>Total expenses</b>	<b>724,824</b>	<b>613,119</b>	<b>575,000</b>	<b>550,478</b>	<b>546,103</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Sale of goods and rendering of services	65,043	53,827	53,207	52,901	52,789
Other	15,471	8,962	11,437	4,403	4,312
<b>Total own-source revenue</b>	<b>80,514</b>	<b>62,789</b>	<b>64,644</b>	<b>57,304</b>	<b>57,101</b>
<b>Gains</b>					
Other	710	710	710	710	710
<b>Total gains</b>	<b>710</b>	<b>710</b>	<b>710</b>	<b>710</b>	<b>710</b>
<b>Total own-source income</b>	<b>81,224</b>	<b>63,499</b>	<b>65,354</b>	<b>58,014</b>	<b>57,811</b>
<b>Net cost of (contribution by) services</b>	<b>643,600</b>	<b>549,620</b>	<b>509,646</b>	<b>492,464</b>	<b>488,292</b>
Revenue from Government	592,493	501,128	463,465	445,161	441,129
<b>Surplus (Deficit) attributable to the Australian Government</b>	<b>(51,107)</b>	<b>(48,492)</b>	<b>(46,181)</b>	<b>(47,303)</b>	<b>(47,163)</b>
<b>Total comprehensive income (loss)</b>	<b>(51,107)</b>	<b>(48,492)</b>	<b>(46,181)</b>	<b>(47,303)</b>	<b>(47,163)</b>
<b>Total comprehensive income (loss) attributable to the Australian Government</b>	<b>(51,107)</b>	<b>(48,492)</b>	<b>(46,181)</b>	<b>(47,303)</b>	<b>(47,163)</b>
<b>Total Comprehensive Income (loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations.</b>	<b>(1,200)</b>	<b>(1,700)</b>	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations <sup>1</sup>	(49,907)	(46,792)	(46,181)	(47,303)	(47,163)
<b>Total Comprehensive Income (loss) - as per the Statement of Comprehensive Income</b>	<b>(51,107)</b>	<b>(48,492)</b>	<b>(46,181)</b>	<b>(47,303)</b>	<b>(47,163)</b>

Prepared on Australian Accounting Standards basis.

<sup>1</sup>The variance from the depreciation and amortisation expenses is recovered via section 31 receipts.



**Table 3.2.2: Budgeted Departmental Balance Sheet  
(as at 30 June)**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	9,962	9,962	9,962	9,962	9,962
Trade and other receivables	216,418	197,249	188,313	178,088	176,488
Other	1,274	1,257	1,248	1,037	1,030
<b>Total financial assets</b>	<b>227,654</b>	<b>208,468</b>	<b>199,523</b>	<b>189,087</b>	<b>187,480</b>
<b>Non-financial assets</b>					
Land and buildings	141,745	133,307	125,231	117,906	113,560
Infrastructure, plant and equipment	94,353	89,809	85,918	82,692	77,139
Intangibles	53,683	59,277	62,334	57,520	51,646
Inventories	1,987	1,987	1,987	1,987	1,987
Other	4,283	4,267	4,258	4,068	4,062
<b>Total non-financial assets</b>	<b>296,051</b>	<b>288,647</b>	<b>279,728</b>	<b>264,173</b>	<b>248,394</b>
<b>Total assets</b>	<b>523,705</b>	<b>497,115</b>	<b>479,251</b>	<b>453,260</b>	<b>435,874</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	66,185	68,064	65,478	57,882	57,496
Grants	197	197	197	197	197
Other	90,501	90,070	90,644	90,131	90,131
<b>Total payables</b>	<b>156,883</b>	<b>158,331</b>	<b>156,319</b>	<b>148,210</b>	<b>147,824</b>
<b>Provisions</b>					
Employee provisions	116,405	96,285	90,843	88,326	87,099
Other	3,626	3,626	3,626	3,626	3,626
<b>Total provisions</b>	<b>120,031</b>	<b>99,911</b>	<b>94,469</b>	<b>91,952</b>	<b>90,725</b>
<b>Total liabilities</b>	<b>276,914</b>	<b>258,242</b>	<b>250,788</b>	<b>240,162</b>	<b>238,549</b>
<b>Net assets</b>	<b>246,791</b>	<b>238,873</b>	<b>228,463</b>	<b>213,098</b>	<b>197,325</b>
<b>EQUITY*</b>					
Contributed equity	375,041	415,615	451,386	483,324	514,714
Reserves	9,800	9,800	9,800	9,800	9,800
Accumulated deficit	(138,050)	(186,542)	(232,723)	(280,026)	(327,189)
<b>Total equity</b>	<b>246,791</b>	<b>238,873</b>	<b>228,463</b>	<b>213,098</b>	<b>197,325</b>

\* 'Equity' is the residual interest in assets after deduction of liabilities.  
Prepared on Australian Accounting Standards basis.

**Table 3.2.3: Departmental Statement of Changes in Equity —  
Summary of Movement (Budget Year 2014-15)**

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2014</b>				
Balance carried forward from previous period	(138,050)	9,800	375,041	246,791
<b>Adjusted opening balance</b>	<b>(138,050)</b>	<b>9,800</b>	<b>375,041</b>	<b>246,791</b>
<b>Comprehensive income</b>				
Deficit for the period	(48,492)	-	-	(48,492)
<b>Total comprehensive income</b>	<b>(48,492)</b>	<b>-</b>	<b>-</b>	<b>(48,492)</b>
<b>Transactions with owners</b>				
<i>Contributions by owners</i>				
Equity Injection - Appropriation	-	-	12,736	12,736
Departmental Capital Budget (DCBs)	-	-	27,838	27,838
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>40,574</b>	<b>40,574</b>
<b>Closing balance attributable to the Australian Government</b>	<b>(186,542)</b>	<b>9,800</b>	<b>415,615</b>	<b>238,873</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.4: Budgeted Departmental Statement of Cash Flows  
(for the period ended 30 June)**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	78,001	53,827	53,207	52,901	52,789
Appropriations	587,080	520,297	472,401	455,386	442,729
Net GST received	21,707	17,873	17,627	15,751	16,100
Other	14,626	8,979	11,446	4,614	4,319
<b>Total cash received</b>	<b>701,414</b>	<b>600,976</b>	<b>554,681</b>	<b>528,652</b>	<b>515,937</b>
<b>Cash used</b>					
Employees	455,493	407,633	356,872	348,155	339,165
Suppliers	211,550	169,218	177,930	162,494	158,450
Grants	1,365	1,335	1,335	1,335	1,335
Cash to the Official Public Account	50,891	-	-	-	-
Net GST paid	22,196	17,873	17,627	15,751	16,100
Other	887	887	887	887	887
<b>Total cash used</b>	<b>742,382</b>	<b>596,946</b>	<b>554,651</b>	<b>528,622</b>	<b>515,937</b>
<b>Net cash from (used by) operating activities</b>	<b>(40,968)</b>	<b>4,030</b>	<b>30</b>	<b>30</b>	<b>-</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of infrastructure, plant and equipment	50,258	44,604	35,801	31,968	31,390
<b>Total cash used</b>	<b>50,258</b>	<b>44,604</b>	<b>35,801</b>	<b>31,968</b>	<b>31,390</b>
<b>Net cash from (used by) investing activities</b>	<b>(50,258)</b>	<b>(44,604)</b>	<b>(35,801)</b>	<b>(31,968)</b>	<b>(31,390)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity	89,853	40,574	35,771	31,938	31,390
<b>Total cash received</b>	<b>89,853</b>	<b>40,574</b>	<b>35,771</b>	<b>31,938</b>	<b>31,390</b>
<b>Net cash from (used by) financing activities</b>	<b>89,853</b>	<b>40,574</b>	<b>35,771</b>	<b>31,938</b>	<b>31,390</b>
<b>Net increase (decrease) in cash held</b>	<b>(1,373)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	11,335	9,962	9,962	9,962	9,962
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>9,962</b>	<b>9,962</b>	<b>9,962</b>	<b>9,962</b>	<b>9,962</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.5: Departmental Capital Budget Statement**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>NEW CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 (DCB)	34,128	27,838	27,592	27,671	28,121
Equity injections - Bill 2	55,725	12,736	8,179	4,267	3,269
<b>Total new capital appropriations</b>	<b>89,853</b>	<b>40,574</b>	<b>35,771</b>	<b>31,938</b>	<b>31,390</b>
<b>Provided for:</b>					
Purchase of non-financial assets	46,894	40,574	35,771	31,938	31,390
Other items	42,959	-	-	-	-
<b>Total Items</b>	<b>89,853</b>	<b>40,574</b>	<b>35,771</b>	<b>31,938</b>	<b>31,390</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations <sup>1</sup>	12,375	16,736	8,179	4,267	3,269
Funded by capital appropriation - DCB <sup>2</sup>	34,366	27,838	27,592	27,671	28,121
Funded internally from departmental resources <sup>3</sup>	3,517	30	30	30	-
<b>TOTAL AMOUNT SPENT</b>	<b>50,258</b>	<b>44,604</b>	<b>35,801</b>	<b>31,968</b>	<b>31,390</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	50,258	44,604	35,801	31,968	31,390
<b>Total cash used to acquire assets</b>	<b>50,258</b>	<b>44,604</b>	<b>35,801</b>	<b>31,968</b>	<b>31,390</b>

Prepared on Australian Accounting Standards basis.

<sup>1</sup>Includes both current Bill 2 and prior Act 2/4/6 appropriations and special capital appropriations.

<sup>2</sup>Does not include annual finance lease costs. Include purchase from current and previous years' Departmental Capital Budgets (DCBs).

<sup>3</sup>Includes the following sources of funding:

- current Bill 1 and prior year Act 1/3/5 appropriations (excluding amounts from the DCB)
- donations and contributions
- gifts
- internally developed assets
- s31 relevant agency receipts (for FMA agencies only)
- proceeds from the sale of assets.

**Table 3.2.6: Statement of Asset Movements (2014-15)**

	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2014</b>				
Gross book value	168,373	144,476	143,718	456,567
Accumulated depreciation/ amortisation and impairment	(26,628)	(50,123)	(90,035)	(166,786)
Opening balance adjustments <sup>1</sup>	-	-	(5,200)	(5,200)
<b>Opening net book balance</b>	<b>141,745</b>	<b>94,353</b>	<b>48,483</b>	<b>284,581</b>
<b>CAPITAL ASSET ADDITIONS</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - appropriation ordinary annual services	3,729	16,689	24,186	44,604
<b>Total additions</b>	<b>3,729</b>	<b>16,689</b>	<b>24,186</b>	<b>44,604</b>
<b>Other movements</b>				
Depreciation/amortisation expense	(12,167)	(21,233)	(13,392)	(46,792)
<b>As at 30 June 2015</b>				
Gross book value	172,102	161,165	167,904	501,171
Accumulated depreciation/ amortisation and impairment	(38,795)	(71,356)	(108,627)	(218,778)
<b>Closing net book balance</b>	<b>133,307</b>	<b>89,809</b>	<b>59,277</b>	<b>282,393</b>

Prepared on Australian Accounting Standards basis.

<sup>1</sup>Reflects adjustments to the opening balances transferred from the Department of Resources, Energy and Tourism as a result of the machinery of government changes of 18 September 2013.

**Table 3.2.7: Schedule of Budgeted Income and Expenses Administered on Behalf of Government (for the period ended 30 June)**

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Employee Benefits	6,000	6,100	6,250	6,410	6,570
Suppliers	608,890	704,242	679,538	701,855	673,804
Subsidies	1,067,453	838,805	584,571	583,748	495,123
Personal benefits	1,183,088	150,766	84,408	89,827	95,371
Grants	3,614,412	1,198,948	895,093	655,851	633,163
Depreciation and amortisation	1,000	1,000	1,000	-	-
Payment from the Education Investment Fund	44,150	-	-	-	-
Finance costs	-	16,605	53,162	59,062	65,076
Fair value losses	-	19,925	63,793	70,876	78,092
Payments to CAC Bodies	1,026,117	943,177	951,910	981,625	973,879
<b>Total expenses administered on behalf of Government</b>	<b>7,551,110</b>	<b>3,879,568</b>	<b>3,319,725</b>	<b>3,149,254</b>	<b>3,021,078</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Taxation revenue</b>					
Taxes	1,571	921	721	721	721
<b>Total taxation revenue</b>	<b>1,571</b>	<b>921</b>	<b>721</b>	<b>721</b>	<b>721</b>

**Table 3.2.7: Schedule of Budgeted Income and Expenses Administered on Behalf of Government (for the period ended 30 June) (continued)**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Non-taxation revenue</b>					
Sales of goods and rendering of services	8,573	4,707	2,908	3,053	3,053
Dividends	52,265	28,600	28,600	29,900	32,500
Interest	4,538	4,323	6,785	15,210	24,835
Receipts to the Education Investment Fund	44,150	-	-	-	-
Royalties	1,835,017	1,621,120	1,664,835	1,673,271	1,574,261
Other Revenue	40,455	95,415	80,354	88,383	31,544
<b>Total non-taxation revenue</b>	<b>1,984,998</b>	<b>1,754,165</b>	<b>1,783,482</b>	<b>1,809,817</b>	<b>1,666,193</b>
<b>Total own-source revenues administered on behalf of Government</b>	<b>1,986,569</b>	<b>1,755,086</b>	<b>1,784,203</b>	<b>1,810,538</b>	<b>1,666,914</b>
<b>Total own-sourced income administered on behalf of Government</b>	<b>1,986,569</b>	<b>1,755,086</b>	<b>1,784,203</b>	<b>1,810,538</b>	<b>1,666,914</b>
<b>Net Cost of (contribution by) services</b>	<b>1,986,569</b>	<b>1,755,086</b>	<b>1,784,203</b>	<b>1,810,538</b>	<b>1,666,914</b>
<b>Surplus (Deficit)</b>	<b>(5,564,541)</b>	<b>(2,124,482)</b>	<b>(1,535,522)</b>	<b>(1,338,716)</b>	<b>(1,354,164)</b>
<b>Total comprehensive income (loss)</b>	<b>(5,564,541)</b>	<b>(2,124,482)</b>	<b>(1,535,522)</b>	<b>(1,338,716)</b>	<b>(1,354,164)</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.8: Schedule of Budgeted Assets and Liabilities Administered on Behalf of Government (as at 30 June)**

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	-	221	221	221	221
Receivables	138,826	276,034	646,510	1,081,132	1,528,872
Administered Investments in Portfolio Entities	3,221,883	3,215,790	3,134,718	3,043,587	2,957,747
Other investments	749,613	776,749	812,277	843,375	842,375
Other Financial Assets	198,997	198,997	198,997	198,997	198,997
<b>Total financial assets</b>	<b>4,309,319</b>	<b>4,467,791</b>	<b>4,792,723</b>	<b>5,167,312</b>	<b>5,528,212</b>
<b>Non-financial assets</b>					
Intangibles	3,207	2,575	1,575	1,575	1,575
<b>Total non-financial assets:</b>	<b>3,207</b>	<b>2,575</b>	<b>1,575</b>	<b>1,575</b>	<b>1,575</b>
Assets held for sale	-	-	-	-	-
<b>Total assets administered on behalf of Government</b>	<b>4,312,526</b>	<b>4,470,366</b>	<b>4,794,298</b>	<b>5,168,887</b>	<b>5,529,787</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	27,424	29,125	29,125	29,125	29,125
Subsidies	122,278	83,926	60,449	66,699	75,037
Personal benefits	3,144	3,144	3,144	3,144	3,144
Grants	94,697	98,817	98,817	98,817	98,817
Other payables	27,387	27,501	27,501	27,501	27,501
<b>Total payables</b>	<b>274,930</b>	<b>242,513</b>	<b>219,036</b>	<b>225,286</b>	<b>233,624</b>
<b>Provisions</b>					
Employee provisions	1,142	1,176	1,176	1,176	1,176
Other	296	296	296	296	296
<b>Total provisions</b>	<b>1,438</b>	<b>1,472</b>	<b>1,472</b>	<b>1,472</b>	<b>1,472</b>
<b>Total liabilities administered on behalf of Government</b>	<b>276,368</b>	<b>243,985</b>	<b>220,508</b>	<b>226,758</b>	<b>235,096</b>
<b>Net assets/(liabilities)</b>	<b>4,036,158</b>	<b>4,226,381</b>	<b>4,573,790</b>	<b>4,942,129</b>	<b>5,294,691</b>

Prepared on Australian Accounting Standards basis.



**Table 3.2.9: Schedule of Budgeted Administered Cash Flows  
(for the period ended 30 June)**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Sales of goods and rendering of services	8,573	4,707	2,908	3,053	3,053
Taxes	1,571	921	721	721	721
Dividends	52,265	28,600	28,600	29,900	32,500
Interest	1,937	1,722	1,507	1,292	1,076
Education Investment Fund Receipts	44,150	-	-	-	-
Royalties	1,835,017	1,621,120	1,664,835	1,673,271	1,574,261
GST received	137,467	123,148	109,673	100,878	27,424
Other	55,952	92,999	77,644	83,968	22,305
<b>Total cash received</b>	<b>2,136,932</b>	<b>1,873,217</b>	<b>1,885,888</b>	<b>1,893,083</b>	<b>1,661,340</b>
<b>Cash used</b>					
Grant	3,702,829	1,198,948	895,093	655,951	627,331
Subsidies paid	1,064,328	851,635	615,292	580,713	490,043
Personal benefits	1,202,251	128,350	12,640	10,092	7,518
Suppliers	622,965	704,242	679,535	701,755	679,636
Employees	6,000	6,100	6,250	6,410	6,570
GST paid	137,467	123,148	109,673	100,878	27,424
Education Investment Fund Payments	44,150	-	-	-	-
Payments to CAC Bodies	977,887	943,177	951,910	981,625	973,879
<b>Total cash used</b>	<b>7,757,877</b>	<b>3,955,600</b>	<b>3,270,393</b>	<b>3,037,424</b>	<b>2,812,401</b>
<b>Net cash from (used by) operating activities</b>	<b>(5,620,945)</b>	<b>(2,082,383)</b>	<b>(1,384,505)</b>	<b>(1,144,341)</b>	<b>(1,151,061)</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Repayments of advances and loans	637,951	2,500	2,500	2,500	2,500
<b>Total cash received</b>	<b>637,951</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>

**Table 3.2.9: Schedule of Budgeted Administered Cash Flows  
(for the period ended 30 June) (continued)**

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Cash used</b>					
Advances and loans made	1,398,447	166,045	531,617	590,627	650,763
Investments	100,094	25,210	35,526	31,099	25,817
CAC Act body investments	45,163	93,690	23,814	5,880	-
Other	2,500	2,500	2,500	2,500	2,500
<b>Total cash used</b>	<b>1,546,204</b>	<b>287,445</b>	<b>593,457</b>	<b>630,106</b>	<b>679,080</b>
<b>Net cash from (used by) investing activities</b>	<b>(908,253)</b>	<b>(284,945)</b>	<b>(590,957)</b>	<b>(627,606)</b>	<b>(676,580)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash from the Official Public Account for:</b>					
- Appropriations	8,904,087	3,976,577	3,672,831	3,516,967	3,425,534
- Capital Appropriations					
- Non CAC Act bodies	100,094	25,210	35,526	31,099	25,817
- Capital Appropriations					
- CAC Act bodies	45,163	93,690	23,814	5,880	-
- GST Appropriations	137,467	123,148	109,673	100,878	27,424
- Special Accounts	70,620	21,920	19,506	10,206	10,206
<b>Total cash received</b>	<b>9,257,431</b>	<b>4,240,545</b>	<b>3,861,350</b>	<b>3,665,030</b>	<b>3,488,981</b>
<b>Cash to the Official Public Account for:</b>					
- Appropriations	(2,521,690)	(1,728,203)	(1,756,908)	(1,779,398)	(1,621,109)
- GST Appropriations	(137,467)	(123,148)	(109,673)	(100,878)	(27,424)
- Special Accounts	(69,076)	(21,866)	(19,307)	(12,807)	(12,807)
<b>Total cash used</b>	<b>(2,728,233)</b>	<b>(1,873,217)</b>	<b>(1,885,888)</b>	<b>(1,893,083)</b>	<b>(1,661,340)</b>
<b>Net cash from (used by) financing activities</b>	<b>6,529,198</b>	<b>2,367,328</b>	<b>1,975,462</b>	<b>1,771,947</b>	<b>1,827,641</b>
<b>Net increase (decrease) in cash held</b>					
Cash and cash equivalents at beginning of reporting period	-	-	-	-	-
Net increase or (decrease) in cash held	-	-	-	-	-
<b>Cash and cash equivalents at end of reporting period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.10: Schedule of Administered Capital Budget Statement**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>NEW CAPITAL APPROPRIATIONS</b>					
Administered Assets and Liabilities - Bill 2	84,168	-	9,500	7,500	3,000
<b>Total new capital appropriations</b>	<b>84,168</b>	<b>-</b>	<b>9,500</b>	<b>7,500</b>	<b>3,000</b>
<b>Provided for:</b>					
Other Items	84,168	-	9,500	7,500	3,000
<b>Total Items</b>	<b>84,168</b>	<b>-</b>	<b>9,500</b>	<b>7,500</b>	<b>3,000</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.11: Statement of Administered Asset Movements (2014-15)**

	Computer software and intangibles \$'000	Total \$'000
<b>As at 1 July 2014</b>		
Gross book value	18,260	18,260
Accumulated depreciation/amortisation and impairment	(15,053)	(15,053)
<b>Opening net book balance</b>	<b>3,207</b>	<b>3,207</b>
<b>CAPITAL ASSET ADDITIONS</b>		
<b>Estimated expenditure on new or replacement assets</b>		
From acquisition of entities or operations (including restructuring)	368	368
<b>Total additions</b>	<b>368</b>	<b>368</b>
<b>Other movements</b>		
Depreciation/amortisation expense	(1,000)	(1,000)
<b>Total other movements</b>	<b>(1,000)</b>	<b>(1,000)</b>
<b>As at 30 June 2015</b>		
Gross book value	18,628	18,628
Accumulated depreciation/amortisation and impairment	(16,053)	(16,053)
<b>Closing net book balance</b>	<b>2,575</b>	<b>2,575</b>

Prepared on Australian Accounting Standards basis.

### **3.2.4 Notes to the Financial Statements**

#### **Basis of accounting**

#### **Accounting Policy**

The agency budget statements have been prepared on an accrual accounting basis, having regard to the Statement of Accounting Concepts, and in accordance with:

- The Finance Minister's Orders; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB).

#### **Departmental and Administered Items**

Departmental assets, liabilities, revenues and expenses are those items that are controlled by the department that are used by the department in producing its outputs and include:

- computers, plant and equipment used in providing goods and services
- liabilities for employee entitlements
- revenue from appropriations or independent sources in payments for outputs
- employee, supplier and depreciation expenses incurred in providing agency outputs.

Administered items are those that the department does not control and which are subject to prescriptive rules or conditions established by legislation or Australian Government Policy, in order to achieve Australian Government outcomes.

Administered expenses include grant payments and subsidies, whilst administered revenue includes interest from loans and customs duties.



# **Australian Institute of Marine Science**

## **Agency Resources and Planned Performance**





# AUSTRALIAN INSTITUTE OF MARINE SCIENCE

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# AUSTRALIAN INSTITUTE OF MARINE SCIENCE

## Section 1: Agency Overview and Resources

### 1.1 STRATEGIC DIRECTION STATEMENT

The Australian Institute of Marine Science (AIMS) is a Commonwealth statutory authority established by the *Australian Institute of Marine Science Act 1972*. Its mission is to generate and transfer knowledge to support the protection and sustainable use of the marine environment through innovative, world class research. Operating under a consistent legislative framework, mission and outcome, AIMS generates new knowledge that directly contributes to national priorities and to a better understanding of issues facing global marine environments.

AIMS has developed its strategic direction and research focus in consultation with stakeholders and collaborators and through feedback from external expert review. In the year ahead AIMS will continue to focus its internationally recognised capabilities into three broad research directions:

- Understanding of tropical marine ecosystems and processes
- Understanding the responses of tropical marine systems to global changes
- Supporting sustainable development of tropical marine-based industries.

The translation of this research effort into positive impacts for Australia will be supported through a user focused science strategy which involves the mobilisation of science programmes and effort around three priority outcome areas:

- A healthy and resilient Great Barrier Reef
- Sustainable coastal ecosystems and industries for tropical Australia
- Sustainable use of North-West Australian marine ecosystems.

These areas will continue to be underpinned by the development and deployment of new enabling data and technology innovations supporting research efforts across Australia.

Key priority issues to focus AIMS' research for 2014-24 include:

- Sustainable economic development of marine industries
- Marine reserve management
- Cumulative impacts and ecosystem resilience
- Catchment use and coastal water quality

*AIMS Budget Statements*

- Adapting to global change
- Ports and shipping
- Threatened and endangered species.

National and international partnerships (with universities, industry and other research providers and end-users) which build critical mass, enhance research capabilities and maximise the uptake of AIMS' research will continue to be a strong emphasis of AIMS' operations.

A particular priority for the year ahead, and supporting many of these areas, will be managing the transition to full operation and optimal utilisation of AIMS' major new facility, the National Tropical Sea Simulator. This state-of-the-art experimental aquarium will support a step-change in Australia's understanding of cumulative impacts on the health of reef and coastal ecosystems (including local pressures associated with coastal development, such as dredging of the seafloor to create and maintain shipping channels and global pressures, such as ocean warming and acidification) and the resilience of tropical marine environments to these pressures. The facility will cement Townsville's position as a global hub for tropical marine science.

## **1.2 AGENCY RESOURCE STATEMENT**

Table 1.1 shows the total resources from all sources. The table summarises how resources will be applied by outcome and by administered and departmental classification.

AIMS Budget Statements

**Table 1.1: AIMS Resource Statement — Budget Estimates for 2014-15 as at Budget May 2014**

Source	Estimate of prior + year amounts available in 2014-15 \$'000	Proposed at Budget = 2014-15 \$'000	Total estimate 2014-15 \$'000	Actual available appropriation 2013-14 \$'000
<b>Opening balance/Reserves at bank</b>	<b>29,211</b>		29,211	38,702
<b>REVENUE FROM GOVERNMENT</b>				
<b>Ordinary annual services<sup>1</sup></b>				
Outcome 1	-	38,796	38,796	33,280
<b>Total ordinary annual services</b>	<b>-</b>	<b>38,796</b>	<b>38,796</b>	<b>33,280</b>
<b>Total annual appropriations</b>	<b>-</b>	<b>38,796</b>	<b>38,796</b>	<b>33,280</b>
<b>FUNDS FROM OTHER SOURCES</b>				
Interest	-	1214	1214	1848
Sale of goods and services	-	22,306	22,306	16,326
Other	-	150	150	450
<b>Total</b>	<b>-</b>	<b>23,670</b>	<b>23,670</b>	<b>18,624</b>
<b>Total net resourcing for agency</b>	<b>29,211</b>	<b>62,466</b>	<b>91,677</b>	<b>90,606</b>

<sup>1</sup>Appropriation Bill (No.1) 2014-15.

AIMS is not directly appropriated as it is a CAC Act body. Appropriations are made to the Department of Industry which are then paid to AIMS and are considered 'departmental' for all purposes.

Reader note: All figures are GST exclusive.

### 1.3 BUDGET MEASURES

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

**Table 1.2: Agency 2014-15 Budget measures**

**Part 1: Measures announced since the 2013-14 MYEFO**

	Programme	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>Expense measures</b>						
Efficiency Dividend - a further temporary increase of 0.25 per cent <sup>1</sup>						
	1.1	-	(12)	(25)	(38)	(39)
	<b>Total</b>	-	<b>(12)</b>	<b>(25)</b>	<b>(38)</b>	<b>(39)</b>
Science and Research Agencies - reduced funding						
	1.1	-	(1,800)	(1,940)	(2,070)	(2,030)
	<b>Total</b>	-	<b>(1,800)</b>	<b>(1,940)</b>	<b>(2,070)</b>	<b>(2,030)</b>
<b>Total expense measures</b>						
	Departmental	-	(1,812)	(1,965)	(2,108)	(2,069)
	<b>Total</b>	-	<b>(1,812)</b>	<b>(1,965)</b>	<b>(2,108)</b>	<b>(2,069)</b>

<sup>1</sup>Whole of Government savings measure announced in the 2014-15 Budget. Prepared on a Government Finance Statistics (fiscal) basis.

**Part 2: MYEFO measures not previously reported in a portfolio statement**

	Programme	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>Measures</b>						
		-	(49)	(116)	(184)	-
	<b>Total expenses measures</b>	-	(49)	(116)	(184)	-
	Departmental expenses	-	(49)	(116)	(184)	-
	<b>Total</b>	-	<b>(49)</b>	<b>(116)</b>	<b>(184)</b>	-

<sup>1</sup>Whole of Government savings measure announced in the 2013 Economic Statement. Prepared on a Government Finance Statistics (fiscal) basis.

## **SECTION 2: OUTCOMES AND PLANNED PERFORMANCE**

### **2.1 OUTCOMES AND PERFORMANCE INFORMATION**

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

Each outcome is described below together with its related programmes, specifying the performance indicators and targets used to assess and monitor the performance of AIMS in achieving Government outcomes.

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

#### **Outcome 1 Strategy**

AIMS has one outcome and its strategy is described in Section 1.1. AIMS will continue to work with its partners in industry and government to deliver excellent science that meets the needs of stakeholders. This includes: continued exploration of the poorly understood coastal and continental shelf ecosystems of northern Australia; deployment of its multidisciplinary science capability to understand and predict the cumulative impacts of climate change and of agricultural and industrial development activities on tropical marine systems; increased effort in the analysis and integration of valuable long-term data and the development of dynamic and spatially-explicit predictive models to support environmental protection and resource management strategies; and working with the Australian marine science community on the development of a national strategy for marine science capability.

#### **Outcome Expense Statement**

Table 2.1 provides an overview of the total expenses for outcome 1 by programme.



**Table 2.1: Budgeted Expenses for Outcome 1**

<b>Outcome 1:</b> Growth of knowledge to support protection and sustainable development of Australia's marine resources through innovative marine science and technology.	2013-14 Estimated actual expenses \$'000	2014-15 Estimated expenses \$'000
<b>Programme 1.1: Marine Research</b>		
Revenue from Government		
Ordinary annual services (Appropriation Bill No. 1)	33,280	38,796
Revenues from other independent sources	20,369	23,623
Expenses not requiring Appropriation (losses)	5,621	4,250
<b>Total for Programme 1.1</b>	<b>59,270</b>	<b>66,669</b>
<b>Outcome 1 Totals by resource type</b>		
Revenue from Government		
Ordinary annual services (Appropriation Bill No. 1)	33,280	38,796
Revenues from other independent sources	20,369	23,623
Expenses not requiring Appropriation (losses)	5,621	4,250
<b>Total expenses for Outcome 1</b>	<b>59,270</b>	<b>66,669</b>
	2013-14	2014-15
<b>Average Staffing Level (number)</b>	204	202

## Contributions to Outcome 1

### Programme 1.1: Marine Research

#### Programme Objective

With a national value of production across marine-based industries (e.g. oil and gas exploration and extraction, tourism, fishing, boatbuilding, shipping, ports) of \$47.2 billion in 2011-12<sup>1</sup> the marine estate makes a vital contribution to employment and infrastructure at national and regional levels.

