



Australian Government
Department of Industry, Science,
Energy and Resources

ANNUAL REPORT 2020-21



Department of
Industry, Science,
Energy and Resources
ANNUAL REPORT 2020-21

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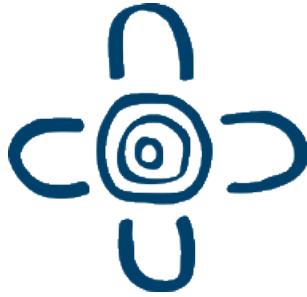
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Acknowledgement of Country

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

Meeting Place icon by DISER employee Amy Huggins.

Title: Connection to Country, 2021

Artist: Shaenice Allan



About this report

This report provides information on the activities of the Department of Industry, Science, Energy and Resources, Geoscience Australia and IP Australia during the 2020–21 financial year.

Reporting framework

This report addresses the annual reporting requirements of the *Public Governance, Performance and Accountability Act 2013* and the Public Governance, Performance and Accountability Rule 2014, and certain legislation administered by the department.

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Accessing this report

This report, which incorporates the reports for Geoscience Australia and IP Australia, can be downloaded from the Department of Industry, Science, Energy and Resources website at www.industry.gov.au/AnnualReport.

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



Australian Government
**Department of Industry, Science,
Energy and Resources**

OFFICE OF THE SECRETARY
DAVID FREDERICKS PSM

The Hon Angus Taylor MP
Minister for Energy and Emissions Reduction
Acting Minister for Industry, Science and
Technology
Parliament House
Canberra ACT 2600

The Hon Keith Pitt MP
Minister for Resources and Water
Parliament House
Canberra ACT 2600

Senator the Hon Jonathon Duniam
Assistant Minister for Industry Development
Parliament House
Canberra ACT 2600

Dear Ministers

I am pleased to present the Annual Report of the Department of Industry, Science, Energy and Resources for the year ended 30 June 2021.

The report has been prepared in accordance with all applicable obligations of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), including section 46, which requires that you table the report in Parliament. The report reflects the matters dealt with by the department, and legislation administered by the department (Appendix A1) as at 30 June 2021.

The Annual Performance Statements in Chapter 2 of this report are prepared in accordance with paragraph 39(1)(a) of the PGPA Act. They accurately present the department's performance for the 2020–21 financial year in accordance with subsection 39(2) of the PGPA Act.

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

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

Yours sincerely

A handwritten signature in black ink, appearing to read 'DFR', with a long horizontal flourish extending to the right.

David Fredericks PSM
1 October 2021



CHAPTER 1

PORTFOLIO AND DEPARTMENTAL OVERVIEW

Secretary's review

I am pleased to release the *Department of Industry, Science, Energy and Resources Annual Report 2020-21*.

The department and the broader portfolio are integral to the government's economic agenda. As Australia manages the impacts of COVID-19 and rebuilds from the pandemic, this department continues to play an important role in helping to create a strong, modern, more resilient and productive economy that delivers long-term prosperity.

We have continued to embrace our aim of driving productivity and economic growth, and creating jobs for all Australians.

As we transition from the pandemic to recovery, our work leverages and builds on Australia's strengths; supports business to invest and create jobs; and drives long-term productivity, growth and prosperity.

We have drawn on the full scope of the portfolio to help drive productivity and economic growth, and to create new jobs and opportunities for Australia. We will continue to work with our stakeholders to provide advice to the Australian Government, and to efficiently and effectively deliver government policies and programs.

Leveraging and building on Australia's strengths

We are committed to facilitating a business-led recovery from the pandemic and unlocking Australia's economic potential. We are investing in areas of comparative and strategic advantage, building a stronger technology and science sector, building and investing in affordable, reliable and secure energy, and boosting collaboration and commercialisation of Australian research and development.

Transforming the manufacturing sector

On 1 October 2020, the Prime Minister, the Hon Scott Morrison MP, launched the **\$1.5 billion Modern Manufacturing Strategy (MMS)**. The strategy sets out the government's plan to transform Australian manufacturing, helping it to scale up, become more competitive and resilient, create jobs and support our economic recovery.

To support the implementation of the MMS, we worked with industry-led taskforces to develop road maps for each of the government's **6 National Manufacturing Priorities**: Food and Beverage; Defence; Recycling and Clean Energy; Resources Technology and Critical Minerals Processing; Medical Products; and Space. The road maps outline a vision for each priority area and identify opportunities to increase scale and competitiveness. The MMS both complements and reinforces our low emissions technology priorities, especially through the Recycling and Clean Energy National Manufacturing Priority road map.

The **\$1.3 billion Modern Manufacturing Initiative (MMI)** is a key component of the MMS, aiming to drive lasting change for Australian manufacturers by unlocking private sector investment and supporting manufacturers to deliver on the world stage. The MMI will improve collaboration and commercialisation, and create a sector that is modern, dynamic and highly skilled. The MMI will provide co-funding for large manufacturing projects that have broad sectoral benefits across the National Manufacturing Priorities.

Supporting the energy market

We continue to support the implementation of the government's **energy policy** agenda to deliver reliable and affordable electricity. Over the past year, we continued to work with energy market bodies, jurisdictions and industry stakeholders on the Energy Security Board's Post-2025 Electricity Market Design proposals, which will influence and shape the future of the National Electricity Market (NEM).

On 15 December 2020, the Australian and Tasmanian governments signed a Bilateral Energy and Emissions Reduction Agreement to deliver secure, reliable and affordable power for Tasmanians. The Agreement provides a framework for close collaboration between governments to progress the **Marinus Link Interconnector** project to a financial investment decision by 2023-24. Marinus Link, a proposed second 1,500 megawatt (MW) electricity interconnector between Tasmania and mainland Australia, is an essential part of the future energy grid, increasing the resilience of the NEM and making energy more secure and affordable for customers.

On 19 May 2021, the Hon Angus Taylor MP, Minister for Energy and Emissions Reduction, announced the **Hunter Power Project**. We worked closely with our joint shareholding department, the Department of Finance, and Snowy Hydro Limited to progress the project, which will see the construction of a 660 MW open cycle gas turbine at Kurri Kurri in the Hunter Valley. This project will deliver reliable and affordable electricity for households, businesses and industries in New South Wales following the closure of the Liddell power station in 2023. The Hunter Power Project will also deliver an important economic boost to the region, creating up to 600 new jobs during peak construction and 1,200 indirect jobs across New South Wales.

We also worked to facilitate decisions on support for EnergyAustralia's 316 MW Tallawarra B gas fired power station. This project, along with the Snowy Hydro Limited's 660 MW Hunter Power Project, will ensure that the 1,000 MW dispatchable electricity generation target for New South Wales will be met. Additionally, we committed to provide up to **\$76.8 million** over 4 years to secure Portland Aluminium Smelter's participation in the Reliability and Emergency Reserve Trader scheme to help keep the lights on in Victoria at times of peak demand.

The department worked closely with state and territory officials to progress a range of reforms to the National Gas Law (NGL) and associated rules. This included consulting on a final legislative package around transparency measures to improve information that will support price discovery by energy users, improve market competition, and enable more efficient planning and investment, as well as developing a process to amend the National Gas Law, National Energy Retail Law and subordinate instruments so hydrogen blends, biomethane and other renewable methane gas blends are brought within the national energy regulatory framework.

Ensuring fuel security

Fuel security was a leading issue in 2020–21, with the COVID-19 pandemic highlighting the vulnerability of international fuel supply chains to major demand disruptions. We have worked closely with the fuel industry to design and deliver the government's **comprehensive fuel security package**. This package is made up of the Fuel Security Services Payments (FSSPs) to refineries, funded by the government, which recognises the fuel security benefits refineries provide to all Australians. It also provides up to \$302 million in support for major refinery infrastructure upgrades to help refiners bring forward the production of better-quality fuels to 2024 from the upgrades' scheduled start in 2027. Additionally, it provides \$50.7 million for the implementation and monitoring of the FSSP and the minimum stockholding obligation, ensuring industry complies with the new fuel security framework. Through this package, we have supported local refineries and boosted the resilience of fuel supplies in Australia while protecting consumers from fuel price rises.

We are also administering a competitive **\$260 million grants program** to support construction of an additional 780 megalitres of onshore diesel storage, supporting around 1000 new jobs. The government's fuel security measures support workers in fuel-dependent industries and will help accelerate our economic recovery when we emerge from the COVID-19 pandemic.

Backing a strong resources sector

The **resources sector** has continued to support Australia's economic recovery and build on our reputation as a stable and reliable global supplier of minerals and energy. The sector earned a record **\$310 billion** in exports over 2020–21, having only surpassed the \$200 billion-mark 4 years earlier. Over the past year we have worked closely with industry stakeholders and state and territory governments to boost resources exploration.

We are also driving Australia's **gas-fired recovery** by implementing measures to unlock supply, deliver an efficient pipeline and transportation market, and empower gas customers. The delivery of the *Beetaloo Strategic Basin Plan* in December 2020 provided **\$50 million** for exploration incentives. Work is on track to deliver similar plans for the North Bowen and Galilee basins.

We provided a **\$13.7 million** grant to the Commonwealth Scientific and Industrial Research Organisation's (CSIRO's) Gas Industry Social and Environmental Research Alliance activities in Queensland, New South Wales, South Australia, the Northern Territory and Western Australia. This will support more world-leading, independent scientific research on the impacts and benefits of onshore gas development. We released an interim *National Gas Infrastructure Plan* to identify priority infrastructure developments that would alleviate forecast gas supply shortfalls. Later this year we will deliver the first full National Gas Infrastructure plan, identifying medium to long-term supply and infrastructure projects.

As well as gas and mineral resources, such as bauxite and iron ore, Australia has an abundance of **critical minerals**. We are the world's top producer of lithium, and the second-largest producer of zircon and rare earth elements, plus we have extensive undiscovered potential. We must leverage our access to these resources to ensure that in addition to being a producer, Australia is also a developer and manufacturer of emerging technology.

To help achieve this, the Critical Minerals Facilitation Office (CMFO) released the refreshed *Australian Critical Minerals Prospectus* in October 2020, showcasing **149 project opportunities** for international investment. The CMFO continued to work closely with state and territory governments on ethical certification of minerals and on critical minerals hubs and precincts.

The CMFO also continued to focus its efforts on working closely with industry, states and territories, and likeminded countries to grow the sector and create jobs in regional communities, boost sovereign capability by capturing more value through downstream processing, and collaborate with key strategic partner countries to enhance global supply chains.

Developing the space sector

Securing the future of Australia's space sector is a core aim of the **Australian Space Agency (ASA)**, which continues to inspire young Australians.

In March 2021, the Prime Minister opened the **Australian Space Discovery Centre** in Adelaide, a collaboration between Questacon and the ASA. It includes the cutting-edge Mission Control Centre, where visitors can watch live space events and Australian space businesses will be able to track and control their missions and satellites. The Discovery Centre also has a careers and information hub to highlight the diverse skills and job opportunities available in the space industry.

The growing space sector isn't just for astronauts. It is creating jobs in industries ranging from manufacturing and engineering to space medicine, artificial intelligence and computing. The Discovery Centre plays a key role in inspiring the next generation to consider these exciting careers.

The Space Agency collaborates with other agencies around the world. For example, it assisted when a Japanese capsule returned samples to Earth as part of the Hayabusa2 mission.

In October 2020, Australia was a founding party to the Artemis Accords, which establishes a practical set of principles to guide space exploration, focusing on safety and sustainability.

Since the Space Agency was established, we have signed **14 arrangements with international stakeholders**, increasing opportunities for deeper research and collaboration, and unlocking more trade and investment opportunities.

Developing the hydrogen industry

The Australian Government has committed more than **\$1 billion** to developing the hydrogen industry through the *National Hydrogen Strategy*, which we will continue to implement.

A total of **\$314 million** of this funding has been allocated to support up to **5 clean hydrogen hubs** and for design work for up to 10 design and feasibility studies to advance hydrogen hub concepts to investment-ready projects. These hubs will create jobs and economic growth in regional Australia and help the industry build the scale required to reach the Low Emissions Technology Statement's goal of producing hydrogen at less than **\$2 a kilogram ('H2 under 2')**. The Low Emissions Technology Statement articulates **5 priority technologies** and stretch goals to bring these to economic parity with existing high emissions technologies.

Case study: Microgrids

The Australian Government's \$50.4 million Regional and Remote Communities Reliability Fund is helping communities and business, from Indigenous people in remote Western Australia to large commercial and industrial users in New South Wales, understand how microgrids could better meet their electricity supply needs.

A microgrid is a local energy grid with control capability, which means it can disconnect from the traditional grid and operate autonomously. A microgrid not only provides backup for the main grid in case of emergencies, but can also be used to reduce costs or connect to a local electrical source that is too small or unreliable for traditional grid use. A microgrid allows communities to be more energy independent and, in some cases, more environmentally friendly.

Energy for all – modernising microgrids for remote communities

The current delivery of electricity to Indigenous communities in remote locations is behind the rest of Australia. Ageing energy infrastructure and limited access to renewable energy technologies often result in high energy costs, unreliable power supply and a dependence on diesel generation in these remote locations. Horizon Power was awarded a \$1.4 million grant to produce a plan to upgrade electricity infrastructure for 14 Indigenous communities in the remote Goldfields region of Western Australia. The plan is seeking to maximise electricity generation from renewable sources, improve the customer experience, identify energy storage opportunities, and deliver local employment benefits through increased tourism.

Building resilience for the Yackandandah community with an islandable microgrid

Victoria's Yackandandah community has set a renewable energy goal of 100% renewable capacity, and is using innovative community energy initiatives to achieve this goal. Totally Renewable Yackandandah was awarded a \$346,644 grant to study energy storage requirements, capabilities and capacities to deliver renewable generation for the community. The study is considering the feasibility of islandable microgrids, battery energy storage systems and pumped hydro energy storage. The project will improve the resilience of the community and its electricity supply against extreme weather events, including bushfires.

Delivering commercial and industrial benefits with the Cowra microgrid

CLEAN Cowra Ltd was awarded \$1 million to undertake a feasibility study for a 1 MW solar and battery microgrid in Cowra, New South Wales. The study will assess whether the microgrid can fulfil the energy needs of large industrial businesses through a single embedded network, reduce electricity costs and improve energy security for participating businesses. The study could lead to future works for biogas-powered electricity generation, a thermal network to deliver heat to customers, and the potential to expand to the broader Cowra community. The Cowra microgrid could also provide vital enabling infrastructure for the future distribution of secure and affordable energy in the region.

Supporting businesses to invest and create jobs

We are taking action to boost Australia's digital capability and supporting businesses large and small across Australia. We are promoting the right regulatory settings for business, and supporting the government's reform agenda in relation to the energy sector.

Improving digital capabilities

With more and more business being done online, every business is now a digital business. Lifting the digital skills of the workforce is central to our economic recovery, and to ensuring that all Australians can participate in the economy. This has never been more important than during the COVID-19 pandemic, when businesses have looked to technology to assist them in delivering their products and services in new ways, and to connect their workforces. The pandemic has led to the acceleration of the use of technology in many businesses.

To help with this, our department partnered with industry to deliver Skill Finder. The platform is part of the whole-of-government **\$800 million Digital Business Plan**. It filled a gap in the training market by providing an easy-to-use portal that aggregates non-accredited, private sector digital skills training and courses. At 30 June 2021, the platform had attracted more than **168,000** visitors and provided skills training to more than **23,000** people, including in coding, cloud computing and data analysis.

As part of **Australia's Cyber Security Strategy 2020**, a \$1.67 billion whole-of-government initiative, we are investing **\$89.75 million** to ensure the security of Australian citizens and businesses online. We are increasing the capability and number of Australian cyber security professionals to support cyber resilience across the economy; enhancing data collection on cyber security skills; and helping small and medium enterprises (SMEs) to raise their cyber security capability and maturity through 14 projects nationwide. The strategy is also supporting education programs through Questacon to help prepare primary, secondary and tertiary students for a career in cyber security.

We also launched the free online **Cyber Security Assessment Tool** to help Australia's SMEs understand how to manage cyber security risks in their operations. Delivered in partnership with the Australian Signals Directorate's Australian Cyber Security Centre and the Behavioural Economics Team in the Department of the Prime Minister and Cabinet, the tool helps businesses to better understand how to manage cyber security risks, and provides step-by-step guidance on how to prepare and respond to cyber security threats.

The department is also delivering a range of measures to **build cyber security capability** in the energy sector and assist industry to manage future threats. This includes the 2020–21 **Australian Energy Sector Cyber Security Framework**, which has been expanded to include additional electricity grids and markets, and the gas sector for the first time.

Collaborating on national COVID-19 strategies

We collaborated with the Department of Health to identify options and develop a business case regarding the establishment of new sovereign capabilities to manufacture vaccines in Australia. Such capabilities would play an important role in Australia's management of current and any future pandemics by providing access to safe and effective vaccines for all Australians.

We are supporting Australian businesses to 'live with COVID' by providing government assistance and connecting businesses to advisory programs. We continue to work with business leaders to design national strategies to support the industry. We have mobilised industry expertise and capabilities to support the COVID-19 response domestically and internationally. During the COVID-19 emergency in India in April–May 2021, we worked closely with Australian manufacturers and suppliers to secure oxygen supply equipment for delivery to India in its time of need.

Supporting businesses to achieve carbon neutrality

Australian businesses are increasingly participating in **voluntary climate action**, including to meet net zero and other emissions reduction commitments. Our Climate Active program certifies businesses and organisations that have credibly reached 'carbon neutrality' by measuring, reducing and offsetting their carbon emissions.

The Climate Active Carbon Neutral Standard sets out how to measure, reduce, offset, report and audit emissions. Climate Active certification against the standard allows for formal recognition of carbon-neutral organisations. Climate Active certification is available for organisations, products, services, events, buildings and precincts. At 30 June 2021, 319 carbon-neutral certifications had been issued for 203 businesses, covering **163 organisations, 63 products, 23 services, 4 events, 65 buildings and one precinct**.

Increasing energy efficiency and resilience

Using energy in the **smartest, most efficient way** underpins strong economic performance and helps to meet emissions reduction goals. We continue to help consumers and businesses make informed choices on energy use. Our Energy Efficient Communities Program has delivered more than **1,200 grants** totalling **\$18.5 million** to businesses and community organisations. We also awarded **\$10.1 million** in grants under the Hotel Energy Uplift Program to small and medium-sized hotels and launched the **\$10.2 million** Powering Communities Program.

Australia has the highest uptake of rooftop solar panels in the world and is a significant energy exporter. As such, Australia is uniquely positioned to capitalise on the opportunities presented by the development of new energy technologies and contribute to international energy security. We worked closely with the International Energy Agency (IEA) and its member countries and were able to demonstrate the expertise and value that Australia can offer **global energy leadership**. We were able to leverage this collaboration for Minister Taylor's successful appointment as co-vice Chair for the February 2022 **International Energy Agency Ministerial Meeting**.

Developing northern Australia

During 2020-21, through the Office of Northern Australia (ONA), we led the delivery of *Our North, Our Future: White Paper on Developing Northern Australia*. Released in 2015, the paper established a 20-year framework for developing northern Australia.

All but one of its 51 measures are now in place and the final measure is imminent. ONA has started work on the next phase, committing **\$180 million** to deliver *Our North, Our Future 2021-26: next five-year plan*.

The plan will increase economic resilience through focused investments aligned to geographic growth regions; initiatives to enable greater digital connectivity in northern Australia; and business support grants to scale up and diversify operations.

As a result of Machinery of Government changes, ONA moved to the Infrastructure portfolio in early 2021-22.

Continuing our essential measurement services

The **National Measurement Institute (NMI)** tested personal protective equipment (PPE) in 2020–21. Based on its results, it alerted regulators about non-compliant products, ensuring quality PPE was available for Australians. NMI contributed to the department's support for Australian manufacturers as they pivoted to producing PPE, helping them resolve technical problems and providing advice on compliance with regulatory and performance requirements. In particular, NMI worked with the department's COVID-19 taskforce to convene a forum of regulators and representatives of industry and standards bodies to fix technical issues revealed during the testing of protective face masks.

NMI's essential measurement services – from ensuring consumers get what they pay for, to testing the quality of Australian food exports and maintaining the safe operation of electricity grids – continued uninterrupted despite the COVID-19 pandemic. The gradual removal of COVID-19-related restrictions across Australia meant NMI's national trade measurement programs could resume, with a careful focus on safety.

Getting the settings right for business

In 2020–21, the department's **Major Projects Facilitation Agency** helped 42 project proponents to identify and efficiently plan their regulatory approvals process. Of these, 26 had Major Project Status, recognising that they are of national strategic significance and will contribute to economic growth and employment in regional Australia.

The department continued to review and approve **Australian Industry Participation (AIP)** plans that ensure full, fair and reasonable opportunity for Australian businesses to compete for work on major projects. We also launched the **Australian Jobs Act 2013 AIP plan SmartForm**, making it easier for business to navigate the application process. We delivered **automotive franchising regulatory reform** and launched the **Prefab Innovation Hub** to increase collaboration between industry and researchers, and to support new technologies and innovations that provide smarter, cheaper, faster and more sustainable construction solutions. We are also delivering the **Aboriginal and Torres Strait Islander Business Support Roadmap**. A resilient and thriving Indigenous business sector is key to empowering Indigenous Australians. The department's Aboriginal and Torres Strait Islander Business Support Roadmap outlines our vision and actions to support and grow Indigenous businesses. This includes changing the way we work with Indigenous businesses. A pilot of **Capability Connection** was launched in Townsville, South-East Queensland and Greater Melbourne to enable local suppliers to promote their actual and potential capabilities to other businesses, and to the public.

Aiding regional businesses

Our 28 regional managers who form the **AusIndustry Outreach Network** have continued to provide impartial, trusted advice tailored to businesses in their communities. They have continued to build strong collaborative relationships with local, state and Australian government agencies. Their work has facilitated easy access to information and assistance across all levels of government by providing an advisory and referral service that aims to streamline business interactions with government.

With the support of the **AusIndustry Outreach Network**, businesses have been able to access more assistance than ever before. During 2020–21, more than **9,000** businesses applied for departmental grants, up from over 6,300 applications in 2019–20 and over 3,800 in 2018–19. We have entered into more than 3,370 grant agreements in the 2020–21 financial year, compared with 2,375 in 2019–20.

This support includes more than 400 businesses assisted through the Entrepreneurs' Programme's Strengthening Business service. The service is supporting businesses in New South Wales, South Australia and Victoria to rebuild, recover and strengthen their operations after the Black Summer bushfires. The service is also providing ongoing support through impacts from COVID-19.

Case study: A CoLoSSoS task for the National Measurement Institute

Wastewater monitoring has been used for years to detect pathogens in water and estimate levels of illicit drug use in Australia. Due to the COVID-19 pandemic, the focus shifted to methods of testing for the presence of SARS-CoV-2 RNA. With no standard approach that allowed teams in different laboratories to compare results, the National Measurement Institute (NMI) stepped in.

The NMI developed a new standard for the SARS-CoV-2 RNA virus: an accurately measured number of inactive viral RNA molecules in a reference solution. Unlike many other COVID-19 standards that are based on synthetic fragments of the virus, this standard contains the entire virus genome. This means the standard is an excellent mimic of the virus and is ideal for effectively assessing how real samples are measured.

An international study on COVID-19 in 20 countries this year showed that NMI's measurement method works with accuracy worldwide.

The standard is supporting the Collaboration on Sewage Surveillance of SARS-CoV-2 (CoLoSSoS Project) being coordinated by Water Research Australia. The project links more than 50 public and private sector organisations, from water utilities, health departments, research laboratories and universities to private consultancies and global partners.

The project developed and rolled out wastewater testing in laboratories around Australia and New Zealand within 4 weeks of the World Health Organization declaring COVID-19 a global pandemic. To further improve testing consistency across Australia, the NMI conducted an inter-laboratory study, using its standard to produce comparable data. Now, testing laboratories can detect SARS-CoV-2 RNA from a single infected person in a catchment for 100,000 people. The test is non-invasive and can be used to predict future outbreaks by identifying new cases of COVID-19 before individuals start showing symptoms.

The CoLoSSoS Project aims to integrate its test results with clinical health data for COVID-19 nationally to support governments' responses. Laboratories across Australia and New Zealand involved in the project can use the NMI standard to judge how well their own wastewater testing methods work, particularly at low levels of SARS-CoV-2 RNA, and how much their results vary due to the testing method used.

As the COVID-19 pandemic continues, wastewater testing is helping predict when and where outbreaks might occur, providing a vital early warning signal.

Driving long-term productivity, growth and sustainability

We are securing our science and technology capability and investing in STEM skills. We are supporting industry to strengthen resilience, diversify supply chains, and invest in supply chains for critical goods and services. We are unlocking the potential of our regions and delivering on our long-term commitments, including in emissions reduction and establishing a national radioactive waste facility.

Securing our supply chains

The **\$107.2 million Supply Chain Resilience Initiative (SCRI)** is also a key part of the MMS and will strengthen Australia's ability to access critical products and inputs, better positioning us to respond to future supply chain disruptions.

In 2020–21, we worked with industry to increase our understanding of supply chains for critical products and supply options to address identified vulnerabilities. As part of the initiative, **\$100 million** in grant funding is available to incentivise businesses to invest in manufacturing capabilities to address identified vulnerabilities. The SCRI complements the MMI's contribution to supply chain resilience by building the competitiveness and scale of Australian manufacturers in areas where we have a competitive advantage. These initiatives are part of a suite of measures across the Industry, Science, Energy and Resources portfolio aimed at bolstering supply chain resilience.

Meeting and beating our emissions targets

Our department continues to support the government's commitment to meet and beat Australia's emissions reduction targets. Based on the latest estimates, we have **beaten our 2020 emissions reduction target** by 459 million tonnes and remain on track to meet Australia's 2030 target under the Paris Agreement to reduce emissions by 26% to 28% below 2005 levels.

The Emissions Reduction Fund scheme, supported by the \$2 billion Climate Solutions Fund, continues to be central to incentivising emissions reductions and supporting Australia to meet its targets. Together with the Clean Energy Regulator, the department has implemented a number of the key recommendations of the 2020 King Review (an Expert Panel examining additional sources of low cost abatement) including investing in new method development processes and reducing transactional costs for participants in the Emissions Reduction Fund.

Reducing the cost of low emissions technologies

Through the **Technology Investment Roadmap**, the department is leading the Australian Government's effort to drive down the costs of low emissions technologies, which are critical to ensuring we can reduce emissions while still growing our economy and creating jobs.

In 2020, we released the **Technology Investment Roadmap**. This roadmap outlines how we will leverage areas of comparative advantage for Australia. It focuses on reducing the cost of low emissions technologies and is supported by Australia's first Low Emissions Technology Statement, delivered in September 2020. The statement articulates **5 priority technologies** and stretch goals to bring these to economic parity with existing high emissions technologies. The priority technologies are clean hydrogen, energy storage, low carbon materials (steel and aluminium), carbon capture and storage, and soil carbon.

In 2020–21, the government committed **\$565.8 million** to support agreements with key strategic and trading partners that will feature industry-led initiatives to help accelerate the development and deployment of these technologies. The Prime Minister appointed Dr Alan Finkel AO to serve as Special Adviser to the Australian Government on Low Emissions Technologies in December 2020, to spearhead Australia's effort to broker these agreements. Australia has already announced partnerships with Germany, Japan, Singapore and the United Kingdom.

Increasing the resilience of Australia's energy systems

To continue to deliver reliable and secure energy to businesses and consumers, it is important that Australia builds energy systems that are resilient to increased climate risks. The government funded the **Electricity Sector Climate Information (ESCI)**, a collaborative project between CSIRO, the Bureau of Meteorology and the Australian Energy Market Operator to assist with resilience.

The project was co-designed with the electricity sector to ensure the most useful weather data is available to underpin weather and climate change risk analysis. ESCI produced an online portal with guidance and training materials on a number of climate variables.

ESCI also developed best-practice methodology for analysing climate risks and a climate risk assessment framework. This is helping the sector to better assess climate risks and to invest and plan with greater confidence by delivering improved climate and weather information. This is enabling our energy systems to be more resilient to climate change and extreme weather events.

The data ESCI produced will also be available to the new Australian Climate Service, helping Australia to plan for and respond to natural disasters.

Science and society

We continue to support a range of science communication and engagement activities to meet the government's vision for an Australian society engaged in, and enriched by, science. This includes delivering the **Boosting the Next Generation of Women in STEM** program, which was announced as part of the Women's Budget Statement 2021–22. This program provides **\$42.4 million** over 7 years to boost the next generation of women in STEM through 500 industry co-funded university scholarships. We are also continuing to support Australia's first **Women in STEM Ambassador**, Professor Lisa Harvey-Smith, who is working to raise awareness of gender equity in STEM and facilitate greater visibility of women and girls working across the sector.

In May 2021, we launched the second edition of the **STEM Equity Monitor**, gathering data and building an evidence base on the status of girls' and women's participation in STEM. The monitor brings together data from across government to understand engagement in STEM. It also showcases custom data on the attitudes and perceptions of STEM by youth, parents, teachers and career advisors throughout Australia. Additionally, the 2021 edition includes longitudinal data following university STEM graduates over the first 5 years following graduation. The 2021 Monitor shows early progress in addressing gender inequity, including that the proportion of women across all STEM-qualified industries has continually increased, reaching 28% in 2020. In 2019, the highest number of women on record enrolled in university STEM fields of education.

Expanding digital education programs

Questacon's programs are an important aspect of STEM activities for young Australians, providing inspiration and accessible learning. We developed a new online **Questacon at Home** resources hub, offering online experiences, activity worksheets and video demonstrations.

Touring programs designed for face-to-face formats were reimaged to be presented digitally, making Questacon activities available in even the remotest parts of the country. With many schools engaged in remote learning, we helped bring virtual excursions into classrooms. Between 21 March and 31 December 2020, Questacon presented 411 virtual excursions for 569 teachers and 10,201 students, including many who were learning remotely.

The past year provided an opportunity to examine new ways of working, including the use of digital platforms and a hybrid model of face-to-face and digital delivery to strengthen engagement with regional communities across Australia.

We also helped to coordinate **National Science Week**, which was run virtually for the first time, offering hundreds of public events in accessible digital formats.

Building world-class radio telescopes

The **Square Kilometre Array (SKA)** is a global big-science project to build the world's largest and most capable radio telescopes. Australia will host an SKA telescope in Western Australia. The SKA project continues to be one of the most ambitious science projects for our country and the world. Once complete, it will change our understanding of the universe. Construction and operation of the SKA will also provide Australian researchers and industry with valuable experience in the cutting edge, data-driven technology underpinning the SKA. Beyond the SKA, these digital technologies are widely applicable to sectors of strategic importance to Australia, including manufacturing, mining and agriculture.

In September 2020, Australia ratified the Convention establishing the SKA Observatory. In January 2021, the SKA Observatory was established with Australia as a founding member. The SKA Observatory will oversee the construction and operations of the SKA telescopes in Australia and South Africa. In April 2021, the Australian Government announced that it would provide \$387 million over 10 years to meet Australia's obligations as a host member of the SKA Observatory. The SKA project will attract an estimated \$1.8 billion in foreign income flows into Australia as a result of the Observatory's first 30 years of operations. The project is also expected to create more than 350 jobs during the 10-year construction phase and a further 230 ongoing positions over the 50-year life of the project.

Managing our radioactive waste

The **Australian Radioactive Waste Agency** was established on 21 July 2020 to lead and build national capability in radioactive waste management. It is developing a facility to dispose of Australia's low-level waste and to store our intermediate-level waste until it has identified a permanent storage solution.

The *National Radioactive Waste Management Amendment (Site Selection, Community Fund and Other Measures) Act 2020* enables site acquisition for the National Radioactive Waste Management Facility. Through the Community Benefit Program, it also provides a **\$20 million** community fund to support social and economic development for the host community, once the facility is operational. The program funded **35 projects this financial year**, including new or upgraded local infrastructure, health and mental health services, and community initiatives in the shortlisted host communities.

Case Study: Australian Radioactive Waste Agency community grants

The Australian Radioactive Waste Agency's Community Benefit Program supports local communities participating in the site selection and establishment phases for a National Radioactive Waste Management Facility. To date, the Community Benefit Program has provided \$10 million in grants to fund more than 90 projects in the Kimba, Hawker and Quorn areas of South Australia. Funding is awarded to projects that will have a social and/or economic benefit for the local community.

The Kimba Men's Shed has received 2 rounds of funding through the Community Benefit Program. The Men's Shed put the latest grant to good use by purchasing a bandsaw, a pedestal drill press and a cabinet saw. Secretary/Treasurer, Allan Crowhurst (aka 'Crowy'), said the new tools are making a big difference at the shed, and members had used the bandsaw to cut down timber for special projects.

"Here at the shed, our members have made timber vases, toilet roll holders, children's toys and wooden boxes," he said, adding that the circular saw is proving popular.

"They are currently making a timber table that they cut using the circular saw. We have made portable stands for all the equipment so it can be moved around.

"Our work is available to purchase at Kimba's Workshop26."

The first round of Community Benefit Program funding enabled the Men's Shed to increase safety and improve amenities for members. Safety improvements will add value for years to come, as the members have been able to replace old equipment that posed safety issues. This gives members peace of mind knowing they can work in a safe environment.

Kimba Men's Shed President Joe Woolford said the Community Benefit Program grants had enabled members to expand their capabilities for the benefit of the whole community. "Everyone is welcome to pop down to the Men's Shed and have a look at our improved facilities," Joe said. "Join us for morning tea!"

Fostering staff to succeed

The department's culture is steeped in resilience, flexibility, decency and professionalism. Our collective work has been influential in supporting many important outcomes for Australians, and it has been inspiring to witness the drive, skill and dedication of the teams involved.

We will continue to focus on ensuring our digital footprint is fit for purpose today and adaptable for future challenges. As part of this work, we continually evolve the department's information and communications technology (ICT) environment to allow our staff to work effectively under changing and challenging conditions. Flexibility and inclusivity are at the core of our digital principles.

I was delighted to launch the department's *Inclusion Strategy 2021-2023* on 17 February 2021. The strategy will inform and shape our policies, processes and culture. It is important to me that the department to be the best possible place to work – a place where all staff members genuinely enjoy working, no matter their culture, race, religion, age, gender, sexual orientation, disability or location.

The achievements I mention here, and those highlighted in case studies throughout the remaining report, represent only a part of the tremendous achievements of this portfolio over the past 12 months. Reading the full report provides an overview of our contribution to economic and productivity growth and job creation for all Australians.

Portfolio overview

Ministers

At 30 June 2021, the ministers responsible for industry, science, energy and resources were:

- the Hon Christian Porter MP, Minister for Industry, Science and Technology
- the Hon Angus Taylor MP, Minister for Energy and Emissions Reduction
- the Hon Keith Pitt MP, Minister for Resources, Water and Northern Australia
- the Hon Michelle Landry MP, Assistant Minister for Northern Australia and Assistant Minister for Children and Families
- Senator the Hon Jonathon Duniam, Assistant Minister for Industry Development and Assistant Minister for Forestry and Fisheries.

Portfolio entities

At 30 June 2021, the Industry, Science, Energy and Resources portfolio comprised:

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

This annual report covers the Department of Industry, Science, Energy and Resources; Geoscience Australia; and IP Australia.

The department includes financial information related to 'other portfolio bodies' in its financial statements. These are not disclosed separately.

Departmental overview

Role and functions

The department plays a key role in the Australian Government's agenda to create jobs and build a stronger, more resilient and more competitive economy.

The department supports economic recovery, productivity and growth, and job creation for all Australians by supporting manufacturing, business capability, technology, science and innovation. It supports the affordable, reliable, secure and competitive operation of energy markets and Australia's transition to a lower emissions future, including by encouraging the commercialisation and uptake of low emissions technologies. It also backs Australia's strong resources sector by supporting the development of Australia's mineral and energy resources for the benefit of the nation.

On 15 April 2021, the Prime Minister signed an Administrative Arrangements Order announcing changes to the structure of the Australian Public Service (APS), which took effect on 10 June 2021. These Machinery of Government changes transferred the Australian Small Business and Family Enterprise Ombudsman from the Department of Industry, Science, Energy and Resources to the Treasury (the Treasury).

Purposes

- Purpose 1: Science and Industry
- Purpose 2: Resources and Northern Australia
- Purpose 3: Emissions Reductions and Clean Energy
- Purpose 4: Energy Markets

Organisational structure

Figure 1 shows the department's organisational structure at 30 June 2021.

The accountable authority is Mr David Fredericks PSM, Secretary, who occupied the position for the full financial year.

Figure 1: Departmental structure

Deputy Secretary	Deputy Secretary	Deputy Secretary	Deputy Secretary	Deputy Secretary
Mary Wiley-Smith (3 May 2021 to present)	David Williamson (1 July 2020 to 27 June 2021)	Jo Evans	Sean Sullivan	Luise McCulloch (17 September 2020 to present)
Duncan McIntyre (acting) (6 April 2021 to 30 April 2021)	Jane Urquhart (acting) (28 June 2021 to present)			Russ Campbell (acting) 8 July 2020 to 16 September 2020
Elizabeth Kelly (1 July 2020 to 6 April 2021)				Mike Lawson PSM, 1 July 2020 to 7 July 2020
AusIndustry Technology and National Security Questacon National Measurement Institute	Manufacturing Industry Growth Science and Commercialisation	International Climate and Technology Climate Change Northern Australia and Major Projects Australian Radioactive Waste Division	Resources Gas Taskforce Liquid Fuels and Northern Endeavour Division Electricity Energy	Strategic Policy Analysis and Insights Corporate and Digital

Portfolio entities				
CSIRO Chief Executive Dr Larry Marshall	Australian Building Codes Board Chief Executive Neil Savery	AIMS Chief Executive Officer Dr Paul Hardisty	ANSTO Chief Executive Officer Shaun Jenkinson (31 March 2021 to 30 June 2021) Adi Patterson (1 July 2020 to 30 March 2021)	Australian Renewable Energy Agency Chief Executive Officer Darren Miller
Office of Industry Innovation and Science Australia Acting Chief Executive Officer Dr Kate Cameron	Australian Space Agency Chief Executive Officer Enrico Palermo (28 January 2021 present) Dr Megan Clark AC (1 July 2020 to 31 December 2020)	Northern Australia Infrastructure Facility Chief Executive Officer Chris Wade	National Offshore Petroleum Safety and Environment Management Authority Chief Executive Officer Stuart Smith	Snowy Hydro Limited Chief Executive Officer Paul Broad
Climate Change Authority Chief Executive Officer Brad Archer	Clean Energy Regulator Chair and Chief Executive Officer David Parker	Clean Energy Finance Corporation Chief Executive Officer Ian Learmonth	Geoscience Australia Chief Executive Officer Dr James Johnson	Anti-Dumping Commission Commissioner Dr Bradley Armstrong PSM (19 February 2021 to present) Dale Seymour (1 July 2020 to 18 February 2021)
IP Australia Director General Michael Schwager	Australian Energy Infrastructure Commissioner (formerly National Wind Farm Commissioner) Andrew Dyer	Office of the Chief Scientist Chief Scientist Dr Cathy Foley AO PSM (1 January 2021 to present) Dr Alan Finkel AO (1 July 2020 to 31 December 2020)		

Outcomes and programs

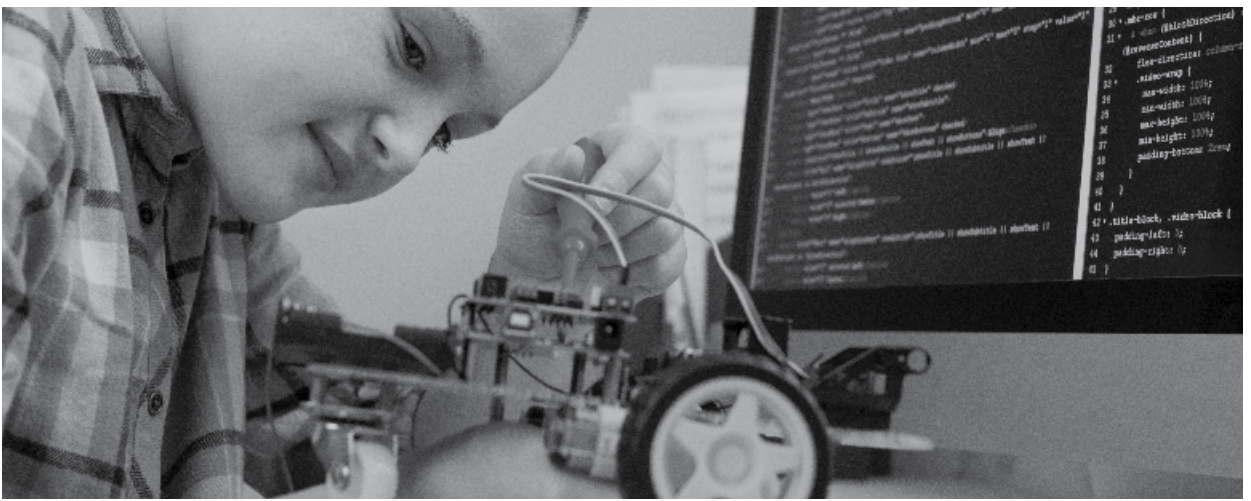
The department had 4 outcomes for most of the reporting period, including one outcome (Outcome 4) that was transferred to the Treasury on 10 June 2021.

Table 1 describes the outcomes and programs as set out in the 2020-21 Portfolio Budget Statements.

Table 1: Outcomes and programs

Outcome	Program
Outcome 1: Enabling growth and productivity for globally competitive industries through supporting science and commercialisation, growing business investment and improving business capability and streamlining regulation.	Program 1.1: Investing in science, technology and commercialisation
	Program 1.2: Growing innovative and competitive businesses, industries and regions
	Program 1.3: Supporting a strong resources sector
	Program 1.4: Growing a stronger northern Australian economy
Outcome 2: Reduce Australia's greenhouse gas emissions, contribute to effective global action on climate change, and support technological innovation in clean and renewable energy, through developing and implementing a national response to climate change.	Program 2.1: Reducing Australia's greenhouse gas emissions
	Program 2.2: Developing clean energy technology
Outcome 3: Support the affordable, reliable, secure and competitive operation of energy markets for the long-term benefit of the Australian community through improving Australia's energy supply, efficiency, quality, performance and productivity.	Program 3.1: Supporting reliable, secure and affordable energy
Outcome 4: Facilitate the growth of small and family business. ¹	Program 4.1: Supporting small business

¹ As a result of the AAO that took effect on 10 June 2021, responsibility for Outcome 4 has been transferred to the Treasury, which will report on this program.



CHAPTER 2

DEPARTMENTAL REPORT ON PERFORMANCE

Introductory statement

I, David Fredericks, as the accountable authority of the Department of Industry, Science, Energy and Resources, present the Annual Performance Statements 2020–21 of the Department of Industry, Science, Energy and Resources as required under paragraph 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). In my opinion, the Annual Performance Statements are based on properly maintained records, accurately reflect the department's performance in the reporting period and comply with subsection 39(2) of the PGPA Act.

David Fredericks PSM
Secretary
1 October 2021

Our role

Supporting economic growth and job creation for all Australians

Throughout 2020–21, the department sought to maximise the positive outcomes we could deliver on behalf of the Australian Government for Australians. We are taking actions to leverage and build on Australia's strengths; supporting businesses to invest and to create jobs; and driving long-term productivity, growth and sustainability.

This year we achieved 19 of 20 performance measures. The remaining measure could not be determined based on available data at the time of reporting. Full data will be collected and reported when available in 2022.

The department's Annual Performance Statements 2020–21 report on progress towards the 4 purposes set out in the *Department of Industry, Science, Energy and Resources Corporate Plan 2020–21*. Table 2 presents the 4 purposes and their associated activities (or intended results) to be reported in the statements, and the alignment between the department's 3 outcomes and its 4 purposes for the 2020–21 reporting period. The department's *Corporate Plan 2020–21* included a fifth purpose, Small and Family Business, however as a result of the Administrative Arrangements Order that took effect on 15 April 2021, responsibility for purpose 5 has been transferred to the Treasury. Treasury will report on this program.

Performance reporting structure

Table 2: Alignment between outcomes and purposes in the department's Annual Performance Statements 2020–21

Outcome statements (PBS 2020–21)	Purposes (Corporate Plan 2020–21)	Programs (PBS 2020–21)	Key activities (Corporate Plan 2020–21)
<p>Outcome 1: Enabling growth and productivity for globally competitive industries through supporting science and commercialisation, growing business investment and improving business capability and streamlining regulation</p>	<p>Purpose 1: Science and Industry Support economic growth, productivity and job creation for all Australians by investing in science, technology and commercialisation, and growing innovative and competitive businesses, industries and regions</p>	<p>Program 1.1: Investing in science, technology and commercialisation</p>	<p>Activity 1.1: Investing in science, technology and commercialisation</p>
	<p>Purpose 2: Resources and Northern Australia Support economic growth, productivity and job creation for all Australians by supporting a strong resources sector and growing a stronger Northern Australian economy</p>	<p>Program 1.2: Growing innovative and competitive businesses, industries and regions</p>	<p>Activity 1.2: Growing innovative and competitive businesses, industries and regions</p>
		<p>Program 1.3: Supporting a strong resources sector</p>	<p>Activity 2.1: Supporting a strong resources sector</p>
		<p>Program 1.4: Growing a stronger Northern Australian economy</p>	<p>Activity 2.2: Growing a stronger Northern Australian economy</p>
<p>Outcome 2: Reduce Australia's greenhouse gas emissions, contribute to effective global action on climate change, and support technological innovation in clean and renewable energy, through developing and implementing a national response to climate change.</p>	<p>Purpose 3: Emissions Reduction and Clean Energy Reduce Australia's greenhouse gas emissions, contribute to effective global action on climate change, and support technological innovation in clean and renewable energy, through developing and implementing a national response to climate change</p>	<p>Program 2.1: Reducing Australia's greenhouse gas emissions</p>	<p>Activity 3.1: Reducing Australia's greenhouse gas emissions</p>
		<p>Program 2.2: Developing clean energy technology</p>	<p>Activity 3.2: Developing clean energy technology</p>
<p>Outcome 3: Support the affordable, reliable, secure and competitive operation of energy markets for the long-term benefit of the Australian community through improving Australia's energy supply, efficiency, quality, performance and productivity.</p>	<p>Purpose 4: Energy Markets Support the affordable, reliable, secure and competitive operation of energy markets for the long-term benefit of the Australian community through improving Australia's energy supply, efficiency, quality, performance and productivity.</p>	<p>Program 3.1: Supporting reliable, secure and affordable energy</p>	<p>Activity 4.1: Supporting reliable, secure and affordable energy</p>

Annual Performance Statements for 2020–21

Purpose 1: Science and Industry

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

In 2020–21, we delivered Purpose 1 through 2 activities:

- Activity 1.1: Investing in science, technology and commercialisation
- Activity 1.2: Growing innovative and competitive businesses, industries and regions.

Table 3 presents the results measured against the performance criteria for Purpose 1 and its associated Program 1.1, as set out in the *Corporate Plan 2020–21*, page 11.

Table 3: Intended result 1.1: Key Activity: Investing in science, technology and commercialisation

Performance criterion	2020–21 target	2020–21 result
R&D expenditure registered by entities with the department in order to claim the R&D Tax Incentive through their annual tax returns	The R&D Tax Incentive (RDTI) is a demand-driven program; therefore, the department does not have forward estimates <i>Note: R&D expenditure is reported against the financial year in which it is registered. This is the year following the year in which companies undertake the R&D activity.</i>	Achieved: recorded tax credit claims of \$12.6 billion in 2019–20, up from \$12.4 billion in 2018–19
Proportion of Australians who consider STEM skills important when considering employment	≥87%	Achieved: around 90%
Number of business-research collaborations facilitated by departmental programs	Year-on-year increase	Achieved: 2,099 in 2020–21, up from 1,829 in 2019–20
Australia's national system of measurement is trusted nationally and internationally		Achieved: the National Measurement Institute (NMI) maintained recognition of Australia's measurement standards and capabilities, including through participation in international comparisons under the inter-governmental Metre Convention and third-party accreditation

Analysis

Australia's economic prosperity relies on innovation and business growth. Investment in science, technology and commercialisation is designed to facilitate the development and uptake of new ideas and technology, to translate innovation into commercial outcomes and support ongoing economic growth. It includes programs and projects to improve science awareness and engagement. By incentivising private investment through programs such as the R&D Tax Incentive (RDTI) and Industry Growth Centres, the department is helping Australia maintain its future economic strength. Through outreach programs, we are building Australians' engagement with STEM. Business–research collaborations facilitated by the department lead to innovation, economic growth and job creation. The NMI continues its world-leading work maintaining and updating our national measurement system, which underpins economic activity in Australia and access to export markets.

The economic benefits of high engagement with STEM are clear. Businesses that introduce new-to-market innovation, engage in R&D and collaborate with researchers have demonstrably higher business performance than those that do not. Despite the benefits, Australia has relatively low proportions of new-to-market innovation and low proportions of innovating businesses undertaking R&D. We also have low levels of business–research collaboration and low numbers of researchers in business. The RDTI helps encourage innovation by reducing the cost of R&D, and programs like the Entrepreneurs' Programme and its Innovation Connections service work to lift the capability of Australian businesses in R&D, innovation and research collaboration. This helps drive Australia's economic performance, competitiveness, agility and resilience in a rapidly changing global economy.

R&D Tax Incentive

The RDTI encourages Australian companies to undertake R&D by providing tax deductions for eligible R&D. This supports the department's objective of increasing business R&D to facilitate the development and uptake of new ideas and technology. Innovation underpins the growth and productivity of globally competitive industries.

Registered R&D expenditure for 2019–20 was \$12.6 billion as at 30 June 2021. This is an increase from \$12.4 billion for the complete 2018–19 income period. RDTI figures are reported for the fiscal year preceding the one just concluded. This allows businesses time to register their activities and claim the RDTI.

Perceived value of STEM skills

The overwhelmingly positive perceptions of parents and teachers on the importance of STEM for future employment reflect the success of the department's work to increase the STEM awareness, understanding and capability of all Australians. We have more than 200 government-led initiatives that engage Australians in STEM, delivered in partnership with numerous organisations, from national universities to local community groups. Enhancing Australians' participation in STEM fields is vital for developing our scientific capability to produce new research and technologies, to secure jobs and livelihoods, and to compete internationally.

From the STEM Influencer surveys, published in April 2021, 90% of parents, and 92% of teachers and career advisers see STEM skills as important when considering employment opportunities. Approximately 1,500 parents and 800 educators were surveyed by YouthInsight to understand the views of these cohorts.

This followed their survey of over 3,000 students in 2019–20 showing that teachers and carers are key influencers in young people's choices when it comes to education and career selection, indicating a high likelihood of STEM careers and education being considered by young people. Of those surveyed, 41% reported that their parents, and 20% reported their teachers, as the people who most influence their career aspirations. The student survey also showed that 87% consider STEM skills important when considering employment.

We also supported over 7,500 students to take part in STEM events through 155 sponsorship grants and awarded \$4 million through 9 citizenship science grants. On top of this, the Women in STEM and Entrepreneurship (WISE) grants program awarded \$10 million to improve gender equity in STEM. The continued and keen interest in WISE and other grants programs demonstrates the perceived value of STEM skills to Australians.

Business–research collaborations

The department supports business–research collaborations through key initiatives, including the Entrepreneurs' Programme's Innovation Connections, the Cooperative Research Centres (CRC) Program and the Industry Growth Centres Initiative. Collectively, these initiatives help increase the number of new and continuing collaborations between businesses and researchers, and expand innovation, leading to economic growth and job creation for all Australians. Through these initiatives, the department facilitated 2,099 collaborations in 2020–21, up from 1,829 in 2019–20.

Entrepreneurs' Programme

Innovation Connections has directly facilitated 287 new business–research collaborations worth more than \$12.2 million, by supporting placements between businesses, researchers and graduates in 2020–21. This is slightly fewer than the 303 placements worth over \$12.7 million in 2019–20. The program had a decrease in the number of placements facilitated for the first and second quarters of 2020–21 (July to December 2020), which could be attributed to the impact of COVID-19 on research organisations and businesses.

Cooperative Research Centres Program

In 2020–21, the Cooperative Research Centre (CRC) Program supported 1,799 business and research organisations as partners in CRCs and CRC Projects (CRC-Ps). This was made up of 11,564 partners in CRCs and 635 partners in CRC-Ps. The 2020–21 result is an increase on the 14,586 partners supported in 2019–20.

The long-term average of the number of partners participating in CRCs and CRC-Ps is expected to remain stable. This is because CRCs and CRC-Ps completing their funding terms are being replaced during the year by new CRCs and CRC-Ps.

Industry Growth Centres

In 2020–21, the Industry Growth Centres Initiative (IGCI) supported the establishment of 7 new projects, through the IGCI Project Fund. This brings the total number of projects supported since its inception in 2016 to 285. A total of 1,100 businesses and research organisations have participated in these collaborative projects.

In June 2021, 6 grants were awarded through the \$30 million Commercialisation Fund managed by the Advanced Manufacturing Growth Centre. These projects are collaborative and include 41 business and research organisations, this brings the total number of business–research projects supported by the Industry Growth Centres Initiative for 2020–21 to 13.

National Measurement Institute

In 2020–21, the NMI undertook almost 80,000 chemical and biological sample analyses for industry and government clients. They also provided more than 1,500 instrument test and calibration reports, promoting accuracy across Australian industry.

NMI's trade measurement compliance activities ensured fairness for consumers and businesses when they bought or sold goods by measurement. During 2020–21, these activities included:

- visiting 4,755 businesses
- testing more than 12,500 measuring instruments
- inspecting almost 26,000 lines of packaged goods
- monitoring fuel quality at 346 businesses nationwide.

This work, which continued through COVID-19 restrictions, ensures fairness for consumers and businesses when they buy or sell goods by measurement. The NMI maintained recognition of Australia's measurement standards and capabilities, including through participation in international comparisons under the intergovernmental Metre Convention and third-party accreditation. This included updating Australia's peak-level capabilities in mass measurement, following the redefinition of the International System of Units (the metric system) in 2019. The NMI also maintained international acceptance of Australia's regulatory framework for legal metrology, including through activities under the intergovernmental International Organization of Legal Metrology Convention.

Table 4 presents the results measured against the performance criteria for Outcome 1 and its associated Program 1.2, as set out in the Corporate Plan 2020–21, page 12.

Table 4: Intended result 1.2: Key Activity: Growing innovative and competitive businesses, industries and regions

Performance criterion	2020–21 target	2020–21 result
Instances of assistance delivered to businesses in priority sectors	Year-on-year increase	Achieved: 55,305 in 2020–21, up from 35,164 in 2019–20
Number of regional areas where businesses have received assistance	Year-on-year maintenance	Achieved: assisted businesses in all 40 regions
The median time to complete a grant application for a merit, eligibility or competitive grant	Year-on-year decrease	Achieved: 1.68 hours in 2020–21, down from 1.99 hours in 2019–20
Proportion of anti-dumping Preliminary Affirmative Determination (PAD) reports, or status reports explaining that there are insufficient grounds to issue a PAD, made on or before day 60 of an anti-dumping / countervailing investigation	100%	Achieved produced a PAD or status report by day 60 for all 8 relevant investigations
Total number of jobs created by the digitally intensive industries	Year-on-year increase	Achieved: 980,773 in 2020–21, up from 947,900 in 2019–20

Analysis

We support a range of initiatives and programs that focus on growing innovative and competitive businesses, industries and regions. This means creating jobs, supporting economic growth and securing the prosperity of Australian businesses, wherever they may be located. This activity focuses on assisting priority and regional businesses, and on ensuring that seeking support is not onerous for these businesses. It also focuses on helping Australians pivot to digitally intensive capabilities and on ensuring the timely completion of anti-dumping investigations.

The Australian Government has identified areas where Australia has a competitive advantage and made these a strategic priority through the Modern Manufacturing Strategy. These areas include advanced manufacturing; cyber security; agribusiness and food; oil resources and clean energy technologies; mining and mining technology; and medical devices and pharmaceuticals.

To achieve Outcome 1, it is essential to provide an operational and regulatory environment that enables businesses to be innovative and resilient. Businesses can apply to AusIndustry for assistance through grant funding or support programs, and engage with the Industry Growth Centres, which support projects and activities.

Supporting business

The department facilitated 55,305 instances of assistance for businesses in priority sectors in 2020–21 through 571 Industry Growth Centre activities and other support programs. Outreach activities took place in all 40 regional areas in Australia, as identified in the Australian Statistical Geography Standard. This level of assistance is a 57% increase on the 35,164 instances delivered in 2019–20 through 662 Industry Growth Centre activities and other support programs. The increase is due to online events, which reach a larger audience.

This year, we improved the customer portal on business.gov.au, including reviewing and redesigning the application forms. This has reduced the time customers spend applying for grant programs. These improvements are reflected in the data showing that the time to complete a grant application fell by 16% compared to the previous financial year.

In 2020–21, customers spent a median of 1.68 hours to complete an application form, compared to 1.99 hours (a 16% reduction) in 2019–20. This means the department achieved its target of decreasing the median time spent completing a grant application.

Ensuring market fairness

The Anti-Dumping Commission helps to create a competitive marketplace, ensuring that Australian industry is not affected by unfair cross-border international trade. The Commission operates under a framework that requires it to provide a Preliminary Affirmative Determination (PAD) or status report as early as possible during a dumping or subsidy investigation. By meeting our target of publishing a PAD or status report on or before day 60 of an investigation, we give businesses an earlier indication about whether there is sufficient evidence that an activity has caused material injury to the Australian industry. With this knowledge, businesses can make better, more informed decisions about the trading environment. It also enables faster action against those undertaking unfair trade practices.

The Anti-Dumping Commission issued 4 PADs in 2020–21 that imposed securities on the imports of 2 steel and 2 aluminium products. These measures helped to prevent further injury that would negatively impact the Australian industry during the investigation.

Of the 16 investigations undertaken by the commission in 2020–21, 8 reached the 60 day reporting period and therefore required the publication of a PAD. This was achieved for all of these investigations.

Digital industries

Digitally intensive industries are made up of those parts of the economy that report the highest rates of technology adoption and employment of technology skills. Employment growth in these industries is typically much faster than in the rest of the economy. This growth rate is an indicator of the overall health of the digital economy and the extent to which the economy is making use of digital skills and capabilities.

Australian Bureau of Statistics (ABS) data shows the number of jobs created by digitally intensive industries has been steadily rising, with 32,900 new jobs created in digitally intensive industries between 1 May 2020 and 1 May 2021. The number of jobs created by the digitally intensive industries rose steadily throughout 2020–21, although there was a slight decrease of about 3,700 jobs between February and May. In May 2021, the total number of jobs in digitally intensive industries was about 981,000, accounting for 7.4% of total employment.

Case study: Co-designing the future of manufacturing – National Manufacturing Priority road maps

The Australian Government is creating a new future for Australian manufacturing through the Modern Manufacturing Strategy. The strategy's vision is for Australia to be recognised as a high-quality and sustainable manufacturing nation – helping to support a strong, modern and resilient economy.

A key action of the strategy was the development of National Manufacturing Priority road maps. They were launched by the Prime Minister, the Hon Scott Morrison MP, and the then Minister for Industry, Science and Technology, in early 2021.

A road map was developed for each of the 6 priorities: Resources Technology and Critical Minerals Processing, Food and Beverage, Medical Products, Recycling and Clean Energy, Defence, and Space.

Co-designed in partnership with industry, these road maps identify and set out a future vision for the National Manufacturing Priorities, with clear goals, opportunities and actions over the next 2, 5 and 10 years. The department consulted extensively with industry and other stakeholders, and reviewed and synthesised existing government and industry strategies to develop the road maps. A public consultation process in October and November 2020 attracted 340 submissions, which were key to informing the vision and opportunities outlined in the road maps.

The road maps helped guide organisations as they prepared almost 750 funding applications across the 6 priorities under the Modern Manufacturing Initiative's Manufacturing Translation Stream and Manufacturing Integration Stream. Each application had to demonstrate alignment with the relevant road map, to focus investment on core growth opportunities for Australian manufacturers.

Valuable industry intelligence gathered during development of the road maps is helping the department to address key issues raised by industry. These include working with other departments on areas such as deregulation and skills. The department also continues to build on the productive working relationships it formed with industry during work on the road maps. Since publication, the road maps have also helped promote Australia to foreign investors.

Purpose 2: Resources and Northern Australia

The activities under this purpose focus on supporting economic growth, productivity and job creation for all Australians by supporting a strong resources sector and growing a stronger Northern Australian economy.

In 2020–21, we delivered Purpose 2 through 2 activities:

- Activity 2.1: Supporting a strong resources sector
- Activity 2.2: Growing a stronger Northern Australian economy.

Table 5 presents the results measured against the performance criteria for Outcome 1 and its associated Program 1.3, as set out in the *Corporate Plan 2020–21*, page 13.

Table 5: Intended result 2.1: Key Activity: Supporting a strong resources sector

Performance criterion	2020–21 target	2020–21 result
Total expenditure on resources exploration	Year-on-year increase	Achieved: \$1.13 billion in March quarter 2021, up 10% year on year from March quarter 2020
Grow Australia's critical minerals potential, including by supporting development of downstream capacity	Year-on-year increase	Achieved: Economically Demonstrated Resource (EDR) of 5 critical minerals increased >5% this year. Ranking for production vanadium and manganese ore increased by one position from previous year. Planning/development of 4 lithium hydroxide processing plants is underway
Identify and remove regulatory and administrative barriers that impose unnecessary costs and delays to resources project		Achieved: conducted 2 major reviews, resulting in a bill to parliament; identified 23 measures for updating current regulations

Analysis

A strong resources sector is a key driver of Australia's economic prosperity – especially in regional Australia. It provides technological development and innovation as well as social and regional development – which all translate into jobs, royalties and tax revenues.

Against the challenging backdrop of COVID-19, the department worked closely with industry stakeholders, including state and territory governments, on measures designed to boost resources exploration. We implemented a suite of measures to encourage new exploration, including releasing new offshore areas, developing strategic basin plans to unlock new gas reserves, and supporting Geoscience Australia and CSIRO to deliver important research. The government announced the extension of the Junior Minerals Exploration Incentive (JMEI) as part of the 2021–22 Budget. The JMEI allows eligible exploration companies to access tax incentives to attract new investors, promoting investment in exploration activities.

The department is also responsible for the legislative, regulatory and policy settings for oil, gas, minerals and greenhouse gas storage in Commonwealth waters. We are leading best practice to regularly review the settings that underpin their development to ensure all activities are undertaken safely and in an environmentally responsible manner. A central principle of reviews is to identify and remove unnecessary or outdated administrative and regulatory requirements that increase costs on businesses and delay resource projects, while maintaining or improving safety and environmental outcomes.

Resources expenditure

Exploration expenditure increased by \$121 million to \$1.13 billion (seasonally adjusted) in the March quarter 2021, resulting in year-on-year expenditure being 10% higher than in the March quarter 2020. Strong commodities prices over recent months have helped to offset the impacts of COVID-19 on exploration expenditure.

As part of the expansion of the Exploring for the Future program, in March 2021, 8 new projects were announced. They include 3 deep-dive projects in potentially resource-rich corridors identified in the east and west of Australia; 3 continental-scale projects that have national applications but are focused in southern Australia; and 2 program-support projects.

The 2020 Offshore Petroleum Exploration Acreage Release made 42 areas in 5 offshore basins (totalling around 100,000 km²) available for exploration to assess investment opportunities. The bidding round attracted 15 bids across 11 areas, which is considered a positive result in the context of the impact of COVID-19 globally on broader exploration activities.

As part of the government's Gas Fired Recovery, the department is developing 5 Strategic Basin Plans aimed at accelerating the development of additional gas supply to lower prices for households and businesses. The first of these plans, the Beetaloo Strategic Basin Plan, was released in January 2021. It included the Beetaloo Cooperative Drilling Program, which opened for applications in April 2021. The program will provide up to \$50 million of co-investment for accelerated exploration in the Beetaloo Sub-basin.

In addition, the department supported CSIRO's Gas Industry Social and Environmental Research Alliance (GISERA) activities in Queensland, New South Wales, South Australia, the Northern Territory and Western Australia. GISERA is conducting world-leading, independent scientific research on the impacts and benefits of onshore gas development. In September 2020, the government announced an additional \$13.7 million for GISERA, which is conducting activities that are central to the government's Gas Fired Recovery. We also supported the expansion of Geoscience Australia's Exploring for the Future program, which is designed to identify new areas for resources exploration and development in Australia. This program has been extended to 2024, with a further \$125 million invested on top of the \$100 million committed to the program in 2016.

Critical minerals

Since being established in early 2020, the Critical Minerals Facilitation Office (CMFO) has enabled significant progress on activities to support development of Australia's critical minerals sector, including downstream processing projects. Critical minerals processing has been identified as one of 6 priority manufacturing areas in the \$1.5 billion Modern Manufacturing Strategy (MMS). The MMS will help support a range of prospective critical minerals projects to move further downstream to capture more value in global supply chains and enhance diversity of supply chains.

The CMFO has made significant progress in its \$4.5 million R&D agenda with Australia's science agencies. As part of the R&D program, the CMFO is working closely with the Australian Nuclear Science and Technical Organisation on opportunities to support advancement of technology for rare earth downstream processing. This program is driving innovation to increase competitiveness and boost technical capacity in our critical minerals sector. In partnership with the CMFO, the CSIRO launched the Critical Energy Minerals Roadmap, which explores potential value chains associated with Australia's critical minerals resources and outlines opportunities for Australia to optimise connections between our mining, manufacturing and energy sectors.

The CMFO has also worked closely with Austrade and the Department of Foreign Affairs and Trade to make considerable progress in increasing Australia's engagement with key international partners on critical minerals. This work cuts across trade, national security and critical technology. Key partners include the United States, Japan, the Republic of Korea, the United Kingdom, the European Union and India. Achievements for 2020–21 include:

- In July 2020, Australia and the United States agreed to establish a working group focusing on driving private and public financing mechanisms for Australian projects.
- The CMFO led a successful bid for a new strategic advisory group on international standards on critical minerals at the International Standardization Organisation.
- In November 2020, the first India-Australia joint working group on critical minerals agreed to promoting opportunities for Indian investment in Australian projects.
- In March 2021, the UK-Australia Joint Working Group on Critical Minerals was set up to deepen Australia's and the United Kingdom's engagement and cooperation on critical minerals supply chain resilience, governance, trade and R&D.

Australia remains the number one producer of bauxite, iron ore, rutile and lithium. We are among the top 5 global producers of cobalt, gold, rare earths, uranium and zinc, and we continue to have the largest resources globally of gold, iron ore, lead, rutile, uranium, zinc and zircon. We also have the largest nickel resources – up from number 2 in 2018 (see Australia's Identified Mineral Resources, published by Geoscience Australia in March 2021).

Regulatory review

In 2020–21, the department completed 2 policy reviews, which the government has endorsed, with implementation now underway:

1. Decommissioning offshore petroleum infrastructure in Commonwealth waters (decommissioning review)
2. Offshore oil and gas safety review (safety review).

The decommissioning review found that the offshore oil and gas industry has reliably supported Australia's energy security and economic activity over the last 50 years. But as the industry matures, there will be increasing need to consider mid-to-late-life asset management. An enhanced decommissioning framework was released for public consultation in December 2020. Key elements of the framework include increased government scrutiny of corporate transactions that see a change of management or control of a titleholder; greater assurances that companies can meet their obligations; and the ability for the government to recall a previous owner of an asset to decommission it if required. On 8 April 2021, Minister Pitt announced the Australian Government's decision to endorse the framework and on 26 May 2021, the Minister introduced a Bill into Parliament to implement the legislative aspects of the decommissioning framework.

The safety review found that, overall, the current offshore safety regime is working well, but it identified areas that could be strengthened to produce better safety outcomes for offshore workers. The safety policy framework sets out 23 measures intended to facilitate continuous safety improvements for the offshore industry, and represents effective and proportional solutions to the issues being addressed. The measures are aimed at improving safety outcomes by strengthening compliance mechanisms, improving engagement between stakeholders, clarifying existing arrangements, and recognising the importance of mental health.

Consultation on the draft safety policy framework was undertaken between August and October 2020, and Minister Pitt endorsed the final safety policy framework on 24 April 2021. The legislative and regulatory amendments to implement the policy reforms are expected to be complete by mid-2022. The measures identified in the safety review will reduce and streamline administrative processes by removing unnecessary and duplicative monthly reporting requirements; streamlining the transfer of operator process; and clarifying that safety case revisions are only required every 5 years rather than 5 years after any safety case revision.

In December 2020, the department engaged Deloitte to undertake the 5-yearly statutory reviews of activities of the National Offshore Petroleum Titles Administrator and the National Offshore Petroleum Safety and Environmental Management Authority. Both reviews examined whether the key institutions in the regulation and oversight of Australia's offshore oil and gas industry are operating effectively and are equipped to deal with future challenges. The review reports will be tabled in parliament in the second half of 2021.

Case study: Decommissioning offshore petroleum assets

Australia's offshore oil and gas industry has supported Australia's energy security and economic activity for more than 50 years, but as the industry matures there is an increased focus on the management of mid- to late-life assets.

As more offshore petroleum fields reach end of life, it is important to not only manage the declining production but also ensure the ongoing protection of the marine environment and the safety of Australia's offshore workers.