AIMS' research and services aim to enhance Australia's capacity to capture the benefits from its marine estate while ensuring protection of marine and coastal ecosystems through effective environmental management.

This will be achieved through:

- Major programmes of research and monitoring throughout Australia's tropical regions
- The provision of data, information, decision-support tools and innovative solutions to key government regulators and policy makers and to a range of industry stakeholders
- Engagement with national and international collaborative marine science programmes to maximize leverage of investment, ensure the uptake of its research and promote outcomes
- Partnerships with universities in Australia and internationally which contribute to the development of capability in tropical marine science
- Maintenance of a world-class infrastructure base (vessels, aquaria, ocean monitoring equipment and laboratories) to support innovative research conducted by AIMS and deployment of these capabilities into national programmes designed to build critical mass around complex and large-scale scientific problems of relevance to Australia.

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<sup>1</sup> *The AIMS Index of Marine Industry, 2014*

<b>Programme Expenses</b>					
AIMS uses funding from Government together with revenue from external sources to deliver its research programme.					
	2013-14	2014-15	2015-16	2016-17	2017-18
	Estimated	Budget	Forward	Forward	Forward
	actual		estimate	estimate	estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Programme support <sup>1</sup>	53,649	62,419	63,586	64,762	66,297
Expenses not requiring appropriation in the Budget year <sup>2</sup>	5,621	4,250	4,521	5,036	5,428
<b>Total Programme expenses</b>	<b>59,270</b>	<b>66,669</b>	<b>68,107</b>	<b>69,798</b>	<b>71,725</b>

<sup>1</sup>Includes appropriation and other revenue.

<sup>2</sup>Expenses not requiring appropriation reflects approved operating losses due to accounting treatment of depreciation and other operating expenses.

**Programme 1.1 Deliverables**

AIMS focuses its research effort on Australia's tropical marine and coastal systems. The multidisciplinary research portfolio ranges from fundamental to highly applied science, and is designed to support Commonwealth and state government departments in their development of policy and effective management of risks to the marine environment. Increasingly, AIMS' research is also focussed towards the needs of the private sector (e.g. the oil and gas, marine tourism and shipping/ports industries).

Through innovative marine science and technology and strong linkages with users AIMS will:

- Test predictive models of reef resilience related to global and local pressures on reef systems
- Play a lead role in the development and implementation of a fully integrated Monitoring Programme and Adaptive Management Framework for the Great Barrier Reef World Heritage Area (GBRWHA)
- Develop a risk assessment and decision support system for the GBRWHA to identify the most effective options for management interventions in a changing environment
- Develop ecosystem function-based approaches to identify and document the impacts of human activity on the health and resilience of coastal systems
- Develop risk assessments and models of the impacts of coastal development, including ports, based on empirical data
- Establish and commence implementation of a coordinated regional assessment framework for North-West Australia reefs and shoals
- Identify the location and significance of critical sites for key threatened and endangered species (e.g. sharks, turtles, whales)
- Develop and commence implementing new automated monitoring and assessment methods for the Great Barrier Reef and North-West shelf
- Develop a cross-platform electronic knowledge delivery system for our northern marine areas directly informing industry, government and the public.

**Programme 1.1 Key Performance Indicators**

- Maintain or increase the transfer of new knowledge to users of marine science, as measured by the trend in the number of publications and other information products and by the uptake, use and application of AIMS' advice, data holdings, decision support tools, practices, and processes
- Maintain or increase scientific excellence and innovation, as measured by the number of peer-reviewed scientific journal papers
- Maintain or improve science excellence and impact, as assessed through a rolling programme of expert peer review
- Form and maintain national and international collaborations to increase critical mass and research capabilities, as measured by the number of collaborative research papers and grants
- Form and maintain partnerships to increase research capacity and impact, as measured by the number of joint ventures and strategic alliances
- Enhance Australia's future capabilities in marine science by AIMS' contribution to training, as measured by the number of jointly supervised postgraduate students and of post-doctoral researchers
- Enhance Australia's marine research capabilities by effective delivery of new infrastructure capacity provided by facilities such as the National Tropical Sea Simulator.

## **Section 3: Explanatory Tables and Budgeted Financial Statements**

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the 2014-15 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and programme expenses, movements in administered funds, special accounts and government Indigenous expenditure.

### **3.1 EXPLANATORY TABLES**

AIMS does not have administered funds; therefore Table 3.1.1 is not presented.

#### **3.1.2 Special Accounts**

AIMS has no special accounts; therefore Table 3.1.2 is not presented.

#### **3.1.3 Australian Government Indigenous Expenditure**

The 2014-15 Australian Government Indigenous Expenditure Statement is not applicable because AIMS has no Indigenous specific expenses.

## **3.2 BUDGETED FINANCIAL STATEMENTS**

### **3.2.1 Differences in Agency Resourcing and Financial Statements**

There are no material variances between the agency resources table and the financial statements.

### **3.2.2 Analysis of Budgeted Financial Statements**

AIMS' budget statements have been prepared on an accrual accounting basis, having regard to the Statement of Accounting concepts, and in accordance with:

- The Finance Minister's Orders; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB).

The estimates in the budgeted financial statements are subject to the outcomes of the review by the Department of Finance of the depreciation funding arrangements for CAC agencies, which may impact the level of capital funding through depreciation and other revenue.

#### **Budgeted Comprehensive Income Statement**

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

Sales of goods and rendering of services represent co-investments and fees for services contracts with external organisations and companies. The figures provided for sales of goods and services are estimates based on thorough market analysis; however, these may vary with changes to economic conditions.

AIMS is projecting losses of \$4.3 million in 2014-15, \$4.5 million in 2015-16, \$5.0 million in 2016-17 and \$5.4 million in 2017-18. The operating losses are mainly the result of depreciation expenses being higher than depreciation funding. The increase in depreciation expenses is due to commissioning of new infrastructure.

Employee benefits incorporates basic staff levels for the new AIMS Tropical Marine Research Facilities Project infrastructure, which came on line in 2013-14, as well as increases in wages and salary rates.

Increase in suppliers' expenses includes the cost of operating the new tropical marine facilities.

## *AIMS Budget Statements*

### **Budgeted Departmental Balance Sheet**

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

The asset value of AIMS' buildings, plant and equipment includes the completed construction of tropical marine facilities associated with the Education Investment Fund funded Super Science initiative. Following this, a gradual decrease in asset value reflects the application of depreciation each year.

### **Budgeted Departmental Statement of Cash Flows**

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

### **Budgeted Capital Budget Statement**

The budgeted internal funded capital expenditure relates to expenditure occurring in construction of new buildings, infrastructure and purchase of plant and equipment including information technology related assets.



**3.2.3 Budgeted Financial Statements Tables**

**Table 3.2.1 Comprehensive Income Statement (Showing Net Cost of Services) for the period ended 30 June**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>EXPENSES</b>					
Employee benefits	24,192	<b>26,225</b>	27,017	27,519	28,343
Suppliers	25,038	<b>28,173</b>	28,548	29,222	29,932
Depreciation and amortisation <sup>1</sup>	10,040	<b>12,271</b>	12,542	13,057	13,450
<b>Total expenses</b>	<b>59,270</b>	<b>66,669</b>	<b>68,107</b>	<b>69,798</b>	<b>71,725</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Sale of goods and rendering of services	18,219	<b>22,324</b>	21,673	21,643	22,584
Interest	1,700	<b>1,149</b>	1,184	1,275	1,167
Other	450	<b>150</b>	150	150	150
<b>Total own-source revenue</b>	<b>20,369</b>	<b>23,623</b>	<b>23,007</b>	<b>23,068</b>	<b>23,901</b>
<b>Net cost of (contribution by) services</b>	<b>38,901</b>	<b>43,046</b>	<b>45,100</b>	<b>46,730</b>	<b>47,824</b>
Revenue from Government	33,280	<b>38,796</b>	40,579	41,694	42,396
<b>Surplus (Deficit) attributable to the Australian Government</b>	<b>(5,621)</b>	<b>(4,250)</b>	<b>(4,521)</b>	<b>(5,036)</b>	<b>(5,428)</b>
<b>Total comprehensive income (loss) attributable to the Australian Government</b>	<b>(5,621)</b>	<b>(4,250)</b>	<b>(4,521)</b>	<b>(5,036)</b>	<b>(5,428)</b>

Prepared on Australian Accounting Standards basis.

<sup>1</sup>These estimates are subject to the outcomes of the DoF review of depreciation funding arrangements for CAC bodies, which may impact the level of funding through depreciation.

**Table 3.2.2: Budgeted Departmental Balance Sheet (as at 30 June)**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	29,211	30,795	32,309	31,676	31,520
Trade and other receivables	4,237	4,563	4,423	4,497	4,653
<b>Total financial assets</b>	<b>33,448</b>	<b>35,358</b>	<b>36,732</b>	<b>36,173</b>	<b>36,173</b>
<b>Non-financial assets</b>					
Land and buildings	80,790	79,593	77,706	77,001	75,748
Property, plant and equipment	80,004	76,011	72,113	68,512	64,999
Intangibles	2,676	2,450	2,522	2,263	1,998
Inventories	185	190	196	204	208
Other non-financial assets	1,536	1,923	2,308	2,581	2,844
<b>Total non-financial assets</b>	<b>165,191</b>	<b>160,167</b>	<b>154,845</b>	<b>150,561</b>	<b>145,797</b>
Assets held for sale					
<b>Total assets</b>	<b>198,639</b>	<b>195,525</b>	<b>191,577</b>	<b>186,734</b>	<b>181,970</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	3,397	3,495	3,583	3,030	3,079
Other payables	4,596	5,033	4,968	5,058	5,235
<b>Total payables</b>	<b>7,993</b>	<b>8,528</b>	<b>8,551</b>	<b>8,088</b>	<b>8,314</b>
<b>Interest bearing liabilities</b>					
Loans	1,500	1,500	1,500	1,500	1,450
<b>Total interest bearing liabilities</b>	<b>1,500</b>	<b>1,500</b>	<b>1,500</b>	<b>1,500</b>	<b>1,450</b>
<b>Provisions</b>					
Employee provisions	9,151	9,752	10,302	10,958	11,446
<b>Total provisions</b>	<b>9,151</b>	<b>9,752</b>	<b>10,302</b>	<b>10,958</b>	<b>11,446</b>
<b>Total liabilities</b>	<b>18,644</b>	<b>19,780</b>	<b>20,353</b>	<b>20,546</b>	<b>21,210</b>
<b>Net assets</b>	<b>179,995</b>	<b>175,745</b>	<b>171,224</b>	<b>166,188</b>	<b>160,760</b>
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	86,607	86,607	86,607	86,607	86,607
Reserves	67,699	67,699	67,699	67,699	67,699
Retained surplus (accumulated deficit)	25,689	21,439	16,918	11,882	6,454
<b>Total parent entity interest</b>	<b>179,995</b>	<b>175,745</b>	<b>171,224</b>	<b>166,188</b>	<b>160,760</b>
<b>Total Equity</b>	<b>179,995</b>	<b>175,745</b>	<b>171,224</b>	<b>166,188</b>	<b>160,760</b>

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

Prepared on Australian Accounting Standards basis.

Note: These estimates are subject to the outcomes of the DoF review of depreciation funding arrangements for CAC bodies, which may impact the level of funding through depreciation.

**Table 3.2.3: Departmental Statement of Changes in Equity —  
Summary of Movement (Budget Year 2014-15)**

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2014</b>				
Balance carried forward from previous period	25,689	67,699	86,607	179,995
<b>Adjusted opening balance</b>	<b>25,689</b>	<b>67,699</b>	<b>86,607</b>	<b>179,995</b>
<b>Comprehensive income</b>				
Surplus (deficit) for the period	(4,250)	-	-	(4,250)
<b>Total comprehensive income</b>	<b>(4,250)</b>	<b>-</b>	<b>-</b>	<b>(4,250)</b>
of which:				
Attributable to the Australian Government	(4,250)	-	-	(4,250)
<b>Closing balance attributable to the Australian Government</b>	<b>21,439</b>	<b>67,699</b>	<b>86,607</b>	<b>175,745</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.4: Budgeted Departmental Statement of Cash Flows  
(for the period ended 30 June)**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	33,280	38,796	40,579	41,694	42,396
Sale of goods and rendering of services	16,326	22,306	21,677	21,639	22,577
Interest	1,848	1,214	1,227	1,279	1,167
Other	450	150	150	150	150
<b>Total cash received</b>	<b>51,904</b>	<b>62,466</b>	<b>63,633</b>	<b>64,762</b>	<b>66,290</b>
<b>Cash used</b>					
Employees	23,660	25,558	26,442	26,847	27,828
Suppliers	24,303	28,467	28,850	30,056	30,199
<b>Total cash used</b>	<b>47,963</b>	<b>54,025</b>	<b>55,292</b>	<b>56,903</b>	<b>58,027</b>
<b>Net cash from (used by) operating activities</b>	<b>3,941</b>	<b>8,441</b>	<b>8,341</b>	<b>7,859</b>	<b>8,263</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment <sup>1</sup>	250	184	428	250	182
Proceeds from investments <sup>2</sup>	4,440	-	-	633	156
<b>Total cash received</b>	<b>4,690</b>	<b>184</b>	<b>428</b>	<b>883</b>	<b>338</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	13,683	7,040	7,256	8,742	8,601
Investments	-	1,585	1,513	-	-
<b>Total cash used</b>	<b>13,683</b>	<b>8,625</b>	<b>8,769</b>	<b>8,742</b>	<b>8,601</b>
<b>Net cash from (used by) investing activities</b>	<b>(8,993)</b>	<b>(8,441)</b>	<b>(8,341)</b>	<b>(7,859)</b>	<b>(8,263)</b>
<b>Net increase (decrease) in cash held</b>	<b>(5,052)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	5,302	250	250	250	250
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>250</b>	<b>250</b>	<b>250</b>	<b>250</b>	<b>250</b>

Prepared on Australian Accounting Standards basis.

<sup>1</sup>These estimates are subject to the outcomes of the DoF review of depreciation funding arrangements for CAC bodies, which may impact the level of funding through depreciation.

<sup>2</sup>Relates to the movement in excess funds that are held in term deposit for more than three months.

**Table 3.2.5: Departmental Capital Budget Statement**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>NEW CAPITAL APPROPRIATIONS</b>					
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded internally from departmental resources	13,683	7,040	7,256	8,742	8,601
<b>TOTAL</b>	<b>13,683</b>	<b>7,040</b>	<b>7,256</b>	<b>8,742</b>	<b>8,601</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases <sup>1</sup>	13,683	7,040	7,256	8,742	8,601
<b>Total cash used to acquire assets</b>	<b>13,683</b>	<b>7,040</b>	<b>7,256</b>	<b>8,742</b>	<b>8,601</b>

Prepared on Australian Accounting Standards basis.

<sup>1</sup>These estimates are subject to the outcomes of the DoF review of depreciation funding arrangements for CAC bodies, which may impact the level of funding through depreciation.

**Table 3.2.6: Statement of Asset Movements (2014-15)**

	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2014</b>				
Gross book value	84,113	85,750	3,343	173,206
Accumulated depreciation/amortisation and impairment	(3,323)	(5,746)	(667)	(9,736)
<b>Opening net book balance</b>	<b>80,790</b>	<b>80,004</b>	<b>2,676</b>	<b>163,470</b>
<b>CAPITAL ASSET ADDITIONS</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - other	2,418	4,471	151	7,040
<b>Total additions</b>	<b>2,418</b>	<b>4,471</b>	<b>151</b>	<b>7,040</b>
<b>Other movements</b>				
Depreciation/amortisation expense	(3,615)	(8,280)	(376)	(12,271)
Disposals	-	(184)	(1)	(185)
<b>Total other movements</b>	<b>(3,615)</b>	<b>(8,464)</b>	<b>(377)</b>	<b>(12,456)</b>
<b>As at 30 June 2015</b>				
Gross book value	86,531	90,037	3,493	180,061
Accumulated depreciation/amortisation and impairment	(6,938)	(14,026)	(1,043)	(22,007)
<b>Closing net book balance</b>	<b>79,593</b>	<b>76,011</b>	<b>2,450</b>	<b>158,054</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.7: Schedule of Budgeted Income and Expenses Administered on Behalf of Government (for the period ended 30 June)**

AIMS does not administer any income or expenses on behalf of Government; therefore Table 3.2.7 is not presented.

**Table 3.2.8: Schedule of Budgeted Assets and Liabilities Administered on Behalf of Government (as at 30 June)**

AIMS does not administer any assets and liabilities on behalf of Government; therefore Table 3.2.8 is not presented.

**Table 3.2.9: Schedule of Budgeted Administered Cash Flows (for the period ended 30 June)**

AIMS does not administer any cash flows on behalf of Government; therefore Table 3.2.9 is not presented.

**Table 3.2.10: Schedule of Administered Capital Budget Statement**

AIMS does not administer any capital budgets on behalf of Government; therefore Table 3.2.10 is not presented.

**Table 3.2.11: Statement of Administered Asset Movements (2014-15)**

AIMS does not administer any asset movements on behalf of Government; therefore Table 3.2.11 is not presented.

**3.2.4 Notes to the Financial Statements**

AIMS' budgeted financial statements have been prepared on an accrual accounting basis, having regards to the Statement of Accounting Concepts, and in accordance with:

- The Finance Minister's Orders; and
- The Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board.





# **Australian Nuclear Science and Technology Organisation**

## **Agency Resources and Planned Performance**



# AUSTRALIAN NUCLEAR SCIENCE AND TECHNOLOGY ORGANISATION

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# **AUSTRALIAN NUCLEAR SCIENCE AND TECHNOLOGY ORGANISATION**

## **Section 1: Agency Overview and Resources**

### **1.1 STRATEGIC DIRECTION STATEMENT**

The Australian Nuclear Science and Technology Organisation (ANSTO) is Australia's national nuclear research and development organisation, and the centre of Australian nuclear expertise. Its unique expertise is applied to radiopharmaceutical production, research into areas of national priority including health, materials engineering and water resource management and helping Australian industries solve complex problems. It also provides expert advice to Government on all matters relating to nuclear science, technology and engineering.

ANSTO operates landmark national scientific facilities, including OPAL, Australia's only nuclear research reactor, and more recently the Australian Synchrotron, for the benefit of industry, the Australian research community and all Australians.

The Australian Synchrotron is a particle accelerator which provides a source of highly intense light used for a wide variety of research purposes, and is complementary to ANSTO's neutron scattering and accelerator research facilities. ANSTO, through a new wholly-owned subsidiary, became the operator of the Australian Synchrotron on 1 January 2013 and through capitalising on the existing links between the two organisations is enabling a national approach to Australian scientific infrastructure platforms and in turn strong collaborative science outcomes.

Using Australia's only nuclear research reactor, OPAL, ANSTO supplies 10,000 doses of radioisotopes each week for use in nuclear medicine procedures across Australia. These radioisotopes are used in the diagnosis and treatment of heart disease and a range of cancers, and will be required by one in two Australians during their lifetime. As a result of the ANSTO Nuclear Medicine project, ANSTO's nuclear medicine production will increase significantly from late 2016, guaranteeing access to these lifesaving nuclear medicines for all Australians and significantly increasing Australia's export of nuclear medicines.

The strategic priority areas for the organisation are:

- Delivery of world-class research and innovation in nuclear science and technology
- Expanding ANSTO's reach and contribution, exploiting landmark technologies
- Serving the nuclear needs of the Government, industry, community and people of Australia

*ANSTO Budget Statements*

- Driving organisational renewal.

These priority areas will drive ANSTO's work, enabling the agency to:

- Realise the benefits of nuclear science and technology for the benefit of all Australians
- Build on its landmark infrastructure, continuing to increase its national capabilities
- Support Australia's international competitiveness through research and collaboration
- Develop the next generation of nuclear scientists and engineers
- Enhance Australia's international standing, particularly in the areas of non-proliferation, nuclear safety, security and specialised applications of key technologies.

The major activities that will underpin the strategy are:

- The continued effective and reliable operation of Australia's OPAL reactor and other facilities for the benefit of a range of scientific disciplines, industry and the Australian health sector, including the Australian Synchrotron
- Continued growth in the user base for neutron beam instruments
- The routine operation of the nuclear medicine production facilities, ensuring reliable domestic supply of nuclear medicines that one in two Australians will need in their lifetime
- The demonstration of impact of ANSTO's research in areas of national importance, including health, materials engineering, water resource management and helping Australian industries solve complex problems
- The continuation of the Nuclear Science Facilities capital expansion in the areas of neutron beam, accelerator and synchrotron science
- The construction of a nuclear medicine manufacturing facility and co-located waste treatment plant
- Continued operation of the Australian Synchrotron, with a focus on continued delivery of scientific outcomes in a range of disciplines and on increasing the level of engagement with and benefit delivered to Australian industries from research undertaken at this landmark facility.

## **1.2 AGENCY RESOURCE STATEMENT**

Table 1.1 shows the total resources from all sources. The table summarises how resources will be applied by outcome and by administered and departmental classification.

**Table 1.1: ANSTO Resource Statement — Budget Estimates for 2014-15 as at Budget May 2014**

Source	Estimate of prior + year amounts available in 2014-15 \$'000	Proposed at Budget = 2014-15 \$'000	Total estimate 2014-15 \$'000	Actual available appropriation 2013-14 \$'000
<b>Opening balance/Reserves at bank</b>	<b>77,989</b>	-	77,989	101,982
<b>REVENUE FROM GOVERNMENT</b>				
<b>Ordinary annual services<sup>1</sup></b>				
Outcome 1	-	159,113	159,113	163,011
<b>Total ordinary annual services</b>	<b>-</b>	<b>159,113</b>	<b>159,113</b>	<b>163,011</b>
<b>Other services<sup>2</sup></b>				
Non-operating	-	93,690	93,690	45,125
<b>Total other services</b>	<b>-</b>	<b>93,690</b>	<b>93,690</b>	<b>45,125</b>
<b>Total annual appropriations</b>	<b>-</b>	<b>252,803</b>	<b>252,803</b>	<b>208,136</b>
<b>Total funds from Government</b>	<b>-</b>	<b>252,803</b>	<b>252,803</b>	<b>208,136</b>
<b>FUNDS FROM OTHER SOURCES</b>				
Interest	-	2,400	2,400	3,700
Sale of goods and services	-	75,700	75,700	70,900
Grants	-	35,200	35,200	31,500
<b>Total</b>	<b>-</b>	<b>113,300</b>	<b>113,300</b>	<b>106,100</b>
<b>Total net resourcing for agency</b>	<b>77,989</b>	<b>366,103</b>	<b>444,092</b>	<b>416,218</b>

All figures are GST exclusive

ANSTO is not directly appropriated as it is a CAC Act Body. Appropriations are made to the Department of Industry, which are then paid to ANSTO and are considered 'departmental' for all purposes

<sup>1</sup>Appropriation Bill (No.1) 2014-15.

<sup>2</sup>Appropriation Bill (No.2) 2014-15.



### 1.3 BUDGET MEASURES

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

**Table 1.2: Agency 2014-15 Budget measures**

**Part 1: Measures announced since the 2013-14 MYEFO**

	Programme	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>Expense measures</b>						
Efficiency Dividend - a further temporary increase of 0.25 per cent <sup>1</sup>	1.1					
Departmental expenses		-	(61)	(122)	(204)	(181)
<b>Total</b>		-	<b>(61)</b>	<b>(122)</b>	<b>(204)</b>	<b>(181)</b>
Australian Nuclear Science and Technology Organisation - additional funding	1.1					
Departmental expenses		-	8,454	8,882	9,368	4,944
<b>Total</b>		-	<b>8,454</b>	<b>8,882</b>	<b>9,368</b>	<b>4,944</b>
Australian Nuclear Science and Technology Organisation - permanent disposal of used nuclear fuel	1.1					
Departmental expenses		-	2,749	2,891	18,796	1,423
<b>Total</b>		-	<b>2,749</b>	<b>2,891</b>	<b>18,796</b>	<b>1,423</b>
Science and Research Agencies - reduced funding	1.1					
Departmental expenses		-	(6,590)	(6,820)	(7,130)	(7,010)
<b>Total</b>		-	<b>(6,590)</b>	<b>(6,820)</b>	<b>(7,130)</b>	<b>(7,010)</b>
<b>Total expense measures</b>						
Departmental		-	4,552	4,831	20,830	(824)
<b>Total</b>		-	<b>4,552</b>	<b>4,831</b>	<b>20,830</b>	<b>(824)</b>

Prepared on a Government Finance Statistics (fiscal) basis.

<sup>1</sup>Whole of Government savings measure announced in the 2014-15 Budget.

## SECTION 2: OUTCOMES AND PLANNED PERFORMANCE

### 2.1 OUTCOMES AND PERFORMANCE INFORMATION

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

Each outcome is described below together with its related programmes, specifying the performance indicators and targets used to assess and monitor the performance of ANSTO in achieving Government outcomes.

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

#### Outcome 1 Strategy

ANSTO will continue to focus its expertise and activities in collaborative areas that contribute to Australia's priorities, especially in support of its nuclear, research, industry, environmental, health, security and international relations policies. ANSTO will continue to lead collaborative opportunities for new scientific discoveries, producing new knowledge, capabilities and technologies for the benefit of Australian research, industry and government. ANSTO will also continue to explore avenues for the commercialisation of these discoveries and apply them to enhance its own capabilities as the operator of national facilities, including Australia's OPAL reactor and the Australian Synchrotron.

ANSTO will operate world-class national facilities at a level of efficiency that ensures a high return on investment for the Australian Government, its customers and collaborative partners. It will continue to capitalise on the opportunities presented by the now completed integration of the Australian Synchrotron into its management system, enabling a national approach to Australian scientific infrastructure platforms and in turn strong collaborative science outcomes benefiting all Australians.

Subject to regulatory approval, ANSTO will commence construction of an export-scale nuclear medicine manufacturing facility, enabling the expansion of Australia's contribution to global nuclear medicine supplies from late 2016 as well as a secure supply of these potentially lifesaving medicines for all Australians.

Through effective communication and engagement with industry, research and wider communities, ANSTO will increase support for its work and encourage the further adoption and impact of applications of nuclear science and technologies.

**Outcome Expense Statement**

Table 2.1 provides an overview of the total expenses for outcome 1 by programme.

**Table 2.1: Budgeted Expenses for Outcome 1**

<b>Outcome 1:</b> Improved know ledge, innovative capacity and healthcare through nuclear-based facilities, research training, products, services and advice to Government, industry, the education sector and the Australian population.	2013-14 Estimated actual expenses \$'000	2014-15 Estimated expenses \$'000
<b>Program 1.1: Science and Technology Solutions</b>		
<b>Program 1.1.1: Management of core nuclear facilities</b>		
Revenue from Government		
Ordinary annual services (Appropriation Act No. 1)	90,625	88,458
Revenues from other independent sources	16,066	17,148
Expenses not requiring appropriation in the Budget year <sup>1</sup>	34,520	35,035
<b>Total for Program 1.1.1</b>	<b>141,211</b>	<b>140,641</b>
<b>Program 1.1.2: Scientific and technical services for</b>		
Revenue from Government		
Ordinary annual services (Appropriation Act No. 1)	20,388	19,901
Revenues from other independent sources	3,727	3,979
<b>Total for Program 1.1.2</b>	<b>24,115</b>	<b>23,880</b>
<b>Program 1.1.3: Research into, and application of, nuclear science and technology</b>		
Revenue from Government		
Ordinary annual services (Appropriation Act No. 1)	42,597	41,578
Revenues from other independent sources	10,264	10,956
<b>Total for Program 1.1.3</b>	<b>52,861</b>	<b>52,534</b>
<b>Program 1.1.4: Provision of education and training</b>		
Revenue from Government		
Ordinary annual services (Appropriation Act No. 1)	4,286	4,183
Revenues from other independent sources	536	572
<b>Total for Program 1.1.4</b>	<b>4,822</b>	<b>4,755</b>
<b>Program 1.1.5: Radiopharmaceutical sales</b>		
Revenue from Government		
Ordinary annual services (Appropriation Act No. 1)	3,148	3,073
Revenues from other independent sources	52,199	55,718
<b>Total for Program 1.1.5</b>	<b>55,347</b>	<b>58,791</b>
<b>Program 1.1.6: Exploitation of assets</b>		
Revenue from Government		
Ordinary annual services (Appropriation Act No. 1)	1,967	1,920
Revenues from other independent sources	24,008	25,627
<b>Total for Program 1.1.6</b>	<b>25,975</b>	<b>27,547</b>
<b>Outcome 1 Totals by resource type</b>		
Revenue from Government		
Ordinary annual services (Appropriation Act No. 1)	163,011	159,113
Revenues from other independent sources	106,800	114,000
Expenses not requiring appropriation in the Budget year <sup>1</sup>	34,520	35,035
<b>Total expenses for Outcome 1</b>	<b>304,331</b>	<b>308,148</b>
	2013-14	2014-15
<b>Average Staffing Level (number)</b>	1,267	1,204

<sup>1</sup>Reflects approved operating losses due to accounting treatment of decommissioning costs, redundancies, and depreciation impact of asset revaluations and new facilities.

## Contributions to Outcome 1

### Programme 1.1: Science and Technology Solutions

#### Programme Objective

- ANSTO will continue to achieve reliable operation of its nuclear medicine production facility to ensure timely delivery of its products
- ANSTO will commence construction of a new nuclear medicine manufacturing facility and finalise detailed design of the co-located waste treatment plant
- All international and regional collaborations will relate directly and clearly to an issue of national importance and will deliver demonstrable value through effective leverage of ANSTO's facilities and skills
- ANSTO will continue to achieve a standard of operational efficiency and effectiveness for its facilities that is comparable with the best organisations worldwide
- ANSTO will successfully commercialise and transfer technologies and expertise, particularly in materials-related areas (e.g. radioactive waste management)
- Community understanding of the benefits and necessity of nuclear science and technology will improve
- ANSTO will become a partner of choice for leading businesses and research organisations
- ANSTO will deliver the Education Investment Fund (EIF) funded Nuclear Science Facilities expansion
- The Australian Synchrotron will grow its industry interactions over the next two years and increase the benefit delivered to Australian industries from research undertaken at the facility
- ANSTO's Bragg Institute will continue to achieve scientific quality and productivity comparable with similar neutron and synchrotron radiation facilities in the world and be a regional centre of excellence in neutron beam science
- ANSTO will continue to enhance its national security and non-proliferation research through collaborative programmes
- Increased recognition of ANSTO as a key and trusted source of advice to government
- Continued integration of the use of nuclear technologies available at ANSTO for the purpose of studying fundamental and applied biological systems.