Decommissioning is a normal and planned activity, and Australia's existing regulatory framework has enabled small decommissioning activities over the years. Unlike countries with more established oil and gas sectors, such as Norway and the United Kingdom, Australia's oil and gas industry is in its infancy when it comes to decommissioning.

In 2020–21, the Offshore Resources Branch completed an extensive review of the policy and regulatory framework for decommissioning offshore facilities, wells and pipelines. A key outcome was the development of an enhanced decommissioning framework. The framework includes increased government scrutiny of corporate transactions that see a change of management or control of a titleholder, greater assurances that companies can meet their obligations, and the ability for the government to recall a previous owner to decommission if required.

On 8 April 2021, the then Minister for Resources, Water and Northern Australia, the Hon Keith Pitt MP, announced a decision to enhance the framework and reported that the first step in implementing it had begun with the release of the exposure draft of the legislative amendments for consultation. The department developed these amendments to legislation, which required close cooperation across policy and legal teams, working with the drafters and consulting with industry.

The bill was introduced to parliament on 26 May 2021. The department is expected to finish implementing the framework in 2022.

Table 6 presents the results measured against the performance criteria for Outcome 1 and its associated Program 1.4, as set out in the *Corporate Plan 2020–21*, page 13.

Table 6: Intended result 2.2: Key Activity: Growing a stronger Northern Australian economy

Performance criterion	2020–21 target	2020–21 result
Number of Northern Australia White Paper measures delivered and progress to refresh the broader northern agenda	Year-on-year increase	Achieved: 50 measures in 2020–21, up from 43 measures in 2019–20
Total number of jobs created by federally financed Northern Australia Infrastructure Facility (NAIF) projects	Year-on-year increase	Achieved: 3,600 jobs in 2020–21, up from 3,200 in 2019–20

Analysis

Critical economic growth opportunities exist beyond our big cities and heavily populated towns. The Australian Government has recognised the potential for significant economic growth and job creation in Northern Australia. We are focused on delivering the policies, legislation, regulatory frameworks and investment to support the productivity of existing businesses and industries, and encourage new investment. To facilitate this development, in 2020–21, the department worked to finalise delivery of elements contained in the Northern Australia White Paper, and supporting and reforming NAIF.

Our North, Our Future: White Paper on Developing Northern Australia

The department continued to focus on delivering the final elements of the 2015 *Our North, Our Future: White Paper on Developing Northern Australia*. Measures include simplifying land arrangements to support investment, developing the north’s water resources, supporting business through trade and investment, and driving infrastructure to support growth.

In 2020–21, 7 more measures in the White paper were closed, bringing the total number that have been delivered or closed for reporting purposes to 50 of 51. Three measures (3, 24 and 26) were moved to closed because they were overtaken by subsequent developments in legislation.

The one remaining measure is ‘Cutting red tape for fisheries’. Further consultation is being held with states and territories. The results of this consultation and the outcomes of a pilot program may mean legislative changes are required to finalise this measure.

In addition, the *Our North, Our Future: 2021–2026* was announced in Budget 2021–22 in May 2021.

Our North, Our Future: 2021–26 will invest:

- \$9.3 million for a pilot Regions of Growth initiative
- \$68.5 million for a Connecting Northern Australia program
- \$111.9 million for the Northern Australia Development Program.

As at 30 June 2021, implementation plans for these programs had been developed and were on track.

The Northern Australia Infrastructure Facility

The NAIF provides finance to infrastructure projects and businesses in northern Australia. Projects the NAIF finances create a variety of jobs and support the development of infrastructure in northern Australia. The NAIF collects data on the number of jobs it supports via forecasts provided by participants.

In 2020–21, 8 projects with a potential to create an estimated around 3,600 jobs were approved. These include a Central Queensland University upgrade of digital platforms, an Agripower Australia Limited expansion, BCI Minerals Limited’s Mardie Salt and Potash Project, Olive Downs South, Humpty Doo Barramundi (Stage 2), Merricks Capital’s Hudson Creek Power Station project and Australian Potash Limited’s Lake Wells Sulphate and Potash Project.

The cumulative number of NAIF projects approved and contracted (with legally binding agreements between parties) is increasing each year, with an associated increase in the estimated number of jobs created:

- 2017–18 – 4 projects approved, supporting around 900 jobs
- 2018–19 – 5 projects approved, supporting around 2,300 jobs
- 2019–20 – 9 projects approved, supporting around 3,200 jobs
- 2020–21 – 8 projects approved, supporting around 3,600 jobs.

Reforms to improve the effectiveness of the NAIF support for infrastructure development in northern Australia were implemented through the passage of the *Northern Australia Infrastructure Facility Amendment (Extension and Other Measures) Act 2021* on 28 May 2021. These reforms extended the NAIF’s investment period to 30 June 2026, streamlined its approval process, strengthened its governance arrangements and provided the NAIF with additional investment tools such as equity investments.

Purpose 3: Emissions Reductions and Clean Energy

The activities under this purpose are focused on reducing Australia’s greenhouse gas emissions, contributing to effective global action on climate change, and supporting technological innovation in clean and renewable energy, through developing and implementing a national response to climate change.

In 2020–21, we delivered Purpose 3 through 2 activities:

- Activity 3.1: Reducing Australia’s greenhouse gas emissions
- Activity 3.2: Developing clean energy technology.

Table 7 presents the results measured against the performance criteria for Outcome 2 and its associated Program 2.1, as set out in the *Corporate Plan 2020–21*, page 14.

Table 7: Intended result 3.1: Key Activity: Reducing Australia’s greenhouse gas emissions

Performance criterion	2020–21 target	2020–21 result
Australia’s emissions and projected emissions are on track to meet international commitments	Australia meets its international emissions reduction commitment targets	Achieved: exceeded Cancun agreement target by 459 million tonnes CO ₂ -e
Number of businesses participating in carbon neutral certification	Year-on-year increase	Achieved: 319 in 2020–21, up from 146 in 2019–20
Legislated Large-scale Renewable Energy Target of 33,000 GWh of eligible renewable electricity generation in 2020 is met	33,000 GWh of eligible renewable electricity generation in 2020	Achieved: 33,000 gigawatt hours (GWh) was met at the end of January 2021

Analysis

This activity supports Australia to meet its greenhouse gas emissions reduction targets and shape the global response to climate change. Achieving this activity will ensure Australia meets its international obligations to reduce emissions, consistent with the goal of keeping the global temperature increase well below 2 degrees Celsius.

International emissions reduction commitment

Data published by the department in 2020–21 records the results of national historical and projected emissions reductions.

In 2020–21, the department published National Greenhouse Accounts and projections that indicate Australia:

- has beaten⁵ its 2020 emissions reduction commitment under the United Nations Framework Convention on Climate Change (UNFCCC) Cancun Agreement⁶ by 459 million tonnes carbon dioxide equivalent (Mt CO₂-e) when overachievement from the previous period is included⁷
- is on track to meet and beat its 2030 emissions reduction commitment under the UNFCCC's Paris Agreement.

These data are consistent with the government's international emissions reporting obligations and the department's work on producing the inventory. Our advocacy of transparent emissions reporting contribute to global action on climate change by boosting the confidence of all countries that action to reduce emissions can be monitored accurately. The data is also used to support the design, implementation and evaluation of domestic emissions reduction policies, and the development of future emissions reduction commitments. Australia's Emissions Projections 2020 found that Australia is on track to meet and beat its 2030 emissions reduction commitment under the UNFCCC Paris Agreement. To achieve Australia's 2030 target of 26% to 28% below 2005 levels, emissions reductions of 56–123 Mt CO₂-e between 2021 and 2030 are required.

Carbon neutral certification

Climate Active has helped Australian businesses reduce their emissions, and offset more than 27 million tonnes of carbon emissions. Its work contributes to the department's strategic objective of reducing Australia's greenhouse gas emissions, and developing and implementing a national response to climate change by incentivising grassroots action by businesses and organisations.

Interest in Climate Active certification continues to grow. In 2020–21, certification numbers increased by 118%, compared to 2019–20. Climate Active had more than 319 carbon neutral certifications across 6 certification types as at 30 June 2021, compared to 146 at the end of 2019–20.

5 UNFCCC processes to finalise the assessment of parties' performance against their Cancun Agreement commitments are expected to be finalised in 2023–24.

6 Australia's 2020 target was to reduce emissions to 5% below 2000 levels by 2020 on an emissions budget basis.

7 *Quarterly Update of Australia's National Greenhouse Gas Inventory: June 2020: Special Topic 1: Australia's 2020 Cancun Agreement target.*

Renewable energy target

The 2020 Renewable Energy Target Annual Statement, published by the Clean Energy Regulator and tabled in parliament in June 2021, states that, at the end of January 2021, the Large-scale Renewable Energy Target (LRET) of 33,000 gigawatt hours (GWh) was met on a rolling 12-month basis. Achieving Australia's LRET is contributing to meeting and beating our international emissions reduction commitment.

The Clean Energy Regulator expects the legislated annual target to be exceeded in 2021 with eligible generation estimated to reach up to 40,000 GWh. In 2020, investment in large-scale renewable energy projects remained strong, with an additional 4 gigawatts of projects accredited.

Table 8 presents the results measured against the performance criteria for Outcome 2 and its associated Program 2.2, as set out in the *Corporate Plan 2020–21*, page 14.

Table 8: Intended result 3.2: Key Activity: Developing clean energy technology

Performance criterion	2020–21 target	2020–21 result
Australian Government expenditure on clean energy research and development	\$216 million by FY2020–21	Cannot be determined at the time of reporting. Full data will be collected and reported when available in 2022. Research, development and demonstration (RD&D) averaged \$280 million per year for the past 5 years

Analysis

Clean energy technology enables reductions in Australia's greenhouse gas emissions by making low emissions options available for businesses and individuals to use. Australian Government expenditure on clean energy R&D is an indicator that this development is occurring. Based on historical Australian Renewable Energy Agency (ARENA) data, government expenditure typically leveraged an average of \$3.38 of co-investment across the innovation chain.

In 2015, a target of \$216 million was set as part of Mission Innovation to ensure that continued expenditure on R&D would encourage Australian businesses to develop technologies needed for emissions reductions beyond 2030. The target is based on doubling the total clean energy R&D expenditure across 10 government agencies from 2015–16. These agencies include ARENA, CSIRO, the Australian Research Council, the Australian Nuclear Science and Technology Organisation, and this department. Full data was not available due to the difficulty in obtaining consistent datasets from some agencies, in part due to the COVID-19 pandemic. This has made accurate comparisons with the baseline R&D expenditure data difficult. Full data on clean energy R&D investment will be collected and reported on early in the 2022 calendar year to assess performance against the 2020–21 R&D expenditure target.

In the absence of the appropriate dataset, other RD&D data may serve as a comparable indicator of expenditure on clean energy technologies. In 2020, data collection for the first Low Emissions Technology Statement showed that total Australian Government expenditure on RD&D for low emissions technology averaged \$280 million per year in the 5 years from 2014–15 to 2019–20. This dataset includes some, but not all, of the 10 agencies included in the baseline data collection previously performed to assess progress on meeting the target.

Technology Investment Roadmap

The department has undertaken significant work this year on refining the approach to developing low emissions technology for Australia's future. In September 2020, the government released its Technology Investment Roadmap, which underpins Australia's technology-led approach to emissions reductions.

The Roadmap will form the cornerstone of Australia's long-term emissions reduction strategy. As part of the Roadmap process, the first Low Emissions Technology Statement has prioritised 5 priority technologies to guide government investment: clean hydrogen, energy storage, carbon capture and storage, low emissions steel and aluminium, and soil carbon measurement. The government will track progress towards deployment of these 5 priority technologies.

The Roadmap is an overarching policy intended to bring forward the technologies needed beyond 2030 for deeper emissions reductions. It recognises that widespread deployment of priority low emissions technologies will require support for technologies across the deployment pipeline, including for R&D and for the demonstration and commercial phase of deployment.

Support for low emissions technologies will require working with the private sector. To measure progress against the Technology Investment Roadmap, new metrics measuring the impact of the Roadmap will focus on the extent to which private sector funding is leveraged through the provision of government funding and financing through ARENA and CEFC in low emissions technologies. The department will track progress against the roadmap through an impact and evaluation framework due to be published as part of the second Low Emissions Technology Statement towards the end of 2021 and intends revising this performance measure to align with that framework.

Case study: Technology Investment Roadmap

The Australian Government's Technology Investment Roadmap is a comprehensive and enduring investment strategy that will accelerate the development and deployment of new and emerging low emissions technologies. The road map is the cornerstone of Australia's technology-led approach to reducing emissions. It outlines a clear path to meeting and beating Australia's 2030 emissions targets by building on Australia's established role as a trusted exporter of energy, resources and agricultural products. Focusing investment on technologies that will deliver the greatest abatement will have the quickest and most drastic effect on emissions and provide the best value for Australians.

The annual Low Emissions Technology Statement will track progress on the road map's goals. The first statement, released in 2020, introduced 5 priority low emissions technologies with economic stretch goals. These are ambitious but realistic goals to bring priority low emissions technologies to economic parity with existing high emissions technologies. They relate to:

- clean hydrogen – production under \$2 per kilogram
- energy storage – electricity from storage for firming under \$100 per MWh
- low carbon materials – including low emissions steel production, under \$900 per tonne; and low emissions aluminium production, under \$2,700 per tonne
- carbon capture and storage (CCS) – carbon dioxide (CO₂) compression, hub transport, and storage under \$20 per tonne of CO₂
- soil carbon – soil carbon measurement under \$3 per hectare per year.

These priority technologies have high abatement and economic potential in areas of comparative advantage for Australia. They are priorities where government investments can make a difference in reducing prices and improving Australia's technology readiness. Widespread deployment will be primarily driven by the private sector, with a targeted role for public investment.

Hydrogen can be used to power vehicles, generate heat and electricity, and serve as a feedstock in industrial applications. Australia's advantages – abundant land and energy resources, extensive carbon storage reservoirs and a reputation as a trusted energy exporter – mean we are well positioned to be a world-leading clean hydrogen producer.

Grid-scale electricity storage will be a critical element of Australia's future electricity system. Broad deployment of storage technologies will allow more low-cost solar and wind energy into the grid. It also has the potential to reduce Australia's cumulative emissions by more than 700 MtCO₂-e to 2040.

Steel and aluminium are important global commodities and thousands of people are employed in these industries in Australia, many in regional areas. Australia can help to unlock the technologies that will reduce emissions from these sectors.

Large-scale deployment of CCS will underpin new low emissions industries (including hydrogen) and provide a potential decarbonisation pathway for hard-to-abate industries such as natural gas processing and cement. Australian CCS projects could also play an important long-term role in storing CO₂ drawn down from the atmosphere, likely to be crucial in global efforts to meet the Paris Agreement's temperature goals.

Improving land management practices on a quarter of Australia's crop and grazing lands could draw over 35 million tonnes of CO₂ per annum from the atmosphere while improving agricultural productivity and soil resilience. Offsets created by soil carbon projects can provide a valuable additional revenue stream for farmers, and provide decarbonisation pathways for new and existing industries, which will preserve jobs.

Purpose 4: Energy Markets

The activities under this purpose focus on supporting the affordable, reliable, secure and competitive operation of energy markets for the long-term benefit of the Australian community through improving Australia's energy supply, efficiency, quality, performance and productivity.

In 2020–21, we delivered Purpose 4 through one activity:

- Activity 4.1: Supporting reliable, secure and affordable energy.

Table 9 presents the results measured against the performance criteria for Outcome 3 and its associated Program 3.1, as set out in the *Corporate Plan 2020–21*, page 15.

Table 9: Intended result 4.1: Key Activity: Supporting reliable, secure and affordable energy

Performance criterion	2020–21 target	2020–21 result
Lower energy prices	Progress towards a wholesale price <\$70 per MWh in the National Electricity Market	Achieved: \$52.21 MW/hr in 2020–21, down from \$63 in 2019–20
	Domestic gas market prices lower than the liquefied natural gas (LNG) netback price	Achieved: \$6.17/GJ versus the Australian Competition and Consumer Commission (ACCC) LNG netback price average of \$7.21/GJ
The liquid fuel market is in supply-demand balance	The <i>Liquid Fuel Emergency Act 1984</i> is not triggered	Achieved: the LFE Act was not triggered

Analysis

Locking in secure, affordable and reliable energy supports economic growth for households and businesses, and plays a role in creating jobs. By establishing the necessary operational and regulatory environment, we can improve the affordability, reliability, security and competitive operation of energy markets for the long-term benefit of the Australian community.

Lower energy prices

The Australian Energy Market Operator (AEMO) reports that average wholesale prices across the National Electricity Market were \$52.21 per megawatt hour in 2020–21, compared to \$63 in 2019–20.

Factors that drove the reductions in wholesale electricity prices include:

- falling fuel prices, particularly coal and gas prices
- increased variable renewable energy (VRE) output, particularly the increased adoption of rooftop solar photovoltaics
- reduced operational demand due to mild weather and rooftop solar.

AEMO reports that at the end of 2020–21, the simple average of east coast domestic wholesale gas spot prices was \$6.17 per gigajoule. That is 14% below the Australian Competition and Consumer Commission's (ACCC) liquefied natural gas (LNG) netback price average of \$7.21 per gigajoule over the same period.

The impact of low demand and falling wholesale prices is also reflected in the amount consumers are spending on electricity. ABS data shows that household electricity expenditure across Australia's capital cities fell by more than 9.2% over the course of 2020, reflecting lower retail prices.

Retail prices have also benefited from the government's Default Market Offer (DMO). Implemented on 1 July 2019, the DMO caps the highest priced retail standing offers for residential and small business consumers in New South Wales, South Australia and South-east Queensland. The policy has contributed to standing offer prices for residential customers falling by over 11% in South-east Queensland, nearly 13% in New South Wales and over 16% in South Australia, during the period from June 2019 to February 2021.

Gas-fired recovery

The government's range of gas-fired recovery measures will deliver its commitment to unlock supply, ensure efficient transport and empower consumers. These measures will enable the reliable supply of internationally competitive domestic gas to support the Australian economy. These measures are progressing well and include:

- releasing the *National Gas Infrastructure Plan: Interim Report*, which identifies short-term critical infrastructure requirements for the east coast gas market
- accelerating changes to improve gas pipeline regulation
- working with the ACCC to ensure the calculation of the LNG netback price remains fit for purpose and reflects dynamic international gas market conditions
- progressing work to establish an open and competitive Australian Gas Supply Hub at Wallumbilla
- empowering gas-reliant businesses to negotiate competitive gas supply agreements through supporting an industry-led voluntary code of conduct.

Liquid fuel supply

Data provided by fuel companies is used to monitor and report on developments in Australia's fuel demand and supply. Weekly reports were initiated early in the COVID-19 response to provide more timely information to support liquid fuel security monitoring by the National Oil Supplies Emergency Committee (NOSEC). It is the main executive channel through which Australian governments, in cooperation with industry, formulate the overall management response of a widespread shortage. NOSEC members include officials from federal, state and territory governments and the petroleum industry. Department representatives chair NOSEC and provide secretariat services.

The *Liquid Fuel Emergency Act 1984* would only be triggered if there was significant supply disruption. Data used to monitor fuel demand and supply indicated there were no supply issues in 2020–21, so for the 36th consecutive year the Act was not triggered.

Weekly and monthly sales and stock data over the period indicated there were no fuel supply shortages.

Financial performance

Financial performance – departmental

Operating result

The department recorded a surplus of \$9.7 million in 2020–21 after excluding depreciation and amortisation and the impacts of AASB 16 *Leases* accounting adjustments. This surplus is largely due to delays in implementation of various budget measures.

After taking into account depreciation and amortisation, the impacts of AASB 16 *Leases* accounting adjustments and changes in the asset revaluation reserve, the department recorded a loss of \$31.5 million for 2020–21. This reflects the introduction of the net cash appropriation arrangements where appropriation for depreciation and amortisation expenses ceased. Entities now receive a separate capital budget provided through equity appropriations.

Financial sustainability

As at 30 June 2021, the department reported net assets of \$212.0 million.

The department has sufficient financial and non-financial assets to settle its payables as and when they fall due. Non-financial assets owned by the department consist of property (buildings and fit-out), plant and equipment owned by the department.

Financial performance – administered

Income

Administered revenue largely relates to royalty revenue (\$633.2 million), dividend revenue from the Australian Government's holding in Snowy Hydro Limited (\$122.7 million), levy receipts generated by the National Offshore Petroleum Safety and Environmental Management Authority (\$42.2 million) and registration fees generated by the National Offshore Petroleum Titles Administrator (\$15.3 million).

Expenses

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

- \$285.0 million to facilitate the development and uptake of new ideas and technology and translate them into commercial outcomes and enhanced productivity
- \$301.8 million to support the growth of innovative and competitive businesses, industries and regions, and build a diversified, flexible, resilient and dynamic economic base that can identify and adapt to new markets and emerging opportunities
- \$143.9 million to support the sustainable development of the resources sector, attract private sector investment and encourage innovative technologies
- \$239.8 million to reduce Australia's greenhouse gas emissions, contribute to effective global action on climate change, and support technological innovation in clean and renewable energy, through developing and implementing a national response to climate change. This includes \$231.8 million of payments to the portfolio's corporate Commonwealth entities: the Australian Renewable Energy Agency and the Clean Energy Finance Corporation
- \$99.3 million to support the affordable, reliable, secure and competitive operation of energy markets for the long term benefit of the Australian community through improving Australia's energy supply, efficiency, quality, performance and productivity
- \$25.8 million to facilitate the growth of small and family business
- \$1,339.5 million in payments to the portfolio's corporate Commonwealth entities not listed above: the Commonwealth Scientific and Industrial Research Organisation, the Australian Nuclear Science and Technology Organisation, the Australian Institute of Marine Science, the National Offshore Petroleum Safety and Environmental Management Authority, and the Northern Australia Infrastructure Facility. This excludes the \$231.8 million of payments to the Australian Renewable Energy Agency and the Clean Energy Finance Corporation noted above.



CHAPTER 3

DEPARTMENTAL MANAGEMENT AND ACCOUNTABILITY

Our values

Our departmental values are central to promoting a culture of respect, understanding and inclusion.

Figure 2: Our values



We are Collaborative

We build influence with our stakeholders by listening to and being collegiate with them. We build and maintain constructive relationships with our peers, working to a common purpose.



We are Innovative

We are curious and think creatively about our environment in delivering for Australians.



We are Respectful

We are inclusive, leverage our diversity, and act with decency, honesty and openness.



We strive for Excellence

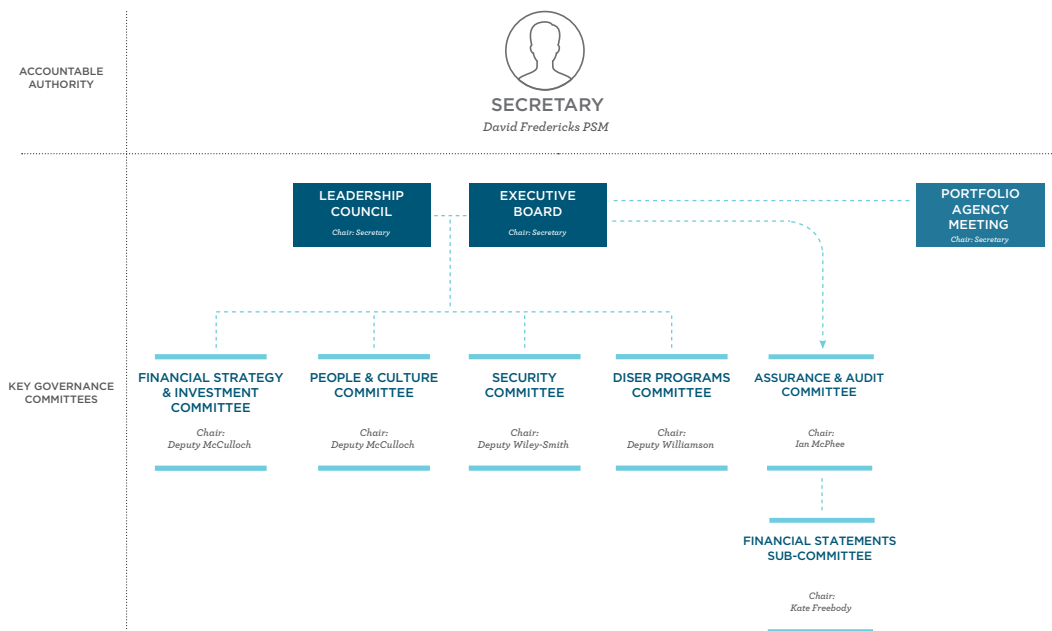
We are driven to influence and deliver outstanding outcomes. We harness our unique skills, knowledge and connections.

Corporate governance

The department’s corporate governance practices define how we manage outcome and program responsibilities, and control business internally and externally. The department has an organisational committee structure to meet its strategic objectives. This ensures the department continually improves business and financial effectiveness, aligned with government and organisational objectives.

The department’s governance practices comply with all statutory requirements and are regularly reviewed to ensure they remain relevant and effective. In March 2021, we undertook a governance framework review, which resulted in changes to the sub-committees reporting to the Executive Board. The review resulted in the addition of a Security Committee, and a refresh of the terms of reference and membership of the sub-committees. The changes reflect and strengthen the role of the sub-committees to provide the Executive Board with assurance that strategic priorities are being met and appropriate risk management is being undertaken.

Figure 3: Governance committees at 30 June 2021



Our capital budget, business planning and risk management processes are closely integrated.

Business, workforce and risk management plans for divisions detail how to achieve the strategic priorities set out in the department’s corporate plan and manage major risks.

The department’s internal audit function provides independent, objective assurance and consulting services that add value and improve our operations. The department’s website includes the Assurance and Audit Committee charter. Appendix A3 provides details of Audit Committee membership.

Fraud control

The department's fraud control and anti-corruption framework provides assurance that fraud control strategies are robust. The framework includes proactive fraud prevention and detection measures. The department's *Fraud and Corruption Control Plan 2021–23*, released this year, details strategies for preventing, detecting and investigating suspected fraud in the department, and includes reporting procedures.

The department continues to actively raise awareness about emerging fraud risks and provides advice on potential fraud and mitigation strategies for new programs and initiatives.

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

Compliance with finance law

There were no significant issues of non-compliance reported to the responsible Minister as part of the department's internal compliance reporting process for the 2020–21 financial year.

External scrutiny

In 2020–21, no judicial decisions, decisions of administrative tribunals or decisions by the Australian Information Commissioner had a significant impact on the operations of the department. No capability reviews of the department were released, and no reports on the operations of the department were completed by:

- the Commonwealth Ombudsman or
- a Committee of either House or of both Houses of the parliament.

In 2020–21, the Australian National Audit Office (ANAO) tabled 4 audits involving the department:

- Establishment and Use of ICT Related Procurement Panels (a cross-entity audit that involved the department)
- Planning and Governance of COVID-19 Procurements to Increase the National Medical Stockpile
- Award of Funding under the Supporting Reliable Energy Infrastructure Program
- COVID-19 Procurements and Deployments of the National Medical Stockpile.

Details of these audits, including the department's responses, are available on the ANAO website.

During 2020–21, the department appeared before 3 Senate standing committees for Senate Estimates hearings:

- Senate Standing Committee on Economics – 28–29 October 2020, 25 March 2021 and 3–4 June 2021
- Senate Standing Committee on Environment and Communications – 20 October 2020, 22 March 2021, 3 May 2021 and 25 May 2021
- Senate Standing Committee on Education and Employment – 27 October 2020 and 24 March 2021.

Information Publication Scheme

Under Part II of the Freedom of Information Act 1982, the department is required to publish information as part of the Information Publication Scheme. The department's website shows the information it publishes in accordance with the scheme.

Commonwealth Child Safe Framework

The department strongly supports the *Commonwealth Child Safe Framework*, which sets the minimum standards for creating and embedding a child safe culture and practices in Commonwealth entities. The department has a *Working with Vulnerable Persons (WWVP) Policy*, which requires that employees working with vulnerable people must obtain and maintain WWVP registration in accordance with relevant legislation and regulations. It also requires that risk assessments that evaluate risks and identify mitigation strategies are completed for policies, programs and activities that involve working with vulnerable people.

The department has developed an entity-wide *Child Safety Policy*. In addition, one of our public-facing divisions, Questacon, has a well-established process and proactive culture to ensure the wellbeing and safety of the children it has contact with each year. Other business units across the department use Questacon's policies, tools, training and systems, where applicable. The department also used them in the development of the *Child Safe Policy*.

Managing human resources

Professional development

The department continues to prioritise and invest in the professional development of our staff, focusing on leadership capability to maintain a high-performance organisation.

In line with the department's *People Strategy*, we delivered learning activities in a range of mediums to reach staff members in different locations, including those working remotely, and with different learning styles.

The broader *APS Learning and Development Strategy and Action Plan* and the department's workforce planning will inform future capability initiatives.

Workforce planning

Workforce planning is an important part of our strategy to maintain a workforce that can respond to organisational needs now and into the future.

During 2020–21, the department undertook a coordinated workforce planning exercise, which helped us understand our current workforce, identify capabilities that need to be developed for the future, and facilitate staff mobility.

We continue to develop this area to ensure informed, fit-for-purpose analysis, planning and decision making that aligns with the APS Job Family Model and APS frameworks.

Mobility

We use internal mobility within the department as a key strategy to solve complex problems, address peak demands in workload and offer career development opportunities.

Following mobilisation of the workforce during the peak of the COVID-19 pandemic in 2020, we evaluated our redeployment response. This review provided valuable insights, which, in combination with our workforce planning, will inform our approaches to mobility and surge redeployment.

The department continues to support and contribute to the APS Surge Reserve, which gives the APS the capacity to rapidly mobilise voluntary members (reservists) in large numbers in response to a crisis. The department maintains the reservists' pool and coordinates the response for the department and portfolio agencies.

Inclusion

The department is committed to supporting and listening to all employees to create a positive workplace for everyone, with shared goals and a sense of belonging and inclusion.

In February 2021, we launched our *Inclusion Strategy 2021–2023*. Over the next 3 years the strategy will guide us as we continue to integrate diversity and inclusion into the way we work to ensure all employees feel valued and respected. We will support the diverse needs of staff members by examining the entire employment life cycle to identify any barriers to inclusion. Long-term trends suggest support for flexible work and work-life balance will remain vital to attracting and retaining top talent. As such, we will ensure we have the capability needed to apply technology purposefully and effectively to enable this.

Innovate Reconciliation Action Plan

The department's current *Innovate Reconciliation Action Plan* (RAP) was launched in August 2019.

It is the department's second Innovate RAP and sets ambitious targets for reconciliation and improving employment outcomes for Aboriginal and Torres Strait Islander employees.

The 12-month RAP progress report issued in November 2020 identified initiatives to prioritise in 2021, including:

In 2020–21:

- We introduced the Arrilla Digital online cultural competency training during Reconciliation Week in 2021.
- Our Executive Board have made a strong commitment to continuing their cultural learning. In March this year the Executive Board participated in an in depth cultural consciousness session. All members of the Executive Board have also completed our Arrilla Digital training program.
- We have increased the presence of Aboriginal and Torres Strait Islander culture in our physical and online spaces. We commissioned local artists to create artworks for each of our state offices, including Industry House. We also introduced Indigenous designs for our signature blocks, our telephone system and the background of our audiovisual studio. These initiatives increase awareness and understanding of Aboriginal and Torres Strait Islander culture and provide staff with a visual link to culture in the workplace.
- We delivered our first major Indigenous affirmative measures recruitment round. This process resulted in 29 placements across 12 divisions.
- We introduced an Indigenous scholarship program on 27 May 2021, during Reconciliation Week. This is the first scholarship of its kind in the Australian Public Service. The program is a fully funded scholarship and includes options to undertake undergraduate and postgraduate university study, a leadership or cultural course, apprenticeship, or other relevant forms of study. Eligible employees can apply for a scholarship for programs up to 3 years in duration. It will be key to developing our top talent over the coming years, and form a central pillar in our Indigenous employee value proposition.
- We engaged 12 entry level program participants through our Graduate Program, the Indigenous Apprenticeship Program and the Indigenous Australian Government Development Program.

The department currently has 62 employees who identify as Aboriginal and/or Torres Strait Islander, representing 1.9% of the overall workforce.

Case study: Rum Jungle mine site rehabilitation

In the 2021–22 Budget, the Australian Government committed to rehabilitating the former Rum Jungle copper and uranium mine near Batchelor in the Northern Territory. This announcement followed years of collaboration between the Australian and Northern Territory governments and Kungarakan and Warai Traditional Owners to fully understand the site’s environmental condition and develop a rehabilitation design.

The Rum Jungle Rehabilitation Project (the Project) seeks to return the site to a safe, stable, sustainable condition that supports Kungarakan and Warai peoples to return to and reconnect with Country, and pursue future land use opportunities. The Project will also support training and employment opportunities for Kungarakan and Warai peoples, establish a cultural centre and address site-contamination issues that have been an obstacle to resolving the outstanding Finnis River Land Claim. Onsite and downstream environmental aims are to improve water quality, ensure landforms are chemically and physically stable, and revegetate the site with native species.

The rehabilitation strategy includes approximately 6 years of construction, followed by ongoing environmental monitoring and land management to ensure rehabilitation activities achieve environmental and cultural objectives. The Northern Territory Government aims to maximise local business participation throughout the delivery of these activities.

In April 2021, 10 Kungarakan and Warai Traditional Owners began a traineeship in conservation and land management as part of the Project. Alongside classroom work at the Batchelor Institute of Indigenous Tertiary Education (BIITE), the trainees are receiving field experience in a range of land management activities, such as revegetation, environmental monitoring, invasive species and fire management, and workplace health and safety. The traineeship will position the trainees to participate in Rum Jungle’s rehabilitation, delivering site management and long-term monitoring activities. At the completion of the traineeship, they will receive a Certificate II in Conservation and Land Management from BIITE.

The Project also supports a Charles Darwin University PhD study of the uptake of metals by the Northern Long-necked Turtle in the Finnis Catchment, to assist community management of the turtle as a key Indigenous food.

Employee networks

The department is committed to building a values-led, diverse and inclusive workforce, which is reflected in the policies, programs, frameworks and governance mechanisms we have in place. To support this, we have 6 employee-led diversity networks:

- Women’s Network
- Indigenous Employees Network
- Disability and Wellness Network
- Pride Network
- Cultural and Linguistic Diversity Network
- Flexible Workplace Network.

These networks are open forums run by staff for staff that give employees a safe and supportive environment to share views, perspectives and experiences. A senior executive sponsors each network, guiding the group, communicating views to the senior executive level, and helping secure financial support for key events and initiatives.

The networks significantly contribute to driving cultural change, starting at a grassroots level, and help the department achieve its diversity and inclusion objectives.