**Programme Expenses**

Funding has been provided over the Budget and forward estimates to address cost pressures experienced by ANSTO's OPAL Nuclear Research Reactor, and shipments of spent nuclear fuel assemblies for processing and permanent storage. The reduction in expenses in 2016-17 and 2017-18 reflects the end of the current Australian Synchrotron funding agreement as at June 2016.

	2013-14 Estimated actual (\$'000)	2014-15 Budget (\$'000)	2015-16 Forward estimate (\$'000)	2016-17 Forward estimate (\$'000)	2017-18 Forward estimate (\$'000)
Programme support	269,811	273,113	269,375	264,712	247,219
Expenses not requiring appropriation in the Budget year <sup>1</sup>	34,520	35,035	35,334	33,370	35,256
<b>Total Programme expenses</b>	<b>304,331</b>	<b>308,148</b>	<b>304,709</b>	<b>298,082</b>	<b>282,475</b>

<sup>1</sup>Expenses not requiring appropriation reflected approved operating losses due to accounting treatment of decommissioning costs, redundancies and depreciation impact of asset revaluations and new facilities.

**Programme 1.1 Deliverables**

- Continued reliability and supply of radiopharmaceuticals for the Australian community and the world
- Progress development of Nuclear Medicine and Synroc facilities in line with agreed milestones
- Efficient operation of the Australian Synchrotron for the benefit of Australian industry and science
- Completion of the Nuclear Science Facilities project in line with agreed milestones
- High availability of national facilities for users
- Continuation of the provision of trusted advice to government on all matters relating to nuclear security, science, technology and engineering
- Continuation of the 1,000-year rainfall record for South Western Australia.

**Programme 1.1 Key Performance Indicators**

**Facility availability**

- OPAL
  - Total availability (time operating as a percentage of total time)
  - Planned availability (actual operating time as a percentage of planned operating time)
- Accelerators
  - Average percentage of time accelerators operated per available time
- Neutron Beam Instruments
  - Average percentage of time neutron beam instruments operated per actual days of beamline availability
- Australian Synchrotron
  - Machine availability based on a 16 week rolling average

**Nuclear Science Facilities Project**

- Percentage expenditure of total EIF funding

**Nuclear Medicine and Synroc Project**

- Percentage of capital funding completed

**Radiopharmaceutical doses**

- Potential patient doses supplied to hospitals and radiopharmacies.

**Programme 1.1 Key Performance Indicators**

Key Performance Indicators	2013-14 Estimated actual	2014-15 Budget	2015-16 Forw ard estimate	2016-17 Forw ard estimate	2017-18 Forw ard estimate
Facility availability					
- total availability of OPAL: % of days at power	73	80	82	77	82
- planned availability of OPAL: % of actual operating scheduled	95	95	95	95	95
- accelerators: average % of days operated per available time	75	75	75	75	75
- neutron beam instruments: average % of days operated per days beamline availability	85	85	85	85	85
Australian Synchrotron - Machine Availability based on 16 week rolling average	95	95	95	95	95
Nuclear Science Facilities project - percentage of capital funding completed	100	n/a	n/a	n/a	n/a
Nuclear Medicine Manufacturing Facility - percentage of capital funding completed	38	89	100	n/a	n/a
Radiopharmaceutical doses - Potential doses	2,366,877	2,218,299	2,383,711	2,414,225	2,414,225



## Departmental Programme Elements

ANSTO has six departmental programme elements under programme 1.1. The objectives and deliverables for these are summarised in the following tables.

### Programme Element 1.1.1: Management of core nuclear facilities

#### Programme objectives 1.1.1

- Two rounds of calls for beam-time applications will be completed during the year and peer-reviewed by external reviewers to select successful applicants. ANSTO will assist users from industry, universities and research institutes, across a wide range of applications. Education in neutron scattering will be fostered for the Australian and the international community
- ANSTO will maintain baseline reliability and availability for the OPAL reactor
- ANSTO's accelerators will continue to have high availability for users, and ANSTO will maintain its strong relationships with other accelerator groups in Australia and overseas
- ANSTO will continue the safe and secure management of radioactive wastes generated from operation of its nuclear facilities and production of radioisotopes
- ANSTO will plan for the continued secure supply of nuclear medicines derived from Molybdenum-99 for Australia and the world.

#### Programme 1.1.1 Deliverables

- ANSTO will continue to publish OPAL's operating schedule, enabling the allocation of times to neutron beam users
- Safe, secure and reliable operation of facilities
- Increased number of users of facilities, particularly from Australian industry
- Prioritised completion of scheduled milestones for the Nuclear Science Facilities project
- Continue planning for temporary storage of Australia's overseas intermediate level waste
- Complete funded decommissioning activities as scheduled
- Commence construction of a new Australian nuclear medicine manufacturing facility and complete detailed design of co-located Synroc treatment plant.

**Programme Element 1.1.2: Scientific and technical services for Government**

**Programme Element 1.1.2: Objective**

- ANSTO provides expert nuclear and radiological advice to government and represents Australia internationally.

**Programme 1.1.2 Deliverables**

- Continued representation of Australian interests and contribution to the global non-proliferation agenda at the International Atomic Energy Agency (IAEA) and regional nuclear forums
- Effective responses to requests for advice or assistance on forensics and border protection from government agencies
- Provision of timely advice to government departments on nuclear proliferation in other countries and nuclear policies, including the status of regional programmes
- Provision of health physics support to nuclear-powered ships' visits to Australian ports.

**Programme 1.1.3 Research into, and application of, nuclear science and technology**

**Programme 1.1.3 Objectives**

- Continued progress in radiopharmaceuticals development, utilising isotopes produced by OPAL and cyclotron-produced compounds. ANSTO will also disseminate new technologies and their applications to further the training of various professionals
- The suite of neutron-beam instrumentation operated by the Bragg Institute will maintain a strong scientific programme, especially with respect to food science, energy-related materials and magnetism. This research ranges from investigating the structure of materials such as rail joints and how their performance, strength and durability can be improved to monitoring the behaviour of starches as they are cooked to revolutionise food manufacturing process and potentially help fight bowel cancer
- Continued capitalisation of the synergistic links between ANSTO and the Australian Synchrotron, enabling a national approach to Australian scientific infrastructure platforms and a world-class user oriented facility that delivers high impact science that supports Australian industries and science
- Isotope and nuclear techniques are used in carbon dating in order to better understand past global environmental conditions. ANSTO will continue work to improve the quality of information provided to governments to ensure that groundwater resources are managed sustainably and provide knowledge and data valuable to contaminant ecological risk assessments of water-resource management bodies.

**Programme 1.1.3 Deliverables**

- Commercial development and/or clinical trials of ANSTO-developed compounds to be initiated
- ANSTO's nuclear techniques and facilities, combined with its long-standing experience in its applications, will be made available to the Australian research community and key global partners such as the IAEA, enabling Australia to continue to contribute to the global nuclear non-proliferation movement
- The Murray-Darling water system and waterways in Western Australia and Queensland will be the focus of ANSTO's water sustainability research. The results of these studies will contribute to setting risk levels for pollutants in estuaries and catchment areas, and therefore provide an effective handle on environmental risk-based management decisions. Its studies into older climate and environmental systems, using cosmogenic isotopes such as radiocarbon and uranium series, will continue with field studies in Australia, China and Antarctica. Other field studies will trace food chains in inland water systems such as the Macquarie Marshes and the Murray catchment in northern Victoria.

**Programme 1.1.4 Provision of education and training**

**Programme 1.1.4 Objectives**

To promote understanding of nuclear science and technology, its impact and the benefits it delivers to all Australians, ANSTO:

- Provides high quality information to meet its stakeholders' needs, making it readily available electronically and in other forms
- Provides educational resources and engages with the education community
- Participates in community events
- Encourages the broader community to experience its facilities and technologies
- Works with the Australian Institute of Nuclear Science and Engineering (AINSE) in training graduate and post-graduate students
- Strengthens its profile as an innovative organisation, by publicising its achievements and its regional and international roles as well as fostering networks and collaboration with the nuclear medicine and other scientific communities.

**Programme 1.1.4 Deliverables**

- At least 10,000 high school students and others participate in scientific tours of ANSTO
- At least 400,000 'hits' on ANSTO's website
- University students supervised - year-in-industry, vacation, PhD, AINSE grant recipients
- Continue the ANSTO Graduate Development Programme
- Provision of training and education to university students (e.g. radiochemistry, nuclear engineering, radioactive waste management).

#### **Programme 1.1.5 Radiopharmaceutical sales**

##### **Programme 1.1.5 Objectives**

- ANSTO will continue to achieve a consistently reliable supply of radiopharmaceuticals, including Molybdenum-99, to domestic and international patients for the diagnosis and treatment of heart disease and a range of cancers. ANSTO currently supplies nuclear medicines to Australian and New Zealand hospitals and market suppliers each year. The reliable operation of the OPAL research reactor and the associated Molybdenum-99 processing facility is crucial in ensuring this consistent supply
- ANSTO will commence operations of its new Lutetium manufacturing facility, enabling a local, regular and reliable supply of the radioisotope Lutetium-177. Lutetium-177 can be used in the treatment of a variety of cancers, including neuroendocrine tumours.

##### **Programme 1.1.5 Deliverables**

- ANSTO will continue to produce high yields of Molybdenum-99
- ANSTO will ensure continuity of supply to the domestic market including through future opportunities in the nuclear medicine supply chain
- ANSTO will review possible extension of its product range in response to requests from the medical community, taking into account commercial viability and operating conditions.

#### **Programme 1.1.6 Exploitation of assets**

##### **Programme 1.1.6 Objectives**

- ANSTO aims to move new products and/or services through proof of concept and commercialisation, with the intention of providing benefit to Australian industries and a financial return on government investment
- In the medium to long term ANSTO will continue to develop the full utilisation of OPAL, rebalance its research portfolio to ensure consistency with Government policy, make provision for increased numbers of researchers to use the instruments at OPAL, and continue its processes to ensure it is a reliable supplier of radiopharmaceuticals.

**Programme 1.1.6 Deliverables**

- ANSTO to license new technology to commercial partner(s)
- Development and commercialisation of up to two new research projects.

## **Section 3: Explanatory Tables and Budgeted Financial Statements**

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the 2014-15 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and programme expenses, movements in administered funds, special accounts and government Indigenous expenditure.

### **3.1 EXPLANATORY TABLES**

#### **3.1.1 Movement of Administered Funds Between Years**

ANSTO is a CAC Act body and has no administered funds; therefore Table 3.1.1 is not presented.

#### **3.1.2 Special Accounts**

ANSTO has no Special Accounts; therefore Table 3.1.2 is not presented.

#### **3.1.3 Australian Government Indigenous Expenditure**

The 2014-15 Australian Government Indigenous Expenditure Statement is not applicable because ANSTO has no Indigenous specific expenses.



## **3.2 BUDGETED FINANCIAL STATEMENTS**

### **3.2.1 Differences in Agency Resourcing and Financial Statements**

There are no material variances between the agency resources table and the financial statements.

### **3.2.2 Analysis of Budgeted Financial Statements**

ANSTO's budgeted financial statements are presented on a consolidated basis in accordance with AASB 127 (Consolidated and Separate Financial Statements). The consolidated financial statements incorporate the assets and liabilities and the results of all entities controlled by ANSTO as defined in AASB 127.

In accordance with whole of Government reporting for Public Non-Financial Corporation (PNFC) entities, these financial statements do not include financials for ANM (ANSTO Nuclear Medicine).

#### **Comprehensive Income Statement**

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

Total revenue in 2014-15 is estimated to be \$273.1 million (including appropriation) compared to the estimate of \$269.8 million for 2013-14. The net impact of the budget measures and an increase in non-government revenues is an overall increase of \$3.3 million.

ANSTO has projected losses of \$34.5 million for 2013-14 and \$35.0 million for 2014-15. These losses are largely due to the non-cash impact of ANSTO's accounting treatment entries for ANSTO's ongoing decommissioning programme and depreciation costs for new facilities and asset revaluations. These costs account for \$30.8 million in 2013-14 and \$33.8 million in 2014-15.

Total expenses in 2014-15 are estimated at \$308.1 million compared to the estimate for 2013-14 of \$304.3 million. The small increase reflects the net effect of Budget decisions.

ANSTO received new budget funding for operation of its OPAL reactor and for shipping spent nuclear fuel from the OPAL reactor to the United States for permanent storage.

#### **Budgeted Departmental Balance Sheet**

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

Financial assets increase from \$140.8 million to \$220.8 million, reflecting mainly the commencement of the ANM project, expenditure on which is recorded as a financial asset. The eventual full project costs for ANM will be \$168.8 million.

**Budgeted Departmental Statement of Cash Flows**

Budgeted cash flows, as reflected in the statement of cash flows, provide information on the extent and nature of cash flows by categorising them into expected cash flows from operating, investing and financing activities.

The movements in cash flow are consistent with movements in the Income Statement and the Balance Sheet.

### 3.2.3 Budgeted Financial Statements Tables

**Table 3.2.1 Comprehensive Income Statement (Showing Net Cost of Services) for the period ended 30 June**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>EXPENSES</b>					
Employee benefits	135,660	122,413	125,623	113,021	115,306
Suppliers	81,015	89,158	84,409	93,899	76,613
Grants	2,000	2,000	-	-	-
Depreciation and amortisation	68,583	77,926	78,343	77,695	74,848
Finance costs	17,073	16,651	16,334	13,467	15,708
<b>Total expenses</b>	<b>304,331</b>	<b>308,148</b>	<b>304,709</b>	<b>298,082</b>	<b>282,475</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Sale of goods and rendering of services	70,900	75,700	79,624	83,200	86,900
Interest	3,700	2,400	2,000	2,000	1,000
Grants	31,500	35,200	27,536	2,000	2,000
<b>Total own-source revenue</b>	<b>106,100</b>	<b>113,300</b>	<b>109,160</b>	<b>87,200</b>	<b>89,900</b>
<b>Gains</b>					
Sale of assets	200	200	-	-	-
Other	500	500	500	-	-
<b>Total gains</b>	<b>700</b>	<b>700</b>	<b>500</b>	<b>-</b>	<b>-</b>
<b>Total own-source income</b>	<b>106,800</b>	<b>114,000</b>	<b>109,660</b>	<b>87,200</b>	<b>89,900</b>
<b>Net cost of (contribution by) services</b>	<b>197,531</b>	<b>194,148</b>	<b>195,049</b>	<b>210,882</b>	<b>192,575</b>
Revenue from Government	163,011	<b>159,113</b>	<b>159,715</b>	<b>177,512</b>	<b>157,319</b>
<b>Surplus (Deficit) attributable to the Australian Government</b>	<b>(34,520)</b>	<b>(35,035)</b>	<b>(35,334)</b>	<b>(33,370)</b>	<b>(35,256)</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.2: Budgeted Departmental Balance Sheet  
(as at 30 June)**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	77,989	88,367	47,519	46,498	42,985
Trade and other receivables	15,334	15,334	15,334	15,334	15,334
Other investments	47,443	117,101	173,800	173,800	173,800
<b>Total financial assets</b>	<b>140,766</b>	<b>220,802</b>	<b>236,653</b>	<b>235,632</b>	<b>232,119</b>
<b>Non-financial assets</b>					
Land and buildings	304,524	297,724	288,084	280,084	272,084
Property, plant and equipment	764,381	762,661	759,479	752,197	747,762
Intangibles	69,985	66,085	62,585	58,985	55,385
Inventories	21,636	21,636	21,636	21,636	21,636
Other non-financial assets	3,622	3,622	3,622	3,622	3,622
<b>Total non-financial assets</b>	<b>1,164,148</b>	<b>1,151,728</b>	<b>1,135,406</b>	<b>1,116,524</b>	<b>1,100,489</b>
Assets held for sale					
<b>Total assets</b>	<b>1,304,914</b>	<b>1,372,530</b>	<b>1,372,059</b>	<b>1,352,156</b>	<b>1,332,608</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	13,860	13,860	13,860	13,860	13,860
Grants	682	682	682	682	682
<b>Total payables</b>	<b>14,542</b>	<b>14,542</b>	<b>14,542</b>	<b>14,542</b>	<b>14,542</b>
<b>Interest bearing liabilities</b>					
Other interest bearing liabilities	14,501	14,501	14,501	14,501	14,501
<b>Total interest bearing liabilities</b>	<b>14,501</b>	<b>14,501</b>	<b>14,501</b>	<b>14,501</b>	<b>14,501</b>
<b>Provisions</b>					
Employee provisions	41,918	41,918	41,918	41,918	41,918
Other provisions	342,106	351,067	362,116	369,703	385,411
<b>Total provisions</b>	<b>384,024</b>	<b>392,985</b>	<b>404,034</b>	<b>411,621</b>	<b>427,329</b>
<b>Total liabilities</b>	<b>413,067</b>	<b>422,028</b>	<b>433,077</b>	<b>440,664</b>	<b>456,372</b>
<b>Net assets</b>	<b>891,847</b>	<b>950,502</b>	<b>938,982</b>	<b>911,492</b>	<b>876,236</b>

**Table 3.2.2: Budgeted Departmental Balance Sheet  
(as at 30 June) (continued)**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	608,981	702,671	726,485	732,365	732,365
Reserves	481,984	481,984	481,984	481,984	481,984
Retained surplus (accumulated deficit)	(199,118)	(234,153)	(269,487)	(302,857)	(338,113)
<b>Total parent entity interest</b>	<b>891,847</b>	<b>950,502</b>	<b>938,982</b>	<b>911,492</b>	<b>876,236</b>
<b>Total Equity</b>	<b>891,847</b>	<b>950,502</b>	<b>938,982</b>	<b>911,492</b>	<b>876,236</b>

\* 'Equity' is the residual interest in assets after deduction of liabilities.  
Prepared on Australian Accounting Standards basis.

**Table 3.2.3: Departmental Statement of Changes in Equity — Summary of Movement (Budget Year 2014-15)**

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2014</b>					
Balance carried forward from previous period	(199,118)	468,169	13,815	608,981	891,847
<b>Adjusted opening balance</b>	<b>(199,118)</b>	<b>468,169</b>	<b>13,815</b>	<b>608,981</b>	<b>891,847</b>
<b>Comprehensive income</b>					
Surplus (deficit) for the period	(35,035)	-	-	-	(35,035)
<b>Total comprehensive income</b>	<b>(35,035)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(35,035)</b>
of which:					
Attributable to the Australian Government	(35,035)	-	-	-	(35,035)
<b>Transactions with owners</b>					
<b>Contributions by owners</b>					
Equity Injection - Appropriation	-	-	-	93,690	93,690
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>93,690</b>	<b>93,690</b>
Transfers between equity components	-	-	-	-	-
<b>Estimated closing balance as at 30 June 2015</b>	<b>(234,153)</b>	<b>468,169</b>	<b>13,815</b>	<b>702,671</b>	<b>950,502</b>
<b>Closing balance attributable to the Australian Government</b>	<b>(234,153)</b>	<b>468,169</b>	<b>13,815</b>	<b>702,671</b>	<b>950,502</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.4: Budgeted Departmental Statement of Cash Flows  
(for the period ended 30 June)**

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	163,011	159,113	159,715	177,512	157,319
Sale of goods and rendering of servi	70,900	75,700	79,624	83,200	86,900
Interest	3,700	2,400	2,000	2,000	1,000
Grants Received	31,500	35,200	27,536	2,000	2,000
Other	-	(500)	-	-	-
<b>Total cash received</b>	<b>269,111</b>	<b>271,913</b>	<b>268,875</b>	<b>264,712</b>	<b>247,219</b>
<b>Cash used</b>					
Employees	136,660	120,413	129,381	113,021	115,306
Suppliers	90,977	96,648	89,694	99,779	76,613
Borrowing costs	200	200	-	-	-
Other	2,000	2,000	-	-	-
<b>Total cash used</b>	<b>229,837</b>	<b>219,261</b>	<b>219,075</b>	<b>212,800</b>	<b>191,919</b>
<b>Net cash from (used by) operating activities</b>	<b>39,274</b>	<b>52,652</b>	<b>49,800</b>	<b>51,912</b>	<b>55,300</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	200	200	-	-	-
Investments	250,000	230,000	200,000	200,000	130,000
<b>Total cash received</b>	<b>250,200</b>	<b>230,200</b>	<b>200,000</b>	<b>200,000</b>	<b>130,000</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	90,566	65,506	62,021	58,813	58,813
Investments	247,033	311,536	212,093	198,979	126,487
<b>Total cash used</b>	<b>337,599</b>	<b>377,042</b>	<b>274,114</b>	<b>257,792</b>	<b>185,300</b>
<b>Net cash from (used by) investing activities</b>	<b>(87,399)</b>	<b>(146,842)</b>	<b>(74,114)</b>	<b>(57,792)</b>	<b>(55,300)</b>

**Table 3.2.4: Budgeted Departmental Statement of Cash Flows  
(for the period ended 30 June) (continued)**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity	3,000	-	-	-	-
Other - Equity Funding instruments	45,125	93,690	23,814	5,880	-
Other - Foreign Exchange	-	500	500	-	-
<b>Total cash received</b>	<b>48,125</b>	<b>94,190</b>	<b>24,314</b>	<b>5,880</b>	<b>-</b>
<b>Net cash from (used by) financing activities</b>	<b>48,125</b>	<b>94,190</b>	<b>24,314</b>	<b>5,880</b>	<b>-</b>
<b>Net increase (decrease) in cash held</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	3,899	3,899	3,889	3,899	3,899
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>3,899</b>	<b>3,899</b>	<b>3,889</b>	<b>3,899</b>	<b>3,899</b>

Prepared on Australian Accounting Standards basis.



**Table 3.2.5: Departmental Capital Budget Statement**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>NEW CAPITAL APPROPRIATIONS</b>					
Equity injections - Bill 2	45,125	93,690	23,814	5,880	-
<b>Total new capital appropriations</b>	<b>45,125</b>	<b>93,690</b>	<b>23,814</b>	<b>5,880</b>	<b>-</b>
<b>Provided for:</b>					
Purchase of non-financial assets	15,992	-	-	-	-
Other Items	29,133	93,690	23,814	5,880	-
<b>Total Items</b>	<b>45,125</b>	<b>93,690</b>	<b>23,814</b>	<b>5,880</b>	<b>-</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations <sup>1</sup>	20,732	5,816	-	-	-
Funded internally from departmental resources <sup>2</sup>	69,834	59,690	62,021	58,813	58,813
<b>TOTAL</b>	<b>90,566</b>	<b>65,506</b>	<b>62,021</b>	<b>58,813</b>	<b>58,813</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	90,566	65,506	62,021	58,813	58,813
<b>Total cash used to acquire assets</b>	<b>90,566</b>	<b>65,506</b>	<b>62,021</b>	<b>58,813</b>	<b>58,813</b>

Prepared on Australian Accounting Standards basis.

<sup>1</sup>Includes both current Bill 2 and prior Act 2/4/6 appropriations and special capital appropriations.

<sup>2</sup>Includes funding sourced from current Bill 1 and prior year Act 1/3/5 appropriations.

**Table 3.2.6: Statement of Asset Movements (2014-15)**

	Land	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2014</b>					
Gross book value	97,200	231,567	984,091	104,662	1,417,520
Accumulated depreciation/amortisation and impairment	-	(24,243)	(219,710)	(34,677)	(278,630)
<b>Opening net book balance</b>	<b>97,200</b>	<b>207,324</b>	<b>764,381</b>	<b>69,985</b>	<b>1,138,890</b>
<b>CAPITAL ASSET ADDITIONS</b>					
<b>Estimated expenditure on new or replacement assets</b>					
By purchase - appropriation equity <sup>1</sup>	-	-	5,816	-	5,816
By purchase - appropriation ordinary annual services <sup>2</sup>	-	7,000	52,690	-	59,690
<b>Total additions</b>	<b>-</b>	<b>7,000</b>	<b>58,506</b>	<b>-</b>	<b>65,506</b>
<b>Other movements</b>					
Assets held for sale or in a disposal group held for sale	-	-	-	-	-
Depreciation/amortisation expense	-	(13,800)	(60,226)	(3,900)	(77,926)
<b>Total other movements</b>	<b>-</b>	<b>(13,800)</b>	<b>(60,226)</b>	<b>(3,900)</b>	<b>(77,926)</b>
<b>As at 30 June 2015</b>					
Gross book value	97,200	238,567	1,042,597	104,662	1,483,026
Accumulated depreciation/amortisation and impairment	-	(38,043)	(279,936)	(38,577)	(356,556)
<b>Closing net book balance</b>	<b>97,200</b>	<b>200,524</b>	<b>762,661</b>	<b>66,085</b>	<b>1,126,470</b>

Prepared on Australian Accounting Standards basis.

<sup>1</sup>'Appropriation equity' refers to equity injections provided through Appropriation Bill (No.2) 2014-15.

<sup>2</sup>'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No.1) 2014-15 for depreciation/amortisation expenses.

**Table 3.2.7: Schedule of Budgeted Income and Expenses Administered on Behalf of Government (for the period ended 30 June)**

ANSTO has no budgeted income and expenses administered on behalf of Government; therefore Table 3.2.7 is not presented.

**Table 3.2.8: Schedule of Budgeted Assets and Liabilities Administered on Behalf of Government (as at 30 June)**

ANSTO has no budgeted assets and liabilities administered on behalf of Government; therefore Table 3.2.8 is not presented.

**Table 3.2.9: Schedule of Budgeted Administered Cash Flows (for the period ended 30 June)**

ANSTO has no budgeted administered cash flows; therefore Table 3.2.9 is not presented.

**Table 3.2.10: Schedule of Administered Capital Budget Statement**

ANSTO has no administered capital budget; therefore Table 3.2.10 is not presented.

**Table 3.2.11: Statement of Administered Asset Movements (2014-15)**

ANSTO has no administered asset movements; therefore Table 3.2.11 is not presented.

**3.2.4 Notes to the Financial Statements**

ANSTO's budgeted financial statements are presented on a consolidated basis and are prepared in accordance with the Australian Accounting Standards, and the Finance Minister's Orders.



# **Australian Skills Quality Authority**

## **Agency Resources and Planned Performance**



# AUSTRALIAN SKILLS QUALITY AUTHORITY

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# AUSTRALIAN SKILLS QUALITY AUTHORITY

## Section 1: Agency Overview and Resources

### 1.1 STRATEGIC DIRECTION STATEMENT

The Australian Skills Quality Authority (ASQA) was established on 1 July 2011 by the *National Vocational Education and Training Regulator Act 2011* and supplementary legislation.

ASQA's focus is on building a nationally consistent regulatory system that gives confidence to stakeholders that vocational and education training providers and providers of English language courses to overseas students, offer quality training and assessment services. ASQA works to ensure that this training is appropriate to meet Australia's social and economic needs for a highly educated and skilled population.

ASQA takes a modern and responsive approach to its regulation, employing a risk-based approach to support competitive and well-functioning markets.

Key facets of ASQA's regulatory approach include:

- a) Targeted, risk-based regulation
  - i) ASQA's principles for regulating the sector include employing risk-based, targeted regulation that focuses on poor quality provision. Resources are targeted to areas that pose the greatest risk to quality vocational education and training.
  - ii) In line with international best practice, ASQA's regulation seeks to anticipate potential problems. ASQA assesses risk to quality by drawing on information derived from national data and intelligence from our collaborative partnerships with stakeholders.
  - iii) Through this risk-focused approach, ASQA is able to minimise regulatory interventions for providers that consistently demonstrate that their operations fully comply with the national standards.
  - iv) ASQA identifies and targets critical factors needing change to improve training outcomes in specific industry sectors through its programme of strategic reviews, which commenced in 2012-13. These reviews draw on ASQA's strong partnerships with industry, employers and other regulators.

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- b) Ensuring that training meets the needs of industry
  - i) Australian businesses need a skilled workforce. Through the work of Industry Skills Councils in developing training packages, industry defines the skills required by the labour market. ASQA ensures that registered training organisations are meeting the requirements of these industry-developed training packages, so that vocational education and training graduates have the contemporary work skills required for employment.
  - ii) ASQA works to achieve a balance between the wider interest of Australian industry and Australian employers and the specific interests of the vocational education industry.
- c) Decisive action in cases of serious risk to the vocational education and training sector
  - i) Similarly, sanctions against providers are proportionate to the impact of the non-compliance. In the most serious cases, where the risks to the quality and reputation of Australia's training sector are significant, ASQA will take action to cancel or suspend a provider's registration.

ASQA's objectives are to:

- a) provide for national consistency in the regulation of vocational education and training
- b) regulate vocational education and training using:
  - i) a standards-based quality framework
  - ii) risk assessments, where appropriate
- c) protect and enhance:
  - i) quality, flexibility and innovation in vocational education and training
  - ii) Australia's reputation for vocational education and training nationally and internationally
- d) provide a regulatory framework that encourages and promotes a vocational education and training system that is appropriate to meet Australia's social and economic needs for a highly educated and skilled population
- e) protect students undertaking, or proposing to undertake, Australian vocational education and training by ensuring the provision of quality vocational education and training
- f) facilitate access to accurate information relating to the quality of vocational education and training.

In 2014-15 ASQA will focus on:

- a) The further development and implementation of a regulatory model that will allow ASQA to focus its regulatory effort on poor quality high-risk providers
- b) Progressing the next tranche of strategic industry reviews, which will focus on:
  - i) Training for child care and early childhood learning
  - ii) Training for horse riding
  - iii) Training for the security industry
- c) Working to implement regulatory reform initiatives as determined by government
- d) Undertaking a second nationwide programme of training provider information sessions to promote provider engagement with ASQA about the standards and how ASQA will approach the testing of compliance at any audit.

## **1.2 AGENCY RESOURCE STATEMENT**

Table 1.1 shows the total resources from all sources. The table summarises how resources will be applied by outcome and by administered and departmental classification.

**Table 1.1: ASQA Resource Statement — Budget Estimates for 2014-15 as at Budget May 2014**

	Estimate of prior <sup>+</sup> year amounts available in 2014-15 \$'000	Proposed at Budget = 2014-15 \$'000	Total estimate 2014-15 \$'000	Actual available appropriation 2013-14 \$'000
<b>Ordinary annual services<sup>1</sup></b>				
<b>Departmental appropriation</b>				
Prior year departmental appropriation <sup>2</sup>	14,236		14,236	7,917
Departmental appropriation		35,147	35,147	35,507
<b>Total</b>	<b>14,236</b>	<b>35,147</b>	<b>49,383</b>	<b>43,424</b>
<b>Total ordinary annual services</b>	<b>A 14,236</b>	<b>35,147</b>	<b>49,383</b>	<b>43,424</b>
<b>Other services<sup>3</sup></b>				
<b>Departmental non-operating</b>				
Equity injections	-	2,676	2,676	2,236
<b>Total</b>	<b>-</b>	<b>2,676</b>	<b>2,676</b>	<b>2,236</b>
<b>Total other services</b>	<b>B -</b>	<b>2,676</b>	<b>2,676</b>	<b>2,236</b>
<b>Total available annual appropriations</b>	<b>14,236</b>	<b>37,823</b>	<b>52,059</b>	<b>45,660</b>
<b>Total resourcing</b>				
A+B	14,236	37,823	52,059	45,660
<b>Total net resourcing for ASQA</b>	<b>14,236</b>	<b>37,823</b>	<b>52,059</b>	<b>45,660</b>

<sup>1</sup>Appropriation Bill (No.1) 2014-15.<sup>2</sup>Estimated adjusted balance carried forward from previous year.<sup>3</sup>Appropriation Bill (No.2) 2014-15.

Reader note: All figures are GST exclusive.

### 1.3 BUDGET MEASURES

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

**Table 1.2: Agency 2014-15 Budget measures**

**Part 1: Measures announced since the 2013-14 MYEFO**

	Programme	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>Expense measures</b>						
Efficiency Dividend - a further temporary increase of 0.25 per cent <sup>1</sup>	1.1					
Departmental		-	(90)	(175)	(261)	(263)
<b>Total expense measures</b>		-	<b>(90)</b>	<b>(175)</b>	<b>(261)</b>	<b>(263)</b>
Departmental		-	(90)	(175)	(261)	(263)
<b>Total</b>		-	<b>(90)</b>	<b>(175)</b>	<b>(261)</b>	<b>(263)</b>

Prepared on a Government Finance Statistics (fiscal) basis.

<sup>1</sup>Whole of Government savings measure announced in the 2014-15 Budget.

**Part 2: MYEFO measures not previously reported in a portfolio statement**

	Programme	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>Expense measures</b>						
Efficiency Dividend - temporary increase to the rate <sup>1</sup>	1.1					
Departmental expenses		-	(360)	(793)	(1,236)	-
<b>Total</b>		-	<b>(360)</b>	<b>(793)</b>	<b>(1,236)</b>	-
Reforms to the APS management <sup>2</sup>	1.1					
Departmental expenses		(6)	(32)	(71)	(98)	-
<b>Total</b>		(6)	<b>(32)</b>	<b>(71)</b>	<b>(98)</b>	-
<b>Total expense measures</b>						
Departmental		(6)	(392)	(864)	(1,334)	-
<b>Total</b>		<b>(6)</b>	<b>(392)</b>	<b>(864)</b>	<b>(1,334)</b>	-

<sup>1</sup>Whole of Government savings measure announced in the Economic Statement.

<sup>2</sup>Whole of Government savings measure announced in the 2013-14 Budget and 2013 Economic Statement.

## **SECTION 2: OUTCOMES AND PLANNED PERFORMANCE**

### **2.1 OUTCOMES AND PERFORMANCE INFORMATION**

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

Each outcome is described below together with its related programmes, specifying the performance indicators and targets used to assess and monitor the performance of ASQA in achieving Government outcomes.

**Outcome 1: Contribute to a high quality vocational education and training sector, including through streamlined and nationally consistent regulation of training providers and courses, and the communication of advice to the sector on improvements to the quality of vocational education and training.**

#### **Outcome 1 Strategy**

ASQA's focus is on building a nationally consistent regulatory system that will give confidence to stakeholders that vocational and education training (VET) providers and English Language Intensive Courses for Overseas Students (ELICOS) providers offer quality training and assessment services - services that are appropriate to meet Australia's social and economic needs for a highly educated and skilled population.

ASQA will build consistent regulatory practices by strengthening its targeted, risk-based regulatory approach. ASQA will do this by drawing on information derived from improved national data, and intelligence from its collaborative partnerships with critical stakeholders. It will use this information to inform its regulatory practice and to build a consistent approach that encourages a sector-wide culture of compliance.

**Outcome Expense Statement**

Table 2.1 provides an overview of the total expenses for outcome 1 by programme.

**Table 2.1: Budgeted Expenses for Outcome 1**

<b>Outcome 1:</b> Contribute to a high quality vocational education and training sector, including through streamlined and nationally consistent regulation of training providers and courses, and the communication of advice to the sector on improvements to the quality of vocational education and training.	2013-14 Estimated actual expenses \$'000	2014-15 Estimated expenses \$'000
<b>Program 1.1: Regulation and advice</b>		
Departmental expenses		
Departmental appropriation <sup>1</sup>	35,507	35,147
Expenses not requiring appropriation in the Budget year <sup>2</sup>	2,494	2,985
<b>Total for Program 1.1</b>	<b>38,001</b>	<b>38,132</b>
<b>Outcome 1 Totals by appropriation type</b>		
Departmental expenses		
Departmental appropriation <sup>1</sup>	35,507	35,147
Expenses not requiring appropriation in the Budget year <sup>2</sup>	2,494	2,985
<b>Total expenses for Outcome 1</b>	<b>38,001</b>	<b>38,132</b>
<b>Average Staffing Level (number)</b>	2013-14 197	2014-15 197

<sup>1</sup>Appropriation Bill No. 1.

<sup>2</sup>Expenses not requiring appropriation in the Budget year is made up of Depreciation and Amortisation Expense.



## Contributions to Outcome 1

### Programme 1. 1: Regulation and Advice

#### Programme Objective

- To assure the quality of VET outcomes through national regulation and the communication of advice on vocational education and training.

#### Programme Expenses

ASQA's programme expenses may be affected by:

- Ongoing review of efficiency in regulatory activities
- Costs associated with new enforcement activities.

	2013-14 Estimated actual (\$'000)	2014-15 Budget (\$'000)	2015-16 Forw ard estimate (\$'000)	2016-17 Forw ard estimate (\$'000)	2017-18 Forw ard estimate (\$'000)
Annual departmental expenses:					
Departmental item	35,507	35,147	34,130	33,878	34,204
Expenses not requiring appropriation in the Budget year <sup>1</sup>	2,494	2,985	3,363	3,671	3,083
<b>Total Programme expenses</b>	<b>38,001</b>	<b>38,132</b>	<b>37,493</b>	<b>37,549</b>	<b>37,287</b>

<sup>1</sup>Expenses not requiring appropriation in the Budget year is made up of Depreciation and Amortisation Expense.

**Programme 1.1 Deliverables**

- Register training organisations that meet national standards
- Accredite courses that meet national standards
- Monitor and enforce compliance
- Provide advice and make recommendations to the Portfolio Minister, and/or state and territory ministers and/or the ministerial council on matters relating to VET
- Collect, analyse, interpret and disseminate information about VET and the performance of registered training organisations (RTOs).

**Programme 1.1 Key Performance Indicators**

- Number of initial and renewal applications accepted/rejected
- Number of courses accredited
- Increased regulatory scrutiny of high risk providers delivering poor quality outcomes
- Number of RTOs to which written directions, conditions, sanctions, offences or civil penalties were applied
- Stakeholder perception of ASQA's performance of its statutory functions.

ASQA does not set targets in relation to the performance of its regulatory functions. ASQA will, however, track the above functions from year to year and provide a qualitative discussion of the data collected through its Annual Reports.

## Section 3: Explanatory Tables and Budgeted Financial Statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the 2014-15 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and programme expenses, movements in administered funds, special accounts and government Indigenous expenditure.

### **3.1 EXPLANATORY TABLES**

#### **3.1.1 Movement of Administered Funds Between Years**

ASQA has no movement of funds; therefore table 3.1.1 is not presented.

#### **3.1.2 Special Accounts**

ASQA has no Special Accounts; therefore table 3.1.2 is not presented.

#### **3.1.3 Australian Government Indigenous Expenditure**

The 2014-15 Australian Government Indigenous Expenditure Statement is not applicable because ASQA has no Indigenous specific expenses.

## **3.2 BUDGETED FINANCIAL STATEMENTS**

### **3.2.1 Differences in Agency Resourcing and Financial Statements**

There are no material variances between the agency resources table and the financial statements.

### **3.2.2 Analysis of Budgeted Financial Statements**

#### **Departmental**

ASQA is budgeting for an operating loss in 2014-15, reflecting the value of unfunded depreciation expenses.

Total expenses other than for depreciation are estimated to be \$35.1 million.

Total assets at the end of 2014-15 are estimated to be \$22.7 million, comprising \$14.0 million accrued appropriation, \$8.4 million in non-financial assets and \$0.3 million in cash. The majority of non-financial assets are IT business systems and property fit outs.

Total liabilities at the end of the 2014-15 are estimated to be \$7.0 million, with employee entitlements comprising \$4.2 million.

Capital acquisitions in 2014-15 are planned to be \$2.7 million, mainly for the ongoing development of IT systems (\$2.6 million).

#### **Administered**

Revenue estimates for 2014-15 are \$34.6 million which are \$10.5 million higher than 2013-14, reflecting a change to revenue targets between 2013-14 and 2014-15.

### 3.2.3 Budgeted Financial Statements Tables

**Table 3.2.1 Comprehensive Income Statement (Showing Net Cost of Services) for the period ended 30 June**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>EXPENSES</b>					
Employee benefits	23,305	23,400	23,429	22,757	22,853
Suppliers	12,202	11,747	10,701	11,121	11,351
Depreciation and amortisation	2,494	2,985	3,363	3,671	3,083
<b>Total expenses</b>	<b>38,001</b>	<b>38,132</b>	<b>37,493</b>	<b>37,549</b>	<b>37,287</b>
<b>Net cost of (contribution by) services</b>	<b>38,001</b>	<b>38,132</b>	<b>37,493</b>	<b>37,549</b>	<b>37,287</b>
Revenue from Government	35,507	35,147	34,130	33,878	34,204
<b>Surplus (Deficit) attributable to the Australian Government</b>	<b>(2,494)</b>	<b>(2,985)</b>	<b>(3,363)</b>	<b>(3,671)</b>	<b>(3,083)</b>
Total other comprehensive income	-	-	-	-	-
<b>Total comprehensive income (loss)</b>	<b>(2,494)</b>	<b>(2,985)</b>	<b>(3,363)</b>	<b>(3,671)</b>	<b>(3,083)</b>
<b>Total comprehensive income (loss) attributable to the Australian Government</b>	<b>(2,494)</b>	<b>(2,985)</b>	<b>(3,363)</b>	<b>(3,671)</b>	<b>(3,083)</b>

**Note: Impact of Net Cash Appropriation Arrangements**

	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Total Comprehensive Income (loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations.</b>	<b>(2,494)</b>	<b>(2,985)</b>	<b>(3,363)</b>	<b>(3,671)</b>	<b>(3,083)</b>
less depreciation/amortisation expenses previously funded through revenue appropriations <sup>1</sup>	-	-	-	-	-
<b>Total Comprehensive Income (loss) - as per the Statement of Comprehensive Income</b>	<b>(2,494)</b>	<b>(2,985)</b>	<b>(3,363)</b>	<b>(3,671)</b>	<b>(3,083)</b>

Prepared on Australian Accounting Standards basis.

<sup>1</sup> From 2010-11, the Government introduced net cash appropriation arrangements where Bill 1 revenue appropriations for the depreciation/amortisation expenses of FMA Act agencies were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations. For information regarding DCBs, please refer to Table 3.2.5 Departmental Capital Budget Statement.

**Table 3.2.2: Budgeted Departmental Balance Sheet  
(as at 30 June)**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	258	258	258	258	258
Trade and other receivables	14,505	13,995	13,858	10,048	6,898
<b>Total financial assets</b>	<b>14,763</b>	<b>14,253</b>	<b>14,116</b>	<b>10,306</b>	<b>7,156</b>
<b>Non-financial assets</b>					
Land and buildings	4,127	2,379	829	1,829	1,472
Property, plant and equipment	171	164	243	343	343
Intangibles	4,424	5,870	7,061	5,961	6,057
<b>Total non-financial assets</b>	<b>8,722</b>	<b>8,413</b>	<b>8,133</b>	<b>8,133</b>	<b>7,872</b>
Assets held for sale					
<b>Total assets</b>	<b>23,485</b>	<b>22,666</b>	<b>22,249</b>	<b>18,439</b>	<b>15,028</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	2,577	2,440	2,303	2,164	1,964
<b>Total payables</b>	<b>2,577</b>	<b>2,440</b>	<b>2,303</b>	<b>2,164</b>	<b>1,964</b>
<b>Provisions</b>					
Employee provisions	4,594	4,221	4,221	4,221	4,390
Other provisions	297	297	297	297	-
<b>Total provisions</b>	<b>4,891</b>	<b>4,518</b>	<b>4,518</b>	<b>4,518</b>	<b>4,390</b>
<b>Total liabilities</b>	<b>7,468</b>	<b>6,958</b>	<b>6,821</b>	<b>6,682</b>	<b>6,354</b>
<b>Net assets</b>	<b>16,017</b>	<b>15,708</b>	<b>15,428</b>	<b>11,757</b>	<b>8,674</b>
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	13,882	16,558	19,641	19,641	19,641
Reserves	20	20	20	20	20
Retained surplus (accumulated deficit)	2,115	(870)	(4,233)	(7,904)	(10,987)
<b>Total parent entity interest</b>	<b>16,017</b>	<b>15,708</b>	<b>15,428</b>	<b>11,757</b>	<b>8,674</b>
<b>Total Equity</b>	<b>16,017</b>	<b>15,708</b>	<b>15,428</b>	<b>11,757</b>	<b>8,674</b>

\* 'Equity' is the residual interest in assets after deduction of liabilities.  
Prepared on Australian Accounting Standards basis.

**Table 3.2.3: Departmental Statement of Changes in Equity — Summary of Movement (Budget Year 2014-15)**

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2014</b>				
Balance carried forward from previous period	2,115	20	13,882	16,017
<b>Adjusted opening balance</b>	<b>2,115</b>	<b>20</b>	<b>13,882</b>	<b>16,017</b>
<b>Comprehensive income</b>				
Surplus (deficit) for the period	(2,985)	-	-	(2,985)
<b>Total comprehensive income</b>	<b>(2,985)</b>	<b>-</b>	<b>-</b>	<b>(2,985)</b>
<b>Transactions with owners</b>				
<b>Contributions by owners</b>				
Equity Injection - Appropriation	-	-	2,676	2,676
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>2,676</b>	<b>2,676</b>
<b>Estimated closing balance as at 30 June 2015</b>	<b>(870)</b>	<b>20</b>	<b>16,558</b>	<b>15,708</b>
<b>Closing balance attributable to the Australian Government</b>	<b>(870)</b>	<b>20</b>	<b>16,558</b>	<b>15,708</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.4: Budgeted Departmental Statement of Cash Flows  
(for the period ended 30 June)**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	35,389	35,657	34,267	37,688	37,354
<b>Total cash received</b>	<b>35,389</b>	<b>35,657</b>	<b>34,267</b>	<b>37,688</b>	<b>37,354</b>
<b>Cash used</b>					
Employees	23,050	23,773	23,429	22,757	22,684
Suppliers	12,339	11,884	10,838	11,260	11,848
<b>Total cash used</b>	<b>35,389</b>	<b>35,657</b>	<b>34,267</b>	<b>34,017</b>	<b>34,532</b>
<b>Net cash from (used by) operating activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,671</b>	<b>2,822</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment	2,236	2,676	3,083	3,671	2,822
<b>Total cash used</b>	<b>2,236</b>	<b>2,676</b>	<b>3,083</b>	<b>3,671</b>	<b>2,822</b>
<b>Net cash from (used by) investing activities</b>	<b>(2,236)</b>	<b>(2,676)</b>	<b>(3,083)</b>	<b>(3,671)</b>	<b>(2,822)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity	2,236	2,676	3,083	-	-
<b>Total cash received</b>	<b>2,236</b>	<b>2,676</b>	<b>3,083</b>	<b>-</b>	<b>-</b>
<b>Net cash from (used by) financing activities</b>	<b>2,236</b>	<b>2,676</b>	<b>3,083</b>	<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash held</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	258	258	258	258	258
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>258</b>	<b>258</b>	<b>258</b>	<b>258</b>	<b>258</b>

Prepared on Australian Accounting Standards basis.



**Table 3.2.5: Departmental Capital Budget Statement**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>NEW CAPITAL APPROPRIATIONS</b>					
Equity injections - Bill 2	2,236	2,676	3,083	-	-
<b>Total new capital appropriations</b>	<b>2,236</b>	<b>2,676</b>	<b>3,083</b>	-	-
<b>Provided for:</b>					
Purchase of non-financial assets	2,236	2,676	3,083		
<b>Total Items</b>	<b>2,236</b>	<b>2,676</b>	<b>3,083</b>	-	-
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations <sup>1</sup>	2,236	2,676	3,083	-	-
Funded internally from departmental resources <sup>2</sup>	-	-	-	3,671	2,822
<b>TOTAL</b>	<b>2,236</b>	<b>2,676</b>	<b>3,083</b>	<b>3,671</b>	<b>2,822</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	2,236	2,676	3,083	3,671	2,822
<b>Total cash used to acquire assets</b>	<b>2,236</b>	<b>2,676</b>	<b>3,083</b>	<b>3,671</b>	<b>2,822</b>

<sup>1</sup>Includes both current Bill 2 and prior Act 2/4/6 appropriations and special capital appropriations

<sup>2</sup>Includes the following sources of funding:

- current Bill 1 and prior year Act 1/3/5 appropriations.
- internally developed assets
- s31 relevant agency receipts

Prepared on Australian Accounting Standards basis.

**Table 3.2.6: Statement of Asset Movements (2014-15)**

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
<b>As at 1 July 2014</b>				
Gross book value	5,924	262	5,747	11,933
Accumulated depreciation/amortisation and impairment	(1,797)	(91)	(1,323)	(3,211)
<b>Opening net book balance</b>	<b>4,127</b>	<b>171</b>	<b>4,424</b>	<b>8,722</b>
<b>CAPITAL ASSET ADDITIONS</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - appropriation equity <sup>1</sup>	-	84	2,592	2,676
<b>Total additions</b>	<b>-</b>	<b>84</b>	<b>2,592</b>	<b>2,676</b>
<b>Other movements</b>				
Depreciation/amortisation expense	(1,748)	(91)	(1,146)	(2,985)
<b>Total other movements</b>	<b>(1,748)</b>	<b>(91)</b>	<b>(1,146)</b>	<b>(2,985)</b>
<b>As at 30 June 2015</b>				
Gross book value	5,924	346	8,339	14,609
Accumulated depreciation/amortisation and impairment	(3,545)	(182)	(2,469)	(6,196)
<b>Closing net book balance</b>	<b>2,379</b>	<b>164</b>	<b>5,870</b>	<b>8,413</b>

<sup>1</sup>'Appropriation equity' refers to equity injections or Administered Assets and Liabilities appropriations provided through Appropriation Bill (No.2) 2014-15.

Prepared on Australian Accounting Standards basis.

**Table 3.2.7: Schedule of Budgeted Income and Expenses Administered on Behalf of Government (for the period ended 30 June)**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
<b>Taxation revenue</b>					
Other taxes	-	3,416	3,416	3,416	3,416
<b>Total taxation revenue</b>	-	<b>3,416</b>	<b>3,416</b>	<b>3,416</b>	<b>3,416</b>
<b>Non-taxation revenue</b>					
Other revenue	24,078	31,195	30,966	27,883	27,883
<b>Total non-taxation revenue</b>	<b>24,078</b>	<b>31,195</b>	<b>30,966</b>	<b>27,883</b>	<b>27,883</b>
<b>Total own-source revenues administered on behalf of Government</b>	<b>24,078</b>	<b>34,611</b>	<b>34,382</b>	<b>31,299</b>	<b>31,299</b>
<b>Total own-sourced income administered on behalf of Government</b>	<b>24,078</b>	<b>34,611</b>	<b>34,382</b>	<b>31,299</b>	<b>31,299</b>
<b>Net Cost of (contribution by) services</b>	<b>24,078</b>	<b>34,611</b>	<b>34,382</b>	<b>31,299</b>	<b>31,299</b>
<b>Surplus (Deficit)</b>	<b>24,078</b>	<b>34,611</b>	<b>34,382</b>	<b>31,299</b>	<b>31,299</b>
<b>Total comprehensive income (loss)</b>	<b>24,078</b>	<b>34,611</b>	<b>34,382</b>	<b>31,299</b>	<b>31,299</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.8: Schedule of Budgeted Assets and Liabilities Administered on Behalf of Government (as at 30 June)**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Trade and other receivables	1,012	1,012	1,012	1,012	1,012
<b>Total financial assets</b>	<b>1,012</b>	<b>1,012</b>	<b>1,012</b>	<b>1,012</b>	<b>1,012</b>
<b>Total assets administered on behalf of Government</b>	<b>1,012</b>	<b>1,012</b>	<b>1,012</b>	<b>1,012</b>	<b>1,012</b>
<b>Net assets</b>	<b>1,012</b>	<b>1,012</b>	<b>1,012</b>	<b>1,012</b>	<b>1,012</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.9: Schedule of Budgeted Administered Cash Flows  
(for the period ended 30 June)**

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Taxes	-	3,416	3,416	3,416	3,416
Other	24,078	31,195	30,966	27,883	27,883
<b>Total cash received</b>	<b>24,078</b>	<b>34,611</b>	<b>34,382</b>	<b>31,299</b>	<b>31,299</b>
<b>Cash used</b>					
Cash to the OPA	24,078	34,611	34,382	31,299	31,299
<b>Total cash used</b>	<b>24,078</b>	<b>34,611</b>	<b>34,382</b>	<b>31,299</b>	<b>31,299</b>
<b>Net cash from (used by) operating activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents at end of reporting period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.10: Schedule of Administered Capital Budget Statement**

ASQA has no administered capital budget; therefore Table 3.2.10 is not presented

**Table 3.2.11: Statement of Administered Asset Movements  
(2014-15)**

ASQA has no administered asset movements; therefore Table 3.2.11 is not presented.

### **3.2.4 Notes to the Financial Statements**

#### **Accounting Policy**

The budgeted financial statements have been prepared in accordance with the requirements of the Finance Minister's Orders, issued by the Finance Minister.

The statements have been prepared:

- on an accrual accounting basis; and
- in compliance with Australian Accounting Standards and Australian Equivalents to International Financial Reporting Standards (AEIFRS) and other authoritative pronouncements of the Australian Accounting Standards Board and the Consensus Views of the Urgent Issues Group.

#### **Departmental Revenue from Government**

Revenue from Government represents Government's purchase of outputs from ASQA. The changes reflected in the ordinary annual appropriations are predominantly a result of measures and variations that are explained in Section 1: Agency overview and resources, variations and measures.

#### **Departmental Expenses - Employees**

This item represents payments made - and net increases or decreases in entitlements owed - to employees for their services provided in the financial year.

#### **Departmental Expenses - Suppliers**

This item represents payments to suppliers for goods and services.

#### **Departmental Expenses - Depreciation and Amortisation**

Infrastructure, plant and equipment assets are written off to their estimated residual values over their estimated useful lives using, in all cases, the straight-line method of depreciation. Leasehold improvements are amortised on a straight-line basis over the lesser of the estimated useful life of the improvements or the unexpired period of the lease.

#### **Departmental Assets - Financial Assets - Receivables**

Receivables mainly represent amounts owing to ASQA as cash reserves held in the Official Public Account.

#### **Departmental Assets - Non-Financial Assets**

ASQA's non-financial assets include leasehold improvements (fit out), information and communications technology (ICT) Business systems (software), and ICT equipment.

These items represent future economic benefits that ASQA will consume in producing outputs. Apart from re-valued assets, the reported value represents the purchase price paid, less depreciation incurred to date in using that asset.

Infrastructure, plant and equipment is initially brought to account at cost, except for purchases costing less than \$10,000 for leasehold improvements and \$2,000 for all other classes, which are expensed in the year of acquisition (other than where they form part of a group of similar items that are significant in total).

Computer software is expensed in the year of acquisition except for purchases or internally developed software costing more than \$2,000 - which is capitalised at cost.

ASQA will annually reassess and adjust the values of infrastructure, plant and equipment.

### **Departmental Liabilities - Provisions - Employees**

Provision has been made for ASQA's liability for employee entitlements arising from services rendered by employees up to the balance date. This liability encompasses wages and salaries that are yet to be paid, plus annual and long service leave. No provision is made for sick leave.

Employee entitlements payable are measured at the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. Liabilities expected to be settled within 12 months are measured at the nominal amount.

### **Administered Revenue**

Administered revenue represents the collection of fees and charges from regulated organisations. This revenue is transferred to the Government (via the Official Public Account) as and when it is received.





# **Commonwealth Scientific and Industrial Research Organisation**

## **Agency Resources and Planned Performance**



# COMMONWEALTH SCIENTIFIC AND INDUSTRIAL RESEARCH ORGANISATION

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# COMMONWEALTH SCIENTIFIC AND INDUSTRIAL RESEARCH ORGANISATION

## Section 1: Agency Overview and Resources

### 1.1 STRATEGIC DIRECTION STATEMENT

The Commonwealth Scientific and Industrial Research Organisation (CSIRO) is a statutory authority within the portfolio. The organisation's primary functions are set out in the *Science and Industry Research Act 1949*. They are to:

(a) carry out scientific research for any of the following purposes:

- assisting Australian industry
- furthering the interests of the Australian community
- contributing to the achievement of Australian national objectives or the performance of the national and international responsibilities of the Commonwealth
- any other purpose determined by the Minister

(b) encourage or facilitate the application or utilisation of the results of such research.

Consistent with its outcome statement, CSIRO aims to deliver great science and innovative solutions for industry, society and the environment and to see its science used to make a profound and positive impact for the future of Australia and humanity.

In pursuing this outcome, CSIRO embraces its distinct role as a large-scale mission directed, multi-disciplinary science and technology organisation, and as trusted science advisor on the big issues facing the nation.

A key pillar of CSIRO's strategy to 2015 is to grow National Research Flagships (Flagships) as the key mechanism for achieving outcomes relevant to the National Research Priorities. Through the Flagships, CSIRO concentrates on strategic research and knowledge and technology transfer with the potential to deliver major long term social, economic and environmental benefits to Australia.

The capacity to deliver profound impact through Flagships is underpinned by investing in capabilities that build strength in areas of national need, ensuring that Australia has the knowledge and skills required to respond to national and international challenges.

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Fundamental to this is:

- maintaining science excellence in CSIRO research
- establishing stronger connections with top global research and technology peers
- enhancing industry alliances through Flagships to actively encourage the application and adoption of CSIRO research
- building, maintaining and making available research infrastructure, including national scientific facilities and collections
- actively fostering collaboration with other parts of the National Innovation System, including other publicly funded research agencies and universities
- promoting and supporting the science sector by supervising undergraduate and postgraduate students, conducting science education programmes for school students and teachers, and raising community awareness of its activities and science
- providing the Government with independent scientific and technical advice as required, and informing the policy making process to assist the Government to decide how to best meet the challenges Australia faces.

CSIRO research investment is divided into two programmes: Research – National Flagships, Science and Services (Programme 1.1) and National Research Infrastructure – Facilities and Collections (Programme 1.2).

Programme 1.3 is the Science and Industry Endowment Fund (SIEF), which is a separately constituted trust under the *Science and Industry Endowment Act 1926* and makes strategic investments in scientific research that address issues of national priority for Australia. The Chief Executive of CSIRO, as trustee of the fund, is assisted by the SIEF Advisory Council which provides independent advice and recommendations to the trustee in relation to the making of grants and funding of proposals out of the assets of the SIEF.

## **1.2 AGENCY RESOURCE STATEMENT**

Table 1.1 shows the total resources from all sources. The table summarises how resources will be applied by outcome and by administered and departmental classification.

**Table 1.1: CSIRO Resource Statement — Budget Estimates for 2014-15 as at Budget May 2014**

Source	Estimate of prior <sup>+</sup> year amounts available in 2014-15 \$'000	Proposed at Budget <sup>=</sup> 2014-15 \$'000	Total estimate 2014-15 \$'000	Actual available appropriation 2013-14 \$'000
<b>Opening balance/Reserves at bank</b>	<b>323,759</b>			409,642
<b>REVENUE FROM GOVERNMENT</b>				
<b>Ordinary annual services<sup>1</sup></b>				
Outcome 1		745,268	745,268	778,177
<b>Total ordinary annual services</b>	<b>-</b>	<b>745,268</b>	<b>745,268</b>	<b>778,177</b>
<b>Total annual appropriations</b>	<b>-</b>	<b>745,268</b>	<b>745,268</b>	<b>778,177</b>
<b>Total funds from Government</b>	<b>-</b>	<b>745,268</b>	<b>745,268</b>	<b>778,177</b>
<b>FUNDS FROM OTHER SOURCES</b>				
Interest		11,075	11,075	15,301
Royalties			-	
Sale of goods and services		444,916	444,916	411,067
Other		12,438	12,438	103,553
<b>Total</b>	<b>-</b>	<b>468,429</b>	<b>468,429</b>	<b>532,921</b>
<b>Total net resourcing for agency</b>	<b>323,759</b>	<b>1,213,697</b>	<b>1,537,456</b>	<b>1,311,098</b>

<sup>1</sup>Appropriation Bill (No.1) 2014-15.

CSIRO is not directly appropriated as it is a CAC Act body. Appropriations are made to the Department of Industry which are then paid to CSIRO and are considered 'departmental' for all purposes.

Reader note: All figures are GST exclusive.



### 1.3 BUDGET MEASURES

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

**Table 1.2: Agency 2014-15 Budget measures**

**Part 1: Measures announced since the 2013-14 MYEFO**

	Programme	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>Expense measures</b>						
Science and Research Agencies - reduced funding	1.1					
Departmental expenses		-	(26,430)	(27,538)	(28,866)	(28,600)
<b>Total</b>		-	<b>(26,430)</b>	<b>(27,538)</b>	<b>(28,866)</b>	<b>(28,600)</b>
Efficiency Dividend - a further temporary increase of 0.25 per cent <sup>1</sup>	1.1					
Departmental expenses		-	(559)	(1,126)	(1,707)	(1,734)
<b>Total</b>		-	<b>(559)</b>	<b>(1,126)</b>	<b>(1,707)</b>	<b>(1,734)</b>
Commonwealth Scientific and Industrial Research Organisation - Marine National Facility research vessel - continuation	1.1					
Departmental expenses		(11,100)	17,436	18,188	20,660	20,482
<b>Total</b>		<b>(11,100)</b>	<b>17,436</b>	<b>18,188</b>	<b>20,660</b>	<b>20,482</b>
<b>Total expense measures</b>						
Departmental expenses		(11,100)	(9,553)	(10,476)	(9,913)	(9,852)
<b>Total</b>		<b>(11,100)</b>	<b>(9,553)</b>	<b>(10,476)</b>	<b>(9,913)</b>	<b>(9,852)</b>

Prepared on a Government Finance Statistics (fiscal) basis.

<sup>1</sup>Whole of Government savings measure announced in the 2014-15 Budget.

**Part 2: MYEFO measures not previously reported in a portfolio statement**

	Programme	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>Measures</b>						
Efficiency Dividend - temporary increase to the rate <sup>1</sup>	1.1					
Departmental expenses		-	(2,296)	(5,204)	(8,181)	-
<b>Total</b>		-	<b>(2,296)</b>	<b>(5,204)</b>	<b>(8,181)</b>	-
<b>Total expense measures</b>						
Departmental expenses		-	(2,296)	(5,204)	(8,181)	-
<b>Total</b>		-	<b>(2,296)</b>	<b>(5,204)</b>	<b>(8,181)</b>	-

Prepared on a Government Financial Statistics (fiscal) basis.