Accessibility Action Plan 2020–25

In 2020, we launched our first *Accessibility Action Plan 2020–25*, which outlines our commitment to improving accessibility in 4 key areas:

- attracting, recruiting and retaining staff members
- leadership
- culture and inclusive practice
- property, procurement and ICT.

This plan, with the operational support of our Disability and Wellness Network, set out the path to positioning our department as an employer of choice for all people, but especially those with disability. We aspire to the plan becoming a daytoday tool, ensuring our workplace is diverse, inclusive, tolerant and non-judgmental.

Disability reporting mechanisms

The *Australian Public Service Disability Employment Strategy 2020–25* sets out a comprehensive plan to improve employment outcomes for people with disability. This strategy aligns with the *National Disability Strategy* and reinforces the Australian Government’s commitment to the United Nations Convention on the Rights of Persons with Disabilities.

Disability reporting is included in the Australian Public Service Commission’s (APSC’s) State of the Service Reports and the APS Statistical Bulletin.

The department included additional agency specific diversity questions in the 2020 APS Census to identify insights and benchmark progress of inclusion within the workplace. These insights are reported to Head of Divisions through regular reports such as People Branch monthly Outreach bulletins. The additional agency specific questions included:

- In my team, employees are comfortable being themselves regardless of age, culture/ethnicity, disability, First Nations background, gender or sexual orientation
- My manager treats everyone fairly, regardless of age, culture/ethnicity, disability, First Nations background, gender or sexual orientation
- My manager values having a diverse and inclusive team
- Senior leaders demonstrate visible commitment to diversity, inclusion and values.

Work health and safety

The department is committed to ensuring the health and wellbeing of all employees and visitors. During 2020–21, we continued to strengthen our work health and safety (WHS) measures by developing and implementing the *Safety, Health and Wellbeing Strategy 2020–2023*. The strategy includes WHS initiatives, projects and measurable targets, and has an increased focus on psychosocial risk.

We extended this commitment to include the provision of a safe workplace during the COVID-19 pandemic, focusing on WHS risk management to ensure staff members are safe, whether they are working at a departmental office or remotely. We encourage staff members to practice good hygiene, to take care of themselves to help stay well, and follow local advice and restrictions around COVID safety.

The department continues to offer a free, comprehensive employee assistance program to staff and their family members and confidential counselling for personal and/or work-related issues. More people have used the program this financial year. This has been attributed to increased communication and promotion of the service and expansion of the family member definition to include access for additional members of an employee's family.

As part of the department's approach to health and wellbeing, we funded the 2020–21 flu vaccination program, with 1,966 staff members receiving a vaccine.

In response to the growing need for psychosocial consideration in the workplace, the department reviewed the Workplace Contact Officer (WCO) role. WCOs are now receiving more mental health first aid training, accidental counsellor training, and training in PRIDE, in diversity, and in Aboriginal and Torres Strait Islander cultural sensitivity.

In 2020–21, 4 incidents were deemed notifiable under section 38 of the *Work Health and Safety Act 2011* (WHS Act) and reported to Comcare. It investigated one incident and issued the department with an improvement notice. The department continues to collaborate with Comcare to address the items in the notice.

The department's 2020–21 Comcare premium rate decreased to 0.39%. The low premium has been attributed to proactive prevention strategies, WHS risk management activities and positive case management outcomes. This ongoing work has reduced injuries and illnesses among staff members and prevented potential compensation claims and loss of productivity. The department continues to support managers and other staff members to enable them to seek treatment for illnesses and injuries, and implements reasonable adjustments where required to support them in the workplace.

The APS Mental Health Capability Project

Over the past 2 years, the department has been leading an APS-wide review of workplace mental health and wellbeing through the APS Mental Health Capability Project.

Over 16,000 APS employees from more than 100 agencies have participated in this project. The review resulted in the development of a whole-of-service approach to building mental health capability via the APS Mental Health Capability Framework. In response to a recommendation arising from the project, the APS Mental Health and Suicide Prevention Unit (the Unit) has been established at the Australian Public Service Commission on 1 June 2021. The Unit is progressing the work initiated under the department led project, including developing implementation resources to support agencies align with a whole of service approach.

Workforce statistics

Whole-of-department, all ongoing employees – (Public Service Act 1999)

Table 10: Department of Industry, Science, Energy and Resources – Public Service Act 1999. All ongoing employees current report period (2020–21)

Location	Male			Female			Indeterminate			Total
	Full-time	Part-time	Total male	Full-time	Part-time	Total female	Full-time	Part-time	Total indeterminate	
NSW	153	3	156	135	19	154	0	0	0	310
Qld	47	2	49	52	9	61	0	0	0	110
SA	38	2	40	33	5	38	0	0	0	78
Tas	17	0	17	13	1	14	1	0	1	32
Vic	128	5	133	108	20	128	1	0	1	262
WA	37	1	38	36	8	44	0	0	0	82
ACT	845	51	896	1033	240	1273	4	0	4	2173
NT	5	0	5	8	2	10	0	0	0	15
External territories	0	0	0	1	0	1	0	0	0	1
Overseas	0	0	0	4	0	4	0	0	0	4
Total	1270	64	1334	1423	304	1727	6	0	6	3067

Table 11: Department of Industry, Science, Energy and Resources – Public Service Act 1999. All non-ongoing employees current report period (2020–21)

Location	Male			Female			Indeterminate			Total
	Full-time	Part-time	Total male	Full-time	Part-time	Total female	Full-time	Part-time	Total indeterminate	
NSW	4	0	4	15	0	15	0	0	0	19
Qld	3	1	4	5	1	6	0	0	0	10
SA	4	0	4	4	2	6	0	0	0	10
Tas	2	0	2	2	0	2	0	0	0	4
Vic	8	0	8	4	0	4	0	0	0	12
WA	0	1	1	4	0	4	0	0	0	5
ACT	48	5	53	63	14	77	0	0	0	130
NT	0	0	0	0	0	0	0	0	0	0
External territories	0	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	0	0	0	0	0	0
Total	69	7	76	97	17	114	0	0	0	190

Note: This table does not include 92 casuals employed by the department at 30 June 2021.

Table 12: Department of Industry, Science, Energy and Resources – Public Service Act 1999. All ongoing employees previous report period (2019–20)

Location	Male			Female			Indeterminate			Total
	Full-time	Part-time	Total male	Full-time	Part-time	Total female	Full-time	Part-time	Total indeterminate	
NSW	151	4	155	131	15	146	0	0	0	301
Qld	40	1	41	37	10	47	0	0	0	88
SA	25	2	27	21	3	24	0	0	0	51
Tas	13	0	13	10	2	12	0	0	0	25
Vic	125	6	131	101	21	122	1	0	1	254
WA	34	2	36	35	8	43	0	0	0	79
ACT	868	66	934	1,080	230	1,310	5	0	5	2,249
NT	5	0	5	8	1	9	0	0	0	14
External territories	0	0	0	0	0	0	0	0	0	0
Overseas	4	0	4	4	0	4	0	0	0	8
Total	1,265	81	1,346	1,427	290	1,717	6	0	6	3,069

Table 13: Department of Industry, Science, Energy and Resources – Public Service Act 1999. All non-ongoing employees previous report period (2019–20)

Location	Male			Female			Indeterminate			Total
	Full-time	Part-time	Total male	Full-time	Part-time	Total female	Full-time	Part-time	Total indeterminate	
NSW	13	1	14	13	1	14	0	0	0	28
Qld	5	0	5	8	0	8	0	0	0	13
SA	5	0	5	3	0	3	0	0	0	8
Tas	3	0	3	4	0	4	0	0	0	7
Vic	14	0	14	8	0	8	0	0	0	22
WA	6	0	6	2	0	2	0	0	0	8
ACT	52	5	57	46	18	64	2	0	2	123
NT	0	0	0	2	0	2	0	0	0	2
External territories	0	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	0	0	0	0	0	0
Total	98	6	104	86	19	105	2	0	2	211

Note: This table does not include 129 casuals employed by the department at 30 June 2021.

APS classification and gender

Table 14: Department of Industry, Science, Energy and Resources – Public Service Act 1999.
Australian Public Service Act ongoing employees current report period (2020–21)

Classification	Male			Female			Indeterminate			Total
	Full-time	Part-time	Total male	Full-time	Part-time	Total female	Full-time	Part-time	Total indeterminate	
SES 3	2	0	2	4	0	4	0	0	0	6
SES 2	12	0	12	18	0	18	0	0	0	30
SES 1	41	1	42	45	4	49	0	0	0	91
EL 2	223	11	234	222	25	247	0	0	0	481
EL 1	401	22	423	443	119	562	2	0	2	987
APS 6	354	16	370	409	104	513	2	0	2	885
APS 5	137	10	147	150	32	182	1	0	1	330
APS 4	57	4	61	86	14	100	0	0	0	161
APS 3	32	0	32	38	3	41	1	0	1	74
APS 2	6	0	6	3	2	5	0	0	0	11
APS 1	5	0	5	5	1	6	0	0	0	11
Other	0	0	0	0	0	0	0	0	0	0
Total	1,270	64	1,334	1,423	304	1,727	6	0	6	3,067

Table 15: Department of Industry, Science, Energy and Resources – Public Service Act 1999.
Australian Public Service Act non-ongoing employees current report period (2020–21).

Classification	Male			Female			Indeterminate			Total
	Full-time	Part-time	Total male	Full-time	Part-time	Total female	Full-time	Part-time	Total indeterminate	
SES 3	0	0	0	0	0	0	0	0	0	0
SES 2	0	0	0	0	0	0	0	0	0	0
SES 1	0	0	0	0	0	0	0	0	0	0
EL 2	3	0	3	2	3	5	0	0	0	8
EL 1	16	3	19	9	2	11	0	0	0	30
APS 6	22	2	24	27	4	31	0	0	0	55
APS 5	8	0	8	20	2	22	0	0	0	30
APS 4	14	1	15	27	2	29	0	0	0	44
APS 3	6	0	6	8	3	11	0	0	0	17
APS 2	0	1	1	0	0	0	0	0	0	1
APS 1	0	0	0	4	1	5	0	0	0	5
Other	0	0	0	0	0	0	0	0	0	0
Total	69	7	76	97	17	114	0	0	0	190

Note: This table does not include 92 casuals employed by the department at 30 June 2021.

Table 16: Department of Industry, Science, Energy and Resources – Public Service Act 1999.
Australian Public Service Act ongoing employees previous report period (2019–20)

Classification	Male			Female			Indeterminate			Total
	Full-time	Part-time	Total male	Full-time	Part-time	Total female	Full-time	Part-time	Total indeterminate	
SES 3	3	0	3	3	0	3	0	0	0	6
SES 2	10	0	10	8	0	8	0	0	0	18
SES 1	27	1	28	35	1	36	0	0	0	64
EL 2	202	10	212	178	14	192	0	0	0	404
EL 1	366	30	396	392	114	506	2	0	2	904
APS 6	370	19	389	425	103	528	3	0	3	920
APS 5	161	11	172	201	37	238	0	0	0	410
APS 4	61	6	67	124	16	140	1	0	1	208
APS 3	49	4	53	50	4	54	0	0	0	107
APS 2	10	0	10	6	1	7	0	0	0	17
APS 1	6	0	6	5	0	5	0	0	0	11
Other	0	0	0	0	0	0	0	0	0	0
Total	1,265	81	1,346	1,427	290	1,717	6	0	6	3,069

Table 17: Department of Industry, Science, Energy and Resources – Public Service Act 1999.
Australian Public Service Act non-ongoing employees previous report period (2019–20)

Classification	Male			Female			Indeterminate			Total
	Full-time	Part-time	Total male	Full-time	Part-time	Total female	Full-time	Part-time	Total indeterminate	
SES 3	0	0	0	0	0	0	0	0	0	0
SES 2	0	0	0	1	0	1	0	0	0	1
SES 1	0	0	0	3	0	3	0	0	0	3
EL 2	6	0	6	1	0	1	0	0	0	7
EL 1	10	0	10	14	4	18	1	0	1	29
APS 6	37	1	38	27	4	31	0	0	0	69
APS 5	14	0	14	14	3	17	1	0	1	32
APS 4	13	2	15	20	1	21	0	0	0	36
APS 3	12	0	12	3	2	5	0	0	0	17
APS 2	2	1	3	1	0	1	0	0	0	4
APS 1	4	2	6	2	5	7	0	0	0	13
Other	0	0	0	0	0	0	0	0	0	0
Total	98	6	104	86	19	105	2	0	2	211

Note: This table does not include 129 casuals employed by the department at 30 June 2020.

Employment type by full-time and part-time status

Table 18: Department of Industry, Science, Energy and Resources – Public Service Act 1999.
Australian Public Service Act employees by full time and part time status current report period (2020–21)

Classification	Ongoing			NonOngoing			Total
	Full-time	Part-time	Total ongoing	Full-time	Part-time	Total non-ongoing	
SES 3	6	0	6	0	0	0	6
SES 2	30	0	30	0	0	0	30
SES 1	86	5	91	0	0	0	91
EL 2	445	36	481	5	3	8	489
EL 1	846	141	987	25	5	30	1,017
APS 6	765	120	885	49	6	55	940
APS 5	288	42	330	28	2	30	360
APS 4	143	18	161	41	3	44	205
APS 3	71	3	74	14	3	17	91
APS 2	9	2	11	0	1	1	12
APS 1	10	1	11	4	1	5	16
Other	0	0	0	0	0	0	0
Total	2,699	368	3,067	166	24	190	3,257

Note: This table does not include 92 casuals employed by the department at 30 June 2021.

Table 19: Department of Industry, Science, Energy and Resources – Public Service Act 1999. Australian Public Service Act employees by full time and part time status previous report Period (2019–20)

Classification	Ongoing			NonOngoing			Total
	Full-time	Part-time	Total ongoing	Full-time	Part-time	Total non-ongoing	
SES 3	6	0	6	0	0	0	6
SES 2	18	0	18	1	0	1	19
SES 1	62	2	64	3	0	3	67
EL 2	380	24	404	7	0	7	411
EL 1	760	144	904	25	4	29	933
APS 6	798	122	920	64	5	69	989
APS 5	362	48	410	29	3	32	442
APS 4	186	22	208	33	3	36	244
APS 3	99	8	107	15	2	17	124
APS 2	16	1	17	3	1	4	21
APS 1	11	0	11	6	7	13	24
Other	0	0	0	0	0	0	0
Total	2,698	371	3,069	186	25	211	3,280

Note: This table does not include 129 casuals employed by the department at 30 June 2020.

Employment type by location

Table 20: Department of Industry, Science, Energy and Resources – Public Service Act 1999. Australian Public Service Act employees by location current report period (2020–21)

Location	Ongoing	Non-ongoing	Total
NSW	310	19	329
Qld	110	10	120
SA	78	10	88
Tas	32	4	36
Vic	262	12	274
WA	82	5	87
ACT	2,173	130	2,303
NT	15	0	15
External territories	1	0	1
Overseas	4	0	4
Total	3,067	190	3,257

Note: This table does not include 92 casuals employed by the department at 30 June 2021.

Table 21: Australian Public Service Act employment type by location previous report period (2019–20)

Location	Ongoing	Non-ongoing	Total
NSW	301	28	329
Qld	88	13	101
SA	51	8	59
Tas	25	7	32
Vic	254	22	276
WA	79	8	87
ACT	2,249	123	2,372
NT	14	2	16
External territories	0	0	0
Overseas	8	0	8
Total	3069	211	3280

Note: this table does not include 129 casuals employed by the department at 30 June 2020.

Indigenous Employment

Table 22: Australian Public Service Act Indigenous employment current report period (2020–21)

	Total
Ongoing	59
Non-Ongoing	3
Total	62

Table 23: Australian Public Service Act Indigenous employment previous report period (2019–20)

	Total
Ongoing	52
Non-Ongoing	6
Total	58

Australian Public Service Act Employment arrangements

Table 24: Australian Public Service Act current report period (2020–21)

	SES	Non-SES	Total
Remuneration Tribunal	0	0	0
Common Law Contact	103	0	103
Individual Flexibility Arrangements	0	238	238
Enterprise Agreement	24	2984	3008
Total	127	3222	3349

Note: The above table includes all employees including casuals. The 24 SES against the Enterprise Agreement arrangement were all in acting arrangements at 30 June 2021.

Salary ranges by classification level

Table 25: Australian Public Service Act Employment salary ranges¹ by classification level (Minimum/Maximum) current report period (2020–21)

Classification	Minimum salary	Maximum salary
SES 3	332,127	390,000
SES 2	260,501	304,868
SES 1	206,324	242,760
EL 2	120,871	202,910
EL 1	101,711	189,750
APS 6	80,305	112,214
APS 5	73,379	86,506
APS 4	65,403	74,970
APS 3	59,025	73,800
APS 2	54,074	61,465
APS 1	44,231	53,425
Other	-	-
Minimum/maximum range	44,231	390,000

¹ The department also provides staff members with non-salary benefits that are not included under the provisions of the enterprise agreement and SES common law contracts, such as:

- Access to childcare centres (for those based in Canberra)
- Annual influenza immunisation
- Contributions to relevant professional memberships
- Internal and external mobility/secondment opportunities
- In-house capability development programs
- A return-to-work program for non-compensable injuries and illness.

Performance pay by classification level

Table 26: Australian Public Service Act employment performance pay by classification level current report period (2020–21)

Classification	Number of employees receiving performance pay	Aggregated (sum total) of all payments made	Average of all payments made	Minimum Payment Made to employees	Maximum Payment made to employees
SES 3	0	0	0	0	0
SES 2	0	0	0	0	0
SES 1	0	0	0	0	0
EL 2	0	0	0	0	0
EL 1	0	0	0	0	0
APS 6	0	0	0	0	0
APS 5	0	0	0	0	0
APS 4	0	0	0	0	0
APS 3	0	0	0	0	0
APS 2	0	0	0	0	0
APS 1	0	0	0	0	0
Other	0	0	0	0	0
Total	0	0	0	0	0

Executive remuneration

Introduction

The categories of officials covered by the executive remuneration disclosure are:

- key management personnel
- senior executives
- other highly paid staff members, whose total remuneration exceeds the threshold remuneration amount for the 2020–21 reporting period, being \$225,000.

Secretary and office holders

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

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

Senior Executive Service employees

Remuneration for the department's Senior Executive Service (SES) employees is governed by the APS *Executive Remuneration Management Policy*, the government's *Public Sector Workplace Relations Policy 2020* and the department's *SES Remuneration and Performance Framework*. The framework outlines the department's expectations for senior leadership and links this to an annual performance review, with potential pay-related outcomes.

The SES terms and conditions of employment are administered through individual common law contracts.

The department's Leadership Council (a sub-committee of the Executive Board) oversees SES remuneration, performance and development.

Other highly paid staff members

Other highly paid staff members are covered by the *Department of Industry, Innovation and Science Enterprise Agreement 2019-2022*. Typically, other highly paid staff members are covered by Individual Flexibility Arrangements to secure expertise or specialist skills that are critical to business needs, which are reviewed annually. The department does not enter into any performance bonus payments as part of these arrangements.

Table 27: Total remuneration of key management personnel, 2020-21

Key management personnel remuneration	
Short-term benefits:	
Base salary	2,561,441.00
Bonus	-
Other benefits and allowances	16,618.00
Total short-term employee benefits	2,578,059.00
Superannuation	452,063.00
Post-employment benefits – superannuation	452,063.00
Other long-term employee benefits	
Long service leave	45,793.00
Total other long-term employee benefits	45,793.00
Termination benefits	-
Total key management personnel remuneration	3,075,915.00

Table 28: Department of Industry, Science, Energy and Resources – Information about remuneration for key management personnel 2020–21

Name	Position title	Short term benefits (\$)			Other benefits and allowances	Post-employment benefits (\$)		Other long-term benefits (\$)		Termination benefits (\$)	Total Remuneration (\$)
		Base salary	Bonuses			Superannuation	Long service leave	Other			
David Fredericks	Secretary	696,997	-	2,713	100,834	17,218	-	-	-	817,762	
Elizabeth Kelly ¹	Deputy Secretary	303,847	-	2,081	53,382	871	-	-	-	360,181	
Luise McCulloch ²	Deputy Secretary	311,517	-	2,133	60,294	7,304	-	-	-	381,248	
David Williamson	Deputy Secretary	385,354	-	2,713	73,483	6,561	-	-	-	468,111	
Joanne Evans	Deputy Secretary	319,915	-	2,713	73,116	930	-	-	-	396,674	
Sean Sullivan	Deputy Secretary	356,481	-	2,713	61,510	8,303	-	-	-	429,007	
Mary Wiley-Smith ³	Deputy Secretary	64,962	-	438	10,818	1,527	-	-	-	77,745	
Janean Richards ⁴	Chief Operating Officer	122,368	-	1,114	18,626	3,079	-	-	-	145,187	

1 Part year, 1 July 2020 to 6 April 2021

2 Part year, 17 September 2020 to 30 June 2021

3 Part year, 3 May 2021 to 30 June 2021

4 Part year, 1 July 2020 to 27 November 2020 (Chief Operating Officer role ceased to be key management personnel)

Table 29: Department of Industry, Science, Energy and Resources – Information about remuneration for senior executives, 2020–21

Total remuneration bands	Number of senior executives	Shortterm benefits			Postemployment benefits			Other longterm benefits			Termination benefits	Total remuneration
		Average base salary	Average bonuses	Average other benefits and allowances	Average superannuation contributions	Average long service leave	Average other longterm benefits	Average termination benefits				
\$0–\$220,000	27	106,767	-	2,249	18,681	3,193	-	1,909	132,799			
\$220,001–\$245,000	9	175,058	-	1,808	33,907	5,349	-	20,269	236,391			
\$245,001–\$270,000	26	212,148	-	2,559	33,686	7,303	-	-	255,696			
\$270,001–\$295,000	23	219,843	-	2,611	39,265	8,576	-	10,145	280,440			
\$295,001–\$320,000	13	254,488	-	5,529	44,594	5,476	-	-	310,087			
\$320,001–\$345,000	8	267,528	-	7,581	46,088	11,549	-	-	332,746			
\$345,001–\$370,000	5	276,275	-	16,948	53,984	6,670	-	-	353,877			

Table 30: Department of Industry, Science, Energy and Resources – Information about remuneration for other highly paid staff 2020–21

Total remuneration bands	Number of Other highly Paid staff	Shortterm benefits			Postemployment benefits			Other longterm benefits			Termination benefits	Total remuneration
		Average base salary	Average bonuses	Average other benefits and allowances	Average superannuation contributions	Average long service leave	Average other longterm benefits	Average termination benefits				
\$230,001–\$245,000	6	197,313	-	1,879	34,351	4,353	-	-	237,896			
\$245,001–\$270,000	3	211,065	-	904	35,822	4,440	-	-	252,231			
\$270,001–\$295,000	1	129,680	-	12,685	18,713	2,630	-	127,770	291,478			

Financial management

Entity resource statement 2020-21

	Actual available appropriations for 2020-21 \$'000	Payments made 2020-21 \$'000	Balance remaining 2020-21 \$'000
Departmental			
Annual appropriations - ordinary annual services			
Prior year appropriation available	100,608	97,669	2,939
Departmental appropriation ¹	637,961	527,663	110,298
PGPA Act - Section 75 transfers	(1,771)	-	(1,771)
PGPA Act - Section 74 receipts ²	75,883	75,883	-
Annual appropriations - other services - non operating			
Prior year appropriation available	7,452	6,725	727
Equity Injections	15,121	2,348	12,773
PGPA Act - Section 75 transfers	(237)	-	(237)
Total departmental annual appropriations	835,017	710,288	124,729
Special accounts ³			
Opening balance	27,400		
Appropriation receipts	11,322		
Non appropriation receipts	15,062		
Payments made		26,968	-
Closing balance			26,816
Total special accounts	53,784	26,968	26,816
Total departmental resourcing	888,801	737,256	151,545
Administered			
Annual appropriations - ordinary annual services			
Administered appropriation	1,121,638	765,325	
PGPA Act - Section 75 transfers	(4,762)	-	
PGPA Act - Section 74 receipts ⁴	5,121	5,121	
Payments to corporate entities	1,321,816	1,321,837	
Annual appropriations - other services - non operating			
Administered Assets and Liabilities	896,754	673,931	
Payments to corporate entities - non-operating	74,812	36,895	
Total administered annual appropriations	3,415,379	2,803,109	-
Total administered special appropriations	-	472,438	

	Actual available appropriations for 2020–21 \$'000	Payments made 2020–21 \$'000	Balance remaining 2020–21 \$'000
Special Accounts			
Opening balance	5,966,292		
Non appropriation receipts	371,005		
Payments made		613,188	
Closing balance			5,724,109
Total special accounts	6,337,297	613,188	5,724,109
<i>Total administered resourcing</i>	<i>9,752,676</i>	<i>3,888,735</i>	<i>5,724,109</i>
Total resourcing for the entity⁵	10,641,477	4,625,991	5,875,654

1. Departmental capital budgets are not separately identified in appropriation Bill (No.1) and form part of ordinary annual services. For accounting purposes, this amount has been designated as 'contribution by owner'.
2. External revenue receipts under section 74 of the PGPA Act.
3. Excludes trust moneys held in Innovation, Science and Technology – Donations, Bequests and Sponsorship Special Account.
4. Section 74 of the PGPA Act and Section 27 of the PGPA Rule allow for repayments to be credited to the same appropriation item from which the original payment was made (provided the appropriation has not lapsed).
5. Total resourcing excludes the actual available appropriation for all Special Appropriations.

Expenses by outcome

Expenses for Outcome 1, 2020–21

Outcome 1: Enabling growth and productivity for globally competitive industries through supporting science and commercialisation, growing business investment and improving business capability and streamlining regulation	Budget* 2020–21 \$'000 (a)	Actual expenses 2020–21 \$'000 (b)	Variation 2020–21 \$'000 (a) - (b)
Program 1.1: Investing in science, technology and commercialisation			
Administered expenses			
Ordinary annual services (Appropriation Act No. 1,3)	293,573	284,595	8,978
Expenses not requiring appropriation in the Budget year ¹	298	356	(58)
Administered total	293,871	284,951	8,920
Departmental expenses			
Departmental appropriation	144,774	139,812	4,962
s74 External Revenue ²	42,740	38,694	4,046
Special accounts	746	4,463	(3,717)
Expenses not requiring appropriation in the Budget year ¹	15,473	14,453	1,020
Departmental total	203,733	197,422	6,312
Total expenses for Program 1.1	497,604	482,373	15,231
Program 1.2: Growing innovative and competitive businesses, industries and regions			
Administered expenses			
Ordinary annual services (Appropriation Act No. 1,3)	363,311	283,647	79,664
Special accounts	435	435	0
Special appropriations	20,187	17,673	2,514
Expenses not requiring appropriation in the Budget year ¹	1	31	(30)
Administered total	383,934	301,786	82,148
Departmental expenses			
Departmental appropriation	216,532	209,111	7,421
s74 External Revenue ²	35,487	32,127	3,360
Special accounts	6,273	10,661	(4,388)
Expenses not requiring appropriation in the Budget year ¹	21,087	19,696	1,391
Departmental total	279,379	271,596	7,783
Total for Program 1.2	663,313	573,382	89,932

Outcome 1: Enabling growth and productivity for globally competitive industries through supporting science and commercialisation, growing business investment and improving business capability and streamlining regulation	Budget* 2020-21 \$'000 (a)	Actual expenses 2020-21 \$'000 (b)	Variation 2020-21 \$'000 (a) - (b)
Program 1.3: Supporting a strong resources sector			
Administered expenses			
Ordinary annual services (Appropriation Act No. 1,3)	72,243	127,497	(55,254)
Special accounts	14,345	13,626	719
Special appropriations	60	0	60
Expenses not requiring appropriation in the Budget year ¹	581,031	2,751	578,280
Administered total	667,679	143,874	523,805
Departmental expenses			
Departmental appropriation	38,520	37,200	1,320
s74 External Revenue ²	7	6	1
Expenses not requiring appropriation in the Budget year ¹	3,146	2,939	207
Departmental total	41,673	40,145	1,528
Total for Program 1.3	709,352	184,019	525,333
Program 1.4: Growing a stronger Northern Australian economy			
Administered expenses			
Expenses not requiring appropriation in the Budget year ¹	660,987	285,786	375,201
Administered total	660,987	285,786	375,201
Departmental expenses			
Departmental appropriation	30,580	29,532	1,048
s74 External Revenue ²	4	4	0
Expenses not requiring appropriation in the Budget year ¹	2,497	2,332	165
Departmental total	33,081	31,868	1,213
Total for Program 1.4	694,068	317,654	376,414
Outcome 1 totals by appropriation type			
Administered expenses			
Ordinary annual services (Appropriation Act No. 1,3)	729,127	695,739	33,388
Special accounts	14,780	14,061	719
Special appropriations	20,247	17,673	2,574

Outcome 1: Enabling growth and productivity for globally competitive industries through supporting science and commercialisation, growing business investment and improving business capability and streamlining regulation	Budget* 2020–21 \$'000 (a)	Actual expenses 2020–21 \$'000 (b)	Variation 2020–21 \$'000 (a) - (b)
Expenses not requiring appropriation in the Budget year ¹	1,242,317	288,925	953,392
Payments to corporate entities	1,332,691	1,339,544	(6,853)
Administered total	3,339,162	2,355,942	983,220
Departmental expenses			
Departmental appropriation	430,408	415,655	14,753
s74 External Revenue ²	78,238	70,831	7,407
Special accounts	7,019	15,124	(8,105)
Expenses not requiring appropriation in the Budget year ¹	42,201	39,420	2,781
Departmental total	557,866	541,030	16,836
Total expenses for Outcome 1	3,897,028	2,896,973	1,000,056
<hr/>			
	2020–21	2020–21	
Average staffing level (number)	2,543	2,549	

Expenses for Outcome 2, 2020–21

Outcome 2: Reduce Australia's greenhouse gas emissions, contribute to effective global action on climate change, and support technological innovation in clean and renewable energy, through developing and implementing a national response to climate change	Budget* 2020–21 \$'000 (a)	Actual expenses 2020–21 \$'000 (b)	Variation 2020–21 \$'000 (a) - (b)
Program 2.1: Reducing Australia's Greenhouse Gas Emissions			
Administered expenses			
Ordinary annual services (Appropriation Act No. 1,3)	13,623	8,023	5,600
Administered total	13,623	8,023	5,600
Departmental expenses			
Departmental appropriation	56,205	54,279	1,926
s74 External Revenue ²	5,580	5,052	528
Departmental total	61,785	59,330	2,454
Total expenses for Program 2.1	75,408	67,353	8,054
Program 2.2: Developing clean energy technology			
Administered expenses			
Payments to corporate entities	231,805	231,805	0
Administered total	231,805	231,805	0

Outcome 2: Reduce Australia's greenhouse gas emissions, contribute to effective global action on climate change, and support technological innovation in clean and renewable energy, through developing and implementing a national response to climate change	Budget* 2020-21 \$'000 (a)	Actual expenses 2020-21 \$'000 (b)	Variation 2020-21 \$'000 (a) - (b)
Departmental expenses			
Departmental appropriation	5,665	5,471	194
Departmental total	5,665	5,471	194
Total for Program 2.2	237,470	237,276	194
Outcome 2 totals by appropriation type			
Administered expenses			
Ordinary annual services (Appropriation Act No. 1,3)	13,623	8,023	5,600
Payments to corporate entities	231,805	231,805	0
Administered total	245,428	239,828	5,600
Departmental expenses			
Departmental appropriation	61,870	59,750	2,120
s74 External Revenue ²	5,580	5,052	528
Departmental total	67,450	64,801	2,648
Total expenses for Outcome 2	312,878	304,629	8,248
<hr/>			
Average staffing level (number)	2020-21	2020-21	
	219	217	

Expenses for Outcome 3, 2020–21

Outcome 3: Support the affordable, reliable, secure and competitive operation of energy markets for the long term benefit of the Australian community through improving Australia's energy supply, efficiency, quality, performance and productivity	Budget* 2020–21 \$'000 (a)	Actual expenses 2020–21 \$'000 (b)	Variation 2020–21 \$'000 (a) - (b)
Program 3.1: Supporting reliable, secure and affordable energy			
Administered expenses			
Ordinary annual services (Appropriation Act No. 1,3)	125,706	99,003	26,703
Expenses not requiring appropriation in the Budget year ¹	0	341	(341)
Administered total	125,706	99,344	26,362
Departmental expenses			
Departmental appropriation	94,456	91,219	3,237
Special accounts	10,631	11,424	(793)
Departmental total	105,087	102,643	2,444
Total expenses for Program 3.1	230,793	201,987	28,806
Outcome 3 totals by appropriation type			
Administered expenses			
Ordinary annual services (Appropriation Act No. 1,3)	125,706	99,003	26,703
Expenses not requiring appropriation in the Budget year ¹	0	341	(341)
Administered total	125,706	99,344	26,362
Departmental expenses			
Departmental appropriation	94,456	91,219	3,237
Special accounts	10,631	11,424	(793)
Departmental total	105,087	102,643	2,444
Total expenses for Outcome 3	230,793	201,987	28,806
<hr/>			
Average staffing level (number)	2020–21 275	2020–21 274	

Expenses for Outcome 4, 2020-21

Outcome 4: Facilitating the growth of small and family business	Budget* 2020-21 \$'000 (a)	Actual Expenses 2020-21 \$'000 (b)	Variation 2020-21 \$'000 (a) - (b)
Program 4.1: Supporting Small Business			
Administered expenses			
Ordinary annual services (Appropriation Act No. 1,3)	27,701	21,872	5,829
Expenses not requiring appropriation in the Budget year ³	4,000	3,935	65
Administered total	31,701	25,807	5,894
Departmental expenses			
Departmental appropriation	19,566	18,895	671
Departmental total	19,566	18,895	671
Total expenses for Program 4.1	51,267	44,702	6,565
Outcome 4 totals by appropriation type			
Administered expenses			
Ordinary annual services (Appropriation Act No. 1,3)	27,701	21,872	5,829
Expenses not requiring appropriation in the Budget year ³	4,000	3,935	65
Administered total	31,701	25,807	5,894
Departmental expenses			
Departmental appropriation	19,566	18,895	671
Departmental total	19,566	18,895	671
Total expenses for Outcome 4	51,267	44,702	6,565
<hr/>			
	2020-21	2020-21	
Average staffing level (number)	69	70	

*The budget figures are the estimated actuals in the 2021-22 Portfolio Budget Statements.

1. Expenses not requiring appropriation in the Budget year largely relate to depreciation and amortisation expenses, concessional loan discount expenses, bad and doubtful debts, and audit fees.
2. Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act 2013.
3. Expenses not requiring appropriation in the Budget year reflect expenses funded by appropriations in the previous budget years under ordinary annual services (Appropriation Act No. 1).

Purchasing

The department's Accountable Authority Instructions and internal policies set out the process to procure goods and services in line with the Commonwealth Procurement Rules—14 December 2020 and the enhanced Commonwealth performance framework.