<sup>1</sup>Whole of Government savings measure announced in the 2013 Economic Statement.

## **SECTION 2: OUTCOMES AND PLANNED PERFORMANCE**

### **2.1 OUTCOMES AND PERFORMANCE INFORMATION**

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

Each outcome is described below together with its related programmes, specifying the performance indicators and targets used to assess and monitor the performance of CSIRO in achieving Government outcomes.

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

#### **Outcome 1 Strategy**

CSIRO has one outcome. Its strategy is described in Section 1.1.

#### **Outcome Expense Statement**

Table 2.1 provides an overview of the total expenses for outcome 1 by programme.

**Table 2.1: Budgeted Expenses for Outcome 1**

<b>Outcome 1:</b> Innovative science and technology solutions to national challenges and opportunities to benefit industry, the environment and the community, through scientific research and capability development, services and advice.	2013-14 Estimated actual expenses \$'000	2014-15 Estimated expenses \$'000
<b>Programme 1.1: Research - National Flagships, Science and Services</b>		
Revenue from Government		
Ordinary annual services (Appropriation Bill No. 1)	690,657	633,478
Revenues from other independent sources	458,134	461,780
<b>Total for Programme 1.1</b>	<b>1,148,791</b>	<b>1,095,258</b>
<b>Programme 1.2: National Research Infrastructure - National Facilities and Collections</b>		
Revenue from Government		
Ordinary annual services (Appropriation Bill No. 1)	87,520	111,790
Revenues from other independent sources	34,730	51,334
<b>Total for Programme 1.2</b>	<b>122,250</b>	<b>163,124</b>
<b>Programme 1.3: Science and Industry Endowment Fund</b>		
Revenue from Government		
Ordinary annual services (Appropriation Bill No. 1)		
Revenues from other independent sources	24,624	24,480
<b>Total for Programme 1.3</b>	<b>24,624</b>	<b>24,480</b>
<b>Outcome 1 Totals by resource type</b>		
Revenue from Government		
Ordinary annual services (Appropriation Bill No. 1)	778,177	745,268
Revenues from other independent sources	517,488	537,594
<b>Total expenses for Outcome 1</b>	<b>1,295,665</b>	<b>1,282,862</b>
	2013-14	2014-15
<b>Average Staffing Level (number)</b>	5,523	5,034

## Contributions to Outcome 1

### Programme 1.1: Research - National Flagships, Science and Services

#### Programme Objective

CSIRO's Research and Services activities deliver economic, social and environmental impact to the nation through the provision of advice, information and solutions including the delivery of new and improved technologies, management systems, intermediate and final products, catalyst services for business, advice relevant to policy development, and new knowledge and skills.

This programme includes:

- National Research Flagships which aim to increase economic, social and environmental wellbeing in areas of complex challenges through the provision of information, advice and scientific solutions. National challenges being addressed through this programme include agriculture, biosecurity, climate, productivity, energy, food, health, manufacturing and mining. Flagships operate on a large scale and with long timeframes, and have a strong focus on identifying a clear path to adoption and impact to deliver real benefits in the Australian economy, community and environment. Recognising that complex challenges require collaboration of the best and brightest researchers, the Flagships form partnerships with Australian universities and publicly funded research institutions, the private sector and selected international organisations. Continued interaction and engagement with these bodies is crucial to ongoing success and delivery and adoption of research outputs to maximise benefits for Australia.
- The outputs, outcomes and impacts of Flagship research activities are communicated to our collaborators, partners, key stakeholders and the Australian community, supporting engagement and confirming CSIRO's collaborative role in the National Innovation System.
- The provision of technical and advisory services to industry and government. This includes supporting Australian small and medium enterprises (SMEs) to get the most value out of their research and development activities in order to overcome technical challenges and improve their business performance.
- Activities to develop increased knowledge of science and its application to students, parents, teachers and the Australian community. This work contributes to the maintenance of Australia's science capacity, which helps Australia to remain innovative and competitive in science. CSIRO also operates CSIRO Publishing as an independent science and technology publisher with a global reputation for quality products and services covering a wide range of scientific disciplines.

- Support for undergraduates, post-graduates and post-doctoral researchers to boost the calibre of researchers working in the Australian community. CSIRO gives young researchers experience in technology transfer and uptake, which is important for Australia's future innovation capacity.

<b>Programme Expenses</b>					
	2013-14	2014-15	2015-16	2016-17	2017-18
	Estimated	Budget	Forward	Forward	Forward
	actual		estimate	estimate	estimate
('000)	\$'000	\$'000	\$'000	\$'000	\$'000
Annual departmental expenses:					
Programme support	1,148,791	1,095,258	1,080,986	1,085,446	1,107,729
<b>Total Programme expenses</b>	<b>1,148,791</b>	<b>1,095,258</b>	<b>1,080,986</b>	<b>1,085,446</b>	<b>1,107,729</b>

### **Programme 1.1 Deliverables**

CSIRO continues to address problems and opportunities of significance to Australia through National Research Flagships.

Flagships integrate combinations of people (disciplinary skills, experience and know-how), assets (such as research equipment) and relationships. Leadership is provided with a focus on building science excellence and collaborative relationships to deliver impact from CSIRO research. Flagships are subject to a governance process that may identify opportunities for new Flagships, redirect investment and/or scientific focus, and/or the need to decommission a Flagship.

CSIRO's research is managed and delivered through nine CSIRO Flagships:

1. Future Manufacturing
2. Digital Productivity and Services
3. Energy
4. Minerals Down Under
5. Oceans and Atmosphere
6. Agriculture
7. Food and Nutrition
8. Land and Water
9. Biosecurity

CSIRO provides technical and advisory services to industry and government including professional consulting and testing facilities. CSIRO's SME Engagement Centre assist small to medium Australian enterprises by identifying and connecting companies to technical expertise and resources, defining technical issues, developing research projects for industry and providing guidance around access to funding for research.

CSIRO education and outreach programmes consists of several key elements, including:

- Discovery Centre - a purpose-built, public complex showcasing CSIRO research. Its philosophy is the presentation and communication of ongoing and completed research and technology
- Education Programmes - CSIRO offers a range of science education projects to demonstrate the science, technology, engineering and mathematic career opportunities to school students, their families and teachers
- CSIRO Publishing - is an internationally recognised publishing programme covering a wide range of scientific disciplines.

**Programme 1.1 Key Performance Indicators**

The key performance indicators for CSIRO Research and Services are:

- Evidence of economic, social and environmental impacts through demonstrated uptake and adoption of research outputs (demonstrated by case study impact assessment and other evaluations)
- Maintain or increase the number of refereed publications
- Maintain customer satisfaction
- Awareness of science by CSIRO stakeholders
- Maintain or improve science excellence in CSIRO research capabilities and the impact of their research outputs as assessed through a rolling programme of rigorous peer review
- Utilisation and success of science outreach programmes (proportion of uptake within the target groups and participant feedback).

The KPIs listed above are lead and lag indicators and indicative of the relevance and scientific quality of CSIRO's research which underpin its ability to deliver economic, social and environmental impact.

CSIRO continues to develop its framework to consistently assess and articulate impacts from its research.

The challenges associated with measuring the impact of CSIRO's research include: capturing adoption evidence given long lead time to impact; some impact dimensions are not amenable to quantification; when assessing CSIRO's contribution to a particular multi-party programme it can be difficult to attribute benefits from a particular programme and each party's contribution to an outcome. Despite these difficulties we aim to assess the impact of CSIRO's work through systematic, transparent and consistent internal and external review processes and impact case study impact analysis.

**Programme 1.2: National Research Infrastructure - National Facilities and Collections**

**Programme 1.2 Objective**

CSIRO hosts National Research Infrastructure on behalf of the scientific community to assist with the delivery of research. These facilities and collections are not restricted to CSIRO personnel. There are two types of National Research Infrastructure:

- National Facilities that provide large-scale specialised facilities and equipment
- National Collections, which are storehouses of information on Australia’s biodiversity and other aspects of the environment. They support a significant part of the country’s taxonomic, genetic, bio-geographical and ecological research and are a vital resource for conservation and research. The Collections cover the curation of each collection and the essential core research to make it “science usable”. The Atlas of Living Australia is the mechanism to make the data available in electronic format to the wider community. Further collections may be added in time.

**Programme Expenses**

	2013-14 Estimated actual (\$'000)	2014-15 Budget (\$'000)	2015-16 Forw ard estimate (\$'000)	2016-17 Forw ard estimate (\$'000)	2017-18 Forw ard estimate (\$'000)
Annual departmental expenses:					
Programme support	122,250	163,124	164,872	169,861	169,605
<b>Total Programme expenses</b>	<b>122,250</b>	<b>163,124</b>	<b>164,872</b>	<b>169,861</b>	<b>169,605</b>



### **Programme 1.2 Deliverables**

National Facilities are owned and/or operated by CSIRO. These facilities can be accessed by the Australian research community and international users for the purposes of science without the support of CSIRO's science. Facilities are resourced with CSIRO staff to run and be "science ready" to support the facility's operations. These facilities include:

- Australian Animal Health Laboratory (AAHL)
- Australia Telescope National Facility (ATNF)
- Marine National Facility
- Pawsey Centre.

National collections are those amenities where CSIRO is the custodian of the national collections that are of Australian and international significance. These collections are available for use by the Australian research community and international community and increasingly are also publicly accessible. Each collection is supported with CSIRO staff to curate and maintain the collection. CSIRO will continue to steward collections in a manner which utilises the power of digital and genomics technologies to provide rapid access to comprehensive, reliable and validated data coupled with expert knowledge. These collections include:

- Australian National Fish Collection
- Australian National Insect Collection
- Australian National Herbarium
- Australian National Wildlife Collection
- National Tree Seed Collection
- National Algae Culture Collection
- Atlas of Living Australia.

### **Programme 1.2 Key Performance Indicators**

The key performance indicators for National Research Infrastructure are:

- Utilisation of the National Research Infrastructure and Collections (such as research days, observation time or operation time, access to and downloads of digital information, visitor days, the number of loans and/or online resources accessed)
- National Research Infrastructure maintained and operated to appropriate standards (qualitative indicator)
- Maintain or increase the proportion of collections available to researchers and the public, including digitised and non-digitised collections
- Demonstrated response to national events by providing science-ready facilities in

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support of CSIRO and external party research (this is a qualitative indicator with narrative responses expected)

Note: The above indicators may be tailored to the specific activities of the diverse range of activities at each National Research Infrastructure (facility or collection).

**Programme 1.3: Science and Industry Endowment Fund**

**Programme 1.3 Objective**

The Science and Industry Endowment Fund (SIEF) is established by Commonwealth legislation, the *Science and Industry Endowment Act 1926*, for the purpose of supporting scientific and industrial research for the benefit of Australia and its people.

The SIEF makes strategic investments in scientific research that addresses issues of national priority for Australia.

It invests in science that contributes to Australia’s sustainable future such as:

- fundamental research for sustainable resource use, environmental protection and community health
- tactical research addressing solutions to national challenges
- collaborative research that brings together organisations capable of working together on solutions to national challenges, and
- scholarships that create and sustain young researchers capable of addressing national challenges.

**Programme Expenses**

	2013-14 Estimated actual (\$'000)	2014-15 Budget (\$'000)	2015-16 Forward estimate (\$'000)	2016-17 Forward estimate (\$'000)	2017-18 Forward estimate (\$'000)
Annual departmental expenses:					
Programme support	24,624	24,480	24,161	25,098	16,375
<b>Total Programme expenses</b>	<b>24,624</b>	<b>24,480</b>	<b>24,161</b>	<b>25,098</b>	<b>16,375</b>

**Programme 1.3 Deliverables**

The SIEF delivers funding via:

- Research Project grants (competitive)
- Research Infrastructure grants
- Special Research Programme grants
- Joint Chair appointment (CSIRO/Macquarie University)
- Research fellowships/scholarships (competitive).

Funding is awarded by the Trustee of the Fund under these Programmes with advice from Australian and international experts. Some of the Programmes are operated on a competitive basis, and others are operated by invitation on the basis of identified needs of the Australian science community.

**Programme 1.3 Key Performance Indicators**

- Proportion of projects align with SIEF purpose and strategic objectives
- Proportion of projects involving more than one organisation
- Financial contributions of partners
- Number of publications from SIEF projects
- Number of Early Career Researchers (ECR) funded through SIEF projects.

There are limitations to the way in which the effectiveness of the SIEF in meeting its objectives can be measured because the contribution of research can only be measured in the long term.

## **Section 3: Explanatory Tables and Budgeted Financial Statements**

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the 2014-15 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and programme expenses, movements in administered funds, special accounts and government Indigenous expenditure.

### **3.1 EXPLANATORY TABLES**

#### **3.1.1 Movement of Administered Funds Between Years**

CSIRO has no administered funds; therefore Table 3.1.1 is not presented.

#### **3.1.2 Special Accounts**

CSIRO has no special accounts; therefore Table 3.1.2 is not presented.

#### **3.1.3 Australian Government Indigenous Expenditure**

The 2014-15 Australian Government Indigenous Expenditure Statement is not applicable because CSIRO has no Indigenous specific expenses.

## **3.2 BUDGETED FINANCIAL STATEMENTS**

### **3.2.1 Differences in Agency Resourcing and Financial Statements**

There are no material variances between the agency resources table and the financial statements.

### **3.2.2 Analysis of Budgeted Financial Statements**

The CSIRO's budgeted financial statements are presented on a consolidated basis in accordance with AASB 127 (Consolidated and Separate Financial Statements). The consolidated financial statements incorporate the assets and liabilities and the results of all entities controlled by CSIRO as defined by AASB 127.

The estimates in the budgeted financial statements are subject to the outcomes of the Department of Finance (DoF) review of the depreciation funding arrangements for CAC Bodies in relation to long-lived and specialist assets with a life of 20 years or more. This may impact the level of capital funding through depreciation and the recognition of losses.

CSIRO has developed its four year budget in the context of: delivering its internal reform programme to enhance the focus on delivery of science and gain efficiency and productivity improvements; declining external revenue; and implementing the decisions of Government. CSIRO has recalibrated its underlying operating budget to deliver a financially sustainable organisation in each of the four years across the forward estimate period. To support the management of staff reductions across the Budget period, CSIRO was granted \$24.5 million of funding in 2013-14 by the Government and will pursue further one-off savings and revenue raising opportunities in 2014-15.

#### **Budgeted Comprehensive Income Statement**

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

The agency is expecting an operating loss in 2014-15 and the forward estimates predominantly due to the distribution of funds by the Science and Industry Endowment Fund and unfunded depreciation expense relating to assets for which capital was previously provided by Government through the Education Investment Fund and the National Collaborative Research Infrastructure Strategy.

Other own-source revenue includes revenue received from external sources which is not already represented in the revenue categories provided.

#### **Budgeted Balance Sheet**

The estimates for land and buildings and property, plant and equipment and other liabilities are subject to the outcomes of the DoF review of the depreciation funding

arrangements for CAC Bodies in relation to long-lived and specialist assets with a life of 20 years or more.

**Budgeted Statement of Cash Flows**

The statement represents Agency expected cash receipts and payments made. These are categorised against operating, investing and financing activities.

The estimates for the purchase of non-financial assets funded internally from departmental resources are subject to the outcomes of the DoF review of the depreciation funding arrangements for CAC Bodies in relation to long-lived and specialist assets with a life of 20 years or more.

**Budgeted Capital Budget Statement**

The budgeted internally funded capital expenditure relates to expenditure occurring in construction of new buildings and purchase of plant and equipment including information technology related assets.

### 3.2.3 Budgeted Financial Statements Tables

**Table 3.2.1 Comprehensive Income Statement (Showing Net Cost of Services) for the period ended 30 June**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>EXPENSES</b>					
Employee benefits	752,930	<b>716,679</b>	652,420	667,553	670,856
Suppliers	397,694	<b>403,727</b>	448,470	443,918	453,919
Depreciation and amortisation	139,851	<b>160,042</b>	166,884	166,884	166,884
Finance costs	2,590	<b>2,414</b>	2,245	2,050	2,050
Losses from asset sales	2,600	-	-	-	-
<b>Total expenses</b>	<b>1,295,665</b>	<b>1,282,862</b>	<b>1,270,019</b>	<b>1,280,405</b>	<b>1,293,709</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Sale of goods and rendering of services	426,369	<b>436,023</b>	423,943	429,212	443,446
Interest	14,346	<b>10,124</b>	8,494	8,824	9,107
Rental income	6,166	<b>4,148</b>	1,260	1,200	1,200
Other	22,972	<b>19,224</b>	19,675	20,145	20,636
<b>Total own-source revenue</b>	<b>469,853</b>	<b>469,519</b>	<b>453,372</b>	<b>459,381</b>	<b>474,389</b>
<b>Gains</b>					
Sale of assets	-	<b>2,000</b>	-	-	-
<b>Total gains</b>	-	<b>2,000</b>	-	-	-
<b>Total own-source income</b>	<b>469,853</b>	<b>471,519</b>	<b>453,372</b>	<b>459,381</b>	<b>474,389</b>
<b>Net cost of (contribution by) services</b>	<b>825,812</b>	<b>811,343</b>	<b>816,647</b>	<b>821,024</b>	<b>819,320</b>
Revenue from Government	778,177	<b>745,268</b>	751,616	762,419	774,164
<b>Surplus (Deficit) attributable to the Australian Government</b>	<b>(47,635)</b>	<b>(66,075)</b>	<b>(65,031)</b>	<b>(58,605)</b>	<b>(45,156)</b>
<b>Total other comprehensive income</b>	-	-	-	-	-
<b>Total comprehensive income (loss)</b>	<b>(47,635)</b>	<b>(66,075)</b>	<b>(65,031)</b>	<b>(58,605)</b>	<b>(45,156)</b>
<b>Total comprehensive income (loss) attributable to the Australian Government</b>	<b>(47,635)</b>	<b>(66,075)</b>	<b>(65,031)</b>	<b>(58,605)</b>	<b>(45,156)</b>

Prepared on Australian Accounting Standards basis.



**Table 3.2.2: Budgeted Departmental Balance Sheet  
(as at 30 June)**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	323,759	154,810	139,147	124,650	105,662
Trade and other receivables	83,164	64,663	45,531	46,284	47,071
Investments accounted for under the equity method	346	346	346	346	346
Other investments	10,520	10,520	10,520	10,520	10,520
<b>Total financial assets</b>	<b>417,789</b>	<b>230,339</b>	<b>195,544</b>	<b>181,800</b>	<b>163,599</b>
<b>Non-financial assets</b>					
Land and buildings	1,604,286	1,615,817	1,579,842	1,541,218	1,512,492
Property, plant and equipment	578,711	580,608	566,468	549,337	535,296
Investment property	52,150	52,150	52,150	52,150	52,150
Intangibles	19,144	15,920	12,696	9,472	8,158
Inventories	1,162	1,162	1,162	1,162	1,162
Other non-financial assets	52,512	54,601	56,250	58,026	58,026
<b>Total non-financial assets</b>	<b>2,307,965</b>	<b>2,320,258</b>	<b>2,268,568</b>	<b>2,211,365</b>	<b>2,167,284</b>
Assets held for sale	8,583	46,583	8,583	8,583	8,583
<b>Total assets</b>	<b>2,734,337</b>	<b>2,597,180</b>	<b>2,472,695</b>	<b>2,401,748</b>	<b>2,339,466</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	66,165	42,178	38,880	39,586	40,554
Other payables	139,853	126,294	102,990	82,037	63,292
<b>Total payables</b>	<b>206,018</b>	<b>168,472</b>	<b>141,870</b>	<b>121,623</b>	<b>103,846</b>
<b>Interest bearing liabilities</b>					
Loans					
Leases	52,788	48,056	43,047	38,390	38,390
Deposits	6,337	6,337	6,337	6,337	6,337
<b>Total interest bearing liabilities</b>	<b>59,125</b>	<b>54,393</b>	<b>49,384</b>	<b>44,727</b>	<b>44,727</b>
<b>Provisions</b>					
Employee provisions	294,255	255,874	228,031	240,593	241,244
<b>Total provisions</b>	<b>294,255</b>	<b>255,874</b>	<b>228,031</b>	<b>240,593</b>	<b>241,244</b>
<b>Total liabilities</b>	<b>559,398</b>	<b>478,739</b>	<b>419,285</b>	<b>406,943</b>	<b>389,817</b>
<b>Net assets</b>	<b>2,174,939</b>	<b>2,118,441</b>	<b>2,053,410</b>	<b>1,994,805</b>	<b>1,949,649</b>

**Table 3.2.2: Budgeted Departmental Balance Sheet  
(as at 30 June) (continued)**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	268,520	272,520	272,520	272,520	272,520
Reserves	1,321,158	1,326,735	1,326,735	1,326,735	1,326,735
Retained surplus (accumulated deficit)	585,261	519,186	454,155	395,550	350,394
<b>Total parent entity interest</b>	<b>2,174,939</b>	<b>2,118,441</b>	<b>2,053,410</b>	<b>1,994,805</b>	<b>1,949,649</b>

\* 'Equity' is the residual interest in assets after deduction of liabilities.  
Prepared on Australian Accounting Standards basis.

**Table 3.2.3: Departmental Statement of Changes in Equity — Summary of Movement (Budget Year 2014-15)**

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2014</b>					
Balance carried forward from previous period	585,261	1,321,158		268,520	2,174,939
Adjustment for changes in accounting policies					-
<b>Adjusted opening balance</b>	<b>585,261</b>	<b>1,321,158</b>	<b>-</b>	<b>268,520</b>	<b>2,174,939</b>
<b>Comprehensive income</b>					
Other comprehensive income					-
Surplus (deficit) for the period	(66,075)				(66,075)
<b>Total comprehensive income</b>	<b>(66,075)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(66,075)</b>
<b>Transactions with owners</b>					
<b>Distributions to owners</b>					
Other		5,577			5,577
<b>Contributions by owners</b>					
Other				4,000	4,000
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>5,577</b>	<b>-</b>	<b>4,000</b>	<b>9,577</b>
<b>Estimated closing balance as at 30 June 2015</b>	<b>519,186</b>	<b>1,326,735</b>	<b>-</b>	<b>272,520</b>	<b>2,118,441</b>
<b>Closing balance attributable to the Australian Government</b>	<b>519,186</b>	<b>1,326,735</b>	<b>-</b>	<b>272,520</b>	<b>2,118,441</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.4: Budgeted Departmental Statement of Cash Flows  
(for the period ended 30 June)**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	778,177	745,268	751,616	762,419	774,164
Sale of goods and rendering of servi	414,067	444,916	432,789	424,910	434,439
Interest	15,301	11,075	8,598	9,084	9,739
Net GST received	59,245	54,487	49,716	51,020	50,260
Other	103,553	12,438	6,640	6,309	6,571
<b>Total cash received</b>	<b>1,370,343</b>	<b>1,268,184</b>	<b>1,249,359</b>	<b>1,253,742</b>	<b>1,275,173</b>
<b>Cash used</b>					
Employees	755,631	754,982	680,188	658,513	656,290
Suppliers	381,541	423,308	452,244	444,014	458,101
Borrow ing costs	2,590	2,414	2,245	2,050	2,050
Net GST paid	58,764	55,028	49,791	51,100	50,260
<b>Total cash used</b>	<b>1,198,526</b>	<b>1,235,732</b>	<b>1,184,468</b>	<b>1,155,677</b>	<b>1,166,701</b>
<b>Net cash from (used by) operating activities</b>	<b>171,817</b>	<b>32,452</b>	<b>64,891</b>	<b>98,065</b>	<b>108,472</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	-	2,000	38,000	-	-
<b>Total cash received</b>	<b>-</b>	<b>2,000</b>	<b>38,000</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	233,945	202,669	113,545	107,905	122,803
<b>Total cash used</b>	<b>233,945</b>	<b>202,669</b>	<b>113,545</b>	<b>107,905</b>	<b>122,803</b>
<b>Net cash from (used by) investing activities</b>	<b>(233,945)</b>	<b>(200,669)</b>	<b>(75,545)</b>	<b>(107,905)</b>	<b>(122,803)</b>

**Table 3.2.4: Budgeted Departmental Statement of Cash Flows  
(for the period ended 30 June) (continued)**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Other	9,300	4,000	-	-	-
<b>Total cash received</b>	<b>9,300</b>	<b>4,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Repayments of borrowings	4,455	4,732	5,009	4,657	4,657
Dividends paid	28,600	-	-	-	-
<b>Total cash used</b>	<b>33,055</b>	<b>4,732</b>	<b>5,009</b>	<b>4,657</b>	<b>4,657</b>
<b>Net cash from (used by) financing activities</b>	<b>(23,755)</b>	<b>(732)</b>	<b>(5,009)</b>	<b>(4,657)</b>	<b>(4,657)</b>
<b>Net increase (decrease) in cash held</b>	<b>(85,883)</b>	<b>(168,949)</b>	<b>(15,663)</b>	<b>(14,497)</b>	<b>(18,988)</b>
Cash and cash equivalents at the beginning of the reporting period	409,642	323,759	154,810	139,147	124,650
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>323,759</b>	<b>154,810</b>	<b>139,147</b>	<b>124,650</b>	<b>105,662</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.5: Departmental Capital Budget Statement**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded internally from departmental resources <sup>1</sup>	233,945	202,669	113,545	107,905	122,803
<b>TOTAL</b>	<b>233,945</b>	<b>202,669</b>	<b>113,545</b>	<b>107,905</b>	<b>122,803</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	233,945	202,669	113,545	107,905	122,803
less additions by finance lease					
<b>Total cash used to acquire assets</b>	<b>233,945</b>	<b>202,669</b>	<b>113,545</b>	<b>107,905</b>	<b>122,803</b>

Prepared on Australian Accounting Standards basis.

<sup>1</sup>Includes the following sources of funding:

- current Bill 1 and prior year Act 1/3/5 appropriations (excluding amounts from the DCB).

**Table 3.2.6: Statement of Asset Movements (2014-15)**

	Land	Buildings	Other property, plant and equipment	Investment property	Computer software and intangibles	L&B, IP&E held for sale	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2014</b>							
Gross book value	378,593	2,477,322	1,203,361	52,150	43,496	11,578	4,166,500
Accumulated depreciation/amortisation and impairment		(1,251,629)	(624,650)		(24,352)	(2,995)	(1,903,626)
<b>Opening net book balance</b>	<b>378,593</b>	<b>1,225,693</b>	<b>578,711</b>	<b>52,150</b>	<b>19,144</b>	<b>8,583</b>	<b>2,262,874</b>
<b>CAPITAL ASSET ADDITIONS</b>							
<b>Estimated expenditure on new or replacement assets</b>							
By purchase - other	-	128,740	73,929	-	-	-	202,669
<b>Total additions</b>	<b>-</b>	<b>128,740</b>	<b>73,929</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>202,669</b>
<b>Other movements</b>							
Assets held for sale or in a disposal group held for sale	(38,000)	-	-	-	-	38,000	-
Depreciation/amortisation expense		(88,178)	(68,640)	-	(3,224)	-	(160,042)
Other	9,000	(31)	(3,392)	-	-	-	5,577
<b>Total other movements</b>	<b>(29,000)</b>	<b>(88,209)</b>	<b>(72,032)</b>	<b>-</b>	<b>(3,224)</b>	<b>38,000</b>	<b>(154,465)</b>
<b>As at 30 June 2015</b>							
Gross book value	349,593	2,606,031	1,273,898	52,150	43,496	49,578	4,374,746
Accumulated depreciation/amortisation and impairment	-	(1,339,807)	(693,290)	-	(27,576)	(2,995)	(2,063,668)
<b>Closing net book balance</b>	<b>349,593</b>	<b>1,266,224</b>	<b>580,608</b>	<b>52,150</b>	<b>15,920</b>	<b>46,583</b>	<b>2,311,078</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.7: Schedule of Budgeted Income and Expenses Administered on Behalf of Government (for the period ended 30 June)**

CSIRO has no budgeted income and expense administered on behalf of Government; therefore Table 3.2.7 is not presented.

**Table 3.2.8: Schedule of Budgeted Assets and Liabilities Administered on Behalf of Government (as at 30 June)**

CSIRO has no budgeted assets and liabilities administered on behalf of Government; therefore Table 3.2.8 is not presented.

**Table 3.2.9: Schedule of Budgeted Administered Cash Flows (for the period ended 30 June)**

CSIRO has no budgeted administered cash flows; therefore Table 3.2.9 is not presented.

**Table 3.2.10: Schedule of Administered Capital Budget Statement**

CSIRO has no administered capital budget; therefore Table 3.2.10 is not presented.

**Table 3.2.11: Statement of Administered Asset Movements (2014-15)**

CSIRO has no administered assets; therefore Table 3.2.11 is not presented.

**3.2.4 Notes to the Financial Statements**

The CSIRO's budgeted financial statements are presented on a consolidated basis in accordance with AASB 127 (Consolidated and Separate Financial statements). The consolidated financial statements incorporate the assets and liabilities and the results of all entities controlled by CSIRO as defined by AASB 127 (being the Science and Industry Endowment Fund, WLAN Services Pty Ltd and CSIRO Chile International Centre of Excellence in Mining and Mineral Processing).



# **Geoscience Australia**

## **Agency Resources and Planned Performance**



# GEOSCIENCE AUSTRALIA

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# GEOSCIENCE AUSTRALIA

## Section 1: Agency Overview and Resources

### 1.1 STRATEGIC DIRECTION STATEMENT

Geoscience Australia is the Australian Government's national geoscience agency, applying geoscience to Australia's most important challenges. Geoscience Australia provides geoscience information, services and capability to the Australian Government, industry, and stakeholders. The agency delivers a range of products that address important and significant national issues, and contributes information to decisions on economic, social and environmental management of the nation's resources.

Geoscience Australia's strategic direction is focused on six priority areas. The agency's programme of work for 2014-15 will support outcomes in each of these strategic priorities:

- Building Australia's resource wealth
- Securing Australia's water resources
- Ensuring Australia's community safety
- Managing Australia's marine jurisdictions
- Gathering fundamental geographic information
- Maintaining Australia's geoscience knowledge and capability

Information on Geoscience Australia's work plan and activities is available on the agency's website at <http://www.ga.gov.au>.

## **1.2 AGENCY RESOURCE STATEMENT**

Table 1.1 shows the total resources from all sources. The table summarises how resources will be applied by outcome and by administered and departmental classification.

**Table 1.1: Geoscience Australia Resource Statement — Budget Estimates for 2014-15 as at Budget May 2014**

	Estimate of prior <sup>+</sup> year amounts available in 2014-15 \$'000	Proposed at Budget <sup>=</sup> 2014-15 \$'000	Total estimate 2014-15 \$'000	Actual available appropriation 2013-14 \$'000
<b>Ordinary annual services<sup>1</sup></b>				
<b>Departmental appropriation</b>				
Prior year departmental appropriation <sup>2</sup>	-	-	-	-
Departmental appropriation <sup>3</sup>	-	129,578	129,578	139,023
s31 Relevant agency receipts <sup>4</sup>	-	38,182	38,182	61,857
<b>Total</b>	-	<b>167,760</b>	<b>167,760</b>	<b>200,880</b>
<b>Administered expenses</b>				
UN Grant in Aid	-	20	20	20
<b>Total</b>	-	<b>20</b>	<b>20</b>	<b>20</b>
<b>Total ordinary annual services</b>	-	<b>167,780</b>	<b>167,780</b>	<b>200,900</b>
<b>Other services<sup>5</sup></b>				
<b>Departmental non-operating</b>				
Equity injections	-	10	10	160
<b>Total</b>	-	<b>10</b>	<b>10</b>	<b>160</b>
<b>Total other services</b>	-	<b>10</b>	<b>10</b>	<b>160</b>
<b>Total available annual appropriations</b>	-	<b>167,790</b>	<b>167,790</b>	<b>201,060</b>
<b>Total special appropriations</b>	-	-	-	-
<b>Special Accounts</b>				
Opening balance <sup>6</sup>	-	1	1	1
Appropriation receipts	-	282	282	282
<b>Total Special Account</b>	-	<b>283</b>	<b>283</b>	<b>283</b>
<b>Total resourcing</b>				
A+B+C+D	-	168,073	168,073	201,343
<b>Total net resourcing for Geoscience Australia</b>	-	<b>168,073</b>	<b>168,073</b>	<b>201,343</b>

<sup>1</sup>Appropriation Bill (No.1) 2014-15.

<sup>2</sup>Estimated adjusted balance carried forward from previous year.

<sup>3</sup>Includes an amount of \$4.6 million in 2014-15 for the Departmental Capital Budget (refer to table 3.2.5 for further details). For accounting purposes this amount has been designated as 'contributions by owners'.

<sup>4</sup>s31 Relevant Agency receipts — estimate.

<sup>5</sup>Appropriation Bill (No.2) 2014-15

<sup>6</sup>Estimated opening balance for special accounts (less 'Special Public Money' held in accounts like Other Trust Monies accounts (OTM), Services for other Government and Non-agency Bodies accounts (SOG), or Services for Other Entities and Trust Monies Special accounts (SOETM)). For further information on special accounts see Table 3.1.2.

Reader note: All figures are GST exclusive.

### 1.3 BUDGET MEASURES

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

**Table 1.2: Agency 2014-15 Budget measures**

**Part 1: Measures announced since the 2013-14 MYEFO**

	Programme	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>Expense measures</b>						
Efficiency Dividend - a further temporary increase of 0.25 per cent <sup>1</sup>	1					
Departmental expenses		-	(320)	(624)	(930)	(940)
<b>Total</b>		-	<b>(320)</b>	<b>(624)</b>	<b>(930)</b>	<b>(940)</b>
Public service efficiencies and Reforms to APS management and efficient procurement of agency software <sup>2,3</sup>	1					
Departmental expenses		(169)	(339)	(595)	(651)	-
<b>Total</b>		<b>(169)</b>	<b>(339)</b>	<b>(595)</b>	<b>(651)</b>	<b>-</b>
<b>Total expense measures</b>						
Departmental		(169)	(659)	(1,219)	(1,581)	(940)
<b>Total</b>		<b>(169)</b>	<b>(659)</b>	<b>(1,219)</b>	<b>(1,581)</b>	<b>(940)</b>
<b>Capital measures</b>						
Efficiency Dividend - a further temporary increase of 0.25 per cent <sup>1</sup>	1					
Departmental capital		-	(12)	(23)	(35)	(37)
<b>Total</b>		-	<b>(12)</b>	<b>(23)</b>	<b>(35)</b>	<b>(37)</b>
<b>Total capital measures</b>						
Departmental		-	(12)	(23)	(35)	(37)
<b>Total</b>		-	<b>(12)</b>	<b>(23)</b>	<b>(35)</b>	<b>(37)</b>

Prepared on a Government Finance Statistics (fiscal) basis.

<sup>1</sup>Whole of Government measure.

<sup>2</sup>Whole of Government savings measures: Public Service Efficiencies was announced in the 2013-14 Budget. Reforms to APS management and efficient procurement of agency software was announced in the 2013 Economic Statement.

<sup>3</sup>The financial implications of the 'Public Service efficiencies' measure are presented in the 2013-14 Portfolio Supplementary Additional Estimates Statements.



**Part 2: MYEFO measures not previously reported in a portfolio statement**

	Programme	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>Measures</b>						
Efficiency Dividend - temporary increase to the rate <sup>1</sup>	1					
Departmental expenses		-	(1,278)	(2,830)	(4,401)	-
<b>Total</b>		-	<b>(1,278)</b>	<b>(2,830)</b>	<b>(4,401)</b>	-
<b>Total measures</b>						
Departmental		-	(1,278)	(2,830)	(4,401)	-
<b>Total</b>		-	<b>(1,278)</b>	<b>(2,830)</b>	<b>(4,401)</b>	-

Prepared on a Government Financial Statistics (fiscal) basis.

<sup>1</sup>Whole of Government measure.

## SECTION 2: OUTCOMES AND PLANNED PERFORMANCE

### 2.1 OUTCOMES AND PERFORMANCE INFORMATION

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

Each outcome is described below together with its related programmes, specifying the performance indicators and targets used to assess and monitor the performance of Geoscience Australia in achieving Government outcomes.

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

#### Outcome 1 Strategy

The work to be undertaken by Geoscience Australia to achieve its outcome is as follows:

Building Australia's resource wealth

- Maximise benefits from Australia's minerals and energy resources, now and into the future by building a prospectus of minerals and energy resources.

Securing Australia's water resources

- Optimise the use of Australia's water resources by increasing our understanding of the location, quality and quantity of Australia's groundwater resources.

Ensuring Australia's community safety

- Develop resilient communities by supporting Australia's capability to manage the impact of natural hazards and disasters.

Managing Australia's marine jurisdictions

- Maximise benefits from Australia's marine jurisdiction by contributing to the sustainable development of marine resources and conservation of key ecosystems.

Gathering fundamental geographic information

- Be the authority on fundamental national information about the geographies of the nation.

Maintaining Australia's geoscience knowledge and capability

- Maintain an enduring knowledge base and capability by ensuring all geoscientific and geospatial data, information and collections are appropriately curated and made accessible to all users.

**Outcome Expense Statement**

Table 2.1 provides an overview of the total expenses for outcome 1 by programme.

**Table 2.1: Budgeted Expenses for Outcome 1**

	2013-14 Estimated actual expenses \$'000	2014-15 Estimated expenses \$'000
<b>Outcome 1:</b> Informed government, industry and community decisions on the economic, social and environmental management of the nation's natural resources through enabling access to geoscientific and spatial information.		
<b>Programme 1.1: Geoscientific and spatial information</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	20	20
Departmental expenses		
Departmental appropriation <sup>1</sup>	194,518	163,276
Expenses not requiring appropriation in the Budget year <sup>2</sup>	7,764	8,183
<b>Total for Programme 1.1</b>	<b>202,302</b>	<b>171,479</b>
<b>Outcome 1 Totals by appropriation type</b>		
Administered Expenses		
Ordinary annual services (Appropriation Bill No. 1)	20	20
Departmental expenses		
Departmental appropriation <sup>1</sup>	194,518	163,276
Expenses not requiring appropriation in the Budget year <sup>2</sup>	7,764	8,183
<b>Total expenses for Outcome 1</b>	<b>202,302</b>	<b>171,479</b>
	2013-14	2014-15
<b>Average Staffing Level (number)</b>	716	620

<sup>1</sup>Departmental Appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s31)'.  
<sup>2</sup>Expenses not requiring appropriation in the Budget year is made up of Depreciation Expense, Amortisation Expense, Makegood Expense and Audit Fees.

## Contributions to Outcome 1

### Programme 1: Geoscientific and spatial information services

#### Programme Objective

Geoscience Australia has the following aims:

Building Australia's resource wealth

- Attract investment to Australia's minerals and energy resource sector by reducing geoscience barriers and risk

Securing Australia's water resources

- Improve the understanding and management of Australia's groundwater resources

Ensuring Australia's community safety

- Provide the understanding that underpins Australia's capability to prepare for and respond to the impact of natural hazards and disasters

Managing Australia's marine jurisdictions

- Provide the geoscience evidence base to underpin the sustainable management of Australia's marine jurisdiction

Gathering fundamental geographic information

- Collect, integrate and deliver observational and fundamental geoscience and geospatial data and information of Australia to support decision making

Maintaining Australia's geoscience knowledge and capability

- Ensure data, information and collections are captured, curated and made accessible to the Australian community for use now and into the future.

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<b>Programme Expenses: 1 Geoscientific and spatial information services</b>					
	2013-14 Estimated actual (\$'000)	2014-15 Budget (\$'000)	2015-16 Forw ard estimate (\$'000)	2016-17 Forw ard estimate (\$'000)	2017-18 Forw ard estimate (\$'000)
Annual administered expenses:					
Administered item	20	20	20	20	20
Annual departmental expenses:					
Employees Expenses	94,600	78,843	81,958	83,693	85,882
Suppliers Expenses	99,870	84,382	74,837	72,155	71,271
Other Expenses	48	51	68	68	68
Programme support					
Expenses not requiring appropriation in the Budget year <sup>1</sup>	7,764	8,183	8,418	8,280	8,003
<b>Total Programme expenses</b>	<b>202,302</b>	<b>171,479</b>	<b>165,301</b>	<b>164,216</b>	<b>165,244</b>

<sup>1</sup>Expenses not requiring appropriation in the Budget year is made up of Depreciation and Amortisation Expense.

<b>Programme Components</b>					
	2013-14 Estimated actual (\$'000)	2014-15 Budget (\$'000)	2015-16 Forw ard estimate (\$'000)	2016-17 Forw ard estimate (\$'000)	2017-18 Forw ard estimate (\$'000)
1.1.1 - Grant-in-aid funding for Australian United Nations Education, Scientific and Cultural Organization					
Annual administered expenses:					
Administered item	20	20	20	20	20
Total component expenses	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>
Expenses not requiring Appropriation in the Budget year					
<b>Total Programme expenses</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>

**Programme 1 Deliverables**

- Building Australia's resource wealth:
  - precompetitive data and information to attract exploration investment
  - build a geological prospectus of the resource potential of Australia
  - information, advice and expertise about the nation's resource endowment, exploration investment and production activity to inform the development of resource development policies
  - information and advice to inform the development of geothermal energy and carbon capture and storage policies.
- Securing Australia's water resources:
  - data, information and models to identify the nature, extent and behaviour of groundwater resources, and their relationship with surface water
  - an evidence base and advice to inform sustainable groundwater management
  - expert technical assessments of project approvals.
- Ensuring Australia's community safety:
  - natural hazard risk modelling and assessments
  - maps, imagery and advice for agencies responding to hazards and disaster events
  - vulnerability and exposure and impact maps, assessments and tools to inform land use planning, development approvals and building codes
  - early warning and alerts of natural hazard and disaster events
  - nuclear monitoring and assessment, and inform action for Government.
- Managing Australia's marine jurisdiction:
  - authoritative source for data, information and advice that underpins the legal determination of maritime boundaries
  - characterisation of seabed environments and potential new resources – petroleum, fisheries, biodiversity
  - pre-competitive environmental data to inform exploration/investment decisions
  - seabed environmental baseline information and advice to underpin environmental planning and management, regulation and compliance .
- Gathering fundamental geographic information:
  - authoritative source of fundamental geographic information including maps, data and global navigation information

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- establishment and maintenance of facilities and arrangements to ensure Australia's ongoing access to fundamental national scale satellite data
- analysis of geospatial information to monitor changes to the natural and built environment through time
- provision of spatial data to underpin positioning systems and location information.
- Maintaining Australia's geoscience knowledge and capability:
  - curation and management of geoscience data, information and collections
  - datasets to be discoverable and easily accessed
  - establishment and maintenance of a national network of observatories to ensure ongoing access to fundamental data and systems
  - operation of laboratory facilities and analytical capability.



## Programme 1 Key Performance Indicators

Key Performance Indicators	2013-14 Estimated actual	2014-15 Budget
<b>Building Australia's resource wealth</b>		
• Demonstrate Australia's potential for minerals and energy resources		Ongoing
• Provide an evidence base to underpin development of Australia's minerals and energy resources		Ongoing
• Support cleaner and low emissions energy technologies		Ongoing
• Offshore Petroleum Acreage Release – 2015 gazettal areas		Qtr 1 2014-15
<b>Securing Australia's water resources</b>		Ongoing
• Characterise Australia's groundwater resources		
• Improve the understanding of groundwater management options		
<b>Ensuring Australia's community safety</b>		Ongoing
• Effective mitigation of natural hazard impacts		
• Effective, coordinated responses to natural hazards and disasters		
• Non-proliferation of nuclear weapons		
<b>Managing Australia's marine jurisdiction</b>		Ongoing
• Provide legal clarity around Australia's rights to its marine estate and the rights of users within it		
• Support the sustainable development of Australia's marine resources		
• Support the effective management of key marine ecosystems		
<b>Gathering fundamental geographic information</b>		Ongoing
• Provide the ability to relate information to location and integrate different location information datasets		
• Provide access to fundamental geographic information		Ongoing
• Provide legal clarity and traceability of information		Ongoing
• National Earth Observation Infrastructure Plan – public release		Qtr 2 2014-15
<b>Maintaining Australia's geoscience knowledge and capability</b>		
• Geoscience data, information and collections are curated for enduring value and are discoverable and openly accessible		Ongoing
• Geoscience data, information and collections are usable and their applications promoted		Ongoing
• Implement National Offshore Petroleum Information Management System (NOPIMS)		June 2015

## Section 3: Explanatory Tables and Budgeted Financial Statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the 2014-15 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and programme expenses, movements in administered funds, special accounts and government Indigenous expenditure.

### 3.1 EXPLANATORY TABLES

#### 3.1.1 Movement of Administered Funds Between Years

Geoscience Australia has no administered funds; therefore Table 3.1.1 is not presented.

#### 3.1.2 Special Accounts

Special Accounts provide a means to set aside and record amounts used for specified purposes. Special Accounts can be created by a Finance Minister's Determination under the FMA Act or under separate enabling legislation. Table 3.1.2 shows the expected additions (receipts) and reductions (payments) for each account used by Geoscience Australia.

**Table 3.1.2: Estimates of Special Account Flows and Balances**

	Opening balance <b>2014-15</b> <i>2013-14</i>	Receipts <b>2014-15</b> <i>2013-14</i>	Payments <b>2014-15</b> <i>2013-14</i>	Adjustments <b>2014-15</b> <i>2013-14</i>	Closing balance <b>2014-15</b> <i>2013-14</i>
Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Joint Australian U.S. Geological and Geophysical Special Account - s20 FMA Act (A)	1	282	(282)		1
Australia New Zealand Land Information - s20 FMA Act (A)	-	-	-	-	-
<b>Total Special Accounts</b>					
<b>2014-15 Budget estimate</b>	<b>1</b>	<b>282</b>	<b>(282)</b>	<b>-</b>	<b>1</b>
<i>Total Special Accounts</i> <i>2013-14 estimated actual</i>	<i>1</i>	<i>282</i>	<i>(282)</i>	<i>-</i>	<i>1</i>

(A) = Administered  
(D) = Departmental

The Joint Australian U.S. Geological and Geophysical Research Station Account, established through Determination 2009/34, comprises funds from the United States

Air Force (USAF). The funds are used to pay operating costs of the Joint Geology and Geophysics Station (JGGRS) at Alice Springs. This account is not included in the Schedule of Administered Items as Geoscience Australia only has custody and access to the funds to arrange disbursement in its capacity of providing administrative support. Geoscience Australia has no discretion over any of the funds contributed by USAF.

Geoscience Australia previously administered the Australian New Zealand Land Information Special Account (ANZLI) during 2013-14. The ANZLI special account was transferred to the Department of Communications during 2013-14.

### **3.1.3 Australian Government Indigenous Expenditure**

The 2014-15 Australian Government Indigenous Expenditure Statement is not applicable because Geoscience Australia has no Indigenous specific expenses.

## **3.2 BUDGETED FINANCIAL STATEMENTS**

### **3.2.1 Differences in Agency Resourcing and Financial Statements**

There are no material variances between the agency resources table and the financial statements.

### **3.2.2 Analysis of Budgeted Financial Statements**

#### **Departmental**

##### **Budgeted Income Statement**

Total revenues for 2014-15 are budgeted at \$163.3 million, a decrease of \$34.0 million from estimated actual revenue for 2013-14, comprising \$23.6 million from externally funded projects and \$10.4 appropriation revenue from Government. Total expenses for 2014-15 are budgeted at \$171.5 million, including \$8.2 million in depreciation and amortisation expenses.

Budgeted employee benefits and supplier expenses (\$78.8 million and \$84.4 million respectively) have both reduced in line with the decrease in revenue.

The total budgeted loss for 2014-15 is \$8.2 million. This amount represents depreciation and amortisation expenditure which is no longer funded following the implementation of the Commonwealth's net cash appropriation framework.

##### **Budgeted Assets and Liabilities**

Geoscience Australia's budgeted total asset position of \$113.4 million and total liabilities position of \$77.4 million, have both reduced from 2013-14 by \$25.9 million and \$22.4 million respectively. The decrease is in line with diminishing revenue affecting the underlying cash balance and unearned revenue liability.

##### **Budgeted Capital Expenditure**

Planned capital expenditure for Geoscience Australia for 2014-15 is \$7.6 million. This consists of capital expenditure funded from the departmental capital budget (\$4.6 million) and internally funded resources (\$3.0 million).

#### **Administered**

##### **Budgeted Income and Expenses**

Geoscience Australia will make one payment on behalf of government in 2014-15, being a grant of \$0.02 million to the International Geological Correlation Program.

##### **Budgeted Assets and Liabilities**

Geoscience Australia does not expect to hold any administered asset or liability in 2013-14 or 2014-15.

3.2.3 Budgeted Financial Statements Tables

**Table 3.2.1 Comprehensive Income Statement (Showing Net Cost of Services) for the period ended 30 June**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>EXPENSES</b>					
Employee benefits	94,600	<b>78,843</b>	81,958	83,693	85,882
Suppliers	99,851	<b>84,363</b>	74,832	72,150	71,266
Grants					
Depreciation and amortisation	7,764	<b>8,183</b>	8,418	8,280	8,003
Finance costs	67	<b>70</b>	73	73	73
<b>Total expenses</b>	<b>202,282</b>	<b>171,459</b>	<b>165,281</b>	<b>164,196</b>	<b>165,224</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Sale of goods and rendering of services	61,857	<b>38,181</b>	35,008	35,008	35,008
Other	-	<b>119</b>	120	122	125
<b>Total own-source revenue</b>	<b>61,857</b>	<b>38,300</b>	<b>35,128</b>	<b>35,130</b>	<b>35,133</b>
<b>Total gains</b>	-	-	-	-	-
<b>Total own-source income</b>	<b>61,857</b>	<b>38,300</b>	<b>35,128</b>	<b>35,130</b>	<b>35,133</b>
<b>Net cost of (contribution by) services</b>	140,425	<b>133,159</b>	130,153	129,066	130,091
Revenue from Government	135,454	<b>124,976</b>	<b>121,735</b>	<b>120,786</b>	<b>122,088</b>
<b>Surplus (Deficit) attributable to the Australian Government</b>	<b>(4,971)</b>	<b>(8,183)</b>	<b>(8,418)</b>	<b>(8,280)</b>	<b>(8,003)</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
<b>Total other comprehensive income</b>	-	-	-	-	-
<b>Total comprehensive income (loss)</b>	<b>(4,971)</b>	<b>(8,183)</b>	<b>(8,418)</b>	<b>(8,280)</b>	<b>(8,003)</b>
<b>Total comprehensive income (loss) attributable to the Australian Government</b>	<b>(4,971)</b>	<b>(8,183)</b>	<b>(8,418)</b>	<b>(8,280)</b>	<b>(8,003)</b>

**Table 3.2.1 Comprehensive Income Statement (Showing Net Cost of Services) for the period ended 30 June**

<b>Note: Impact of Net Cash Appropriation Arrangements</b>					
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Total Comprehensive Income</b>					
<b>(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations.</b>	<b>2,793</b>	-	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations <sup>1</sup>	7,764	<b>8,183</b>	8,418	8,280	8,003
<b>Total Comprehensive Income (loss) - as per the Statement of Comprehensive Income</b>	<b>(4,971)</b>	<b>(8,183)</b>	<b>(8,418)</b>	<b>(8,280)</b>	<b>(8,003)</b>

Prepared on Australian Accounting Standards basis.

<sup>1</sup>From 2010-11, the Government introduced net cash appropriation arrangements where Bill 1 revenue appropriations for the depreciation/amortisation expenses of FMA Act agencies were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations. For information regarding DCBs, please refer to Table 3.2.5 Departmental Capital Budget Statement.

**Table 3.2.2: Budgeted Departmental Balance Sheet (as at 30 June)**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	2,500	2,500	2,500	2,500	2,500
Trade and other receivables	83,816	60,940	54,687	53,771	52,805
the equity method	669	669	669	669	669
Other financial assets	856	856	856	856	856
<b>Total financial assets</b>	<b>87,841</b>	<b>64,965</b>	<b>58,712</b>	<b>57,796</b>	<b>56,830</b>
<b>Non-financial assets</b>					
Land and buildings	9,296	8,651	8,006	7,361	6,716
Property, plant and equipment	29,027	28,811	28,389	25,990	23,968
Heritage and cultural assets	1,982	1,982	1,982	1,982	1,982
Intangibles	5,619	5,909	6,140	5,492	4,974
Other non-financial assets	5,566	3,066	3,066	3,066	3,066
<b>Total non-financial assets</b>	<b>51,490</b>	<b>48,419</b>	<b>47,583</b>	<b>43,891</b>	<b>40,706</b>
Assets held for sale					
<b>Total assets</b>	<b>139,331</b>	<b>113,384</b>	<b>106,295</b>	<b>101,687</b>	<b>97,536</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	77	77	77	77	77
Other payables	68,502	45,860	44,672	43,484	42,296
<b>Total payables</b>	<b>68,579</b>	<b>45,937</b>	<b>44,749</b>	<b>43,561</b>	<b>42,373</b>
<b>Total interest bearing liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Provisions</b>					
Employee provisions	29,217	29,406	27,267	27,467	27,616
Other provisions	1,988	2,065	2,138	2,211	2,284
<b>Total provisions</b>	<b>31,205</b>	<b>31,471</b>	<b>29,405</b>	<b>29,678</b>	<b>29,900</b>
<b>Total liabilities</b>	<b>99,784</b>	<b>77,408</b>	<b>74,154</b>	<b>73,239</b>	<b>72,273</b>
<b>Net assets</b>	<b>39,547</b>	<b>35,976</b>	<b>32,141</b>	<b>28,448</b>	<b>25,263</b>

**Table 3.2.2: Budgeted Departmental Balance Sheet (as at 30 June)  
(continued)**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	28,314	32,926	37,509	42,096	46,914
Reserves	11,959	11,959	11,959	11,959	11,959
Retained surplus (accumulated deficit)	(726)	(8,909)	(17,327)	(25,607)	(33,610)
<b>Total parent entity interest</b>	<b>39,547</b>	<b>35,976</b>	<b>32,141</b>	<b>28,448</b>	<b>25,263</b>
<b>Total non-controlling interest</b>	-	-	-	-	-
<b>Total Equity</b>	<b>39,547</b>	<b>35,976</b>	<b>32,141</b>	<b>28,448</b>	<b>25,263</b>

\* 'Equity' is the residual interest in assets after deduction of liabilities.  
Prepared on Australian Accounting Standards basis.



**Table 3.2.3: Departmental Statement of Changes in Equity — Summary of Movement (Budget Year 2014-15)**

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2014</b>					
Balance carried forward from previous period	(726)	11,959	-	28,314	39,547
<b>Adjusted opening balance</b>	<b>(726)</b>	<b>11,959</b>	<b>-</b>	<b>28,314</b>	<b>39,547</b>
<b>Comprehensive income</b>					
Surplus (deficit) for the period	(8,183)	-	-	-	(8,183)
<b>Total comprehensive income</b>	<b>(8,183)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(8,183)</b>
<b>Contributions by owners</b>					
Equity Injection	-	-	-	10	10
Equity Injection - Appropriation	-	-	-	4,588	4,588
Other	-	-	-	14	14
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,612</b>	<b>4,612</b>
<b>Estimated closing balance as at 30 June 2015</b>	<b>(8,909)</b>	<b>11,959</b>	<b>-</b>	<b>32,926</b>	<b>35,976</b>
<b>Closing balance attributable to the Australian Government</b>	<b>(8,909)</b>	<b>11,959</b>	<b>-</b>	<b>32,926</b>	<b>35,976</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.4: Budgeted Departmental Statement of Cash Flows  
(for the period ended 30 June)**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	140,285	147,851	127,989	121,701	123,051
Sale of goods and rendering of servi	40,398	16,886	35,008	35,008	35,008
Other	15,000	-	-	-	-
<b>Total cash received</b>	<b>195,683</b>	<b>164,737</b>	<b>162,997</b>	<b>156,709</b>	<b>158,059</b>
<b>Cash used</b>					
Employees	93,423	78,654	84,097	83,493	85,733
Suppliers	98,184	83,125	75,931	73,246	72,356
<b>Total cash used</b>	<b>191,607</b>	<b>161,779</b>	<b>160,028</b>	<b>156,739</b>	<b>158,089</b>
<b>Net cash from (used by) operating activities</b>	<b>4,076</b>	<b>2,958</b>	<b>2,969</b>	<b>(30)</b>	<b>(30)</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
plant and equipment	42	42	30	30	30
<b>Total cash received</b>	<b>42</b>	<b>42</b>	<b>30</b>	<b>30</b>	<b>30</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	9,679	7,612	7,582	4,588	4,818
<b>Total cash used</b>	<b>9,679</b>	<b>7,612</b>	<b>7,582</b>	<b>4,588</b>	<b>4,818</b>
<b>Net cash from (used by) investing activities</b>	<b>(9,637)</b>	<b>(7,570)</b>	<b>(7,552)</b>	<b>(4,558)</b>	<b>(4,788)</b>

**Table 3.2.4: Budgeted Departmental Statement of Cash Flows  
(for the period ended 30 June) (continued)**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity	3,729	4,612	4,583	4,588	4,818
<b>Total cash received</b>	<b>3,729</b>	<b>4,612</b>	<b>4,583</b>	<b>4,588</b>	<b>4,818</b>
<b>Cash used</b>					
<b>Total cash used</b>	-	-	-	-	-
<b>Net cash from (used by) financing activities</b>	<b>3,729</b>	<b>4,612</b>	<b>4,583</b>	<b>4,588</b>	<b>4,818</b>
<b>Net increase (decrease) in cash held</b>	<b>(1,832)</b>	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	4,332	2,500	2,500	2,500	2,500
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.5: Departmental Capital Budget Statement**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>NEW CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 (DCB)	3,569	4,602	4,573	4,588	4,818
Equity injections - Bill 2	160	10	10	-	-
<b>Total new capital appropriations</b>	<b>3,729</b>	<b>4,612</b>	<b>4,583</b>	<b>4,588</b>	<b>4,818</b>
<b>Provided for:</b>					
Purchase of non-financial assets	3,729	4,612	4,583	4,588	4,818
<b>Total Items</b>	<b>3,729</b>	<b>4,612</b>	<b>4,583</b>	<b>4,588</b>	<b>4,818</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations <sup>1</sup>	160	10	10	-	-
Funded by capital appropriation - DCB <sup>2</sup>	3,569	4,602	4,573	4,588	4,818
departmental resources <sup>3</sup>	5,950	3,000	3,000	-	-
<b>TOTAL</b>	<b>9,679</b>	<b>7,612</b>	<b>7,583</b>	<b>4,588</b>	<b>4,818</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	9,675	7,612	7,583	4,588	4,818
less additions by creditors / borrow ings	4	-	-	-	-
<b>Total cash used to acquire assets</b>	<b>9,679</b>	<b>7,612</b>	<b>7,583</b>	<b>4,588</b>	<b>4,818</b>

Prepared on Australian Accounting Standards basis.

<sup>1</sup>Includes both current Bill 2 and prior Act 2/4/6 appropriations and special capital appropriations.

<sup>2</sup>Does not include annual finance lease costs. Include purchase from current and previous years' Departmental Capital Budgets (DCBs).

<sup>3</sup>Includes the following sources of funding:

- current Bill 1 and prior year Act 1/3/5 appropriations (excluding amounts from the DCB).
- internally developed assets
- s31 relevant agency receipts (for FMA agencies only).

**Table 3.2.6: Statement of Asset Movements (2014-15)**

	Land	Buildings	Other property, plant and equipment	Heritage and cultural	Computer software and intangibles	L&B, IP&E held for sale	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2014</b>							
Gross book value	1,255	15,363	39,799	1,982	8,764	-	67,163
Accumulated depreciation/amortisation and impairment	-	(7,322)	(10,772)	-	(3,145)	-	(21,239)
<b>Opening net book balance</b>	<b>1,255</b>	<b>8,041</b>	<b>29,027</b>	<b>1,982</b>	<b>5,619</b>	<b>-</b>	<b>45,924</b>
<b>CAPITAL ASSET ADDITIONS</b>							
<b>Estimated expenditure on new or replacement assets</b>							-
By purchase - appropriation equity <sup>1</sup>	-	-	5,512	-	2,100	-	7,612
<b>Total additions</b>	<b>-</b>	<b>-</b>	<b>5,512</b>	<b>-</b>	<b>2,100</b>	<b>-</b>	<b>7,612</b>
<b>Other movements</b>							
Depreciation/amortisation expense		(645)	(5,728)	-	(1,810)		(8,183)
<b>Total other movements</b>	<b>-</b>	<b>(645)</b>	<b>(5,728)</b>	<b>-</b>	<b>(1,810)</b>	<b>-</b>	<b>(8,183)</b>
<b>As at 30 June 2015</b>							
Gross book value	1,255	15,363	45,311	1,982	10,864	-	74,775
and impairment	-	(7,967)	(16,500)	-	(4,955)	-	(29,422)
<b>Closing net book balance</b>	<b>1,255</b>	<b>7,396</b>	<b>28,811</b>	<b>1,982</b>	<b>5,909</b>	<b>-</b>	<b>45,353</b>

Prepared on Australian Accounting Standards basis.

<sup>1</sup>'Appropriation equity' refers to equity injections or Administered Assets and Liabilities appropriations provided through Appropriation Bill (No.2) 2014-15, including CDABs.