Value for money is the core principle of the Commonwealth Procurement Rules. The department's internal policies support its employees to undertake procurement activities to meet these requirements.

In accordance with the Commonwealth Procurement Rules, the department published its Annual Procurement Plan on AusTender to give prospective suppliers the opportunity to prepare for potential work with the department.

The department supports small business participation in the Australian Government procurement market. Participation statistics for SMEs are available on the Department of Finance's website (www.finance.gov.au).

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

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

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

The department supports the Indigenous Procurement Policy and has met its purchasing target set by the government to ensure that opportunities for Indigenous employment and business continue to grow.

Contracts

During 2020–21, the Accountable Authority exempted contracts with a total value of \$21,738,257 spanning multiple years from being published on AusTender.

All contracts valued at \$100,000 or more (GST inclusive) let during 2020–21 allowed for the Auditor-General to have access to the contractor's premises.

Table 31: Expenditure on reportable non-consultancy contracts, 2020–21

Reportable non-consultancy contracts 2020–21	Number	Expenditure
New contracts entered into during the reporting period	1,364	\$201,338,060
Ongoing contracts entered into during a previous reporting period	1,120	\$263,168,853
Total	2,484	\$464,506,913

Table 32: Organisations receiving a share of reportable non-consultancy contract expenditure 2020–21

Organisations receiving a share of reportable non-consultancy contract expenditure 2020–21	Expenditure
Upstream Production Solutions	\$90,839,353
Jones Lang LaSalle	\$15,991,192
NSW Business Chamber Ltd	\$14,591,894
European Southern Observatory	\$13,015,142
Hays Specialist Recruitment	\$12,826,395

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

Consultants

Table 33: Expenditure on reportable consultancy contracts, 2020–21

Number of, and expenditure on, reportable consultancy contracts 2020–21	Number	Expenditure
New contracts entered into during the reporting period	257	\$27,416,213
Ongoing contracts entered into during a previous reporting period	100	\$10,633,036
Total	357	\$38,049,249

Table 34: Organisations receiving the most reportable consultancy contract expenditure, 2020–21

Organisations receiving the most reportable consultancy contract expenditure 2020–21	Expenditure
The Boston Consulting Group Pty Ltd	\$7,048,500
McKinsey and Company	\$5,281,650
Clayton Utz	\$2,661,099
CSIRO	\$2,502,762
Deloitte	\$1,560,790

During 2020–21, 257 new reportable consultancy contracts were entered into involving total actual expenditure of \$27.4 million. In addition, 100 ongoing reportable consultancy contracts were active during the period, involving total actual expenditure of \$10.6 million.

The department engages individuals and companies to provide professional services under contracts for service, taking into account the skills and resources required for the task, the skills available internally, and cost-effectiveness. Consultants are typically engaged to investigate or diagnose a defined issue or problem; carry out defined reviews or evaluations; or provide independent advice, information or creative solutions to assist in the department's decision-making. Examples include the provision of complex legal advice; the engagement of technical experts to assist with awarding technical research grants; and independent evaluations to determine the effectiveness of the department's programs.

The decision to engage a consultant is made in accordance with the *Public Governance, Performance and Accountability Act 2013* and relevant policies, including the Commonwealth Procurement Rules and the department's Accountable Authority Instructions.

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

Grant programs

Information about grants awarded by the department during 2020-21 is available on GrantConnect.

Case study: Entrepreneurs' Programme supporting women in STEM

Two of the services offered under the AusIndustry Entrepreneurs' Programme are the Growth Roadmap and Accelerating Commercialisation.

The Growth Roadmap matches a business in (or supporting) a growth sector to an independent facilitator, who provides guidance and mentorship to help the business improve its practices, become more competitive, and take advantage of growth opportunities.

Accelerating Commercialisation provides expert guidance and connections to help a business or researcher to commercialise their novel product, process or service. With support from a facilitator, the highly competitive grant process puts each project through an independent, merit-based assessment for up to \$1 million in matched funding (the business must contribute an equal amount to the project).

Equatorial Launch Australia

The commercial space sector is estimated to be worth \$1 trillion by 2040. By establishing Equatorial Launch Australia's (ELA) spaceport in Arnhem Land, Australia will be well positioned to build its sovereign capabilities through rapid and efficient access to space.

ELA used the Growth Roadmap service to navigate the regulatory and other processes required to take their project from design to construction.

Having worked extensively in outback regions, ELA Chief Executive Officer, Carley Scott, understands the critical role Traditional Owners play in ELA's vision. In 2019, ELA Founder and Chair, Scott Willis, signed a 40-year agreement with the Gumatj people to develop 3 launch pads on the 60-hectare site.

With AusIndustry's help, ELA will work with NASA to launch 3 rockets and payloads from its new base next year.

Canaria's predictive biometrics device

Canaria Technologies' Co-founder and Chair, Alex Moss, was inspired by space technology to create wearable health-tech devices for high-risk workplaces. Canaria's wireless earpiece monitors vital signs using the same technology found in intensive care units. This allows workers in high-risk workplaces, such as on construction sites or in trucking or heavy industries, to be monitored for workplace health concerns, such as cognitive fatigue or heat stress, without using bulky equipment.

In 2020, Canaria won a \$750,000 Accelerating Commercialisation grant to expand into the global market. AusIndustry also connected Canaria with its manufacturing partner, Elexon Electronics, to commercially manufacture the wireless earpiece in Australia.

Canaria is now up to its fifth generation of the wireless earpiece, which is worn discreetly behind the ear.

Advertising and market research

During 2020–21, the department did not conduct any advertising campaigns.

Table 35 sets out GST-inclusive payments that the department made to external organisations for advertising and market research services in 2020–21. This relates to non-campaign advertising and market research services, as well as preparations for future advertising campaigns. Payments of \$14,000 or less (GST inclusive) are not reported.

Table 35: Payments for advertising and market research, 2020–21

Name of recipient	Services	Total
Advertising agencies		
Nil		
Direct mail		
Nil		
Market research		
CHLOE NADINE WALKER	Provision of content for the Australian Space Discovery Centre Careers & Information Hub	\$20,200.00
Nation Creative Pty Ltd	Market Research and Strategic Brand Research services to the Australian Radioactive Waste Agency (ARWA)	\$47,076.70
The Trustee for ESSENCE COMMUNICATIONS TRUST	Research to measure Climate Active brand and trademark awareness, understanding, perceptions of businesses among both consumers and businesses	\$32,734.65
The trustee for The Market Intelligence Co.	Market research on the pace heater purchasing landscape to inform communications	\$37,400.00
Whereto Research Based Consulting Pty Ltd	Market research on the Entrepreneurs' Programme and AusIndustry brand	\$70,500.00
Media advertising		
Australian Public Service Commission	2020–21 Public Service Gazette	\$30,563.00
Mediabrand Australia Pty Ltd	Recruitment – Anti Dumping Commissioner	\$16,517.88
Mediabrand Australia Pty Ltd	Executive recruitment	\$56,607.64
Mediabrand Australia Pty Ltd	Development of media strategy and advertising for the Business Research and Innovation Initiative (BRII) challenge	\$39,999.96
Mediabrand Australia Pty Ltd	Promotion of Entrepreneur's Programme	\$41,283.77
Mediabrand Australia Pty Ltd	Paid media to promote Design For Place resources and increase uptake of energy efficient, low energy house plans	\$32,999.99
Mediabrand Australia Pty Ltd	Advertising for Biomedical Translation Fund	\$15,152.17
Mediabrand Australia Pty Ltd	Advertising for AusIndustry	\$43,938.56
Mediabrand Australia Pty Ltd	Promotion of the Boosting Female Founders Initiative (Round 2)	\$45,412.81
Mediabrand Australia Pty Ltd	Advertising to promote the new Australian Space Discovery Centre	\$90,450.81
Polling organisations		
Nil		



CHAPTER 4

DEPARTMENTAL FINANCIAL STATEMENTS



INDEPENDENT AUDITOR'S REPORT

To the Minister for Industry, Science and Technology

To the Minister for Energy and Emissions Reduction

To the Minister for Resources and Water

Opinion

In my opinion, the financial statements of the Department of Industry, Science, Energy and Resources (the Entity) for the year ended 30 June 2021:

- (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Entity as at 30 June 2021 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following as at 30 June 2021 and for the year then ended:

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

Basis for opinion

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

Key audit matters

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

Key audit matter	How the audit addressed the matter
<p data-bbox="204 276 665 333">Completeness and accuracy of royalty revenue</p> <p data-bbox="204 342 665 399"><i>Refer Administered Schedule of Comprehensive Income, Non-taxation revenue - Royalties</i></p> <p data-bbox="204 409 665 485">I focused on this balance given the significant value of royalty revenue recognised by the Entity and the complexities associated with its administration.</p> <p data-bbox="204 495 665 723">The collection of royalties is reliant on data reporting and administrative functions performed by third parties, including State and foreign governments and other federal government agencies. The royalty calculations are also dependent on information provided by taxpayers in a self-assessment regime. This reliance on information sourced from third parties increases the risk that royalty revenue reported may be incomplete or inaccurate.</p> <p data-bbox="204 733 665 866">The effectiveness of the Entity's assurance framework over the collection and administration of royalties implemented in 2020–21 is important to reduce the risk of recording incomplete or inaccurate revenue.</p> <p data-bbox="204 875 665 932">For the year ended 30 June 2021, the Entity reported royalty revenue of \$633.2 million.</p>	<p data-bbox="665 276 1128 333">The audit procedures I undertook to address the matter included:</p> <ul data-bbox="665 342 1128 959" style="list-style-type: none"> <li data-bbox="665 342 1128 504">• assessing the effectiveness of the Entity's framework for assuring the completeness of North West Shelf royalty revenue collections, activities relating to the collection of Joint Petroleum Development Area and the Ranger Uranium Mine royalties; <li data-bbox="665 514 1128 590">• testing, on a sample basis, a selection of key activities undertaken by the Entity to assure the completeness and accuracy of royalty revenue; <li data-bbox="665 599 1128 733">• examining, on a sample basis, records generated by third parties substantiating the size and value of royalty-incurring transactions to assess the accuracy of royalty revenue recognised for 2020–21; <li data-bbox="665 742 1128 847">• assessing the completeness of royalty revenue by examining large royalties payments received after 30 June 2021 in order to identify any unrecorded royalty revenue; and <li data-bbox="665 856 1128 959">• assessing the reasonableness of royalty revenue by analysing the relationship between production and commodity prices and the amount of revenue recognised.

Key audit matter	How the audit addressed the matter
<p data-bbox="204 1009 665 1037">Valuation of Snowy Hydro Limited</p> <p data-bbox="204 1047 665 1075"><i>Refer to Note 4.1B: Other Investments</i></p> <p data-bbox="204 1085 665 1170">I focused on this area due to the size of the balance and the judgement involved in determining the fair value of the Snowy Hydro Limited investment asset.</p> <p data-bbox="204 1180 665 1380">The fair value of this asset has been determined on an income basis, specifically the Discounted Cash Flow approach. This involves the estimation of future revenue and earnings, significant capital expenditure, and the application of an appropriate discount rate and terminal value. Determining these assumptions involves a high level of judgement and estimation.</p> <p data-bbox="204 1389 665 1418">The balance at 30 June 2021 was \$11,000 million.</p>	<p data-bbox="665 1009 1128 1066">The audit procedures I undertook to address the matter included:</p> <ul data-bbox="665 1075 1128 1498" style="list-style-type: none"> <li data-bbox="665 1075 1128 1285">• assessing the appropriateness of the valuation methodology and the underlying assumptions and inputs used in the valuation, including the cash flow forecasts and discount rate. This involved testing of the consistency of amounts recognised in the valuation model against estimates and publications produced by Snowy Hydro Limited; <li data-bbox="665 1294 1128 1399">• comparing key inputs including cost of capital, capitalisation multiples and terminal growth rates used in the valuation model against comparable external data where available; and <li data-bbox="665 1408 1128 1498">• considering the sensitivity of the valuation methodology by adjusting key assumptions for reasonably foreseeable alternate scenarios.

Accountable Authority's responsibility for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Australian National Audit Office

A handwritten signature in black ink, appearing to read 'L Skipper', written in a cursive style.

Lorena Skipper

Executive Director

Delegate of the Auditor-General

Canberra

31 August 2021

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

In our opinion, the attached financial statements for the year ended 30 June 2021 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

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

Signed.....

David Fredetjcks
Secretary

31 August 2021

Signed.....

Robert Hanlon
Chief Finance Officer

31 August 2021

Department of Industry, Science, Energy and Resources
Statement of Comprehensive Income
for the year ended 30 June 2021

	Notes	2021 \$'000	2020 \$'000	Original Budget \$'000
NET COST OF SERVICES				
Expenses				
Employee benefits	1.1A	397,099	345,646	370,404
Suppliers	1.1B	243,569	196,093	284,506
Grants	1.1C	8,049	8,591	6,937
Depreciation and amortisation	3.2A	73,261	65,155	67,766
Finance costs	1.1D	3,736	3,822	3,714
Impairment loss on financial instruments		37	2,735	-
Write-down and impairment of other assets	1.1E	976	2,043	-
Foreign exchange losses		-	7	-
Audit fees		643	619	140
Total expenses		727,370	624,711	733,467
Own-Source Income				
Own-source revenue				
Revenue from contracts with customers	1.2A	78,174	87,135	83,927
Interest		1	8	-
Rental income	1.2B	1,662	1,620	-
Other revenue	1.2C	12,427	16,117	7,170
Total own-source revenue		92,264	104,880	91,097
Gains				
Gains from sale of assets		25	72	-
Foreign exchange gains		6	-	-
Reversals of previous asset write-downs and impairments		1	80	-
Other gains	1.2D	2	23	833
Total gains		34	175	833
Total own-source income		92,298	105,055	91,930
Net cost of services		(635,072)	(519,656)	(641,537)
Revenue from Government	1.2E	602,965	473,990	592,928
Deficit		(32,107)	(45,666)	(48,609)
OTHER COMPREHENSIVE INCOME				
Items not subject to subsequent reclassification to net cost of services				
Changes in asset revaluation reserve		629	8,600	-
Total other comprehensive income/ (loss)		629	8,600	-
Total comprehensive loss		(31,478)	(37,066)	(48,609)

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

Department of Industry, Science, Energy and Resources
Statement of Financial Position
as at 30 June 2021

	Notes	2021 \$'000	2020 \$'000	Original Budget \$'000
ASSETS				
Financial assets				
Cash and cash equivalents	3.1A	28,603	33,374	26,801
Trade and other receivables	3.1B	158,607	135,630	123,263
Accrued revenue		178	241	241
Total financial assets		187,388	169,245	150,305
Non-financial assets¹				
Land and buildings	3.2A	379,550	416,522	383,077
Infrastructure, plant and equipment	3.2A	22,866	27,950	24,796
Laboratory equipment	3.2A	24,216	23,474	26,260
Intangibles	3.2A	71,199	62,254	74,849
Inventories		2,119	2,179	2,179
Prepayments		8,169	5,263	5,263
Total non-financial assets		508,119	537,642	516,424
Total assets		695,507	706,887	666,729
LIABILITIES				
Payables				
Suppliers	3.3A	56,070	46,598	30,537
Grants		695	587	587
Other payables	3.3B	11,661	9,142	25,203
Total payables		68,426	56,327	56,327
Interest bearing liabilities				
Leases	3.4A	284,512	316,702	285,713
Total interest bearing liabilities		284,512	316,702	285,713
Provisions				
Employee provisions	6.1A	127,636	128,709	128,709
Other provisions	3.5A	2,941	3,040	3,040
Total provisions		130,577	131,749	131,749
Total liabilities		483,515	504,778	473,789
Net assets		211,992	202,109	192,940
EQUITY				
Contributed equity		604,679	563,318	602,758
Asset revaluation reserve		20,433	19,804	19,804
Accumulated deficit		(413,120)	(381,013)	(429,622)
Total equity		211,992	202,109	192,940

1. Right-of-use assets are included in Land and Buildings, Infrastructure, Plant and Equipment and Laboratory Equipment.

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

Department of Industry, Science, Energy and Resources
Statement of Changes in Equity
for the year ended 30 June 2021

	2021	2020	Original Budget
	\$'000	\$'000	\$'000
RETAINED EARNINGS			
Opening balance			
Balance carried forward from previous period	(381,013)	(363,934)	(381,013)
Adjustment on initial application of AASB 16	-	28,587	-
Adjusted opening balance	(381,013)	(335,347)	(381,013)
Comprehensive income			
Deficit for the year	(32,107)	(45,666)	(48,609)
Total comprehensive income	(32,107)	(45,666)	(48,609)
Closing balance as at 30 June	(413,120)	(381,013)	(429,622)
ASSET REVALUATION RESERVE			
Opening balance			
Balance carried forward from previous period	19,804	11,204	19,804
Opening balance	19,804	11,204	19,804
Comprehensive income			
Other comprehensive income	629	8,600	-
Total comprehensive income	629	8,600	-
Closing balance as at 30 June	20,433	19,804	19,804
CONTRIBUTED EQUITY			
Opening balance			
Balance carried forward from previous period	563,318	535,300	563,318
Opening balance	563,318	535,300	563,318
Transactions with owners			
Distribution to owners			
Restructuring ¹	490	-	-
Appropriation (equity returns) ²	(3,132)	-	-
Contributions by owners			
Equity injection - Appropriations	14,884	2,796	10,321
Departmental capital budget (DCB)	29,119	29,053	29,119
Restructuring	-	(3,831)	-
Total transactions with owners	41,361	28,018	39,440
Closing balance as at 30 June	604,679	563,318	602,758

1. Refer to Note 8.3A Departmental Restructuring.

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

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

Department of Industry, Science, Energy and Resources
Statement of Changes in Equity
for the year ended 30 June 2021

	2021	2020	Original Budget
	\$'000	\$'000	\$'000
TOTAL EQUITY			
Opening balance			
Balance carried forward from previous period	202,109	182,570	202,109
Adjustment on initial application of AASB 16	-	28,587	-
Adjusted opening balance	202,109	211,157	202,109
Comprehensive income			
Deficit for the year	(32,107)	(45,666)	(48,609)
Other comprehensive income	629	8,600	-
Total comprehensive income	(31,478)	(37,066)	(48,609)
Transactions with owners			
Distribution to owners			
Restructuring	490	-	-
Appropriation (equity returns)	(3,132)	-	-
Contributions by owners			
Equity injection - Appropriations	14,884	2,796	10,321
Departmental capital budget (DCB)	29,119	29,053	29,119
Restructuring	-	(3,831)	-
Total transactions with owners	41,361	28,018	39,440
Closing balance as at 30 June	211,992	202,109	192,940

Accounting Policy

Equity Injections

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

Restructuring of Administrative Arrangements

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

Other Distributions to Owners

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

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

Department of Industry, Science, Energy and Resources
Cash Flow Statement
for the year ended 30 June 2021

	Notes	2021 \$'000	2020 \$'000	Original Budget \$'000
OPERATING ACTIVITIES				
Cash received				
Appropriations		669,851	559,981	682,242
Revenue from contracts with customers		72,848	85,860	83,927
Net GST received		24,740	19,844	14,369
Rental income		1,676	1,927	-
Other ¹		16,624	18,054	7,170
Total cash received		<u>785,739</u>	<u>685,666</u>	<u>787,708</u>
Cash used				
Employees		399,192	336,926	370,404
Suppliers		264,094	203,712	298,042
Grants		8,679	7,850	6,937
Interest payments on lease liabilities		3,686	3,812	3,714
Section 74 receipts transferred to OPA		75,883	94,725	83,927
Other		4,465	2,980	140
Total cash used		<u>755,999</u>	<u>650,005</u>	<u>763,164</u>
Net cash from/(used by) operating activities		<u>29,740</u>	<u>35,661</u>	<u>24,544</u>
INVESTING ACTIVITIES				
Cash received				
Proceeds on sale of infrastructure, plant and equipment		6	72	-
Total cash received		<u>6</u>	<u>72</u>	<u>-</u>
Cash used				
Purchase of infrastructure, plant and equipment		13,935	19,305	16,468
Purchase of intangibles		25,346	15,969	29,952
Total cash used		<u>39,281</u>	<u>35,274</u>	<u>46,420</u>
Net cash used by investing activities		<u>(39,275)</u>	<u>(35,202)</u>	<u>(46,420)</u>
FINANCING ACTIVITIES				
Cash received				
Contributed equity		9,073	4,318	14,951
Departmental Capital Budget		27,179	26,713	31,469
Restructuring - Special accounts cash transferred in ²		-	16,081	-
Total cash received		<u>36,252</u>	<u>47,112</u>	<u>46,420</u>
Cash used				
Principal payments of lease liabilities ³		31,488	27,020	31,117
Total cash used		<u>31,488</u>	<u>27,020</u>	<u>31,117</u>
Net cash from financing activities		<u>4,764</u>	<u>20,092</u>	<u>15,303</u>
Net decrease in cash held		<u>(4,771)</u>	<u>20,551</u>	<u>(6,573)</u>
Cash and cash equivalents at the beginning of the reporting period		33,374	12,823	33,374
Cash and cash equivalents at the end of the reporting period	3.1A	<u>28,603</u>	<u>33,374</u>	<u>26,801</u>

1. Prior year's cash received from sublease arrangements has been reclassified from Investments to Other cash received.
2. Transfer of special account from the former Department of the Environment and Energy as a result of the Administrative Arrangements Order of 5 December 2019. Refer to Note 8.3A Departmental Restructuring.
3. Total cash outflow for leases for the year ended 30 June 2021 was \$42.9 million. It includes principal payments, interest payments, short term and low value lease payments.

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

Department of Industry, Science, Energy and Resources Budget Variance Commentary - Departmental for the year ended 30 June 2021

Budget Variance Commentary

The below table provides commentary for major differences between the actual and the original budgeted amounts that were first presented to Parliament in respect of the reporting period from the department's 2020-21 Portfolio Budget Statements (PBS).

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

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

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

Explanations of major variances	Affected line items/statements
In setting the original budget the distribution between Employee expenses and contractors was incorrectly estimated leading to higher than budgeted Employee expenses and a corresponding underspend in Supplier expenses. There were also delays in the implementation of 2020-21 Budget measures which contributed to the underspend in Supplier expenses	Statement of Comprehensive Income - Employee Benefits (\$27 million), Suppliers Expense (\$41 million) Cash Flow Statement – Employee Benefits (\$29 million), Suppliers (\$34 million)
Additional funding received for the implementation of new Government decisions in the 2020-21 Mid-Year Economic and Fiscal Outlook	Statement of Comprehensive Income – Revenue from Government (\$10 million)
The deficit was lower than budgeted which has resulted in higher than budgeted appropriation receivables. In addition, delayed timing of invoicing for business grants hub services contributed another \$8 million to this variance	Statement of Financial Position – Trade and other receivables (\$35 million)
The variance in the Suppliers Payable is due to higher than expected payables relating to the Climate Change, Energy Efficiency and Science programs and capital works	Statement of Financial Position – Suppliers Payable (\$11 million)
Contract liabilities relating to revenue were incorrectly budgeted in Other Payables rather than Suppliers Payables	Statement of Financial Position – Suppliers Payable, Other Payables (\$16 million)

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

Department of Industry, Science, Energy and Resources
Administered Schedule of Comprehensive Income
for the year ended 30 June 2021

	Notes	2021 \$'000	2020 \$'000	Original Budget \$'000
NET COST OF SERVICES				
Expenses				
Employee benefits	2.1A	6,973	7,407	7,873
Suppliers	2.1B	243,627	146,406	215,375
Fees		40	40	40
Subsidies		17,673	42,930	20,187
Finance costs	2.1C	262,891	80,873	158,969
Grants	2.1D	591,975	340,472	800,313
Depreciation and amortisation	4.2A	2,729	3,493	3,036
Impairment loss on financial instruments	7.2B	23,312	5,834	-
Write-down and impairment of assets	2.1E	-	634	-
Foreign exchange losses		352	-	-
Payments to corporate Commonwealth entities	2.1F	1,571,349	1,295,260	1,684,576
Total expenses		2,720,921	1,923,349	2,890,369
Income				
Revenue				
Taxation revenue				
Tradex receipts		2,407	669	550
Total taxation revenue		2,407	669	550
Non-taxation revenue				
Fees from regulatory services	2.2A	57,567	50,756	56,500
Fees		14,207	6,990	8,250
Interest	2.2B	21,110	11,986	30,794
Dividends		122,700	109,300	122,677
Royalties		633,248	969,774	612,547
Other non-taxation revenue		1,205	1,006	1,250
Total non-taxation revenue		850,037	1,149,812	832,018
Total revenue		852,444	1,150,481	832,568
Gains				
Gains from sale of assets		-	8	-
Foreign exchange gains		-	265	-
Additional security funds		-	454,000	-
Reversals of previous asset write-downs and impairments		634	-	-
Total gains		634	454,273	-
Total income		853,078	1,604,754	832,568
Net cost of services		(1,867,843)	(318,595)	(2,057,801)
Deficit		(1,867,843)	(318,595)	(2,057,801)
OTHER COMPREHENSIVE INCOME				
Items subject to subsequent reclassification to net cost of services				
Changes in asset revaluation reserve ¹		623,950	(219,170)	-
Total comprehensive loss		(1,243,893)	(537,765)	(2,057,801)

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

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

Department of Industry, Science, Energy and Resources
Administered Schedule of Assets and Liabilities
as at 30 June 2021

	Notes	2021 \$'000	2020 \$'000	Original Budget \$'000
ASSETS				
Financial assets				
Cash in special accounts	5.2A	5,724,108	5,966,292	6,257,363
Trade and other receivables	4.1A	460,524	247,429	448,138
Other investments	4.1B	20,345,401	18,901,362	19,388,968
Accrued revenue		63,076	37,644	52,898
Total financial assets		26,593,109	25,152,727	26,147,367
Non-financial assets				
Land and buildings ¹	4.2A	1,900	3,062	3,861
Infrastructure, plant and equipment	4.2A	160	286	222
Intangibles	4.2A	3,579	3,951	3,736
Inventories ²		102,668	86,474	97,585
Prepayments		410	351	351
Total non-financial assets		108,717	94,124	105,755
Total assets administered on behalf of Government		26,701,826	25,246,851	26,253,122
LIABILITIES				
Payables				
Suppliers	4.3A	28,784	114,995	23,195
Subsidies		-	12,090	-
Grants	4.3B	90,832	32,098	41,687
Other payables		1,499	4,742	39
Total payables		121,115	163,925	64,921
Interest bearing liabilities				
Leases	4.4A	1,381	2,318	2,087
Total interest bearing liabilities		1,381	2,318	2,087
Provisions				
Employee provisions	6.1B	2,204	2,133	2,133
Loan commitment provision		291,115	58,080	58,382
Rehabilitation provision	4.5A	591,627	-	-
Total provisions		884,946	60,213	60,515
Total liabilities administered on behalf of Government		1,007,442	226,456	127,523
Net assets		25,694,384	25,020,395	26,125,599

1. Right-of-use assets are included in Land and Buildings.
2. Inventories held for sale are valued at the lower of cost and net realisable value and comprise of crude oil reserves.

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

Department of Industry, Science, Energy and Resources

Budget Variance Commentary - Administered

for the year ended 30 June 2021

Budget Variance Commentary

The below table provides commentary for major differences between the actual and the original budgeted amounts that were first presented to Parliament in respect of the reporting period from the department's 2020-21 Portfolio Budget Statements (PBS).

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

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

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

Explanations of major variances	Affected line items/statements
The increase in supplier expenses for programs was largely due to new measures announced after the 2020-21 PBS. This was partially offset by delays with other supplier expenses	Schedule of Comprehensive Income – Supplier expense (\$28 million)
A major concessional loan under the Northern Australia Infrastructure Facility Loan program was not included in the 2020-21 PBS	Schedule of Comprehensive Income – Finance costs (\$104 million). Statement of Assets and Liabilities – Loan commitment provision (\$233 million)
Impairment provision for the Northern Australian Infrastructure Facility Loan program was not included in the 2020-21 PBS	Schedule of Comprehensive Income – Impairment loss on financial instruments (\$23 million)
There was a \$96 million movement of funds from 2020-21 into the forward estimates across multiple programs at 2021-22 PBS. In addition, there were delays with executing grant agreements as well as delays in projects due to the ongoing impact of COVID-19 for a number of programs	Schedule of Comprehensive Income – Grants expense (\$208 million)
Changes in asset revaluation reserve are mainly due to an increase in valuation for corporate Commonwealth entities and Snowy Hydro Limited. The valuation at year end is difficult to predict	Schedule of Comprehensive Income – Asset revaluation reserve (\$624 million)
The variance largely relates to the unexpected increase in commodity prices in 2020-21. This was particularly evident for liquefied natural gas which is the largest contributor to royalty value	Schedule of Assets and Liabilities Income – Accrued revenue (\$10 million)
The variance largely relates to accruals for the New Interim Fuel Security Measure, which was announced after the 2020-21 PBS. Progress reports had been approved but payments had not been made by 30 June	Schedule of Assets and Liabilities – Grants Payable (\$49 million)
Provision for the rehabilitation of the Ranger mine. The provision was not included in the 2020-21 PBS	Schedule of Assets and Liabilities – Rehabilitation provision (\$592 million)

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

Department of Industry, Science, Energy and Resources
Administered Reconciliation Schedule
for the year ended 30 June 2021

	2021 \$'000	2020 \$'000
Opening assets less liabilities as at 1 July	25,020,395	3,547,313
Opening balance adjustment ¹	-	75,231
Recognition of Ranger Rehabilitation provision ²	(533,936)	-
Net (cost of)/contribution by services		
Income	853,078	1,604,754
Expenses		
Payments to entities other than corporate Commonwealth entities	(1,149,572)	(628,089)
Payments to corporate Commonwealth entities	(1,571,349)	(1,295,260)
Other comprehensive income		
Revaluations transferred to/(from) reserves	623,950	(219,170)
Transfers (to)/from the Australian Government		
Appropriation transfers from Official Public Account		
Administered assets and liabilities appropriations		
Payments to entities other than corporate Commonwealth entities	673,931	11,270
Payments to corporate Commonwealth entities	36,895	91,194
Annual appropriations		
Payments to entities other than corporate Commonwealth entities	770,446	494,806
Payments to corporate Commonwealth entities	1,320,416	1,176,799
Special appropriations (limited)		
Payments to entities other than corporate Commonwealth entities	219,983	165,796
Payments to corporate Commonwealth entities	209,910	82,500
Special appropriations (unlimited)		
Payments to entities other than corporate Commonwealth entities	1,501	39
Payments to corporate Commonwealth entities	41,044	35,940
Appropriation transfers to OPA		
Transfers to OPA	(823,980)	(1,227,224)
Appropriation repayments	(5,121)	-
Return of appropriation from prior years	6,773	2,140
Restructuring ³	20	21,102,356
Closing assets less liabilities as at 30 June	25,694,384	25,020,395

1. The adjustment for 2019-20 relates to recognition of prior year funds relating to the Ranger Rehabilitation special account.
2. Adjustment to equity to recognise provision for decommissioning and rehabilitation activities in the Ranger project area (refer note 4.5A).
3. Refer to Note 8.3B Administered Restructuring.

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

Department of Industry, Science, Energy and Resources
Administered Cash Flow Statement
for the year ended 30 June 2021

	Notes	2021 \$'000	2020 \$'000
OPERATING ACTIVITIES			
Cash received			
Interest		4,101	1,690
Dividends		122,700	109,300
Fees		14,815	7,236
Royalties		607,746	1,033,335
Net GST received		60,883	42,216
Other		30,527	20,166
Levy receipts		42,240	35,355
Total cash received		<u>883,012</u>	<u>1,249,298</u>
Cash used			
Suppliers		263,874	147,884
Grants		582,223	400,426
Employees		7,796	8,113
Subsidies		29,763	43,890
Interest payments on lease liabilities		18	27
Payment to corporate Commonwealth entities		1,571,370	1,295,239
Total cash used		<u>2,455,044</u>	<u>1,895,579</u>
Net cash used by operating activities		<u>(1,572,032)</u>	<u>(646,281)</u>
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of property, plant and equipment		-	8
Repayments of advances and loans		92	-
Investments ¹		373,501	11,147
Security funds		-	454,000
Interest		3,175	1,530
Total cash received		<u>376,768</u>	<u>466,685</u>
Cash used			
Advances and loans made		194,720	121,906
Investments		1,161,677	11,270
Purchase of intangibles		1,026	729
Purchase of infrastructure, plant and equipment		70	-
Purchase of inventories		102,754	-
Corporate Commonwealth entity investments		36,895	91,194
Total cash used		<u>1,497,142</u>	<u>225,099</u>
Net cash used by investing activities		<u>(1,120,374)</u>	<u>241,586</u>
FINANCING ACTIVITIES			
Cash received			
Restructuring - Special accounts cash transferred in ²		-	5,419,000
Cash used			
Principal payments of lease liabilities ³		937	898
Total cash used		<u>937</u>	<u>898</u>
Net cash from financing activities		<u>(937)</u>	<u>5,418,102</u>
Net increase in cash held		<u>(2,693,343)</u>	<u>5,013,407</u>

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

Department of Industry, Science, Energy and Resources
Administered Cash Flow Statement
for the year ended 30 June 2021

	Notes	2021 \$'000	2020 \$'000
Cash and cash equivalents at the beginning of the reporting period		5,966,292	45,830
Change in accounting policy ⁴		-	75,231
Cash from Official Public Account			
Appropriations		2,563,300	1,955,880
Appropriation - Administered assets and liabilities		673,931	11,270
Equity appropriation - corporate Commonwealth entities		36,895	91,194
GST appropriations		67,017	43,135
Total cash from official public account		<u>3,341,143</u>	<u>2,101,479</u>
Cash to Official Public Account			
Appropriations		(823,980)	(1,199,403)
GST appropriations		(60,883)	(42,431)
Special Accounts		-	(27,821)
Appropriation repayments		(5,121)	-
Total cash to official public account		<u>(889,984)</u>	<u>(1,269,655)</u>
Cash and cash equivalents at the end of the reporting period		<u>5,724,108</u>	<u>5,966,292</u>

1. Prior year cash received presented as repayments of advances and loans of \$11.147 million has been reclassified to "Investments" as it relates to distributions received under the Innovation Investment Fund program.
2. Transfer of special account from the former Department of the Environment and Energy as a result of the Administrative Arrangements Order of the 5 December 2019. Refer Note 8.3B Administered Restructuring.
3. Total cash outflow for leases for the year ended 30 June 2021 was \$2.5 million. It includes principal payments, interest payments, and variable lease payments.
4. Recognition of prior year funds relating to the Ranger Rehabilitation special account.