**Table 3.2.7: Schedule of Budgeted Income and Expenses Administered on Behalf of Government (for the period ended 30 June)**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Grants	20	20	20	20	20
<b>Total expenses administered on behalf of Government</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>
<b>Net Cost of (contribution by) services</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>
<b>Surplus (Deficit)</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
<b>Total comprehensive income (loss)</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.8: Schedule of Budgeted Assets and Liabilities Administered on Behalf of Government (as at 30 June)**

Geoscience Australia has no budgeted assets and liabilities administered on behalf of Government; therefore table 3.2.8 is not presented.

**Table 3.2.9: Schedule of Budgeted Administered Cash Flows (for the period ended 30 June)**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Other	20	20	20	20	20
<b>Total cash received</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>
<b>Cash used</b>					
Grant	20	20	20	20	20
Other	139	-	-	-	-
<b>Total cash used</b>	<b>159</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>
<b>Net cash from (used by) operating activities</b>	<b>(139)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total cash received</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Table 3.2.9: Schedule of Budgeted Administered Cash Flows  
(for the period ended 30 June) (continued)**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Other	20	20	20	20	20
<b>Total cash received</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>
<b>Cash used</b>					
Grant	20	20	20	20	20
Other	139	-	-	-	-
<b>Total cash used</b>	<b>159</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>
<b>Net cash from (used by) operating activities</b>	<b>(139)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total cash received</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Prepared on Australian Accounting Standards basis.



**Table 3.2.10: Schedule of Administered Capital Budget Statement**

Geoscience Australia has no budgeted administered capital; therefore table 3.2.10 is not presented.

**Table 3.2.11: Statement of Administered Asset Movements (2014-15)**

Geoscience Australia has no administered asset movements; therefore Table 3.2.11 is not presented.



# **IP Australia**

## **Agency Resources and Planned Performance**



# IP AUSTRALIA

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# IP AUSTRALIA

## Section 1: Agency Overview and Resources

### 1.1 STRATEGIC DIRECTION STATEMENT

IP Australia is the agency responsible for administering Australia's intellectual property (IP) rights system, specifically trade marks, inventions (patents), designs and plant breeder's rights. It operates as a prescribed agency within the portfolio and recovers more than 97 per cent of its costs by charging fees for its IP rights services.

To achieve its outcome, IP Australia grants exclusive IP rights for a period of time. This fosters innovation, investment and international competitiveness by:

- Creating a safe and secure environment in which to make the intellectual investment necessary to innovate and thereby encouraging research and development
- Promoting the disclosure of discoveries and follow-on generation of ideas
- Enabling firms to build brand value and business reputation which in turn contributes to improved consumer confidence
- Providing a legal framework in which to trade ideas.

IP Australia also promotes awareness of IP, provides advice to government on the development of IP policy and contributes to bilateral and multilateral negotiations and development cooperation programmes to support the global IP system for the benefit of the Australian economy and society. From time to time, this system will require adjustment to meet new demands or to keep up with economic, legal and business developments. IP Australia's role is to ensure that these changes are in Australia's best interest.

IP Australia's Strategic Statement and Strategic Plan define its direction for 2014-15 and forward years and prioritise strategic activities over the same period. The priority areas can be summarised as follows:

- Quality and consistency – continue to strive for the highest possible standard of quality in the agency's work so that granted rights are robust and able to withstand any challenge
- Stakeholder confidence – manage operations and stakeholder relationships to ensure IP Australia has an excellent reputation for the effectiveness of its services
- Facilitate the strategic use of IP – enable Australians to derive maximum value from the IP system through effective education/awareness and information services.

*IP Australia Budget Statements*

- Speed and efficiency – offer timely and efficient services which are consistent with the needs of IP applicants and the community as a whole
- Contribute to improving the IP System – foster Australian innovation by shaping the development of the IP system both at home and abroad.

In the light of these priorities, IP Australia's key initiatives and challenges for 2014-15 are:

- IP Australia will review the regulations it administers with a view to achieving reductions in red-tape where these are possible without affecting the efficient delivery of its outcome for Government
- IP Australia will continue its efforts contributing to improvements in the IP system both domestically and abroad. In 2014-15 IP Australia will continue its programme of legislative reform, including progressing implementation of the IP components of the Trans-Tasman Single Economic Market initiative. It will also contribute to international capacity building and improved global infrastructure, particularly with its Regional Patent Examination Training Programme and work with the World Intellectual Property Organization (WIPO) to improve access to patent information via the WIPO CASE system. These reforms will strengthen connections with our regional trading partners, assist other offices to enhance their patent examination standards and ensure that Australia maintains a world-class intellectual property system
- In addition to the WIPO CASE system, IP Australia will continue to invest in improved information and communications technology (ICT) systems in 2014-15 with a view to realising efficiencies and enhancing the user experience for its customers. Key projects include:
  - Incorporation of e-learning modules developed for international training for use as part of IP Australia's competency based training system for on-boarding new examiners
  - Finalisation of automated outbound correspondence for IP Rights customers
  - Enhancements to its on-line presence with a focus on security and system backups.
- IP Australia will receive recommendations from the recently completed Australian Public Service Commission (APSC) capability review in the first half of the Budget year. It will develop an action plan and respond to opportunities for improvement. It will also continue to focus on its employee engagement strategy
- Bargaining for a new enterprise agreement will be underway as IP Australia moves into the new Budget year. Any changes arising as a result of bargaining will be incorporated into future budget estimates



## **1.2 AGENCY RESOURCE STATEMENT**

Table 1.1 shows the total resources from all sources. The table summarises how resources will be applied by outcome and by administered and departmental classification.

**Table 1.1: IP Australia Resource Statement — Budget Estimates for 2014-15 as at Budget May 2014**

	Estimate of prior <sup>+</sup> year amounts available in 2014-15 \$'000	Proposed at Budget <sup>=</sup> 2014-15 \$'000	Total estimate 2014-15 \$'000	Actual available appropriation 2013-14 \$'000
<b>Ordinary annual services</b>				
<b>Departmental appropriation</b>				
Prior year departmental appropriation	-	-	-	-
Departmental appropriation <sup>1</sup>	-	2,302	2,302	2,578
<b>Total</b>	-	<b>2,302</b>	<b>2,302</b>	<b>2,578</b>
<b>Total ordinary annual services</b>	<b>A</b>	-	<b>2,302</b>	<b>2,578</b>
<b>Other services</b>				
<b>Departmental non-operating</b>				
Equity injections	-	-	-	-
<b>Total</b>	-	-	-	-
<b>Total other services</b>	<b>B</b>	-	-	-
<b>Total available annual appropriations</b>	-	<b>2,302</b>	<b>2,302</b>	<b>2,578</b>
<b>Special appropriations</b>	-	-	-	-
<b>Total special appropriations</b>	<b>C</b>	-	-	-
<b>Total appropriations excluding Special Accounts</b>	-	<b>2,302</b>	<b>2,302</b>	<b>2,578</b>
<b>Special Accounts</b>				
Opening balance <sup>2</sup>	93,014	-	93,014	96,242
Appropriation receipts <sup>3</sup>	-	2,302	2,302	2,578
Non-appropriation receipts to Special Accounts	-	181,351	181,351	173,569
<b>Total Special Account</b>	<b>D</b>	<b>93,014</b>	<b>183,653</b>	<b>272,389</b>
<b>Total resourcing</b>				
A+B+C+D	93,014	185,955	278,969	274,967
Less appropriations drawn from annual or special appropriations above and credited to special accounts	-	(2,302)	(2,302)	(2,578)
<b>Total net resourcing for IP Australia</b>	<b>93,014</b>	<b>183,653</b>	<b>276,667</b>	<b>272,389</b>

<sup>1</sup>Appropriation Bill (No.1) 2014-15.

<sup>2</sup>Estimated opening balance for the IP Australia Special Account. This does not include the balance for the Services for Other Entities and Trust Moneys Special Account. For further information on special accounts see Table 3.1.2.

<sup>3</sup>Appropriation receipts from IP Australia annual appropriations included above  
Reader note: All figures are GST exclusive.

### Third party payments from and on behalf of other agencies

IP Australia has no payments from and on behalf of other agencies.

### **1.3 BUDGET MEASURES**

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

## **SECTION 2: OUTCOMES AND PLANNED PERFORMANCE**

### **2.1 OUTCOMES AND PERFORMANCE INFORMATION**

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

Each outcome is described below together with its related programmes, specifying the performance indicators and targets used to assess and monitor the performance of IP Australia in achieving Government outcomes.

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

#### **Outcome 1 Strategy**

IP Australia has only one outcome. The Strategic Direction in Section 1 sets out IP Australia's strategies for 2014-15 in relation to this outcome.

#### **Outcome Expense Statement**

Table 2.1 provides an overview of the total expenses for outcome 1 by programme.

**Table 2.1: Budgeted Expenses for Outcome 1**

<b>Outcome 1:</b> Increased innovation, investment and trade in Australia, and by Australians overseas, through the administration of the registrable intellectual property rights system, promoting public awareness and industry engagement, and advising government.	2013-14 Estimated actual expenses \$'000	2014-15 Estimated expenses \$'000
<b>Programme 1.1: IP Rights Administration and Professional Registration</b>		
Departmental expenses		
Special Accounts	166,880	169,401
Expenses not requiring appropriation in the Budget year <sup>2</sup>	158	166
<b>Total for Programme 1.1</b>	<b>167,038</b>	<b>169,567</b>
<b>Programme 1.2: Education, Awareness and International Engagement</b>		
Departmental expenses		
Special Accounts	5,526	5,610
<b>Total for Programme 1.2</b>	<b>5,526</b>	<b>5,610</b>
<b>Programme 1.3: Advice to Government</b>		
Departmental expenses		
Departmental appropriation <sup>1</sup>	2,578	2,302
Special Accounts	3,230	3,594
<b>Total for Programme 1.3</b>	<b>5,808</b>	<b>5,896</b>
<b>Outcome 1 Totals by appropriation type</b>		
Departmental expenses		
Departmental appropriation <sup>1</sup>	2,578	2,302
Special Accounts	175,636	178,605
Expenses not requiring appropriation in the Budget year <sup>2</sup>	158	166
<b>Total expenses for Outcome 1</b>	<b>178,372</b>	<b>181,073</b>
	2013-14	2014-15
<b>Average Staffing Level (number)</b>	1,066	1,048

<sup>1</sup>Departmental Appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s31)'.  
<sup>2</sup>Expenses not requiring appropriation in the Budget year is made up of Audit Fees.

## Contributions to Outcome 1

### Programme 1.1: IP Rights Administration and Professional Registration

#### Programme Objective

**Intellectual property rights:** IP Australia will deliver robust IP rights and satisfy its customers in terms of timeliness and value for money. IP Australia will be recognised as one of the leading IP offices in the world for the quality (including accuracy and consistency) of the IP rights it grants.

**Professional registration:** IP Australia will successfully undertake its functions associated with persons wishing to qualify for registration as Patents and/or Trade Marks Attorneys and will provide effective secretariat support to the Professional Standards Board.

#### Programme Expenses

The expenses not requiring appropriation relate to the resources received free of charge.

	2013-14 Estimated actual \$'000	2014-15 Budget \$'000	2015-16 Forw ard estimate \$'000	2016-17 Forw ard estimate \$'000	2017-18 Forw ard estimate \$'000
Special Account Expenses:					
<i>Intellectual Property Special Account</i>	166,880	169,401	175,269	177,941	181,082
Expenses not requiring appropriation in the Budget year <sup>1</sup>	158	166	174	183	192
<b>Total Programme expenses</b>	<b>167,038</b>	<b>169,567</b>	<b>175,443</b>	<b>178,124</b>	<b>181,274</b>

<sup>1</sup>Expenses not requiring appropriation in the Budget year is made up of Audit Fees.

**Programme 1. 1 Deliverables**

IP Administration and Professional Registration encompasses the administration of patent, trade mark, design and plant breeder's IP rights legislation. This programme also includes the administration of the Professional Standards Board for Patent and Trade Marks Attorneys and the Patent Attorneys Disciplinary Tribunal.

Customers pay fees to IP Australia for all of the deliverables listed below and also under legislation for the retention of rights once granted (renewal fees).

Deliverables	2013-14 Estimated actual	2014-15 Budget	2015-16 Forw ard estimate	2016-17 Forw ard estimate	2017-18 Forw ard estimate
Receipt of Patent applications	25,000	27,455	28,315	29,000	29,725
Receipt of Patent Cooperation Treaty (PCT) applications	3,270	3,235	3,240	3,245	3,260
Provision of Patent examination services	28,279	27,868	27,459	30,167	28,696
Receipt of Trade Mark applications	112,645	113,810	115,425	117,360	118,615
Provision of Trade Mark registration services	61,965	60,490	56,525	60,920	62,100
Receipt of Design applications	6,500	6,820	7,010	7,115	7,225
Provision of Design examination services	1,185	1,150	1,230	1,290	1,305
Receipt of Plant Breeder's Rights applications	340	340	345	345	350
Provision of Plant Breeder's Rights examination services	208	275	275	280	280
Receipt of Professional Standards Boards applications	99	105	105	105	105
Provision of Professional Standards Board registration services	1,268	1,305	1,320	1,330	1,345

The programme deliverables represent the number of filings and services forecast by IP Australia.

**Programme 1.1 Key Performance Indicators**

The progress of the organisation to achieve the objectives of programme 1.1 will be monitored through independent review, the use of benchmarking and stakeholder survey and other feedback mechanisms.

Specific areas to be monitored will be:

**Intellectual property rights**

- The level of customer satisfaction with the consistency of IP Australia's work.
- IP Australia's performance in benchmarking against quality standards.
- The level of maturity of quality assurance systems.
- Timeliness of services against service charter standards.
- The level of work on hand for each IP right reduced.

**Professional Standards Board**

- Stakeholder satisfaction with secretariat support.



**Programme 1.2: Education, Awareness and International Engagement**

**Programme Objective**

**Education and awareness:** IP Australia will facilitate understanding of the value of and access to the domestic and international intellectual property system among its stakeholders in line with Australia's interests.

**International engagement:** IP Australia will influence the development of effective intellectual property systems in line with Australia's interests.

**Programme Expenses**

Resources for this programme are expected to remain relatively steady in real terms. IP Australia will be continuing with existing initiatives during Budget year.

	2013-14 Estimated actual \$'000	2014-15 Budget \$'000	2015-16 Forw ard estimate \$'000	2016-17 Forw ard estimate \$'000	2017-18 Forw ard estimate \$'000
Special Account Expenses:					
<i>Intellectual Property Special Account</i>	5,526	5,610	5,804	5,893	5,997
<b>Total Programme expenses</b>	<b>5,526</b>	<b>5,610</b>	<b>5,804</b>	<b>5,893</b>	<b>5,997</b>

**Programme 1.2 Deliverables**

Education, Awareness and International Engagement represents IP Australia's role in raising awareness and educating customers about intellectual property, and engaging with key international stakeholders and IP bodies.

Under the education and awareness objective of this programme, IP Australia will deliver public education and awareness programmes, which promote the importance of IP and provide Australians with the tools they require to make informed decisions regarding IP.

Under the international engagement objective of this programme, IP Australia will proactively manage customer and international engagement activities, including development of cooperation activities.

**Programme 1.2 Key Performance Indicators**

The progress of the organisation to achieve the objectives of programme 1.2 will be monitored through the use of a benchmarking and stakeholder survey and other feedback mechanisms including internal monitoring.

Specific areas to be monitored will be:

**Awareness and education**

- Increased use of public information services.
- Increased public awareness of intellectual property rights.
- The level of satisfaction with information services.

**International engagement**

- The amount and quality of international work sharing.

**Programme 1.3: Advice to Government**

**Programme Objective**

**Policy and legislation:** IP Australia's programme of policy and legislative change will foster Australian innovation by shaping the development of the IP system both at home and abroad.

**Support for advisory bodies:** IP Australia will provide support to the Advisory Council on Intellectual Property (ACIP) and the Plant Breeder's Rights Advisory Committee.

**Programme Expenses**

While reform initiatives are continuing, there is no plan to increase the resources dedicated to this programme.

	2013-14 Estimated actual \$'000	2014-15 Budget \$'000	2015-16 Forward estimate \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000
Special Account Expenses:					
<i>Intellectual Property Special Account</i>	3,230	3,594	3,778	3,860	3,958
Annual departmental expenses:					
Departmental item	2,578	2,302	2,323	2,334	2,345
<b>Total Programme expenses</b>	<b>5,808</b>	<b>5,896</b>	<b>6,101</b>	<b>6,194</b>	<b>6,303</b>

**Programme 1.3 Deliverables**

Advice to Government relates to IP Australia's role in providing advice on intellectual property matters, and supporting the research into the current and future use of IP rights.

Under the policy and legislative objective of this programme, IP Australia will provide policy advice across government and internationally.

**Programme 1.3 Key Performance Indicators**

The progress of the organisation to achieve the objectives of programme 1.3 will be monitored through the use of stakeholder survey and other feedback mechanisms including internal monitoring.

Specific areas to be monitored will be:

**Policy and Legislation**

- Satisfaction of stakeholders with quality and timeliness of advice on policy and legislation, and ministerial correspondence, speeches and briefings, submissions to reviews and Government responses.
- Feedback on ministerial briefs and responses.

**IP Research**

- Increased understanding of IP issues impacting on Australian business.
- The number of IP research initiatives.

**Support for Advisory Boards**

- Council and board satisfaction with quality of secretariat and research support provided.
- The number of Advisory Council Intellectual Property (ACIP) reviews completed.

## **Section 3: Explanatory Tables and Budgeted Financial Statements**

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the 2014-15 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and programme expenses, movements in administered funds, special accounts and government Indigenous expenditure.

### **3.1 EXPLANATORY TABLES**

#### **3.1.1 Movement of Administered Funds Between Years**

IP Australia has no administered funds; therefore Table 3.1.1 is not presented.

#### **3.1.2 Special Accounts**

Special Accounts provide a means to set aside and record amounts used for specified purposes. Special Accounts can be created by a Finance Minister's Determination under the FMA Act or under separate enabling legislation. Table 3.1.2 shows the expected additions (receipts) and reductions (payments) for each account used by IP Australia.

**Table 3.1.2: Estimates of Special Account Flows and Balances**

		Opening balance <b>2014-15</b> 2013-14	Receipts <b>2014-15</b> 2013-14	Payments <b>2014-15</b> 2013-14	Adjustments <b>2014-15</b> 2013-14	Closing balance <b>2014-15</b> 2013-14
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
IP Australia Special Account	1	<b>93,014</b>	<b>183,653</b>	<b>184,482</b>	-	<b>92,185</b>
s20 FMA Act (D) <sup>1</sup>		96,242	176,147	179,375	-	93,014
Services for Other Entities and Trust Money	1	<b>410</b>	<b>9,201</b>	<b>9,317</b>	-	<b>294</b>
s20 FMA Act (D) <sup>2</sup>		615	9,021	9,226	-	410
<b>Total Special Accounts 2014-15 Budget estimate</b>		<b>93,424</b>	<b>192,854</b>	<b>193,799</b>	-	<b>92,479</b>
<i>Total Special Accounts 2013-14 estimated actual</i>		96,857	185,168	188,601	-	93,424

(D) = Departmental

<sup>1</sup>The purpose of this account is the receipts of all monies (including an interest equivalency payment of \$2.302 million in 2014-15) and payment of all expenditure related to the operation of IP Australia.

<sup>2</sup>The purpose of this account is to manage:

- (a) the Comcare reimbursements in accordance with the *Safety, Rehabilitation and Compensation Act 1998*.
- (b) the receipt of monies temporarily held in trust for the World Intellectual Property Organisation under the Patent Cooperation Treaty and Madrid protocol and IP legislation.
- (c) the receipt of monies held as a security in respect of the cost of the opposition proceedings under s222 of the *Trade Marks Act 1995* and s219 of the *Patents Act 1990*.

### 3.1.3 Australian Government Indigenous Expenditure

The 2014-15 Australian Government Indigenous Expenditure Statement is not applicable because IP Australia has no Indigenous specific expenses.

## **3.2 BUDGETED FINANCIAL STATEMENTS**

### **3.2.1 Differences in Agency Resourcing and Financial Statements**

There are no material variances between the agency resources table and the financial statements.

### **3.2.2 Analysis of Budgeted Financial Statements**

IP Australia is budgeting for an operating surplus of \$0.1 million for 2014-15, which is lower than the \$0.2 million reported in the 2013-14 Portfolio Budget Statements. Modest operating surpluses are also projected for the forward estimate years.

#### **Income Statement**

Changes impacting the income statement since the 2013-14 Portfolio Budget Statements are summarised as follows:

- The estimate for revenue from goods and services for 2014-15 has decreased by \$2.0 million and is lower across each of the forward estimate years. The forecast for patent and trademark applications has been revised down, as the growth has not been as strong as previously expected.
- The estimate for the appropriation funding is for notional interest on the IP Australia special account. This has been updated for the Budget and forward years taking into account the forecast quarterly balance in the special account over the forward estimates.
- Estimated employee expenses for 2014-15 have decreased by \$3.9 million. The reduction is due to a new contact centre outsourcing arrangement and tightening of recruitment arrangements.
- Estimated supplier expenses for 2014-15 have increased by \$1.0 million. Supplier expenses remain stable, on average, across the forward estimate period. This reflects the costs associated with the contact centre outsourcing arrangement, the benefits from the modernisation of front-end ICT systems and internal efficiency savings identified across the organisation.
- Estimated depreciation and amortisation expense for 2014-15 has increased by \$0.7 million with further increases forecast over the forward year estimates period. This is the result of increased levels of capital investments in ICT systems, property, plant and equipment, including the IP Rights Case Management programme.

## **Balance Sheet**

Budget changes impacting on the balance sheet since the 2013-14 Portfolio Budget Statements are summarised as follows:

- The financial asset estimate for 2014-15 has decreased by \$6.5 million, reflecting the draw-down on the Official Public Account receivable. The reduction reflects revised plans for capital expenditure.
- The non-financial asset estimates for 2014-15 have increased to reflect the activity reported in Table 3.2.6 with future investment activity outlined in Table 3.2.5. The variation to the information presented in the 2013-14 Portfolio Budget Statements reflects an increase in ICT capital investment.
- The employee provision estimate has been decreased to reflect the reduction in staffing numbers.
- The other payables estimate represents the unearned income attributable to unexamined IP rights. This estimate has decreased as a result of increased patent examination production resulting in a reduction to the patent stockpile.

## **Cash Flow Statement**

The movements in the cash flow are consistent with movements in the income statement and the balance sheet. The 'to and from OPA' lines reflect the use of funds from the OPA balance or the return of funds to the OPA balance depending on cash requirements.



**3.2.3 Budgeted Financial Statements Tables**

**Table 3.2.1 Comprehensive Income Statement (Showing Net Cost of Services) for the period ended 30 June**

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>EXPENSES</b>					
Employee benefits	118,009	119,841	124,992	129,018	129,985
Suppliers	46,772	46,113	46,602	44,621	45,863
Depreciation and amortisation	13,591	15,119	15,754	16,572	17,726
<b>Total expenses</b>	<b>178,372</b>	<b>181,073</b>	<b>187,348</b>	<b>190,211</b>	<b>193,574</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Sale of goods and rendering of services	177,736	178,705	184,951	188,294	191,937
<b>Total own-source revenue</b>	<b>177,736</b>	<b>178,705</b>	<b>184,951</b>	<b>188,294</b>	<b>191,937</b>
<b>Gains</b>					
Sale of assets					
Other	158	166	174	183	192
<b>Total gains</b>	<b>158</b>	<b>166</b>	<b>174</b>	<b>183</b>	<b>192</b>
<b>Total own-source income</b>	<b>177,894</b>	<b>178,871</b>	<b>185,125</b>	<b>188,477</b>	<b>192,129</b>
<b>Net cost of (contribution by) services</b>	<b>478</b>	<b>2,202</b>	<b>2,223</b>	<b>1,734</b>	<b>1,445</b>
Revenue from Government	2,578	2,302	2,323	2,334	2,345
<b>Surplus (Deficit) attributable to the Australian Government</b>	<b>2,100</b>	<b>100</b>	<b>100</b>	<b>600</b>	<b>900</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Changes in asset revaluation surplus	-	-	-	-	-
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income (loss)</b>	<b>2,100</b>	<b>100</b>	<b>100</b>	<b>600</b>	<b>900</b>
<b>Total comprehensive income (loss) attributable to the Australian Government</b>	<b>2,100</b>	<b>100</b>	<b>100</b>	<b>600</b>	<b>900</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.2: Budgeted Departmental Balance Sheet (as at 30 June)**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	1,500	1,500	1,500	1,500	1,500
Trade and other receivables	92,827	91,986	90,895	93,979	94,819
<b>Total financial assets</b>	<b>94,327</b>	<b>93,486</b>	<b>92,395</b>	<b>95,479</b>	<b>96,319</b>
<b>Non-financial assets</b>					
Land and buildings	15,687	13,858	12,114	10,333	8,514
Property, plant and equipment	5,335	5,045	5,354	5,244	5,951
Intangibles	55,178	57,967	63,228	66,499	69,570
Other non-financial assets	3,709	3,657	3,696	3,539	3,637
<b>Total non-financial assets</b>	<b>79,909</b>	<b>80,527</b>	<b>84,392</b>	<b>85,615</b>	<b>87,672</b>
<b>Total assets</b>	<b>174,236</b>	<b>174,013</b>	<b>176,787</b>	<b>181,094</b>	<b>183,991</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	16,163	16,223	16,113	15,281	14,568
Other payables	22,881	19,901	19,898	21,445	20,943
<b>Total payables</b>	<b>39,044</b>	<b>36,124</b>	<b>36,011</b>	<b>36,726</b>	<b>35,511</b>
<b>Provisions</b>					
Employee provisions	35,221	37,810	40,589	43,573	46,776
Other provisions	209	217	225	233	242
<b>Total provisions</b>	<b>35,430</b>	<b>38,027</b>	<b>40,814</b>	<b>43,806</b>	<b>47,018</b>
<b>Total liabilities</b>	<b>74,474</b>	<b>74,151</b>	<b>76,825</b>	<b>80,532</b>	<b>82,529</b>
<b>Net assets</b>	<b>99,762</b>	<b>99,862</b>	<b>99,962</b>	<b>100,562</b>	<b>101,462</b>
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	5,608	5,608	5,608	5,608	5,608
Reserves	9,124	9,124	9,124	9,124	9,124
Retained surplus (accumulated deficit)	85,030	85,130	85,230	85,830	86,730
<b>Total parent entity interest</b>	<b>99,762</b>	<b>99,862</b>	<b>99,962</b>	<b>100,562</b>	<b>101,462</b>
<b>Total Equity</b>	<b>99,762</b>	<b>99,862</b>	<b>99,962</b>	<b>100,562</b>	<b>101,462</b>

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

Prepared on Australian Accounting Standards basis.

**Table 3.2.3: Departmental Statement of Changes in Equity —  
Summary of Movement (Budget Year 2014-15)**

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2014</b>				
Balance carried forward from previous period	85,030	9,124	5,608	99,762
Surplus (deficit) for the period	100	-	-	100
<b>Estimated closing balance as at 30 June 2015</b>	<b>85,130</b>	<b>9,124</b>	<b>5,608</b>	<b>99,862</b>
<b>Closing balance attributable to the Australian Government</b>	<b>85,130</b>	<b>9,124</b>	<b>5,608</b>	<b>99,862</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.4: Budgeted Departmental Statement of Cash Flows  
(for the period ended 30 June)**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	2,578	2,302	2,323	2,334	2,345
Sale of goods and rendering of servi	168,351	176,211	185,348	190,284	191,960
Net GST received	5,179	5,101	5,153	4,936	5,075
From OPA	3,261	829	1,114	-	-
<b>Total cash received</b>	<b>179,369</b>	<b>184,443</b>	<b>193,938</b>	<b>197,554</b>	<b>199,380</b>
<b>Cash used</b>					
Employees	115,623	117,252	122,211	126,035	126,782
Suppliers	46,604	46,314	46,982	45,555	47,008
Net GST paid	5,338	5,127	5,204	4,936	5,136
To OPA	-	-	-	3,115	808
<b>Total cash used</b>	<b>167,565</b>	<b>168,693</b>	<b>174,397</b>	<b>179,641</b>	<b>179,734</b>
<b>Net cash from (used by) operating activities</b>	<b>11,804</b>	<b>15,750</b>	<b>19,541</b>	<b>17,913</b>	<b>19,646</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	39	39	39	39	39
<b>Total cash received</b>	<b>39</b>	<b>39</b>	<b>39</b>	<b>39</b>	<b>39</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	2,043	2,493	3,350	3,250	3,850
Intangibles	9,767	13,296	16,230	14,702	15,835
<b>Total cash used</b>	<b>11,810</b>	<b>15,789</b>	<b>19,580</b>	<b>17,952</b>	<b>19,685</b>
<b>Net cash from (used by) investing activities</b>	<b>(11,771)</b>	<b>(15,750)</b>	<b>(19,541)</b>	<b>(17,913)</b>	<b>(19,646)</b>
<b>Net increase (decrease) in cash held</b>	<b>33</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	1,467	1,500	1,500	1,500	1,500
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>1,500</b>	<b>1,500</b>	<b>1,500</b>	<b>1,500</b>	<b>1,500</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.5: Departmental Capital Budget Statement**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded internally from departmental resources <sup>1</sup>	11,810	15,789	19,580	17,952	19,685
<b>TOTAL</b>	<b>11,810</b>	<b>15,789</b>	<b>19,580</b>	<b>17,952</b>	<b>19,685</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	11,810	15,789	19,580	17,952	19,685
<b>Total cash used to acquire assets</b>	<b>11,810</b>	<b>15,789</b>	<b>19,580</b>	<b>17,952</b>	<b>19,685</b>

Prepared on Australian Accounting Standards basis.

<sup>1</sup>Includes the following sources of funding:

- Annual and prior year departmental appropriations
- Own-source revenue
- Proceeds from the sale of assets.

**Table 3.2.6: Statement of Asset Movements (2014-15)**

	Buildings	Other property, plant and equipment	Computer software and intangibles	L&B, IP&E held for sale	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2014</b>					
Gross book value	17,893	8,843	107,995	837	135,568
Accumulated depreciation/amortisation and impairment	(2,206)	(3,508)	(52,817)	(837)	(59,368)
<b>Opening net book balance</b>	<b>15,687</b>	<b>5,335</b>	<b>55,178</b>	<b>-</b>	<b>76,200</b>
<b>CAPITAL ASSET ADDITIONS</b>					
<b>Estimated expenditure on new or replacement assets</b>					
By purchase or internally developed	300	2,193	13,296	-	15,789
<b>Total additions</b>	<b>300</b>	<b>2,193</b>	<b>13,296</b>	<b>-</b>	<b>15,789</b>
<b>Other movements</b>					
Depreciation/amortisation expense	(2,129)	(2,483)	(10,507)	-	(15,119)
<b>Total other movements</b>	<b>(2,129)</b>	<b>(2,483)</b>	<b>(10,507)</b>	<b>-</b>	<b>(15,119)</b>
<b>As at 30 June 2015</b>					
Gross book value	18,193	11,036	121,291	837	151,357
Accumulated depreciation/amortisation and impairment	(4,335)	(5,991)	(63,324)	(837)	(74,487)
<b>Closing net book balance</b>	<b>13,858</b>	<b>5,045</b>	<b>57,967</b>	<b>-</b>	<b>76,870</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.7: Schedule of Budgeted Income and Expenses Administered on Behalf of Government (for the period ended 30 June)**

IP Australia has no budgeted income and expenses administered on behalf of Government; therefore table 3.2.7 is not presented.