Accounting Policy

Administered Cash Transfers to and from the Official Public Account

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

Department of Industry, Science, Energy and Resources

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

Overview

Objective of the Department of Industry, Science, Energy and Resources

The Department of Industry, Science, Energy and Resources (the department) is an Australian Government controlled and a not-for-profit entity. The department supports economic recovery, productivity and growth, and job creation for all Australians by supporting manufacturing, business capability, technology, science and innovation. It supports the affordable, reliable, secure and competitive operation of energy markets and Australia's transition to a lower emissions future, including by encouraging the commercialisation and uptake of low emissions technologies. It also backs Australia's strong resources sector by supporting the development of Australia's mineral and energy resources for the benefit of the nation.

The activities that contribute towards the outcomes are classified as either departmental or administered. Departmental activities involve the use of assets, liabilities, income and expenses controlled or incurred by the department in its own right. Administered activities involve the management or oversight by the department, on behalf of the Australian Government, of items controlled or incurred by the Australian Government. Administered activities are referred to in the shaded areas of these financial statements.

Basis of Preparation of the Financial Statements

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

The financial statements and notes have been prepared in accordance with:

- *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* (FRR); and
- Australian Accounting Standards (AAS) and Interpretations – Reduced Disclosure Requirements issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The department is on Tier 2 reporting requirements other than administered assets, administered financial instruments, administered fair value measurement disclosures which are on Tier 1, as per section 18(3) of the FRR and net cash appropriation arrangements.

The financial statements and notes have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial statements and notes are presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

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

Estimation Uncertainty

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

- Valuation of Snowy Hydro Limited (SHL). As at 30 June 2021, SHL had a fair value of between \$10.5 and \$11.5 billion. The department has adopted the mid-range valuation of \$11 billion (2019-20: \$10.25 billion) for financial reporting purposes. The valuation is prepared by an independent expert and utilises a discounted cash flow methodology. The valuation includes assumptions and judgements about future events and circumstances that have not transpired which may impact forecast operating cash flows. This includes assumptions relating to electricity supply and demand, Snowy 2.0 construction costs, changes to electricity infrastructure, rainfall, and discount rates.
- Rehabilitation provision. The rehabilitation provision is based on management's best estimate of the costs to rehabilitate the Ranger project area. The basis for estimate includes assumptions and judgements about future events that have not transpired. An independent cost assessment is currently being undertaken and results will be available late 2021 which will likely result in changes to the provision amount during 2021-22.

Department of Industry, Science, Energy and Resources

Notes to and forming part of the Financial Statements

Machinery of Government Changes

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

During 2019-20 the following functions were transferred in as a result of the Administrative Arrangements Order of the 5 December 2019:

1. The Climate Change and Energy functions from the former Department of the Environment and Energy;
2. The Small Business function from the former Department of Employment, Skills, Small and Family Business.

The impact of machinery of government changes has resulted in differences when comparing current to prior year financial information in the Financial Statements. Information on assets and liabilities assumed and relinquished is outline in Note 8.3 Restructuring.

Reporting of Administered activities

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

Taxation

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

Contingent Liabilities

The department was engaged in a number of legal matters which involve, or may lead to, legal proceedings, which may result in the payment of damages and costs. It is not possible to estimate the amount of any eventual payment which may be required in relation to these matters.

Unquantifiable Administered Contingencies

Gorgon liquefied natural gas and carbon dioxide storage project — long-term liability

The Australian and Western Australian Governments have provided an indemnity to the Gorgon Joint Venture Partners (GJV) against independent third-party claims (relating to stored carbon dioxide) under common law following closure of the carbon dioxide sequestration project. The claims are subject to conditions equivalent to those set out in the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*. The Western Australian Government has indemnified the GJV, and the Australian Government has indemnified the Western Australian Government for 80 per cent of any amount determined to be payable under that indemnity.

Former British atomic test site at Maralinga

The Australian Government is responsible for 14 unlimited indemnities relating to the Maralinga Rehabilitation Project (1995-2000). In November 2009, the Australian Government agreed to the handback of the former nuclear test site - Maralinga section 400 - to the site's Traditional Owners, Maralinga Tjarutja. Under the terms of the *Maralinga Nuclear Test Site Handback Deed*, the Australian Government has indemnified the Maralinga Tjarutja people and the South Australian Government in respect of claims arising from test site contamination.

Australian Nuclear Science and Technology Organisation — indemnity

On 21 April 2016, the then Minister for Industry, Innovation and Science signed a Deed of Indemnity between the Australian Government, Australian Nuclear Science and Technology Organisation (ANSTO) and ANSTO Nuclear Medicine Pty Ltd (ANM), under which the Australian Government has formally agreed to indemnify ANSTO and ANSTO Officers, and ANM and ANM Officers, from any loss or liability arising from claims caused by ionising radiation. This deed will remain in place until April 2026.

Snowy Hydro Limited – water releases

On 29 June 2018, Snowy Hydro Limited became a wholly Commonwealth-owned company following the Commonwealth's acquisition of the New South Wales (NSW) and Victorian Government's shares. At the time of corporatisation of Snowy Hydro Limited, on 28 June 2002, the Australian, NSW and Victorian Governments, as the then owners, indemnified the company for liabilities arising from water releases in the Snowy River below Jindabyne Dam, where these releases are in accordance with the Snowy Water Licence and related regulatory arrangements agreed between the three governments, including the *Snowy Water Inquiry Outcomes Implementation Deed (SWIOD) 2002*. The indemnity applies to liabilities for which a claim is notified within 20 years from 28 June 2002.

Department of Industry, Science, Energy and Resources

Notes to and forming part of the Financial Statements

As sole owner, the Commonwealth is now wholly liable for the indemnity. However, NSW must pay 100 per cent of the amount claimable where the liability is a result of the Snowy Water Licence being inconsistent with the SWI/OID or with a direction from NSW that is inconsistent with the principles for managing water releases from Jindabyne Dam, as agreed by the Australian, NSW and Victorian Governments.

Liability for costs incurred in a national liquid fuel emergency

The Australian Government has responsibility for the *Liquid Fuel Emergency Act 1984* (the Act). In addition, the Australian Government and state and territory governments have entered into an inter-governmental agreement (IGA) in relation to a national liquid fuel emergency (IGA 2006). Under the IGA, the Australian Government agrees to consult IGA parties on a likely shortage and, if necessary after those consultations, to advise the Governor-General to declare a national emergency under the Act.

The IGA also contains three areas where the Australian Government may incur expenses in the unlikely event of a national liquid fuel emergency. These relate to the direct costs of managing a liquid fuel emergency and include the possibility of the Australian Government reimbursing the state and territory governments for costs arising from their responses, and potential compensation for industry arising from Australian Government directions under the Act.

United States Strategic Petroleum Reserve Lease Agreement – Indemnity under certain conditions

On 3 June 2020, the Australian Government entered into a commercial leasing agreement with the United States Department of Energy. This agreement facilitates the storage of Australia's first-ever government-owned strategic fuel reserve in the United States Strategic Petroleum Reserve (US SPR).

Under the lease agreement, the Australian Government indemnifies the US SPR for any liabilities incurred (subject to certain exceptions) arising from or related to: the transportation of crude oil to the US SPR; third party claims made in connection with the drawdown or delivery of the oil; and customs duties, fees or other charges which may arise from the Australian Government's non-compliance with US Customs Law.

Events After the Reporting Period

The Northern Australia policy and coordination functions have been transferred to the Department of Infrastructure, Transport, Regional Development and Communications as a result of an Administrative Arrangements Order on 2 July 2021.

There were no other events occurring after 30 June 2021 that would have a material impact on these financial statements.

Department of Industry, Science, Energy and Resources

Notes to and forming part of the Financial Statements

1. Departmental Financial Performance

This section analyses the financial performance of the Department.

1.1. Expenses

	2021	2020
	\$'000	\$'000
Note 1.1A: Employee Benefits		
Wages and salaries	289,915	251,816
Superannuation:		
Defined contribution plans	35,794	27,846
Defined benefit plans	21,540	19,646
Leave and other entitlements	43,336	39,912
Separation and redundancies	3,712	3,516
Other employee expenses	2,802	2,910
Total employee benefits	397,099	345,646

Accounting Policy

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

Note 1.1B: Suppliers

Goods and services supplied or rendered

Communication, marketing and freight	2,789	2,446
Contractors and consultants	109,998	77,027
Inventory related costs	6,326	6,077
Property operating expense	18,986	17,427
Rendering of services and maintenance	79,896	63,756
Travel	2,592	8,590
Other goods and services	14,703	14,028
Total goods and services supplied or rendered	235,290	189,351

Goods supplied	14,784	15,682
Services rendered	220,506	173,669
Total goods and services supplied or rendered	235,290	189,351

Other suppliers

Short-term leases	3,509	4,703
Low value leases	3,840	-
Workers compensation expenses	930	2,039
Total other suppliers	8,279	6,742
Total suppliers	243,569	196,093

The department has short-term lease commitments of \$3.1 million and low value lease commitments of \$4.2 million as at 30 June 2021.

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

Department of Industry, Science, Energy and Resources

Notes to and forming part of the Financial Statements

Accounting Policy

Short-term leases and leases of low-value assets

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

	2021	2020
	\$'000	\$'000
Note 1.1C: Grants		
Australian Government entities	6,302	6,244
State and Territory Governments	405	118
Non-profit organisations	133	1,478
Other	1,209	751
Total grants	8,049	8,591
Note 1.1D: Finance Costs		
Interest on lease liabilities	3,686	3,812
Unwinding of discount	50	10
Total finance costs	3,736	3,822
Note 1.1E: Write-Down and Impairment of Assets		
Write-down and impairment of infrastructure, plant and equipment	19	2
Impairment of laboratory equipment	6	27
Impairment of intangible assets	875	2,008
Write-down of inventories	76	6
Total write-down and impairment of other assets	976	2,043

Department of Industry, Science, Energy and Resources

Notes to and forming part of the Financial Statements

1.2. Own-Source Revenue and Gains

	2021	2020
	\$'000	\$'000
Own-Source Revenue		
Note 1.2A: Revenue from contracts with customers		
Sale of goods	2,139	3,409
Rendering of services	76,035	83,726
Total revenue from contract with customers	78,174	87,135

Disaggregation of revenue from contracts with customers

Major product / service line:

Grants administration services	37,112	38,159
Measurement services and products	29,281	34,056
Scientific educational services	2,762	8,299
Building codes services	1,076	1,105
Shared services	3,442	3,482
Other	4,501	2,034
	78,174	87,135

Accounting Policy

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

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

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

Note 1.2B: Rental Income

Finance lease		
Finance income	2	5
Operating lease		
Lease income	1,660	1,615
Total rental income	1,662	1,620

Maturity analysis of operating lease income receivables:

Within 1 year	1,894	2,618
One to two years	85	1,922
Two to three years	88	153
Three to four years	91	94
Four to five years	39	92
More than 5 years	419	463
Total undiscounted lease payments receivable	2,616	5,342

Department of Industry, Science, Energy and Resources

Notes to and forming part of the Financial Statements

	2021	2020
	\$'000	\$'000
Note 1.2C: Other Revenue		
State receipts	10,552	8,965
Other	1,234	1,536
Department of Defence receipts	-	5,000
Resources received free of charge	641	616
Total other revenue	12,427	16,117
Gains		
Note 1.2D: Other Gains		
Reversal of makegood provision	2	23
Total other gains	2	23
Note 1.2E: Revenue from Government		
Departmental appropriations	602,885	473,990
Supplementation	80	-
Total revenue from Government	602,965	473,990

Accounting Policy

Revenue from Government

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

Resources Received Free of Charge

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

Department of Industry, Science, Energy and Resources

Notes to and forming part of the Financial Statements

2. Income and Expenses Administered on Behalf of Government

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

2.1. Administered - Expenses

	2021	2020
	\$'000	\$'000
Note 2.1A: Employee benefits		
Wages and salaries	5,160	5,325
Superannuation		
Defined contribution plans	723	728
Defined benefit plans	245	264
Leave and other entitlements	845	1,090
Total employee benefits	6,973	7,407
Note 2.1B: Suppliers		
Services rendered		
Communication, marketing and freight	1,684	1,453
Consultants and contractors	27,886	19,900
Fee for service	177,089	105,364
Membership fees	23,182	13,172
Other	11,666	6,487
Total services rendered	241,507	146,376
Other suppliers		
Variable lease payments	2,120	30
Total other suppliers	2,120	30
Total suppliers	243,627	146,406

Department of Industry, Science, Energy and Resources

Notes to and forming part of the Financial Statements

	2021	2020
	\$'000	\$'000
Note 2.1C: Finance Costs		
Concessional loan discount	262,575	80,645
Interest on lease liabilities	18	27
Unwinding of present value discount	298	201
Total finance costs	262,891	80,873
Note 2.1D: Grants		
Public sector		
Australian Government entities (related parties)	4,484	15,120
State and Territory Governments	3,827	8,178
Local Governments	1,027	75
Private sector		
Non-profit organisations	69,681	17,197
External entities	480,930	276,414
Other	8,023	6,922
Grants through State and Territory Governments	-	26
Multi-jurisdictional sector	24,003	16,540
Total grants	591,975	340,472
Note 2.1E: Write-Down and Impairment of Assets		
Write-down of inventories	-	634
Total write-down and impairment of assets	-	634
Note 2.1F: Payments to Corporate Commonwealth Entities		
Commonwealth Scientific and Industrial Research Organisation	960,537	837,873
Australian Nuclear Science and Technology Organisation	278,819	281,909
Australian Institute of Marine Science	45,218	44,773
Australian Renewable Energy Agency	227,535	82,500
National Offshore Petroleum Safety and Environmental Management Authority	41,783	35,940
Northern Australia Infrastructure Facility	13,187	10,340
Clean Energy Finance Corporation	4,270	1,925
Total payments to corporate Commonwealth entities	1,571,349	1,295,260

Department of Industry, Science, Energy and Resources

Notes to and forming part of the Financial Statements

Accounting Policy

Grants

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

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

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

Accounting Policy

Payments to corporate Commonwealth entities

Payments to corporate Commonwealth entities from amounts appropriated for that purpose are classified as either administered expenses or equity injections. The appropriation to the department is disclosed in the appropriations note.

2.2. Administered - Income

	2021	2020
	\$'000	\$'000
Revenue		
<u>Note 2.2A: Fees from Regulatory Services</u>		
Petroleum fees	15,327	15,401
Levy receipts	42,240	35,355
Total fees from regulatory services	57,567	50,756
<u>Note 2.2B: Interest</u>		
Loans	7,280	2,820
Unwinding of discount - concessional loans	10,644	7,636
Deposits	3,175	1,530
Other interest	11	-
Total interest	21,110	11,986

Accounting Policy

Revenue

All administered revenues relate to the activities performed by the department on behalf of the Australian Government. Administered revenues include fees and levies collected by the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) and the National Offshore Petroleum Titles Administrator (NOPTA).

Administered fee revenue is recognised only when it has been earned.

Department of Industry, Science, Energy and Resources

Notes to and forming part of the Financial Statements

3. Departmental Financial Position

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

3.1. Financial Assets

	2021	2020
	\$'000	\$'000
Note 3.1A: Cash and Cash Equivalents		
Cash in special accounts	26,816	27,401
Cash on hand	9	22
Cash at bank	1,778	5,951
Total cash and cash equivalents	28,603	33,374

The closing balance of Cash in special accounts does not include amounts held in trust: [\$0.1 million in 2021 and \$0.6 million in 2020]. See note 5.2 Special Accounts and 8.2 Assets Held in Trust for more information.

Note 3.1B: Trade and Other Receivables

Goods and services receivables

Goods and services	18,198	13,821
Contract assets	13,912	6,002
Total goods and services receivables	32,110	19,823

The contract assets are largely associated with the department's grants administration services. Contract assets were disclosed under previous AAS as accrued revenue

Appropriations receivables

Departmental appropriations	105,763	96,845
Departmental Capital Budget	5,703	3,762
Equity appropriations	13,263	10,585
Total appropriations receivables	124,729	111,192

Other receivables

GST receivable from the Australian Taxation Office	3,574	2,687
Other	801	4,610
Receivable from Government	80	-
Total other receivables	4,455	7,297

Total trade and other receivables (gross)

	161,294	138,312
Less impairment loss allowance		
Goods and services	(2,687)	(2,682)
Total impairment loss allowance	(2,687)	(2,682)
Total trade and other receivables (net)	158,607	135,630

Accounting Policy

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

Credit terms were 30 days.

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

3.2. Non-Financial Assets

Note 3.2A: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment and Intangibles 2021

	Buildings \$'000	Leasehold improvements \$'000	Infrastructure, plant and equipment \$'000	Laboratory equipment \$'000	Computer software internally developed \$'000	Computer software purchased \$'000	Total \$'000
As at 1 July 2020							
Gross book value	386,131	56,424	38,072	25,143	117,046	13,294	636,110
Work in progress	1,120	3,296	5,895	2,787	23,713	-	36,811
Accumulated depreciation, amortisation and impairment	(30,449)	-	(16,017)	(4,456)	(79,318)	(12,481)	(142,721)
Total as at 1 July 2020	356,802	59,720	27,950	23,474	61,441	813	530,200
Additions:							
Purchase of internally developed Right-of-use assets	1,879	6,791	3,607	4,677	27,354	10	44,318
Revaluations recognised through other comprehensive income	1,139	-	289	-	-	-	1,428
Impairments recognised in net cost of services	-	-	629	-	-	-	629
Depreciation / amortisation	(1,193)	(9,812)	(8,630)	(6)	(875)	-	(900)
Depreciation on right-of-use assets	(33,523)	-	(955)	(3,886)	(14,874)	(345)	(38,740)
Disposals:							
From disposal of entities or operations (including restructuring)	(321)	(393)	-	-	(2,325)	-	(3,039)
Other	-	-	(5)	-	-	-	(5)
Other movements ¹	(1,539)	-	-	-	-	-	(1,539)
Total as at 30 June 2021	323,244	56,306	22,866	24,216	70,721	478	497,831
Total as at 30 June 2021 represented by							
Gross book value	385,944	62,460	21,718	29,019	133,669	13,304	646,114
Work in progress	1,885	3,352	2,800	3,533	31,244	-	42,814
Accumulated depreciation, amortisation and impairment	(64,585)	(9,506)	(1,652)	(8,336)	(94,192)	(12,826)	(191,097)
Total as at 30 June 2021	323,244	56,306	22,866	24,216	70,721	478	497,831
Carrying amount of right-of-use assets	276,904	-	1,861	205	-	-	278,970

1. Other movements relates to adjustments made to the timing of lease payments for the right-of-use assets.

Revaluations of non-financial assets

All revaluations were conducted in accordance with the revaluation policy. A revaluation was conducted as at 30 June 2021 for infrastructure, plant and equipment by Pickles.

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

All capital commitments totalling \$16.6 million (2019-20: \$16.9 million) are payable within 12 months. The major projects include \$4.0 million for Full Carbon Accounting Model, \$1.2 million for business.gov.au website, \$1.1 million for Modernise Petroleum Statistics Information, \$1.1 million for Cyber Security Uplift program, \$1.0 million for R&D Tax Incentive systems improvement, \$1.0 million for Digital Readiness Assessment Tool System, \$1.0 million for Business Grants project, \$0.8 million for Client Relationship Management upgrades, \$0.7 million for Commercial Building Disclosure, \$0.6 million for single business creation of E3 and \$0.5 million for Better Emissions and Energy Data Management.

Department of Industry, Science, Energy and Resources

Notes to and forming part of the Financial Statements

Accounting Policy

Acquisition of Assets

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

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

Asset Recognition Threshold

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

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

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

Leased Right of Use (ROU) Assets

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

On initial adoption of AASB 16 (2020), the department has adjusted the ROU assets at the date of initial application by the amount of any provision for onerous leases recognised immediately before the date of initial application. Following initial application, an impairment review is undertaken for any right of use lease asset that shows indicators of impairment and an impairment loss is recognised against any right of use lease asset that is impaired. Leased ROU assets continue to be measured at cost after initial recognition.

Revaluations

Following initial recognition at cost, infrastructure, plant and equipment are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. The department conducts asset revaluation on a three year rolling revaluation cycle. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets. The department has adopted a rolling revaluation, meaning that all assets will be subject to revaluation over a three year period. The infrastructure, plant & equipment asset class was revalued effective 30 June 2021 by Pickles using a fair value basis.

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

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

Depreciation

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

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

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

	2021	2020
Buildings	8-40 years	8-40 years
Leasehold improvements	Lease term	Lease term
Laboratory equipment	3-10 years	3-10 years
Infrastructure, plant and equipment	3-10 years	3-10 years

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

Department of Industry, Science, Energy and Resources

Notes to and forming part of the Financial Statements

Impairment

All assets were assessed for impairment at 30 June 2021 and the result reported in note 3.2A and 4.2A. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount. The impairment adjustment is reflected in the gross carrying value of the asset.

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

Derecognition

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

Intangibles

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

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

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

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the department's software are 3 to 15 years (2019-20: 3 to 15 years).

Inventories

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

Department of Industry, Science, Energy and Resources

Notes to and forming part of the Financial Statements

3.3. Payables

	2021	2020
	\$'000	\$'000
Note 3.3A: Suppliers		
Trade creditors and accruals	38,002	29,911
Other creditors	534	623
Contract liabilities	17,534	16,064
Total suppliers	56,070	46,598

Settlement is usually made within 20 days (2020: 30 days).

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

Note 3.3B: Other Payables

Wages and salaries	8,064	6,198
Superannuation	1,112	839
Other	2,485	2,105
Total other payables	11,661	9,142

Accounting Policy

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

Superannuation

The liability for superannuation recognised as at 30 June 2021 represents outstanding contributions for the final fortnight of the year.

3.4. Interest Bearing Liabilities

	2021	2020
	\$'000	\$'000
Note 3.4A: Leases		
Lease liabilities		
Buildings	282,404	313,893
Infrastructure, plant and equipment	1,901	2,560
Laboratory equipment	207	249
Total leases	284,512	316,702
Maturity analysis - contractual undiscounted cash flows		
Within 1 year	33,787	35,371
Between 1 to 5 years	149,297	159,188
More than 5 years	120,393	144,290
Total leases	303,477	338,849

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

Department of Industry, Science, Energy and Resources

Notes to and forming part of the Financial Statements

Accounting Policy

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

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

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

3.5. Other Provisions

Note 3.5A: Other Provisions

	Provision for restoration	Total
	\$'000	\$'000
As at 1 July 2020	3,040	3,040
Amounts reversed ¹	(149)	(149)
Unwinding of discount or change in discount rate	50	50
Total as at 30 June 2021	2,941	2,941

1. Includes restructure amount of \$0.1 million.

Accounting Judgements and Estimates

The department has made provisions to reflect the present value of the following obligations:

Provision for restoration

The department currently has 13 agreements for the leasing of premises which have provisions requiring the department to restore the premises to their original condition at the conclusion of the lease.

Department of Industry, Science, Energy and Resources

Notes to and forming part of the Financial Statements

4. Assets and Liabilities Administered on Behalf of Government

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

4.1. Administered – Financial Assets

	2021	2020
	\$'000	\$'000
Note 4.1A: Trade and Other Receivables		
Loans		
Amortised cost	419,810	240,965
Total loans	419,810	240,965
Other receivables		
Grant recoveries and other receivables	60,080	2,011
Net GST receivable	9,718	10,306
Total other receivables	69,798	12,317
Total trade and other receivables (gross)	489,608	253,282
Less impairment loss allowance		
Loans - amortised cost	(28,458)	(5,241)
Grant recoveries and other receivables	(626)	(612)
Total impairment loss allowance	(29,084)	(5,853)
Total trade and other receivables (net)	460,524	247,429

Credit terms for other receivables were net 30 days.

Reconciliation of the Impairment Loss Allowance

Movements in relation to 2021

	Advances and loans \$'000	Other receivables \$'000	Total \$'000
As at 1 July 2020	5,241	612	5,853
Amounts written off	-	(80)	(80)
Increase/(Decrease) recognised in net cost of services	23,218	94	23,312
Total as at 30 June 2021	28,459	626	29,085

Movements in relation to 2020

	Advances and loans \$'000	Other receivables \$'000	Total \$'000
As at 1 July 2019	1,724	2,207	3,931
Amounts written off	-	(3,912)	(3,912)
Increase/(Decrease) recognised in net cost of services	3,517	2,317	5,834
Total as at 30 June 2020	5,241	612	5,853

Department of Industry, Science, Energy and Resources

Notes to and forming part of the Financial Statements

Accounting Policy

Loans and Receivables

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

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

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

Loans are classified as follows:

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

Department of Industry, Science, Energy and Resources

Notes to and forming part of the Financial Statements

	2021	2020
	\$'000	\$'000
Note 4.1B: Other Investments		
Australian Institute of Marine Science	192,443	171,899
Australian Nuclear Science and Technology Organisation	550,072	608,052
Commonwealth Scientific and Industrial Research Organisation	2,696,794	2,381,782
National Offshore Petroleum Safety and Environmental Management Authority	19,559	16,970
Innovation Investment Fund (Rounds 1 and 3)	76,321	103,081
Innovation Investment Follow-On Fund	-	1,071
Northern Australia Infrastructure Facility	2,488	1,181
Quantum Computing	15,635	18,823
PSMA Australia Limited	2,275	2,454
Snowy Hydro Limited	11,000,000	10,250,000
Australian Renewable Energy Agency	173,179	119,180
Clean Energy Finance Corporation	5,616,635	5,226,869
Total other investments	20,345,401	18,901,362

Accounting Policy

Administered investments in subsidiaries, joint ventures and associates are not consolidated as their consolidation is relevant only at the Whole-of-Government level. Administered investments are classified as 'fair value through other comprehensive income' and are measured at their fair value as at 30 June 2021. Fair value has been taken to be the Australian Government's proportional interest in the entity valued at net assets position or discounted cash flow methodology as at reporting date.

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

Australian Institute of Marine Science

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

Australian Nuclear Science and Technology Organisation

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

Commonwealth Scientific and Industrial Research Organisation

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

National Offshore Petroleum Safety and Environmental Management Authority

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

Department of Industry, Science, Energy and Resources

Notes to and forming part of the Financial Statements

Accounting Policy

Innovation Investment Fund (IIF)

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

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

Northern Australia Infrastructure Facility

The principal activities are to provide \$5 billion in concessional finance to encourage and complement private sector investment in infrastructure that benefits Northern Australia. The Australian Government owns 100% of this investment.

Quantum Computing

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

PSMA Australia Limited

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

Snowy Hydro Limited

Snowy Hydro Limited is an energy generation and retailing company which operates 16 power stations with a combined generation capacity of 5,500 megawatts, including the Snowy Mountains Hydro-electric Scheme, and has more than one million retail customers in the National Electricity Market. Snowy Hydro Limited is a wholly-owned Commonwealth company and Government Business Enterprise operating under the *Corporations Act 2001* and the PGPA Act. The Australian Government obtained 100% ownership on 29 June 2018.

Australian Renewable Energy Agency (ARENA)

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

Clean Energy Finance Corporation (CEFC)

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

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

4.2. Administered – Non-Financial Assets

Note 4.2A: Reconciliation of the Opening and Closing Balances of Infrastructure, Plant and Equipment and Intangibles

	Land and buildings \$'000	Infrastructure, plant & equipment \$'000	Computer software internally developed \$'000	Computer software purchased \$'000	Total \$'000
As at 1 July 2020					
Gross book value	4,002	547	11,157	270	15,976
Work in Progress	-	-	1,288	-	1,288
Accumulated depreciation, amortisation and impairment	(940)	(261)	(8,584)	(180)	(9,965)
Total as at 1 July 2020	3,062	286	3,861	90	7,299
Additions	4	65	1,001	16	1,086
Revaluations recognised in other comprehensive income	-	(17)	-	-	(17)
Depreciation/ Amortisation	(226)	(174)	(1,283)	(106)	(1,789)
Depreciation on right-of-use assets	(940)	-	-	-	(940)
Total as at 30 June 2021	1,900	160	3,579	-	5,639
Total as at 30 June 2021 represented by:					
Gross book value	4,002	160	12,650	286	17,098
Work in progress	4	-	796	-	800
Accumulated depreciation, amortisation and impairment	(2,106)	-	(9,867)	(286)	(12,259)
Total as at 30 June 2021	1,900	160	3,579	-	5,639
Carrying amount of right-of-use assets	1,336	-	-	-	1,336

Revaluations of non-financial assets

All revaluations were conducted in accordance with the revaluation policy. A revaluation was conducted as at 30 June 2021 for infrastructure, plant and equipment by an independent valuer.

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

Capital commitments totalling \$4.1 million (2019-20: \$0.8 million) relate to enhancements to NOPTA's systems and software.

Department of Industry, Science, Energy and Resources

Notes to and forming part of the Financial Statements

Accounting Policy

Administered Infrastructure, Plant and Equipment

The department manages, on behalf of the Australian Government, assets held by NOPTA, a statutory position established under section 695A of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*.

Administered Intangibles

The department manages the National Electronic Approvals Tracking System (NEATS) software, a public portal which provides access to publicly available information concerning offshore petroleum titles, on behalf of the Australian Government.

4.3. Administered – Payables

	2021	2020
	\$'000	\$'000
Note 4.3A: Suppliers		
Trade creditors and accruals	28,784	114,995
Total suppliers	28,784	114,995

Settlement is usually made within 20 days.

All subsidies are payable to external parties.

Note 4.3B: Grants

Public sector	1,390	4,106
Private sector	89,442	27,992
Total grants	90,832	32,098

Settlement is usually made according to the terms and conditions of each grant. This is usually within 20 days (2020: 30 days) of performance or eligibility.

4.4. Administered - Interest Bearing Liabilities

	2021	2020
	\$'000	\$'000
Note 4.4A: Leases		
Lease liabilities		
Buildings	1,381	2,318
Total leases	1,381	2,318
Maturity analysis - contractual undiscounted cash flows		
Within 1 year	927	955
Between 1 to 5 years	467	1,394
Total leases	1,394	2,349

The above lease disclosures should be read in conjunction with the accompanying notes 2.1C and 4.2A.

Department of Industry, Science, Energy and Resources

Notes to and forming part of the Financial Statements

4.5. Administered - Provisions		
	2021	2020
	\$'000	\$'000
Note 4.5A: Rehabilitation Provision		
Rehabilitation provision	591,627	-
Total rehabilitation provision	591,627	-

Accounting Policy

Administered Provisions

The department recognises a provision for rehabilitation when there is an obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are measured at the present value of management's best estimate of the expenditure.

This provision relates to the estimated cost of decommissioning, rehabilitation and monitoring activities at the Ranger uranium mine. The mine's operator, Energy Resources Australia (ERA), ceased mining operations in January 2021 and the mine is now in full-time rehabilitation.

For 30 June 2021, the provision is based on estimated costs provided by ERA. This estimate is undergoing an independent cost assessment as part of the annual process of determining the value of the rehabilitation security held by the department. In accordance with other obligations extending back to the mine's approval, ERA will be entitled to repayment of security funds for rehabilitation works from the Ranger Rehabilitation special account (see note 5.2A) and other receivables. Repayments are expected to commence in 2021-22.

Given the high degree of judgement required to estimate future cash flows and the phasing of these cash flows, there is inherent uncertainty in establishing the liability, therefore it is likely that the final outcome will differ from the original liability established. Changes in the rehabilitation provision year on year are recognised in profit or loss in the reporting year in which the estimates change.

Department of Industry, Science, Energy and Resources

Notes to and forming part of the Financial Statements

5. Funding

This section identifies the department's funding structure.

5.1. Appropriations

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

	2021	2020
	\$'000	\$'000
Departmental		
Ordinary annual services		
Annual Appropriation	607,020	397,827
Adjustments		
PGPA Act - Section 74 receipts	75,883	94,725
PGPA Act - Section 75 transfers	(1,771)	81,603
Total	<u>681,132</u>	<u>574,155</u>
Appropriation applied (current and previous years)	<u>674,036</u>	<u>555,750</u>
Variance	<u>7,096</u>	<u>18,405</u>
Capital Budget¹		
Annual Appropriation	29,119	26,366
Adjustments		
PGPA Act - Section 75 transfers	-	2,932
Total	<u>29,119</u>	<u>29,298</u>
Appropriation applied (current and previous years)	<u>27,179</u>	<u>26,713</u>
Variance	<u>1,940</u>	<u>2,585</u>
Other services		
Equity Injection	15,121	2,796
Adjustments		
PGPA Act - Section 75 transfers	(237)	-
Total	<u>14,884</u>	<u>2,796</u>
Appropriation applied (current and previous years)	<u>9,073</u>	<u>4,318</u>
Variance	<u>5,811</u>	<u>(1,522)</u>
Administered		
Ordinary annual services		
Administered items	1,121,638	575,965
Payments to corporate Commonwealth entities	1,321,816	1,176,820
Adjustments		
PGPA Act 74 Appropriation Repayment (current and previous years) ²	5,121	-
Advance to Finance Minister	-	2,500
PGPA Act - Section 75 transfers	(4,762)	36,965
Total	<u>2,443,813</u>	<u>1,792,250</u>
Appropriation applied (current and previous years)	<u>2,092,283</u>	<u>1,671,605</u>
Variance ³	<u>351,530</u>	<u>120,645</u>
Other Services		
Administered assets and liabilities	896,754	14,139
Payments to corporate Commonwealth entities	74,812	136,194
Adjustments		
Advance to Finance Minister	-	91,500
PGPA Act - Section 75 transfers	-	138,000
Total	<u>971,566</u>	<u>379,833</u>
Appropriation applied (current and previous years)	<u>710,826</u>	<u>102,464</u>
Variance ³	<u>260,740</u>	<u>277,369</u>

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

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

Notes:

1. Departmental Capital Budgets are appropriated through Appropriation Acts (No.1, 3, 5). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts.
2. Section 74 of the PGPA Act and Section 27 of the PGPA Rule allow for repayments to be credited to the same appropriation item from which the original payment was made (provided the appropriation has not lapsed). Appropriation repayments include \$1.449 million relating to prior years that have not lapsed at 30 June 2021.
3. Administered variances are due to drawdowns against prior year appropriations and undrawn current year appropriations.

No other entities spend money from the Consolidated Revenue Fund on behalf of the department.

Department of Industry, Science, Energy and Resources

Notes to and forming part of the Financial Statements

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

	2021	2020
	\$'000	\$'000
Departmental		
Appropriation Act 1 2017-18	-	3,132
Appropriation Act 2 2018-19	-	5,089
Appropriation Act 3 2018-19	-	2,352
Appropriation Act 1 2019-20	7,939	95,486
Appropriation Act 1 2019-20 - DCB	-	2,967
Appropriation Act 1 2019-20 Cash	-	5,973
Supply Act 2 2019-20	-	1,165
Appropriation Act 2 2019-20	727	1,198
Appropriation Act 3 2019-20	-	4,008
Appropriation Act 3 2019-20 DCB	-	795
Appropriation Act 1 2020-21 Cash	1,787	-
Supply Act 1 2020-21	7,540	-
Appropriation Act 1 2020-21	87,675	-
Supply Act 1 2020-21 - DCB	1,402	-
Appropriation Act 1 2020-21 - DCB	4,301	-
Supply Act 2 2020-21	988	-
Appropriation Act 2 2020-21	6,748	-
Appropriation Act 3 2020-21	9,974	-
Appropriation Act 4 2020-21	4,800	-
Total departmental	133,881	122,165
Administered		
Appropriation Act 1 2017-18	-	11,365
Appropriation Act 2 2017-18	-	190
Appropriation Act 1 2018-19	83,038	88,132
Appropriation Act 3 2018-19	12,138	20,136
Supply Act 1 2019-20	2,299	614
Appropriation Act 1 2019-20	152,021	196,193
Supply Act 2 2019-20	3,532	4,584
Appropriation Act 2 2019-20	2,916	144,416
Appropriation Act 3 2019-20	14,247	17,455
Appropriation Act 4 2019-20	1,639	3,139
Appropriation Act 1 2019-20 (CCE- NAIF)	-	21
Appropriation Act 2 2019-20 (CCE- CSIRO)	26,250	26,250
Supply Act 2 2019-20 (CCE- CSIRO)	18,750	18,750
Appropriation Act 1 2019-20 AFM	-	2,500
Appropriation Act 2 2019-20 AFM	-	91,500
Supply Act 1 2020-21	1,138	-
Appropriation Act 1 2020-21	299,040	-
Supply Act 2 2020-21	735	-
Appropriation Act 2 2020-21	366,139	-
Supply Act 2 2020-21 (CCE-CSIRO)	37,917	-
Appropriation Act 3 2020-21	110,161	-
Total administered	1,131,960	625,245

Department of Industry, Science, Energy and Resources

Notes to and forming part of the Financial Statements

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

- The balances in 5.1B Unspent Annual Appropriations include appropriations withheld under section 51 of the PGPA Act, which constitutes a permanent loss of control as well as temporarily quarantined amounts, as these have not been formally reduced by law prior to 30 June 2021.
- Unspent amounts in 2017-18 Appropriation Acts were repealed in 2020-21.
- Departmental appropriations reduced under section 51: Appropriation Act 1 2019-20 by \$5.00 million; Appropriation Act 1 2020-21 by \$2.364 million.
- Administered appropriations reduced under section 51: Appropriation Act 1 2018-19 by \$47.153 million; Appropriation Act 1 2019-20 by \$136.453 million; Appropriation Act 3 2019-20 by \$0.515 million, Supply Act 1 2019-20 by \$0.077 million, Appropriation Act 2 2019-20 by \$2.916 million, Appropriation Act 4 2019-20 by \$1.639 million, Supply Act 2 2019-20 by \$2.032 million, Appropriation Act 1 2020-21 by \$87.309 million, Appropriation Act 3 2020-21 by \$33.852 million and Appropriation Act 2 2020-21 by \$0.795 million.
- Appropriations reduced under Administrative Quarantines: CSIRO Appropriation Act 2 (Loan) 2019-20 by \$26.250 million, CSIRO Supply Act 2 (Loan) 2019-20 by \$18.750 million and CSIRO Supply Act 2 (Loan) 2020-21 by \$37.917 million.
- Advance to the Finance Minister Administered Appropriations Act 1 and Act 2 expired on 30 June 2020.

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

	2021 \$'000	2021 \$'000	2020 \$'000	2020 \$'000
	Total receipts	Total payments	Total receipts	Total payments
Department of Health	-	38,326	-	23,497
Department of Defence	-	47,475	1,138	27,722
Department of Home Affairs	-	54,057	3,281	85,498
Total	-	139,858	4,419	136,717

Since 2015-16, the department has been delivering grants on behalf of other government agencies as part of the *Better Grants Administration* initiative. Payments were made from appropriations administered by these agencies in accordance with agreed arrangements. The related revenues, expenses, assets, liabilities and cash flows are disclosed in the financial statements of the relevant government agency responsible for the outcome.

Department of Industry, Science, Energy and Resources

Notes to and forming part of the Financial Statements

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

Authority	Appropriation applied	
	2021	2020
	\$'000	\$'000
<i>Automotive Transformation Scheme Act 2009</i> ¹	29,763	43,890
<i>Offshore Minerals Act 1994 (Act No. 28 of 1994)</i> ²	-	-
<i>Northern Australia Infrastructure Facility Act 2016</i>	190,220	121,906
<i>Offshore Petroleum and Greenhouse Gas Storage Act 2006</i>	41,044	35,940
<i>Australian Renewable Energy Agency Act 2011</i>	209,910	82,500
<i>Public Governance, Performance and Accountability Act 2013 s.77</i>	1,501	39
Total special appropriation applied	472,438	284,275

1. The total amount of assistance paid in respect of a year must not exceed \$300 million.
2. Budget established but no actual transactions were recorded.

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

- *Carbon Credits (Carbon Farming Initiative) Act 2011*
- *Moomba-Sydney Pipeline System Sale Act 1994*
- *Science and Industry Endowment Act 1926*
- *Snowy Hydro Corporatisation Act 1997*
- *Space Activities Act 1998*
- *Textile, Clothing and Footwear Investment and Innovation Programs Act 1999*
- *Uranium Royalty (Northern Territory) Act 2009*

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

5.2. Special Accounts

Note 5.2A: Special Accounts ('Recoverable GST exclusive')

	Clean Energy Initiative Special Account ¹		Services for Other Entities and Trust Moneys Account ²		National Offshore Petroleum Titles Administrator Special Account ³	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Balance brought forward from previous period		28,078	11,254	14,534	5,277	3,218
Increases						
Departmental	-	-	92	-	-	-
Administered	-	-	18	180	17,812	18,495
Total increases	-	-	110	180	17,812	18,495
Available for payments	-	28,078	11,364	14,714	23,089	21,713
Decreases						
Departmental	-	-	-	-	-	-
Administered	-	28,078	2,087	3,460	16,101	16,436
Total decreases	-	28,078	2,087	3,460	16,101	16,436
Total balance carried to the next period	-	-	9,277	11,254	6,988	5,277
Balance represented by:						
Cash held in the Official Public Account	-	-	9,277	11,254	6,988	5,277
Total balance carried to the next period	-	-	9,277	11,254	6,988	5,277

	Innovation, Science and Technology – Donations, Bequests and Sponsorship Special Account ⁴		Australian Building Codes Board Special Account ⁵		Energy Special Account ⁶	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Balance brought forward from previous period	1,343	2,280	10,364	9,381	16,269	-
Increases						
Departmental	3,805	-	11,378	11,604	10,918	20,157
Departmental - Investments	191	1,313	-	-	-	-
Total increases	3,996	1,313	11,378	11,604	10,918	20,157
Available for payments	5,339	3,593	21,742	20,985	27,187	20,157
Decreases						
Departmental	3,805	-	11,081	10,621	11,424	3,888
Departmental - Investments	1,101	2,250	-	-	-	-
Total decreases	4,906	2,250	11,081	10,621	11,424	3,888
Total balance carried to the next period	433	1,343	10,661	10,364	15,763	16,269
Balance represented by:						
Cash held in entity bank accounts	433	1,343	165	355	-	-
Cash held in the Official Public Account	-	-	10,496	10,009	15,763	16,269
Total balance carried to the next period	433	1,343	10,661	10,364	15,763	16,269

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

	Ranger Rehabilitation Special Account ⁷		Clean Energy Finance Corporation Special Account ⁸	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Balance brought forward from previous period	530,761	75,231	5,419,000	-
Increases				
Administered				
Administered - Investments	1,066,835	684,129	350,000	5,419,000
Total increases	1,066,835	684,129	350,000	5,419,000
Available for payments	1,597,596	759,360	5,769,000	5,419,000
Decreases				
Administered				
Administered - Investments	1,063,660	228,599	595,000	-
Total decreases	1,063,660	228,599	595,000	-
Total balance carried to the next period	533,936	530,761	5,174,000	5,419,000
Balance represented by:				
Cash held in entity bank accounts	533,936	530,761	-	-
Cash held in the Official Public Account	-	-	5,174,000	5,419,000
Total balance carried to the next period	533,936	530,761	5,174,000	5,419,000

Department of Industry, Science, Energy and Resources

Notes to and forming part of the Financial Statements

Footnote No.	Section of PGPA Act appropriated under	Establishing Instrument and Purpose of Special Account	Sunset Date of Special Account Determination
1	78	<i>Determination 2009/21 – Clean Energy Initiative Special Account Establishment 2009</i> , to meet the costs and expenses related to initiatives to support the growth of clean energy generation and new technologies to reduce carbon emissions. As the special account sunset on 1 October 2019, the remaining balance of \$27.8 million was returned to the Consolidated Revenue Fund.	1 October 2019
2	78	<i>Determination 2011/09 – Services for Other Entities and Trust Moneys (SOETM)</i> , to enable the department to continue to hold and expend amounts on behalf of persons or entities other than the Commonwealth. A new SOETM special account was established by determination on 31 May 2021 with effective date of 1 July 2021. Funds will be transferred from the existing SOETM to the new SOETM on commencement. This determination has a sunset date of 1 October 2031.	1 October 2021
3	80	<i>Offshore Petroleum and Greenhouse Gas Storage Act 2006</i> , to meet costs, expenses and other obligations related to the performance of the Titles Administrator's functions or the exercise of the Titles Administrator's powers.	N/A
4	78	<i>PGPA Act Determination (Innovation, Science and Technology – Donations, Bequests and Sponsorship Special Account 2016) – Establishment</i> , for expenditure to conduct activities to promote greater understanding and awareness of science, technology, engineering, mathematics, space and innovation within the community and to support science education and research which promotes related fields. Note that \$0.1 million (2019-20: \$0.5 million) in this special account is recognised as monies held in trust. This balance does not form part of the financial statements. Refer also to Note 8.2 Assets Held in Trust.	1 October 2026
5	78	<i>PGPA Act Determination – Establishment of Australian Building Codes Board Special Account 2019</i> , for expenditure towards creating nationally consistent building codes, standards, regulatory requirements, educational guidance materials and regulatory systems in design, construction and use of buildings.	1 April 2030
6	78	<i>PGPA Act (Energy Special Account 2015-Establishment) Determination 2015/07</i> , to conduct activities that contribute to policy development in the energy and resources sectors, including but not limited to energy market reform; energy efficiency; energy security; renewables and distributed energy generation; resources exploration and development; petroleum (oil and gas); clean energy technology; land access; mining and minerals; and other forms of resource extraction. This account is non-interest bearing.	1 October 2025
7	78	<i>PGPA Act Determination – Establishment of Ranger Rehabilitation Special Account 2017</i> , for expenditure relating to the rehabilitation of the ranger project area in accordance with the Ranger Uranium Project Government Agreement (as amended) between the Commonwealth and Energy Resources of Australia Limited. The Commonwealth held \$534 million at 30 June 2021 in term deposits as a result of investments made under s58 of the PGPA Act. This includes amounts realised and automatically reinvested in term deposits.	1 April 2027
8	80	<i>Clean Energy Finance Corporation Act (2012), Sections 45, 47</i> – to provide a capital facility for the CEFC to invest directly and indirectly in clean energy technologies, and make payments to ARENA where authorised.	N/A

Department of Industry, Science, Energy and Resources

Notes to and forming part of the Financial Statements

5.3. Regulatory Charging Summary

	2021	2020
	\$'000	\$'000
Note 5.3A: Regulatory Charging Summary		
Amount applied		
Departmental		
Annual appropriations	3,095	2,489
Administered		
Annual appropriations	2,564	1,293
Total amounts applied	5,659	3,782
Expenses		
Departmental	3,990	3,293
Administered	15,785	15,804
Total expenses	19,775	19,097
Revenue		
Departmental	895	804
Administered	21,310	18,887
Total revenue	22,205	19,691

No amounts were written off in the current or prior period.

Regulatory charging activities:

Licensing and Appointments and Pattern Approval Laboratory

Documentation - <https://www.industry.gov.au/data-and-publications/national-measurement-institute-cost-recovery-implementation-statement>.

National Offshore Petroleum Titles Administrator Fee

Documentation - https://www.nopta.gov.au/_documents/nopta-cris-2016-17-nov20.pdf

Greenhouse and Energy Minimum Standards (GEMS)

Documentation – the draft Cost Recovery Implementation Statement is being reviewed following the independent legislative review of the GEMS Act.

Commercial Building Disclosure (CBD)

Documentation – fees are generally not charged under the CBD Program except for two statutory fees, being for exemptions and accreditation of assessors – see www.cbd.gov.au for further information.

Department of Industry, Science, Energy and Resources

Notes to and forming part of the Financial Statements

5.4. Net Cash Appropriation Arrangements		
	2021	2020
	\$'000	\$'000
Note 5.4A: Net Cash Appropriation Arrangements		
Total comprehensive income/(loss) - as per the Statement of Comprehensive Income		
Comprehensive Income	(31,478)	(37,066)
Plus: depreciation/amortisation of assets funded through appropriations (departmental capital budget funding and/or equity injections)	38,740	33,966
Plus: depreciation of right-of-use assets	34,521	31,189
Less: lease principal repayments	<u>(31,488)</u>	<u>(27,020)</u>
Net Cash Operating Surplus/ (Deficit)	<u>10,295</u>	<u>1,069</u>

The net cash appropriation note provides a comparison between the Department's surplus/deficit and funding arrangements. Non-corporate Commonwealth entities do not receive revenue appropriations for depreciation/amortisation expenses. This expenditure is funded through equity either in Departmental Capital Budget or Equity Injections when the cash payment for capital expenditure is required.

As with the above practice, non-corporate Commonwealth entities do not receive revenue appropriations for the depreciation expenses related to right-of-use leased assets. However, the lease liability principal repayment, which is a Statement of Financial Position item, is funded through the revenue appropriation.

Department of Industry, Science, Energy and Resources

Notes to and forming part of the Financial Statements

6. People and Relationships

This section describes a range of employment and post-employment benefits provided to our people.

6.1. Employee Provisions

	2021	2020
	\$'000	\$'000
Note 6.1A: Employee Provisions		
Leave	125,546	125,869
Separations and redundancies	2,090	2,840
Total employee provisions	127,636	128,709

Note 6.1B: Administered - Employee Provisions

Leave	2,204	2,133
Total employee provisions	2,204	2,133

Accounting Policy

Liabilities for 'short-term employee benefits' and termination benefits expected to be wholly settled within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Leave

The liability for employee benefits includes provisions for annual leave and long service leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including the department's employee superannuation contribution rates to the extent that leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave has been determined by reference to the work of an actuary as at 30 June 2020 and management assessments as at 30 June 2021 relating to salary growth rates. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Separation and Redundancy

The department recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

Superannuation

The department's staff are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), the PSS accumulation plan (PSSap), the Australian Government Employees Superannuation Trust (AGEST) or non-government superannuation funds.

The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap, AGEST and other non-government superannuation funds are defined contribution schemes.

The liability for the defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance's administered schedules and notes.

The department makes employer contributions to the employees' superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the Australian Government. The department accounts for the contributions as if they were contributions to defined contribution plans.

Department of Industry, Science, Energy and Resources

Notes to and forming part of the Financial Statements

6.2. Key Management Personnel Remuneration

Key Management Remuneration

	2021	2020
	\$000	\$000
Short-term employee benefits	2,578	2,519
Post-employment benefits	452	363
Other long-term employee benefits	46	59
Termination benefits	-	692
Total Key Management Remuneration expenses	3,076	3,633

Key Management Personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly. The department has determined the KMP to be the Secretary, Deputy Secretaries and the Chief Operating Officer (until November 2020) of the department and the Portfolio Ministers.

The total number of KMP included in the above table is 8 (2019-20: 8).

The above KMP remuneration excludes the remuneration and other benefits of the Portfolio Ministers. Portfolio Ministers' remuneration and other benefits are set by the Remuneration Tribunal and are not paid by the department.

6.3. Related party transactions

Related party relationships

The department is an Australian Government controlled entity. Related parties to the department are Key Management Personnel including the Portfolio Minister and Executives, and other Australian Government entities.

Transactions with related parties

Given the breadth of government activities, related parties may transact with the department in the same capacity as ordinary citizens. These transactions have not been separately disclosed in this note. There were no significant transactions with related parties during the year. All related party transactions were in the ordinary course of business and do not require separate disclosure.

Department of Industry, Science, Energy and Resources

Notes to and forming part of the Financial Statements

7. Managing Uncertainties

This section analyses how the department manages financial risks within its operating environment.

7.1. Financial Instruments

	2021	2020
	\$'000	\$'000
Note 7.1A: Categories of Financial Instruments		
Financial assets at amortised cost		
Cash and cash equivalents	28,603	33,374
Trade and other receivables	30,224	21,751
Accrued revenue	178	241
Total financial assets at amortised cost	59,005	55,366
Total financial assets	59,005	55,366
Financial liabilities measured at amortised cost		
Suppliers	56,070	46,598
Grants payable	695	587
Other payables	2,485	2,105
Total financial liabilities measured at amortised cost	59,250	49,290
Total financial liabilities	59,250	49,290

Note 7.1B: Net Gains or Losses

The net gains/losses on financial instruments is immaterial.

Accounting Policy

Financial assets

The department classifies its financial assets into the following categories:

- a) financial assets at fair value through other comprehensive income; and
- b) financial assets measured at amortised cost.

The classification is based on both the department's business model for managing the financial assets and contractual cash flow characteristics at the time of initial recognition. Financial assets are recognised when the department becomes a party to the contract and, as a consequence, has a legal right to receive or a legal obligation to pay cash and are derecognised when the contractual rights to the cash flows from the financial asset expire or are transferred upon trade date.

Financial Assets at Amortised Cost

Financial assets included in this category are loans and receivables based on the following:

1. the financial asset is held in order to collect the contractual cash flows; and
2. the cash flows are solely payments of principal and interest (SPPI) on the principal outstanding amount.

Amortised cost is determined using the effective interest method.

Effective Interest Method

Income is recognised on an effective interest rate basis for financial assets that are recognised at amortised cost.

Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI)

Financial assets measured at fair value through other comprehensive income are administered investments held on behalf of the Australian Government for policy purposes.

Impairment of Financial Assets

The department uses an 'expected credit loss' (ECL) model. Financial assets are assessed for impairment at the end of each reporting period based on the ECL model.

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

A write-off constitutes a derecognition event where the write-off directly reduces the gross carrying amount of the financial asset.

Financial liabilities

Financial Liabilities at Amortised Cost

The department classifies all its financial liabilities as measured at amortised cost, including recognising a provision for commitments to provide loans at concessional rates of interest.

Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

Department of Industry, Science, Energy and Resources

Notes to and forming part of the Financial Statements

7.2. Administered - Financial Instruments

	2021 \$'000	2020 \$'000
Note 7.2A: Categories of Financial Instruments		
Financial assets at amortised cost		
Cash and cash equivalents	5,724,108	5,966,292
Grant recoveries and other receivables	59,454	1,399
Loans - amortised cost	391,352	235,724
Total financial assets at amortised cost	6,174,914	6,203,415
Financial assets at fair value through other comprehensive income (FVOCI)		
Administered investments	20,345,401	18,901,362
Total financial assets at fair value through other comprehensive income	20,345,401	18,901,362
Total financial assets	26,520,315	25,104,777
Financial Liabilities		
Financial Liabilities measured at amortised cost		
Grants and subsidies payable	90,832	44,188
Suppliers payable	28,784	114,995
Other payables	1,499	4,742
Loan commitment provision	291,115	58,080
Total financial liabilities measured at amortised cost	412,230	222,005
Total financial liabilities	412,230	222,005
Note 7.2B: Net Gains or Losses on Financial Assets		
Financial assets at amortised cost		
Interest revenue	21,110	11,986
Dividends	122,700	109,300
Impairment	(23,312)	(5,834)
Net gains on financial assets at amortised cost	120,498	115,452
Financial assets at fair value through other comprehensive income		
Change in fair value	623,968	(219,255)
Net gains/(losses) on financial assets at fair value through other comprehensive income	623,968	(219,255)
Net gains/(losses) on financial assets	744,466	(103,803)

Department of Industry, Science, Energy and Resources

Notes to and forming part of the Financial Statements

Note 7.2C: Fair Value of Financial Instruments

The department considers that the carrying amounts reported in the Administered Schedule of Assets and Liabilities are a reasonable approximation of the fair value of these financial assets and liabilities.

Note 7.2D: Credit Risk

The department is exposed to credit risk through its financial assets of loans and trade receivables. The maximum exposure to credit risk arises from potential default of all debtors. The carrying amount of loans and trade receivables, net of impairment allowance, represents the department's maximum exposure to credit risk.

The department has adopted the general approach prescribed under AASB 9 Financial Instruments to measure the expected credit losses (ECLs) for its administered loans. ECLs are based on an assessment of change in credit risk since initial recognition for each loan. If the credit risk on the loan has increased significantly since initial recognition then the impairment allowance is measured on the basis of lifetime ECLs. If the credit risk on the loan has not increased significantly since initial recognition then the impairment allowance is based on ECLs over the next 12 months.

The department assesses the significant increase in credit risk for each loan by considering (but not limited to) the following information:

- Information published in borrower annual statements
- Changes to borrower ratings by external credit rating agency
- Changes to borrower financial support from related entities or financial institutions
- Expected or potential breaches of loan covenants
- Expected delay in repayment
- Changes in general economic or market conditions

For trade receivables, the simplified approach has been adopted in measuring the impairment loss allowance at an amount equal to lifetime ECL. The department has measured the impairment allowance by applying expected default rates to the trade receivable ageing balances at the end of the reporting period. The expected default rates take into account both historical losses and forward-looking information relating to trade receivables.

Financial assets are considered to be credit impaired if one or more events that have a detrimental effect on the estimated future cash flows have already occurred. The department considers the following indicators to determine whether the asset is credit impaired or not at the reporting date:

- Actual breach in making a loan repayment
- Granting of concession or repayment holiday to the debtor due to financial difficulty
- Likelihood that the debtor will enter bankruptcy

In cases of non-recovery of outstanding debts, the department records the write-off event in accordance with its debt management policy in the financial statements.

Note 7.2E: Liquidity Risk

The department's administered financial liabilities include grants and suppliers payable. The exposure to liquidity risk is based on the notion that the department will encounter difficulty in meeting its obligations associated with administered financial liabilities. This is highly unlikely due to appropriation funding mechanisms available to the department and internal policies and procedures to ensure appropriate resources exist to meet any financial obligations.

Department of Industry, Science, Energy and Resources

Notes to and forming part of the Financial Statements

Note 7.2F: Market Risk

The department's exposure to interest rate risk is primarily from its loans (at amortised cost). Interest rate risk refers to the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. However, the effect on profit and loss is assessed as immaterial given the value of these financial instruments as at 30 June 2021.

7.3. Fair Value Measurement

The following tables provide an analysis of assets and liabilities that are measured at fair value. The remaining assets and liabilities in the statement of financial position do not apply the fair value hierarchy.

The different levels of the fair value hierarchy are defined below.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Recurring and non-recurring fair value measurements – unobservable inputs for the asset or liability.

Accounting Policy

The department's valuation methodologies for its non-financial assets are provided by its independent valuer, which have been developed in accordance with AASB 13 Fair Value Measurement. The department tests the procedures of the valuation model as an internal management review at least once every 12 months (with a formal valuation undertaken once every three years). If a particular asset class experiences significant and volatile changes in fair value (i.e. where indicators suggest that the value of the class has changed materially since the previous reporting period), that class is subject to specific valuation in the reporting period, where practicable, regardless of timing of the last valuation.

Note 7.3A: Fair Value Measurements, Valuation Techniques and Inputs Used

Fair value measurements at the end of the reporting period by hierarchy for assets and liabilities in 2021

	Fair value measurements at the end of the reporting period	
	2021	2020
	\$'000	\$'000
Non-financial assets:		
Buildings	46,340	45,654
Leasehold improvements	56,306	59,720
Infrastructure, plant and equipment ¹	10,521	18,010
Infrastructure, plant and equipment	10,484	7,413
Laboratory equipment	24,011	23,226
Total fair value measurements of assets in the statement of financial position	147,662	154,023

- Level 2. The balance of non-financial assets are categorised as Level 3.

Department of Industry, Science, Energy and Resources

Notes to and forming part of the Financial Statements

7.4. Administered - Fair Value Measurement

Note 7.4A: Administered Fair Value Measurements, Valuation Technique and Inputs Used

Fair value measurements at the end of the reporting period by hierarchy for assets and liabilities

	Fair value measurements at the end of the reporting period		Category (Level 1, 2, or 3)	For Levels 2 and 3 fair value measurements
	2021 \$'000	2020 \$'000		Valuation technique(s)
Financial assets:				
Other investments - Snowy Hydro Limited	11,000,000	10,250,000	Level 3	Discounted cash flow
Other investments - Various	9,345,401	8,651,362	Level 3	Net asset balance
Total financial assets	20,345,401	18,901,362		
Non-financial assets:				
Infrastructure, plant and equipment ¹	160	286	Level 2	Market approach
Land and buildings	564	786	Level 3	Depreciated replacement cost
Total non-financial assets	724	1,072		
Total fair value measurements of assets in the administered schedule of assets and liabilities	20,346,125	18,902,434		

1. Prices derived from observed transactions of similar equipment.

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

Recurring Level 3 fair value measurements - reconciliation

	Financial assets		Non-financial assets	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Opening balance	18,901,362	3,350,645	786	893
Total gains/(losses) recognised in other comprehensive income	623,969	(219,255)	-	85
(Disposals)/ Additions (including Restructuring)	-	15,683,412	4	-
Issues	1,193,572	97,218	-	-
Settlements	(373,502)	(10,658)	-	-
Depreciation	-	-	(226)	(192)
Closing balance	20,345,401	18,901,362	564	786

Department of Industry, Science, Energy and Resources

Notes to and forming part of the Financial Statements

8. Other Information

This section provides other disclosures relevant to the department's financial environment for the year.

8.1. Aggregate Assets and Liabilities

	2021	2020
	\$'000	\$'000
Note 8.1A: Current/Non-current Distinction for Assets and Liabilities		
Assets expected to be recovered in:		
No more than 12 months		
Cash and cash equivalents	28,603	33,374
Trade and other receivables	158,607	135,630
Accrued revenue	178	241
Inventories	2,119	2,179
Prepayments	5,415	4,664
Total no more than 12 months	194,922	176,088
More than 12 months		
Land and buildings	379,550	416,522
Infrastructure, plant and equipment	22,866	27,950
Laboratory equipment	24,216	23,474
Intangibles	71,199	62,254
Prepayments	2,754	599
Total more than 12 months	500,585	530,799
Total assets	695,507	706,887
Liabilities expected to be settled in:		
No more than 12 months		
Suppliers	56,070	46,598
Grants	695	587
Other payables	11,661	9,142
Leases	29,804	32,082
Employee provisions	44,804	44,559
Other provisions	2,380	1,062
Total no more than 12 months	145,414	134,030
More than 12 months		
Leases	254,708	284,620
Employee provisions	82,832	84,150
Other provisions	561	1,978
Total more than 12 months	338,101	370,748
Total liabilities	483,515	504,778

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

Note 8.1B: Administered Current/Non-current Distinction for Assets and Liabilities		
	2021	2020
	\$'000	\$'000
Assets expected to be recovered in:		
No more than 12 months		
Cash in special accounts	5,724,108	5,966,292
Trade and other receivables	19,624	11,705
Accrued revenue	63,076	37,644
Prepayments	410	351
Total no more than 12 months	5,807,218	6,015,992
More than 12 months		
Land and buildings	1,900	3,062
Infrastructure, plant and equipment	160	286
Intangibles	3,579	3,951
Inventories	102,668	86,474
Trade and other receivables	440,900	235,724
Other investments	20,345,401	18,901,362
Total more than 12 months	20,894,608	19,230,859
Total assets	26,701,826	25,246,851
Liabilities expected to be settled in:		
No more than 12 months		
Suppliers	28,784	114,995
Subsidies	-	12,090
Grants	90,832	32,098
Other payables	1,499	4,742
Leases	918	938
Employee provisions	747	713
Loan commitment provision	90,737	16,731
Rehabilitation provision	138,788	-
Total no more than 12 months	352,305	182,307
More than 12 months		
Leases	463	1,380
Employee provisions	1,457	1,420
Loan commitment provision	200,378	41,349
Rehabilitation provision	452,839	-
Total more than 12 months	655,137	44,149
Total liabilities	1,007,442	226,456

Department of Industry, Science, Energy and Resources

Notes to and forming part of the Financial Statements

8.2. Assets held in Trust

Note 8.2A: Assets Held in Trust

The department holds assets in trust in relation to Innovation, Science and Technology - Donations, Bequests and Sponsorships Special Account. These funds are held for the provision of an annual public lecture on astronomy, PhD scholarships and visits to the Australian Astronomical Observatory by researchers based at United Kingdom institutions. The funds were provided from external sources.

	2021	2020
	\$'000	\$'000
Innovation, Science and Technology - Donations, Bequests and Sponsorships Special Account		
As at 1 July	576	579
Receipts	-	1
Payments	<u>(443)</u>	<u>(4)</u>
Total as at 30 June	<u>133</u>	<u>576</u>
Total monetary assets held in trust	<u>133</u>	<u>576</u>

Department of Industry, Science, Energy and Resources

Notes to and forming part of the Financial Statements

8.3. Restructuring

1. The Small Business policy and programs were relinquished to the Department of the Treasury during 2020-21 as a result of the amended Administrative Arrangements Order on 15 April 2021 with effect from 10 June 2021.

2. The following functions were assumed during 2019-20 as a result of the Administrative Arrangements Order on 5 December 2019 with effect from 1 February 2020:

The Climate Change and Energy functions from the former Department of the Environment and Energy.

The Small Business function from the former Department of Employment, Skills, Small and Family Business.

Note 8.3A: Departmental Restructuring

	RELINQUISHED	ASSUMED	
	2021 Small Business Department of the Treasury ¹ \$'000	2020 Climate Change and Energy Department of the Environment and Energy ² \$'000	2020 Small Business Department of Employment, Skills, Small and Family Business ² \$'000
FUNCTIONS			
Assets			
Appropriation receivables	-	-	2,352
Cash from special accounts	-	16,081	-
Trade Receivables	-	678	-
Prepayments	-	717	-
Infrastructure, plant & equipment	393	1,714	516
Intangibles	2,325	2,883	127
Right of use assets	321	6,420	811
Total assets	3,039	28,493	3,806
Liabilities			
Employee provisions	2,939	20,693	2,547
Unearned revenue	-	3,073	-
Payables	131	259	-
Make good provision	147	2,223	63
Lease Liabilities	312	6,491	782
Total liabilities	3,529	32,739	3,392
Net assets/(liabilities)	(490)	(4,246)	414
Income assumed			
Recognised by the receiving entity	-	34,542	4,895
Recognised by the losing entity	-	74,204	6,728
Total income assumed	-	108,746	11,623
Expenses assumed			
Recognised by the receiving entity	-	41,957	5,949
Recognised by the losing entity	-	63,900	6,728
Total expenses assumed	-	105,857	12,677

In respect of functions assumed, the net book values of assets and liabilities were transferred to the entity for no consideration.

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

Note 8.3B: Administered Restructuring			
	RELINQUISHED	ASSUMED	
	2021	2020	2020
	Small Business	Climate Change and Energy	Small Business
	Department of the Treasury ¹	Department of the Environment and Energy ²	Department of Employment, Skills, Small and Family Business ²
	\$'000	\$'000	\$'000
FUNCTIONS			
Assets			
Cash in special accounts	-	5,419,000	-
Trade and other receivables	-	206	15
Other investments	-	15,683,409	-
Prepayments	-	190	-
Total assets	-	21,102,805	15
Liabilities			
Suppliers payables	20	68	1
Grants payables	-	-	395
Total liabilities	20	68	396
Net assets/(liabilities)	(20)	21,102,737	(381)
Income assumed			
Recognised by the receiving entity	-	110,887	-
Recognised by the losing entity	-	110,415	147
Total income assumed	-	221,302	147
Expenses assumed			
Recognised by the receiving entity	-	100,711	8,579
Recognised by the losing entity	-	157,699	5,932
Total expenses assumed	-	258,410	14,511



CHAPTER 5

DEPARTMENTAL APPENDICES

Appendix A1: Reports addressing special legislative requirements

Australian Jobs Act 2013

The *Australian Jobs Act 2013* (Jobs Act) commenced on 27 December 2013. Its main objective is to provide full, fair and reasonable opportunity for Australian entities to participate in major Australian projects. The Jobs Act requires the development and implementation of an Australian Industry Participation (AIP) plan for each eligible major project with capital expenditure of \$500 million or more.

The Authority and the Jobs Act

The Jobs Act establishes a statutory position, the Australian Industry Participation Authority (the Authority). Section 83 of the Jobs Act requires that the Authority prepare an annual report on its operations. This report addresses that requirement for 2020–21.

On 15 January 2020, the Minister for Industry, Science and Technology appointed Donna Looney, General Manager Advanced Technologies Branch, as the acting AIP Authority for a 12-month term, commencing 18 January 2020. On 8 December 2020, the Minister appointed Bruce Wilson, Head of the Industry Growth Division, as the acting AIP Authority for a 12-month term, commencing 18 January 2021.

The Authority's role is to ensure compliance with the Jobs Act; evaluate, approve and publish summaries of AIP plans; and monitor the implementation of those plans. AIP plans apply the *AIP National Framework* principles. They also detail how a project proponent will provide full, fair and reasonable opportunity to Australian entities to supply key goods and services to a project. The Jobs Act requires 6 monthly compliance reporting on the AIP plan for the project's construction phase and for the first 2 years of the operations phase for new facilities. In 2020-21, the Authority approved 17 AIP plans for major projects, with total capital expenditure of more than \$20 billion. Projects are predominantly in the resources, infrastructure, power generation and commercial construction sectors.

Monitoring

The Authority's strategies to encourage major project proponents to comply voluntarily and deal with non-compliance appropriately include promoting awareness of the Jobs Act, engaging with project proponents to promote compliance, and monitoring compliance. The AIP Authority continuously monitors industry activity for compliance with the Jobs Act. Information on major projects is gathered from a range of publicly available and internal sources. In 2020-21, the Authority:

- wrote to 12 project proponents, alerting them to their potential obligations under the Jobs Act and providing guidance on meeting their obligations
- received formal notification of 23 major projects with current or future obligations under the Jobs Act
- approved 17 draft AIP plans under the Jobs Act and published the AIP plan summaries
- received, evaluated and accepted 108 AIP plan compliance reports under the Jobs Act.