**Table 3.2.8: Schedule of Budgeted Assets and Liabilities Administered on Behalf of Government (as at 30 June)**

IP Australia has no budgeted assets and liabilities administered on behalf of Government; therefore table 3.2.8 is not presented.

**Table 3.2.9: Schedule of Budgeted Administered Cash Flows (for the period ended 30 June)**

IP Australia has no budgeted cash flows administered on behalf of Government; therefore table 3.2.9 is not presented.

**Table 3.2.10: Schedule of Administered Capital Budget Statement**

IP Australia has no budgeted administered capital; therefore table 3.2.10 is not presented.

**Table 3.2.11: Statement of Administered Asset Movements (2014-15)**

IP Australia has no administered asset movements; therefore table 3.2.11 is not presented.

**3.2.4 Notes to the Financial Statements**

IP Australia's budgeted financial statements are prepared in accordance with the Australian Accounting Standards, Accounting Guidance Releases and having regard to the Statement of Accounting Concepts.





# **National Offshore Petroleum Safety and Environmental Management Authority**

## **Agency Resources and Planned Performance**



# NATIONAL OFFSHORE PETROLEUM SAFETY AND ENVIRONMENTAL MANAGEMENT AUTHORITY

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# NATIONAL OFFSHORE PETROLEUM SAFETY AND ENVIRONMENTAL MANAGEMENT AUTHORITY

## Section 1: Agency Overview and Resources

### 1.1 STRATEGIC DIRECTION STATEMENT

The National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) regulates the safety, integrity and environmental management of Australia's offshore petroleum and greenhouse gas storage industries through the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*.

These industries continue to experience a period of unprecedented growth together with the challenges of major new technologies, the ageing of existing facilities and increasing demand for skilled and experienced people. Unless carefully managed these challenges have the potential to significantly impact on safety and environmental management performance.

In recent years, a series of high profile incidents in Australia and overseas have led to the loss of life and damage to the environment. Subsequent investigations and inquiries have highlighted the importance of competency and operating discipline within the industry with oversight by a competent, well-resourced and independent regulator.

NOPSEMA's legislated functions include:

- To promote the occupational health and safety (OHS) of persons engaged in offshore petroleum operations or offshore greenhouse gas storage operations
- To develop and implement effective monitoring and enforcement strategies to secure compliance by persons with their OHS obligations under the act and the regulations, obligations under a structural integrity law and obligations under an environmental management law
- To investigate accidents, occurrences and circumstances that:
  - affect or have the potential to affect, the OHS of persons engaged in offshore petroleum operations or offshore greenhouse gas storage operations
  - involve or may involve deficiencies in the structural integrity of facilities, wells or well-related equipment located in Commonwealth waters
  - involve or may involve deficiencies in offshore petroleum or offshore greenhouse gas storage environmental management in connection with operations in Commonwealth waters

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- To advise persons on OHS matters relating to offshore petroleum operations or offshore greenhouse gas storage operations, structural integrity of facilities, wells or well-related equipment, and offshore petroleum or greenhouse gas storage environmental management
- To make reports and recommendations to Ministers
- To cooperate with a whole of government approach.

As part of the Government's response to the report of the Montara Commission of Inquiry, the Government extended the functions of the National Offshore Petroleum Safety Authority (NOPSA) to include the oversight of non-OHS structural integrity of facilities, wells and well-related equipment, and environmental management. Consequently, NOPSA was renamed the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) on 1 January 2012.

NOPSEMA will continue to focus on its primary functions of promoting and securing compliance and improvement by duty holders through monitoring, enforcement and proactive engagement with stakeholders to reduce risks to the workforce, the environment and the structural integrity of facilities, wells and well-related equipment of the Australian offshore petroleum and greenhouse gas storage industries.

In particular, NOPSEMA's work priorities will include:

- Emphasizing the importance of industry leadership to exercise a high level of managerial control around the precursors to major accident events
- Recruiting to the approved establishment level to enhance NOPSEMA's capability as a regulator
- Assessing safety cases, applications for authorization to undertake well activities, well operations management plans and environment plans
- Inspecting, investigating and, where appropriate, taking enforcement action
- Engaging with operators, titleholders and other duty holders to foster best practice, highlighting lessons learned, and supporting the industries' safety and environment representatives
- Publishing policies and guidance notes to inform duty holders on the regulatory requirements
- Responding to matters arising from the recommendations of inquiries and reviews
- Upgrading NOPSEMA's systems to maintain consistency of operating procedures and provide stakeholder access to relevant information.

## **1.2 AGENCY RESOURCE STATEMENT**

Table 1.1 shows the total resources from all sources. The table summarises how resources will be applied by outcome and by administered and departmental classification.

Resources are provided by industry, through safety case levies, well levies and environment plan levies which are determined by industry activity level and are estimated to be \$37.9 million in 2014-15. In addition, as NOPSEMA has no investment powers, an interest equivalency payment is received from government which is estimated at \$0.150 million.

**Table 1.1: NOPSEMA Resource Statement — Budget Estimates for 2014-15 as at Budget May 2014**

	Estimate of prior + year amounts available in 2014-15 \$'000	Proposed at Budget = 2014-15 \$'000	Total estimate 2014-15 \$'000	Actual available appropriation 2013-14 \$'000
<b>Special Accounts</b>				
Opening balance <sup>1</sup>	5,651	-	5,651	2,798
Appropriation receipts	-	150	150	150
Non-appropriation receipts to Special Accounts	-	37,459	37,459	38,897
<b>Total Special Account</b>	<b>5,651</b>	<b>37,609</b>	<b>43,260</b>	<b>41,845</b>
<b>Total net resourcing for NOPSEMA</b>	<b>5,651</b>	<b>37,609</b>	<b>43,260</b>	<b>41,845</b>

<sup>1</sup>Estimated opening balance for special accounts (less 'Special Public Money' held in accounts like Other Trust Monies accounts (OTM), Services for other Government and Non-agency Bodies accounts (SOG), or Services for Other Entities and Trust Monies Special accounts (SOETM)). For further information on special accounts see Table 3.1.2.

Reader note: All figures are GST exclusive.



### **1.3 BUDGET MEASURES**

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

## **SECTION 2: OUTCOMES AND PLANNED PERFORMANCE**

### **2.1 OUTCOMES AND PERFORMANCE INFORMATION**

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

Each outcome is described below together with its related programmes, specifying the performance indicators and targets used to assess and monitor the performance of NOPSEMA in achieving Government outcomes.

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

#### **Outcome 1 Strategy**

NOPSEMA regulates the Australian offshore petroleum and greenhouse gas storage industries to assist these industries to reduce risks to the workforce, the environment and the structural integrity of facilities, wells and well-related equipment. NOPSEMA provides assurance to the government and the community as to whether the industries are doing enough to ensure high standards of safety and environmental management. NOPSEMA conducts inspections and audits to determine compliance with requirements and undertakings and in the event of accidents or incidents, NOPSEMA investigates and takes appropriate enforcement action.

#### **Outcome Expense Statement**

Table 2.1 provides an overview of the total expenses for outcome 1 by programme.

**Table 2.1: Budgeted Expenses for Outcome 1**

	2013-14 Estimated actual expenses \$'000	2014-15 Estimated expenses \$'000
<b>Outcome 1:</b> Promote and enforce the effective management of risks to the workforce, the environment and the structural integrity of facilities, wells and well-related equipment of the Australian offshore petroleum and greenhouse gas storage industries through regulatory oversight.		
<b>Programme 1: Regulatory oversight of safety cases, well operations management plans and environment plans with effective monitoring, investigation and</b>		
Departmental expenses		
Departmental appropriation <sup>1</sup>	33,866	36,846
Expenses not requiring appropriation in the Budget year <sup>2</sup>	1,086	1,152
<b>Total for Programme 1</b>	<b>34,952</b>	<b>37,998</b>
<b>Outcome 1 Totals by appropriation type</b>		
Departmental expenses		
Departmental appropriation <sup>1</sup>	33,866	36,846
Expenses not requiring appropriation in the Budget year <sup>2</sup>	1,086	1,152
<b>Total expenses for Outcome 1</b>	<b>34,952</b>	<b>37,998</b>
	2013-14	2014-15
<b>Average Staffing Level (number)</b>	111	135

<sup>1</sup>Departmental Appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s31)'.  
<sup>2</sup>Expenses not requiring appropriation in the Budget year is made up of Depreciation Expense, Amortisation Expense and Makegood Expense.

## Contributions to Outcome 1

**Programme 1: Regulatory oversight of Safety Cases, Well Operations Management Plans and Environment Plans coupled with effective monitoring, investigation and enforcement**

### Programme Objective

- Safety, integrity and environmental management culture and compliance.
- High quality and rigorous safety cases, well operations management plans, environment plans and diving project plans.
- Improved industry performance and reduced safety and environmental risks.

### Programme Expenses

There are no significant variances in the programme expenses over the forward years.

	2013-14 Estimated actual (\$'000)	2014-15 Budget (\$'000)	2015-16 Forw ard estimate (\$'000)	2016-17 Forw ard estimate (\$'000)	2017-18 Forw ard estimate (\$'000)
Annual departmental expenses:					
Employee Benefits	26,671	29,470	29,470	29,470	29,470
Supplier Expenses	7,195	7,376	7,508	7,508	7,508
Programme support					
Expenses not requiring appropriation in the Budget year <sup>1</sup>	1,086	1,152	1,020	1,020	1,020
<b>Total Programme expenses</b>	<b>34,952</b>	<b>37,998</b>	<b>37,998</b>	<b>37,998</b>	<b>37,998</b>

<sup>1</sup>Expenses not requiring appropriation in the Budget year is made up of Depreciation Expense, Amortisation Expense and Makegood Expense.

### Programme 1 Deliverables

- Industry compliance through NOPSEMA's assessments supported by inspections, investigations and, where appropriate, enforcement action
- Promotion of safety, integrity of facilities, wells and well-related equipment and environmental management by engaging with operators, titleholders and other duty holders to foster best practice, highlighting lessons learned and supporting the industries' safety and environment representatives
- Reports to Government and other stakeholders regarding trends in industry performance.

**Programme 1 Key Performance Indicators**

- Maintenance of effective interaction with companies, workforce, stakeholders and other authorities through NOPSEMA's national programme initiative, and participation in safety and environmental management events
- Assessments of safety cases applications for authorisation to undertake well activities, well operations management plans and environment plans undertaken consistently and in accordance with legislative requirements
- Inspections and investigations of accidents, dangerous occurrences and complaints, undertaken consistently and in accordance with legislative requirement and relevant Government standards.

## Section 3: Explanatory Tables and Budgeted Financial Statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the 2014-15 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and programme expenses, movements in administered funds, special accounts and government Indigenous expenditure.

### 3.1 EXPLANATORY TABLES

#### 3.1.1 Movement of Administered Funds Between Years

NOPSEMA does not have administered funding; therefore Table 3.1.1 is not presented.

#### 3.1.2 Special Accounts

Special Accounts provide a means to set aside and record amounts used for specified purposes. Special Accounts can be created by a Finance Minister's Determination under the FMA Act or under separate enabling legislation. Table 3.1.2 shows the expected additions (receipts) and reductions (payments) for each account used by NOPSEMA.

**Table 3.1.2: Estimates of Special Account Flows and Balances**

	Opening balance <b>2014-15</b> 2013-14	Receipts <b>2014-15</b> 2013-14	Payments <b>2014-15</b> 2013-14	Adjustments <b>2014-15</b> 2013-14	Closing balance <b>2014-15</b> 2013-14
Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
National Offshore Petroleum Safety and Environmental Management Authority Special Account - section 682 <i>Offshore Petroleum and Greenhouse Gas Storage Act 2006 (D)</i>	<b>5,651</b> 2,798	<b>37,609</b> 39,047	<b>37,340</b> 36,194	- -	<b>5,920</b> 5,651
<b>Total Special Accounts 2014-15 Budget estimate</b>	<b>5,651</b>	<b>37,609</b>	<b>37,340</b>	-	<b>5,920</b>
<i>Total Special Accounts 2013-14 estimated actual</i>	2,798	39,047	36,194	-	5,651

The 'Receipts' column in Table 3.1.2 includes \$0.150 million appropriated in departmental appropriation through Appropriation Bill (No. 1) for the interest equivalency payment, which will be credited to the Special Account during 2014-15.

(D) = Departmental

#### 3.1.3 Australian Government Indigenous Expenditure

The 2014-15 Australian Government Indigenous Expenditure Statement is not applicable because NOPSEMA has no Indigenous specific expenses.

## **3.2 BUDGETED FINANCIAL STATEMENTS**

### **3.2.1 Differences in Agency Resourcing and Financial Statements**

There are no material variances between the agency resourcing and financial statements.

### **3.2.2 Analysis of Budgeted Financial Statements**

NOPSEMA was established on 1 January 2012, as the Australian Government's national independent regulator for health and safety, well integrity and environmental management for offshore oil and gas operations. The budget figures reflect the revenues and expenditure for these three functions together with an interest equivalency payment from the Commonwealth special bank account.

Revenues are generated under the Australian Government Cost Recovery Guidelines through safety case, well integrity and environment plan levies. Levies are calculated in order for NOPSEMA to achieve break even during the period of its Cost Recovery Impact Statement (CRIS) whilst achieving its outcome under section 2.1 above. NOPSEMA also undertakes an annual cost effectiveness review which is presented to stakeholders. Following the 2012 stakeholder meeting, NOPSEMA's CRIS was reviewed and changes came into effect from 1 January 2014.

The current NOPSEMA CRIS is for a two year period ending 31 December 2015. This allows for a review of the most recent levy changes against actual costs, together with any amendments to the current legislative framework. When reviewed, any proposed changes will take effect from 1 January 2016.

The budgeted revenue of \$37.9 million for 2014-15 shows a 7.8 per cent increase compared to \$35.1 million for 2013-14. This is as a result of the levy increases from 1 January 2014. Due to the fixed nature of levy rates under the current CRIS, projected revenue and expenditure is constant for the forward years and will only change if any required submissions to the Minister are approved following the CRIS review in 2015.

### 3.2.3 Budgeted Financial Statements Tables

**Table 3.2.1 Comprehensive Income Statement (Showing Net Cost of Services) for the period ended 30 June**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>EXPENSES</b>					
Employee benefits	26,671	29,470	29,470	29,470	29,470
Suppliers	7,195	7,376	7,508	7,508	7,508
Depreciation and amortisation	1,086	1,152	1,020	1,020	1,020
<b>Total expenses</b>	<b>34,952</b>	<b>37,998</b>	<b>37,998</b>	<b>37,998</b>	<b>37,998</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Sale of goods and rendering of services	35,131	37,869	37,869	37,869	37,869
<b>Total own-source revenue</b>	<b>35,131</b>	<b>37,869</b>	<b>37,869</b>	<b>37,869</b>	<b>37,869</b>
<b>Total own-source income</b>	<b>35,131</b>	<b>37,869</b>	<b>37,869</b>	<b>37,869</b>	<b>37,869</b>
<b>Net cost of (contribution by) services</b>	(179)	129	129	129	129
Revenue from Government	150	150	150	150	150
<b>Surplus (Deficit) attributable to the Australian Government</b>	<b>329</b>	<b>21</b>	<b>21</b>	<b>21</b>	<b>21</b>

Prepared on Australian Accounting Standards basis.



**Table 3.2.2: Budgeted Departmental Balance Sheet  
(as at 30 June)**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	5,651	5,920	6,460	7,000	7,040
Trade and other receivables	5,270	5,680	5,680	5,680	5,680
<b>Total financial assets</b>	<b>10,921</b>	<b>11,600</b>	<b>12,140</b>	<b>12,680</b>	<b>12,720</b>
<b>Non-financial assets</b>					
Property, plant and equipment	3,371	2,908	2,558	2,208	2,108
Intangibles	1,516	1,327	1,157	987	1,067
Other non-financial assets	1	0	0	0	0
<b>Total non-financial assets</b>	<b>4,888</b>	<b>4,235</b>	<b>3,715</b>	<b>3,195</b>	<b>3,175</b>
<b>Total assets</b>	<b>15,809</b>	<b>15,835</b>	<b>15,855</b>	<b>15,875</b>	<b>15,895</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	2,677	2,683	2,682	2,683	2,683
Other payables	486	483	483	483	483
<b>Total payables</b>	<b>3,163</b>	<b>3,166</b>	<b>3,165</b>	<b>3,166</b>	<b>3,166</b>
<b>Provisions</b>					
Employee provisions	3,445	3,419	3,389	3,387	3,386
Other provisions	470	498	529	529	529
<b>Total provisions</b>	<b>3,915</b>	<b>3,917</b>	<b>3,918</b>	<b>3,916</b>	<b>3,915</b>
<b>Total liabilities</b>	<b>7,078</b>	<b>7,083</b>	<b>7,083</b>	<b>7,082</b>	<b>7,081</b>
<b>Net assets</b>	<b>8,731</b>	<b>8,752</b>	<b>8,772</b>	<b>8,793</b>	<b>8,814</b>

**Table 3.2.2: Budgeted Departmental Balance Sheet  
(as at 30 June) (continued)**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	896	896	896	896	896
Reserves	-	-	-	-	-
Retained surplus (accumulated deficit)	7,835	7,856	7,876	7,897	7,918
<b>Total parent entity interest</b>	<b>8,731</b>	<b>8,752</b>	<b>8,772</b>	<b>8,793</b>	<b>8,814</b>
<b>Total Equity</b>	<b>8,731</b>	<b>8,752</b>	<b>8,772</b>	<b>8,793</b>	<b>8,814</b>

\* 'Equity' is the residual interest in assets after deduction of liabilities.  
Prepared on Australian Accounting Standards basis.

**Table 3.2.3: Departmental Statement of Changes in Equity —  
Summary of Movement (Budget Year 2014-15)**

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2014</b>					
Balance carried forward from previous period	7,835	-	-	896	8,731
<b>Adjusted opening balance</b>	<b>7,835</b>	<b>-</b>	<b>-</b>	<b>896</b>	<b>8,731</b>
<b>Comprehensive income</b>					
Surplus (deficit) for the period	21	-	-	-	21
<b>Total comprehensive income</b>	<b>21</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21</b>
<b>Estimated closing balance as at 30 June 2015</b>	<b>7,856</b>	<b>-</b>	<b>-</b>	<b>896</b>	<b>8,752</b>
<b>Closing balance attributable to the Australian Government</b>	<b>7,856</b>	<b>-</b>	<b>-</b>	<b>896</b>	<b>8,752</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.4: Budgeted Departmental Statement of Cash Flows  
(for the period ended 30 June)**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	150	150	150	150	150
Sale of goods and rendering of services	38,897	37,459	37,869	37,869	37,869
<b>Total cash received</b>	<b>39,047</b>	<b>37,609</b>	<b>38,019</b>	<b>38,019</b>	<b>38,019</b>
<b>Cash used</b>					
Employees	26,672	29,470	29,470	29,470	29,470
Suppliers	9,022	7,370	7,509	7,509	7,509
<b>Total cash used</b>	<b>35,694</b>	<b>36,840</b>	<b>36,979</b>	<b>36,979</b>	<b>36,979</b>
<b>Net cash from (used by) operating activities</b>	<b>3,353</b>	<b>769</b>	<b>1,040</b>	<b>1,040</b>	<b>1,040</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment	500	500	500	500	1,000
<b>Total cash used</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>1,000</b>
<b>Net cash from (used by) investing activities</b>	<b>(500)</b>	<b>(500)</b>	<b>(500)</b>	<b>(500)</b>	<b>(1,000)</b>
<b>Net increase (decrease) in cash held</b>	<b>2,853</b>	<b>269</b>	<b>540</b>	<b>540</b>	<b>40</b>
Cash and cash equivalents at the beginning of the reporting period	2,798	5,651	5,920	6,460	7,000
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>5,651</b>	<b>5,920</b>	<b>6,460</b>	<b>7,000</b>	<b>7,040</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.5: Departmental Capital Budget Statement**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded internally from departmental resources <sup>1</sup>	500	500	500	500	1,000
<b>TOTAL</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>1,000</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	500	500	500	500	1,000
<b>Total cash used to acquire assets</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>1,000</b>

Prepared on Australian Accounting Standards basis.

<sup>1</sup>Includes the following sources of funding:

- Current Bill 1 and prior year Act 1/3/5 appropriations
- S31 relevant agency receipts.

**Table 3.2.6: Statement of Asset Movements (2014-15)**

	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
<b>As at 1 July 2014</b>			
Gross book value	5,647	4,455	10,102
Accumulated depreciation/amortisation and impairment	(2,276)	(2,939)	(5,215)
<b>Opening net book balance</b>	<b>3,371</b>	<b>1,516</b>	<b>4,887</b>
<b>CAPITAL ASSET ADDITIONS</b>			
<b>Estimated expenditure on new or replacement assets</b>			
By purchase - other	250	250	500
<b>Total additions</b>	<b>250</b>	<b>250</b>	<b>500</b>
<b>Other movements</b>			
Depreciation/amortisation expense	(713)	(439)	(1,152)
<b>Total other movements</b>	<b>(713)</b>	<b>(439)</b>	<b>(1,152)</b>
<b>As at 30 June 2015</b>			
Gross book value	5,897	4,705	10,602
Accumulated depreciation/amortisation and impairment	(2,989)	(3,378)	(6,367)
<b>Closing net book balance</b>	<b>2,908</b>	<b>1,327</b>	<b>4,235</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.7: Schedule of Budgeted Income and Expenses Administered on Behalf of Government (for the period ended 30 June)**

NOPSEMA does not administer any income or expenses on behalf of Government; therefore Table 3.2.7 is not presented.

**Table 3.2.8: Schedule of Budgeted Assets and Liabilities Administered on Behalf of Government (as at 30 June)**

NOPSEMA does not administer any assets and liabilities on behalf of Government; therefore Table 3.2.8 is not presented.

**Table 3.2.9: Schedule of Budgeted Administered Cash Flows (for the period ended 30 June)**

NOPSEMA does not administer any cash flows on behalf of Government; therefore Table 3.2.9 is not presented.

**Table 3.2.10: Schedule of Administered Capital Budget Statement**

NOPSEMA does not administer any capital budgets on behalf of Government; therefore Table 3.2.10 is not presented.

**Table 3.2.11: Statement of Administered Asset Movements (2014-15)**

NOPSEMA does not administer any asset movements on behalf of Government; therefore Table 3.2.11 is not presented.

**3.2.4 Notes to the Financial Statements**

NOPSEMA's budget statements have been prepared on an accrual basis, in accordance with the Finance Minister's Orders and Australian Accounting Standards.

The analysis of budgeted financial statements provides an overview of the key elements that could significantly affect NOPSEMA's results.





## PORTFOLIO GLOSSARY

Term	Meaning
Activity	The actions/functions performed by agencies to deliver Government policies.
Actual Available Appropriation	Indicates the total appropriations available to the agency for 2014-15. It includes all appropriations made available to the agency in the year (+/- section 32 transfers, formal reductions, advance to the Finance Minister and movements of funds). It is to be the same as the comparator figure included in the Appropriation Bills, and as such provides a comparison with the appropriation proposed for the budget year.
Accrual accounting	System of accounting where items are brought to account and included in the financial statements as they are earned or incurred, rather than as they are received or paid.
Administered items	Expenses, revenues, assets or liabilities managed by agencies on behalf of the Government. Agencies do not control administered items. Administered expenses include grants, subsidies and benefits. In many cases, administered expenses fund the delivery of third party outputs.
Additional estimates	Where amounts appropriated at Budget time are insufficient, Parliament may appropriate more funds to portfolios through the additional estimates bills.
Agency	Generic term for Australian Government General Government Sector entities, including those governed by the FMA Act or CAC Act and the High Court of Australia.
Appropriation	An authorisation by Parliament to spend moneys from the Consolidated Revenue Fund for a particular purpose.

*Glossary*

Annual Appropriation	Two appropriation bills are introduced into Parliament in May and comprise the Budget for the financial year beginning 1 July. Further bills are introduced later in the financial year as part of the additional estimates. Parliamentary departments have their own appropriations.
Apportionment	Division and allocation.
Clear Read Principle	<p>Under the outcomes arrangements there is an essential clear link between the appropriation bills, the Portfolio Budget Statements (PBS), the Portfolio Additional Estimates Statements (PAES) and annual reports of agencies. Information should be consistent across these and other budget documents, and, where possible, duplication of reporting should be avoided. This is called the “clear read” between the different documents.</p> <p>Under this principle the planned performance in PBS and PAES is to be provided on the same basis as actual performance in the annual report covering the same period to permit a clear read across planning and actual performance reporting documents. Agencies should take this into account in designing their performance reporting arrangements.</p>
<i>Commonwealth Authorities and Companies Act 1997 (CAC Act)</i>	The CAC Act sets out the financial management, accountability and audit obligations on Commonwealth statutory authorities and companies in which the Commonwealth has at least a direct controlling interest.
Consolidated Revenue Fund (CRF)	Section 81 of the Constitution stipulates that all revenue raised or money received by the Commonwealth forms one consolidated revenue fund. The CRF is not a bank account. The Official Public Account reflects most of the operations of the CRF.

Departmental items	Assets, liabilities, revenues and expenses that are controlled by the agency in providing its outputs. Departmental items would generally include computers, plant and equipment and other assets used by agencies in providing goods and services, most employee expenses, supplier costs and other administrative expenses incurred.
Depreciation	Apportionment of an asset's capital value as an expense over its estimated useful life to take account of normal usage, obsolescence or the passage of time.
Effectiveness indicators	Measures the joint or independent contribution of outputs and administered items to the achievement of their specified outcome.
Efficiency indicators	Measures the adequacy of an agency's management of its outputs (and, where applicable, administered items). Includes price, quality and quantity indicators. The interrelationship between the three efficiency indicators of any one output should be considered when judging efficiency.
Equity or net assets	Residual interest in the assets of an entity after deduction of its liabilities.
Estimated Actual Expenses	Details of the current year's estimated final figures as included in the Budget documentation. As the Budget is released in May each year, but the financial year does not close off until 30 June, the current year numbers that are used for comparison with Budget amounts can only be estimates.
Expense	Total value of all of the resources consumed in producing goods and services or the loss of future economic benefits in the form of reductions in assets or increases in liabilities of an entity.

## Glossary

Expenses not requiring an appropriation in the Budget year	Expenses not involving a cash flow impact are not included within the calculation of an appropriation. An example of such an event is goods or services received free of charge that are then expensed: for example, ANAO audit services—the ANAO does not charge for audit services; however, the expense must be recognised for the purpose of calculating the appropriation amounts to be sought from Parliament.
<i>Financial Management and Accountability Act 1997 (FMA Act)</i>	The FMA Act sets out the financial management, accountability and audit obligations of agencies (including departments) that are financially part of the Commonwealth (and form part of the General Government Sector).
Intended result	Intended result is a key part of an outcome statement and describes the goal or objective of an agency. The intended result is typically distilled from the Government’s economic, social, health or environmental policy goals.
Intermediate outcomes	More specific medium-term impacts (for example, trend data, targets or milestones) below the level of the planned outcomes specified in the Budget. A combination of several intermediate outcomes can at times be considered as a proxy for determining the achievement of outcomes or progress towards outcomes (see Outcome statement below).
Measure	A new policy or savings decision of the Government with financial impacts on the Government’s underlying cash balance, fiscal balance, operating balance, headline cash balance, net debt or net worth. Such proposals are normally made in the context of the annual budget and are typically published in Budget Paper No. 2, in the Mid-Year Economic and Fiscal Outlook (MYEFO) and in the Pre-election Economic and Fiscal Outlook (PEFO).

Mid-Year Economic and Fiscal Outlook (MYEFO)	The MYEFO provides an update of the Government's budget estimates by examining expenses and revenues in the year to date, as well as provisions for new decisions that have been taken since the Budget. The report provides updated information to allow the assessment of the Government's fiscal performance against its current fiscal strategy statement.
Official Public Account (OPA)	The OPA is the Government's central bank account held within the Reserve Bank of Australia. The OPA reflects the operations of the Consolidated Revenue Fund.
Outcome	An outcome is the intended result, consequence or impact of Government actions on the Australian community.
Outcome statement	<p>An outcome statement articulates the intended results, activities and target group of an Australian Government agency. An outcome statement serves three main purposes within the financial framework:</p> <ol style="list-style-type: none"><li>1. to explain and control the purposes for which annual appropriations are approved by the Parliament for use by agencies;</li><li>2. to provide a basis for annual budgeting, including (financial) reporting against the use of appropriated funds; and</li><li>3. to measure and assess agency and programme (non-financial) performance in contributing to Government policy objectives.</li></ol>
Output	The goods and services produced by agencies on behalf of Government for external organisations or individuals. Outputs also include goods and services produced for other areas of government external to the agency.
Price	One of the three key efficiency indicators. The amount the Government or the community pays for the delivery of agreed outputs.

## Glossary

Programme	Activity that delivers benefits, services or transfer payments to individuals, industry and/or the community as a whole, with the aim of achieving the intended result specified in an outcome statement.
Programme Support	The agency running costs allocated to a programme. This is funded as part of the agency's departmental appropriations.
Quality	One of the three key efficiency indicators. Relates to the characteristics by which customers or stakeholders judge an organisation, product or service. Assessment of quality involves use of information gathered from interested parties to identify differences between a user's expectations and experience.
Quantity	One of the three key efficiency indicators. Examples include the size of an output and count or volume measures such as how many or how much.
Revenue	Total value of resources earned or received to cover the production of goods and services.
Special Account	Balances existing within the Consolidated Revenue Fund (CRF) that are supported by standing appropriations (see <i>Financial Management and Accountability Act 1997</i> , subsection 20 and 21). Special accounts allow money in the CRF to be acknowledged as set aside (hypothecated) for a particular purpose. Amounts credited to a Special Account may only be spent for the purposes of the Special Account. Special Accounts can only be established by a written determination of the Finance Minister (section 20 FMA Act) or through an act of Parliament (referred to in section 21 of the FMA Act).
Special Appropriations	An amount of money appropriated by a particular Act of Parliament for a specific purpose and number of years. For special appropriations the authority to withdraw funds from the Consolidated Revenue Fund does not generally cease at the end of the financial year.

Standing appropriations	These are ongoing special appropriations – the amount appropriated will depend on circumstances specified in the legislation.
Special Purpose Payments (SPPs)	Commonwealth payments to the states for specific purposes in order to pursue important national policy objectives in areas that may be administered by the States.
Sub-function	Government Finance Statistics classification of government expenses.
Target Group	A specific group being targeted for assistance by Government policy.
Transfer	Cash paid to recipients of the applicable programme. This includes welfare payments and tax rebates.