Self-assessment

The Authority ran its fourth evaluation survey in 2020-21 to obtain feedback and comments on its performance from stakeholders that had AIP plans and first compliance reports approved in 2020-21 under the Jobs Act. The survey is part of the Authority's self-assessment under the Australian Government's *Regulator Performance Framework*. The survey responses are being compiled and the findings will be reported in the 2020-21 self-assessment report. This will be published on www.industry.gov.au.

Jobs Act review

The 5-yearly statutory review of the operation of the Jobs Act was conducted from August to November 2018. It included consultations with stakeholders across Australia. The Authority considered and accepted all 8 of the review's recommendations. It has implemented recommendations to:

- streamline the AIP plan and compliance report templates
- develop standard operating procedures for the Authority's staff
- publish guidance information on compliance dates for AIP plans, including trigger dates
- develop an AIP plan exceptions process
- update the AIP website
- develop a communications strategy.

The Authority is addressing the remaining recommendations, including creating a monitoring and evaluation framework and encouraging information sharing with the states and territories.

The Authority has developed an online SmartForm AIP plan in consultation with stakeholders to simplify the process. The SmartForm AIP plan was made available to project proponents in December 2020. Work has started on the SmartForm compliance report, which should be available in August 2021.

Industry Capability Network Limited

The Industry Capability Network (ICN) Limited supports the *AIP National Framework* by managing a national database of industry capability and project opportunities, known as the ICN Gateway. The database connects potential suppliers to project opportunities. The department provides annual funding to ICN Limited for national coordination and information technology (IT) support. The department has been working with other jurisdictions and ICN Limited to improve the services delivered to industry and government through the ICN Gateway. ICN Limited has also been funded to manage a new IT analytical tool to help governments better understand industry capability.

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

Australian Industry Participation plans in Commonwealth funding

From 1 January 2010, companies bidding on Commonwealth procurements valued at \$20 million or more are required to put Australian Industry Participation (AIP) plans in place.

In 2020–21, 11 AIP plans were approved for Commonwealth procurements, Commonwealth grants and Commonwealth-funded large infrastructure projects, and CEFC and NAIF investments valued at \$20 million or more (refer to Table 36). The department publishes summaries of AIP plans online. These include details about how project proponents will acquire and use information on Australian industry capabilities, and how they will communicate opportunities to Australian suppliers.

Table 36: 2020–21 AIP plan statistics for Commonwealth funding

AIP plans for Commonwealth procurements	
Number of AIP plans approved	1
Number of determinations that a proposed approach to market has an AIP plan requirement	8
Number of determinations that a proposed approach to market is exempt from AIP plan requirements	12
AIP plans for Commonwealth grants and Commonwealth-funded infrastructure projects	
Number of AIP plans approved	3
Number of grants and projects exempted from AIP plan requirements	2
AIP plans for Commonwealth investments – CEFC	
Number of AIP plans approved	2
Number of investments exempted from AIP plan requirements	4
AIP plans for Commonwealth investments – NAIF	
Number of AIP plans approved	5
Number of investments exempted from AIP plan requirements	1

Automotive Transformation Scheme Act 2009

The Automotive Transformation Scheme (ATS) was developed to encourage competitive investment and innovation in the Australian automotive industry to place it on an economically sustainable footing, improve environmental outcomes, and promote the development of workforce skills. The ATS ran from 1 January 2011 to 31 December 2020, and has now closed, with no further payments being made to participants.

Section 27A of the *Automotive Transformation Scheme Act 2009* requires the Secretary to report annually on assistance paid to ATS participants (refer to Table 37) and the Australian automotive industry's progress towards achieving economic sustainability, environmental outcomes and workforce skills development. In 2020–21, 46 firms remained in the ATS, drawing on support to conduct production activities, develop capabilities, undertake research and product development, and invest in new equipment until the December 2020 ATS closure.

The ATS was part of a suite of government programs helping firms to diversify and workers to reskill for new industries.

Table 37: Assistance paid to ATS participants for the 12 months ending 31 March 2021

Participants	Assistance paid (\$)
Motor vehicle producers	N/A
Automotive component producers	36,356,220
Automotive machine tool producers	1,256,611
Automotive service providers	2,285,519
Total	39,898,350

Offshore Petroleum and Greenhouse Gas Storage Act 2006

The National Offshore Petroleum Titles Administrator (NOPTA) was established on 1 January 2012 and is a statutory appointment under section 695A of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (OPGGGS Act). Under Section 695N (1) the Titles Administrator must, as soon as practicable after the end of each financial year, prepare and give to the responsible Commonwealth Minister, for presentation to the Parliament, a report on the Titles Administrator's activities during the year. This section meets this requirement for 2020–21.

NOPTA's main functions are to provide technical advice and information to the responsible Commonwealth minister and to the Joint Authority (comprising the responsible Commonwealth minister and the relevant state and territory ministers); keep a register of titles; and collect, manage and release data.

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

In 2020–21, NOPTA:

- processed more than 300 applications (48 related to COVID-19 challenges)
- met target assessment timeframes on average more than 90% of the time
- held more than 320 stakeholder meetings (the majority of which were conducted virtually)
- processed more than 637 regulatory data submission items and approved the release of data packages for 115 activities relating to wells and surveys, in accordance with the OPGGS Act

- consulted with government and industry to launch an upgraded National Electronic Approvals Tracking System (NEATS) website and began redeveloping the NEATS Industry Portal to allow online submissions (including for industry-training workshops)
- participated in a statutory review of the effectiveness of NOPTA operations, in accordance with section 695P of the OPGGS Act
- contributed to the development of the Offshore Petroleum and Greenhouse Gas Storage Amendment (Titles Administration and Other Measures) Bill 2021
- published content and held an information session for industry participants to clarify legislation, including pathways for obtaining a Greenhouse Gas Storage title
- published the *2019–20 Annual Report of Activities*, which provides an overview of key activities and performance outcomes relevant to NOPTA's administrative functions
- continued to collaborate with British and Norwegian petroleum regulators on best practice and innovation in resource and data management
- conducted a comprehensive survey to assess stakeholder satisfaction with NOPTA's performance.

Fuel Quality Standards Act 2000

Section 71 of the *Fuel Quality Standards Act 2000* requires the Minister for Energy and Emissions Reduction to prepare an annual report on the operation of the Act. This section meets this requirement for 2020–21.

Purpose of the Act

The Fuel Quality Standards Act requires the fuel industry, including fuel suppliers, to provide fuel that meets the strict requirements of the fuel quality standards for all grades of petrol, automotive diesel, biodiesel, ethanol E10, ethanol E85 and autogas.

Review of the legislative instruments under the Act

No legislative instruments were remade under the Fuel Quality Standards Act during the financial year.

The government has announced that it will accelerate the analysis of Australia's fuel quality standards and seek opportunities for fuel quality improvements (including consideration of reducing levels of aromatics in petrol) by 2024. The industry-wide review will be conducted in 2021. This process aims to create Euro-6 equivalent petrol and diesel standards that are appropriate for Australia. The outcome of the review and any new standards will be reported in next year's annual report.

Section 13 approvals

No new approvals were granted under section 13 of the Fuel Quality Standards Act. There were 13 variations to existing section 13 approvals, allowing fuel suppliers to provide fuels that vary from a fuel standard for a specified reason and period. This comprised:

- 9 variations for domestic fuel producers/importers and biodiesel producers, extending their approvals to supply diesel containing up to 20% biodiesel (B20) for one year to 31 December 2021
- 4 variations for the 4 major domestic fuel producers, extending their approvals to supply varied automotive diesel, to assist refineries in managing operational issues associated with COVID-19 travel restrictions for one year to 27 May 2022.

Compliance and enforcement

The NMI conducts monitoring, compliance and enforcement activities to detect and respond to non-compliance under the Fuel Quality Standards Act and Fuel Quality Standards Regulations 2019.

During 2020–21, NMI officers visited 310 retail fuel sites as part of the Fuel Quality Monitoring Program. Where they detected non-compliance, the NMI took action to ensure fuel supplied complied with the requirements of the Act. Table 38 summarises the results of the program for the past 5 years.

Table 38: Statistics on fuel sampling under the Fuel Quality Standards Act, 2015–16 to 2020–21

Actions	2016–17	2017–18	2018–19	2019–20 ^a	2020–21 ^a
Number of retail fuel sites visited	457	311	363	274	346
Number of compliant tests	1,337	778	1,380	985	1,131
Number of non-compliant tests	23	16	13	10	7
Percentage of non-compliant tests (%)	1.72	2.06	0.94	1.02	0.62
Number of ethanol labelling breaches	8	4	7	0	0

a Due to the COVID-19 pandemic, travel restrictions limited where NMI officers could visit to conduct fuel sampling tests.

Voluntary reporting

In 2019, the Australian Institute of Petroleum and its 4 member companies (Ampol Limited, BP Australia Pty Ltd, Mobil Oil Australia Pty Ltd and Viva Energy Australia Pty Ltd) agreed to report to the government the aromatics and sulfur content of the fuel they sold each calendar year. Reporting includes imported and locally manufactured petrol.

Table 39 lists the pool average, maximum and minimum sulfur content for each batch of the 3 grades of petrol – 91 RON (Research Octane Number), 95 RON and 98 RON – supplied by the Australian Institute of Petroleum member companies in 2019 and 2020.

Table 39: Pool average, maximum and minimum sulfur levels in petrol

Petrol type	Limits (mg/kg max.)	2019			2020		
		Pool average (ppm)	Minimum (ppm)	Maximum (ppm)	Pool average (ppm)	Minimum (ppm)	Maximum (ppm)
91 RON	150	54.3	1	148	44.9	1	149
95 RON	50	24.9	1	49	20.2	1	50
98 RON	50	23.7	1	49	21.5	1	50

Table 40 lists the pool average, maximum and minimum aromatics content for each batch of the 3 grades of petrol – 91 RON, 95 RON and 98 RON – supplied by the Australian Institute of Petroleum member companies in 2019 and 2020.

Table 40: Pool average, maximum and minimum aromatics levels in petrol

Petrol type	Limits (v/v max.)	2019			2020		
		Pool average (%)	Minimum (%)	Maximum (%)	Pool average (%)	Minimum (%)	Maximum (%)
91 RON	45 max., 42 max. pool average across all grades	25.2	<1	45	26.5	1	44
95 RON	As above	30.7	17	45	31.9	21	45
98 RON	As above	39.8	18	45	40.2	23	45

Committee

Section 24 of the Fuel Quality Standards Act establishes the Fuel Standards Consultative Committee (FSCC). The Minister for Energy and Emissions Reduction must consult and/or notify the FSCC of various matters required by the Act. The FSCC is made up of representatives from the Australian, state and territory governments, fuel producers (including producers of alternative and renewable fuels), car and truck manufacturers, consumers and an environment protection organisation.

Financial information

The department's 2020–21 operating costs for administering the Act were \$886,758, including staff salaries and allowances, consultancies, advertising and other related expenses.

Greenhouse and Energy Minimum Standards Act 2012

This section is prepared in accordance with section 175 of the *Greenhouse and Energy Minimum Standards Act 2012* (GEMS Act). It covers the operation of the GEMS Act from 1 July 2020 to 30 June 2021. The GEMS Act supports the development and adoption of appliances and equipment that use less energy and result in fewer greenhouse gas emissions than competing products.

The GEMS Act commenced on 1 October 2012. It replaced 7 overlapping pieces of state and territory legislation and 4 state regulators with one national regulator. This has simplified the system for manufacturers and importers of regulated appliances and equipment.

The department is continuing to progress recommendations arising from the independent review of the GEMS Act undertaken in 2018–19 and exploring opportunities for continuous program improvement. The review found that the GEMS Act meets its purpose of providing a streamlined, nationally consistent approach to appliance energy efficiency.

Operation

Equipment Energy Efficiency Program

The department administers the GEMS Act through the Equipment Energy Efficiency (E3) program and the GEMS Regulator. The E3 Program promotes energy efficiency and lower greenhouse gas emissions by enabling consumers to make more informed choices. The program's main levers are mandatory Minimum Energy Performance Standards and Energy Rating Labels.

Determinations

At 30 June 2021, 23 determinations were in force under the GEMS Act. Determinations are legislative instruments that specify requirements for Minimum Energy Performance Standards and labelling requirements for products regulated under the GEMS Act.

Governance

The department and the GEMS Regulator work cooperatively with state and territory agencies to administer the GEMS Act and develop the E3 Program under an intergovernmental agreement. Australia also collaborates on energy efficiency standards with New Zealand through a policy framework and funding arrangement for the E3 Program, ensuring the greatest net benefit for both countries.

The Energy Efficiency Advisory Team oversees the E3 Program and reports to Energy Ministers. This committee is chaired by the Commonwealth Minister for Energy and Emissions Reduction, and comprises state and territory energy ministers and the New Zealand Minister for Energy and Resources. The Energy Efficiency Advisory Team comprises representatives from the Australian Government, state and territory government agencies, and the New Zealand Government.

Service delivery

In 2020–21, the GEMS Regulator approved 7,086 applications for registration and responded to 1,205 enquiries. Applications for registration were approved in 1.36 days, on average. Four exemption requests were granted during the 2020–21 financial year.

Enhancements to the GEMS product registration system in 2020–21 sought to streamline the registration process and reduce the regulatory burden for businesses. They included the development of an automated label generator functionality and an automatic data-upload capability for technical test result reports.

Further work has been undertaken on cyber security enhancements for the registration system. These include the security classification of the registration system and system data, the introduction of a robust password policy, and compliance assessment against the department's *Information Security Manual*. These changes better protect data contained within the registration system.

Revenue

In 2020–21, revenue from registration fees was \$3,833,560.

Achievements

In 2020–21, the E3 Program contributed more than \$1.8 billion to the Australian economy in avoided energy costs. This is an estimated 6.15 megatonnes of carbon emissions avoided, equivalent to taking 3.3 million cars off the road over the same period. (Note: New Zealand's figures for the current financial year were not available at the time of this report.)

During 2020–21, new determinations were introduced for:

- air conditioners (over 65 kilowatts capacity), which the Minister for Energy and Emissions Reduction signed on 9 December 2020
- refrigerated display and storage cabinets, which came into force on 1 May 2021.

Consultation

The department is engaging with a Technical Working Group, comprising industry, consumer groups and governments, on developing draft requirements on minimum energy performance standards for Light Emitting Diode (LED) lamps. This follows the former Council of Australian Governments' Energy Council decision in 2018 to further improve lighting energy efficiency by phasing out inefficient lamps in Australia and to introduce minimum standards for LED lamps harmonised with European Union regulations.

In 2020–21, consultations included:

- an exposure draft of the Greenhouse and Energy Minimum Standards (Swimming Pool Pumps) Determination
- a product profile and consultation paper on residential space heaters
- a scoping study to identify a suite of products that may be included in the E3 prioritisation plan.

The E3 Prioritisation Plan is developed annually to identify how the E3 work program will be aligned to accelerate policy development and focus on regulating products that will deliver the most benefits, including improving energy productivity, lowering greenhouse gas emissions, and reducing energy costs.

Review activity for 6 of the 8 'sunsetting' determinations (determinations due to expire in the next 3 years) is complete. Stakeholder consultation on these is due to begin.

Impact of COVID-19

In recognition of the significant impact of COVID-19 on Australian businesses and global supply chains, careful consideration was given to consultations and determinations planned for the second half of 2020 and how these may affect Australian businesses.

Several consultation processes, including about televisions and electric motors, were deferred. It was agreed that the Equipment Energy Efficiency Review Committee (E3RC) would consider the future timing of consultation on new regulatory proposals. E3RC is a formal advisory group that consults with the E3 Program on issues affecting industry and consumers.

During COVID-19, the GEMS Product Registration System remained fully operational. Processing of applications, renewals, variations and enquiries continued, in line with the GEMS service commitments under the GEMS Regulator Service Charter. The department also continued its work with the regulated community to help members comply with GEMS Act requirements.

The annual GEMS Stakeholder Survey assessing program performance is usually conducted in May and June, but this was deferred. However, GEMS officers continued to receive and act on feedback and suggestions, and assist with issues relating to any aspect of the program.

GEMS compliance

The GEMS Regulator is responsible for monitoring and enforcing compliance with the GEMS Act. It does this through an intelligence-led, risk-based program that:

- engages with, and educates, the regulated community
- monitors compliance through:
 - check testing
 - GEMS inspector market surveillance
 - receiving allegations of suspected non-compliance
- assesses and investigates non-compliance
- responds to non-compliance.

Since 1 July 2020, the GEMS Regulator has completed check tests of 80 models of 15 GEMS products. Of these models, 74 met GEMS Act requirements and 6 did not.

Among those that failed to meet GEMS Act requirements, the GEMS Regulator:

- cancelled the registration of 4 models
- entered into one enforceable undertaking, with the registrant of the model agreeing to take specified remedial actions
- took no further action on one product because the registration expired during the check testing process and the registrant subsequently ceased supply of the model.

GEMS inspector market surveillance activities, conducted only online due to COVID-19, revealed:

- a high (97%) registration compliance for a range of household GEMS products
- 70% registration compliance for industrial products and equipment like electric motors and refrigerated display cabinets.

The GEMS Regulator regularly receives allegations of non-compliance from consumers, industry and other government departments. These allegations are assessed and, if appropriate, investigated. During 2020–21, the majority of allegations received were in relation to registration and labelling non-compliance.

Communication

The GEMS Regulator assists responsible parties to comply with the GEMS Act by:

- informing stakeholders about the E3 Program and the operation of the GEMS Act
- informing stakeholders about registration requirements under the GEMS Act, including through the Energy Rating website
- responding to queries emailed to the Energy Rating Team
- coordinating national marketing and communication projects to support new energy efficiency programs and improve existing ones
- consulting with industry and other interested parties on developing and implementing energy labelling and associated programs
- monitoring and reporting on program performance, achievements and enforcement.

Energy Rating website

The Energy Rating website:

- enables consumers to choose energy efficient appliances
- assists suppliers and manufacturers to understand their legal obligations in relation to products regulated under the GEMS Act
- facilitates consultation on the development of an energy efficiency policy under the E3 Program.

While the website has good uptake by users, the department has identified ways to improve the user experience and maximise the digital asset. This work is currently underway.

Appendix A2: Ecologically sustainable development and environmental performance

Section 516A of the *Environmental Protection and Biodiversity Conservation Act 1999* (EPBC Act) requires that the department report annually on how its activities accord with and contribute to the principles of ecologically sustainable development and the environmental performance of its internal operations.

The department seeks to uphold the principles of ecologically sustainable development by developing and delivering policies, plans, programs, legislation, advice, education and scientific services that reflect economic, environmental and social sustainability.

The department worked with the Northern Territory Government, Kungarakana and Warai Traditional Owners, and other stakeholders to finalise the Detailed Business Case for the rehabilitation of the former Rum Jungle mine site. In the 2021-22 Budget, the Australian Government announced funding to rehabilitate the site, subject to the relevant Commonwealth and Northern Territory departments approving the design, as well as environmental approvals.

We considered referrals under the EPBC Act to ensure that the Department of Agriculture, Water and the Environment was aware of the geological and broader impacts of mining activities when assessing resources projects. We also engaged with the independent review of the EPBC Act.

Environmental monitoring services for Australia

Through the NMI, the department provides specialised environmental analysis services to government, regulators and industry to help meet environmental legislative requirements; for example, to help manage per- and poly-fluoroalkyl substances compounds. NMI's definitive analytical results lead to higher-quality risk assessments and management of environmental issues, and NMI's ultra-trace level testing for persistent organic pollutants (including dioxins) is unique in Australia.

Climate risk

The department is working to identify and manage climate risks to our policies, programs, services and functions.

The department is an active member of the Australian Government Disaster and Climate Resilience Reference Group. The group is responsible for driving a whole-of-government approach to disaster and climate resilience, risk reduction and climate adaptation.

The Executive Board is overseeing a departmental scan using the Australian Government's *Climate Compass* framework. The scan is intended to identify, prioritise and determine management activities in relation to climate risks and opportunities in our policies, programs, asset management and service delivery.

The department also organised a range of other activities to increase awareness and understanding of climate risks and opportunities. These included:

- delivering a series of all-staff broadcasts about climate risk, including messaging from the Secretary
- providing climate risk learning and development videos as part of ongoing staff training
- running a climate risk masterclass in late 2020 for staff members at all levels
- improving staff access to materials on climate risk management by establishing a one-stop intranet page with resources, information, reference material and more.

Implementation of these activities integrates both long-term and short-term economic, environmental, social and equitable considerations.

A report on the environmental performance of the department's internal operations can be found on the department's website (www.industry.gov.au/AboutUs).

Case study: Sustainable street food

The only takeaway restaurant in Australia offering customers a carbon neutral menu is atiyah streetfood, in Melbourne's Federation Square.

It is Australia's first eco-smart off-grid kitchen restaurant with Climate Active carbon neutral product certification. The restaurant's kitchen is powered entirely by renewables and it composts all organic food waste and compostable packaging from the kitchen and their customers. The kitchen collects rainwater from the catchment roof and is pumped through an advanced ultraviolet-light, pure-rainwater double filtration system, creating pure drinking water fit for consumption. The purified water is pumped through an organic e-water electrolysis system, producing a sanitiser and cleaning solution making the kitchen free of chemicals.

atiyah has committed to ensuring it has a sustainable low-carbon supply chain by aligning with other Climate Active certified companies. For instance, atiyah banks with Bank Australia, a Climate Active carbon neutral organisation. It buys its carbon neutral Climate Active certified packaging products from BioPak, and it sources beef from Five Founders, which supplies Australia's first carbon neutral certified beef product.

Climate Active is an ongoing partnership between the government and Australian businesses that offers carbon neutral certification. Certification allows a business or organisation to use the Climate Active trade mark, helping consumers and the community to immediately identify carbon neutral products and services. The trade mark is a stamp of approval that carbon neutrality has been achieved in a credible and transparent way, and gives consumers confidence and trust in an organisation's carbon neutral claim.

Appendix A3: Audit Committee membership

Member name	Qualifications, knowledge, skills or experience	Number of meetings attended/ total number of meetings	Total annual remuneration
Ian McPhee, AO, PSM	<ul style="list-style-type: none"> Public sector and industry experience, including as a company director, audit committee chair/member, chair of various governance reviews and Auditor-General for Australia 2005–15. <p>Qualifications</p> <ul style="list-style-type: none"> Bachelor of Business (Accountancy), Bachelor of Arts (Computing Studies), FCPA, FCA, FIPAA, GAICD 	6/6	\$55,528
Kate Freebody	<ul style="list-style-type: none"> Chartered accountant and financial specialist consulting to government on a range of disciplines, including financial modelling, performance evaluation and review, financial function and governance review, business process re-engineering, financial and performance reporting, tender evaluation and procurement support. Broad range of knowledge and expertise relevant to operation of public service. <p>Qualifications</p> <ul style="list-style-type: none"> Bachelor Business, Chartered Accountant CA ANZ 	6/6	\$47,608
David Bryant	<ul style="list-style-type: none"> Experience and understanding of information communication and technology (ICT), risk management and delivery of ICT projects and services in the public sector environment. <p>Qualifications:</p> <ul style="list-style-type: none"> PhD (Management Information Systems), MBA (Technology Management), Bachelor of Information Technology, ACS PCP, AIPM CPPD, Accredited Practitioner PRINCE2 (A1122), MSP (A2894) Benefits Management (A249), P30 (A706) 	6/6	\$26,400
Elizabeth Kelly, PSM ⁵ (July 2020 to March 2021)	<ul style="list-style-type: none"> Knowledge and experience relevant to the operations of the department, including as deputy secretary of the department responsible for innovation, digital strategy and industry support programs. <p>Qualifications</p> <ul style="list-style-type: none"> Bachelor of Economics, Bachelor of Laws (Hons II) Master of Laws, Advanced Management Program 	2/4	N/A – internal member
Narelle Luchetti	<ul style="list-style-type: none"> Extensive program experience across the department 	5/6	N/A – internal member

⁵ A replacement internal member was not sought as there were sufficient members to maintain a quorum.

Appendix A4: Corrections to the previous annual report

NIL corrections received

PART B:
GEOSCIENCE AUSTRALIA



Australian Government
Geoscience Australia

The Hon Keith Pitt MP
Minister for Resources and Water
Parliament House
CANBERRA ACT 2600

Dear Minister

I present to you the 2020–21 annual report of Geoscience Australia for tabling before the parliament, as required by section 46 of the *Public Governance, Performance and Accountability Act 2013*.

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

Yours sincerely

A handwritten signature in cursive script that reads 'Johnson'.

Dr James Johnson
Chief Executive Officer
3 September 2021



CHAPTER 6

GEOSCIENCE AUSTRALIA OVERVIEW

Chief Executive Officer's review

As the national geoscience organisation, Geoscience Australia provides trusted and authoritative advice on Australia's geology and geography to equip government, businesses and communities with the information they need to make decisions.

The impacts of our work are set out in our 10-year strategy, *Strategy 2028*, which focuses on 6 key areas:

- Building Australia's resources wealth
- Supporting Australia's community safety
- Securing Australia's water resources
- Managing Australia's marine jurisdictions
- Creating a location-enabled Australia
- Enabling an informed Australia.

In 2020–21, we continued to progress towards our targets under each impact area. At the same time, Geoscience Australia's work and priorities were shaped by significant national and global events.

As part of the Australian Government's response to the economic impacts of the COVID-19 pandemic, it committed another \$125 million to extend and expand the Exploring for the Future program to the southern half of the continent.

The first phase of Exploring for the Future wound up in 2020, significantly improving the understanding of the minerals, energy and groundwater resources potential of northern Australia. As a result of this program, we have seen new investments in resource exploration, particularly in the East Tennant region along the border between the Northern Territory and Queensland. More than 25 companies have taken up over 150,000 square kilometres of tenements, unlocking the area's resources potential and progressing Australia towards a secure supply of resources and jobs for generations to come.

Highlights of the expanded program so far include the release of airborne geophysical data covering more than 20% of the Australian landmass. This new ground imagery provides an unparalleled snapshot of the top 300 metres of the Earth's surface, which will assist with mineral, energy and groundwater investigations across the continent. We have also started to assess the critical mineral content of mine waste, to establish the feasibility of retrieving these strategic resources from existing mines. This will enable Australia to take advantage of the growing demand for critical minerals, while getting the most out of the mines we have.

We are also advancing Australia's critical mineral prospects through our international partnerships with the United States Geological Survey and the Geological Survey of Canada. In June, we released the Critical Minerals Mapping Initiative online portal, which contains the largest critical minerals dataset in the world. The data can be used to predict the location of new deposits in underexplored parts of Australia, enabling a pipeline of jobs for decades to come. This will be vital as Australia recovers from the economic hit of the COVID-19 pandemic.

In addition to the economic, social and health impacts of the pandemic, large parts of Australia experienced catastrophic natural disasters, including bushfires, drought, tropical cyclones and flooding. Geoscience Australia's scientific and technical capabilities were deployed across a range of programs and initiatives as part of the Australian Government response.

We continued to support emergency managers to better plan, prepare and respond to natural hazard events across Australia. During Tropical Cyclone Seroja in Western Australia and the New South Wales floods we supplied natural hazard advice and spatial data, such as satellite imagery and maps, that ensured emergency managers had the most up-to-date information to make essential decisions.

Geoscience Australia also partnered with the Bureau of Meteorology, CSIRO and the Australian Bureau of Statistics (ABS) to establish the Australian Climate Service. Funding announced in May 2021 of \$209.7 million over 4 years to establish the Australian Climate Service will connect the government's extensive climate and natural hazard information to a central location to provide a national picture that has never been seen before. The Australian Climate Service helps its customers better understand the threats posed by natural hazards and a changing climate to limit their impacts now and in the future, ultimately supporting a safer, more resilient Australia.

Our role as a partner in the new Australian Climate Service is in recognition of our world-leading scientific expertise in understanding and monitoring natural hazards. Our authoritative and trusted natural hazard, exposure, vulnerability and impact information, as well as our Earth observation, geospatial and location data, is key to providing a national picture. This holistic view will help the Australian Climate Service customers make better decisions in planning and preparing for natural hazards, and responding and recovering to disasters when they strike.

In addition to responding to evolving events of the past year, we have continued our ongoing work in other priority areas.

In 2020–21, Geoscience Australia's National Earthquake Alerts Centre (NEAC) detected, analysed and catalogued more than 2,000 earthquakes, including almost 400 Australian earthquakes above magnitude 2.0. We rapidly notified the Australian Government Crisis Coordination Centre and other stakeholders of more than 130 international earthquakes above magnitude 6.0. In our role within the Joint Australian Tsunami Warning Centre, we also provided real-time alerts of 9 potentially tsunamigenic earthquakes in the Australian region.

Our Positioning Australia program is going from strength to strength, delivering the satellite positioning infrastructure and data to support the growth of Australia's space and spatial industries. The procurement phase is currently underway for the Australia–New Zealand Satellite-Based Augmentation System (SBAS), known as the Southern Positioning Augmentation System, or SouthPAN. This is the first SBAS in the Southern Hemisphere and will provide accurate and reliable positioning of 10 cm accuracy to Australia, New Zealand and their maritime zones.

We are continuing to roll out new and upgraded Global Navigation Satellite System (GNSS) stations across Australia, with all new and upgraded stations planned for completion by 30 June 2022. This will see Australia's ground station network expanded from 143 to 200 through the National Positioning Infrastructure Capability (NPIC).

We are also helping to shape the future of the Australian space sector through our contribution to the Australian Space Agency's Satellite Earth Observation Technology Roadmap. With our partners in the Australian Space Agency, the Bureau of Meteorology, the CSIRO and the Australian Earth observation community, we have commissioned studies into the capability of the Australian space sector to develop its own satellites. The findings will inform the work of the House of Representatives Standing Committee on Industry, Innovation, Science and Resources as it continues its inquiry into developing Australia's space industry.

Geoscience Australia has a long track record of enabling our partners in government and the community to safeguard Australia's most treasured assets by providing accessible and timely information. In 2020–21, we released a new Coastlines product via our Digital Earth Australia (DEA) platform that will help coastal managers better look after Australia's beaches. This free tool draws on more than 3 decades of satellite imagery and tidal information to map the annual position of the Australian coastline. This allows scientists and policymakers to visualise long-term trends in erosion and growth, and identify emerging hotspots across 30,000 km of shoreline.

Geoscience Australia partnered with the New South Wales Natural Resources Access Regulator and the Murray-Darling Basin Authority, to provide DEA satellite imagery to assist with the largest, most systematic water use monitoring effort in Australia's history. This visualisation tool increased the regulator's capacity to monitor onfarm storage units by almost 500%.

In partnership with the Australian Hydrographic Office and James Cook University, we also helped to develop the first complete geography of the Great Barrier Reef, its lagoon, the Queensland coast and the hinterland. This data will assist the Great Barrier Reef Marine Park Authority and the Queensland Government in managing one of the most complex ecosystems in the world. The data have also been used to improve tidal modelling for the north-east Australian continental shelf and to investigate the migration routes of Australia's First Nations peoples.

Making our information as accessible as possible is key to our mission. We deliver scientific information at scale through a range of online portals, including DEA Hotspots, Earthquakes@GA, AusH2 – Australia's Hydrogen Opportunities Tool, and the Exploring for the Future portal. The number of unique users accessing these portals grew by almost 500% in 2020–21 to 38,000 users from 137 countries.

Geoscience Australia is committed to creating a diverse and inclusive workplace. Through *Strategy 2028*, we committed to becoming an employer of choice with a workforce that continues to embrace diversity and is inclusive and supportive of all individuals. Our *Diversity and Inclusion Strategy* sets out our organisation's framework for creating a diverse, inclusive, respectful, equitable and flexible workplace. Over the past year, we have made a number of strides towards achieving these goals, including implementing 40:40:20 gender targets (40% male, 40% female and 20% any gender) for all internal boards and committees, and growing the representation of women on internal boards and committees to 40.5%. The number of women in our senior leadership team has increased to 50%.

Under this strategy, we launched our new *Innovate Reconciliation Action Plan*, through which we committed to respectfully engage and collaborate with Aboriginal and Torres Strait Islander peoples and communities. We will ensure meaningful engagement with Aboriginal and Torres Strait Islander peoples, whether they are our employees, stakeholders, contractors or users of our products and information.

While our physical building was closed to the public for much of 2020–21 due to the pandemic, more than 28,000 unique users accessed our Google Arts and Culture exhibitions. Almost 4,000 of those unique users accessed exhibitions in March, when we launched the online exhibition for the recently acquired Georgetown Meteorite.

The Education Centre also produced a series of educational videos while face-to-face school visits were suspended due to COVID-19 restrictions. These videos amassed more than 34,000 views during the 2020–21 financial year and are a testament to Geoscience Australia's commitment to informing and inspiring Australians.

Looking ahead to 2021–22, the Australian Government has invested \$40.2 million in Geoscience Australia over 4 years to develop the Digital Atlas of Australia, as part of its commitment to making Australia a leading digital economy by 2030. The Digital Atlas of Australia will be a free, interactive geospatial map that will provide valuable data about Australia's population, economy, employment, infrastructure, health, land and environment.

This new platform will embed analysis tools allowing anyone to explore, graph, analyse and compare information. For example, a business will be able to explore and download demographic profiles of towns and regions anywhere in Australia, along with information on infrastructure, to determine the most commercially viable places to set up new outlets. This will make virtual design and planning possible without physical site visits. The quality of the information on offer will allow governments, businesses and the community to make more informed data-driven decisions about planning, infrastructure and investment at the local and national levels.

Events over the past 18 months have demonstrated the need for governments at all levels and locations to be well informed and able to quickly respond to emerging and evolving needs. Geoscience Australia stands ready to assist the Australian Government in its response to the national and global challenges that lie ahead.

Overview

Role and functions

Geoscience Australia is the national public sector geoscience organisation. Our purpose is to be the trusted source of information on Australia's geology and geography for government, industry and community decision making, contributing to a safer, more prosperous and well-informed Australia.

Geoscience Australia supports evidence-based decisions through information, advice and services for a strong economy, resilient society and sustainable environment. We develop innovative applications and solutions in response to Australia's most important challenges by bringing together observations, data and knowledge from across geoscience disciplines.

Geoscience Australia's work aligns with the Australian Government's Science and Research Priorities and supports global and domestic initiatives. We deliver our work through 6 key strategic priorities:

- Building Australia's resources wealth - to maximise benefits from Australia's mineral and energy resources, now and into the future
- Supporting Australia's community safety - to strengthen Australia's resilience to the impact of hazards
- Securing Australia's water resources - to optimise and sustain the use of Australia's water resources
- Managing Australia's marine jurisdictions - to support the sustainable use of our marine environment
- Creating a location-enabled Australia - to use detailed and fundamental geographic location information to develop our nation
- Enabling an informed Australia - to equip government, industry and the community with the geoscience data and information needed to make informed decisions for our nation.

Organisational structure

Figure 4 shows Geoscience Australia’s organisational structure at 30 June 2021.

The accountable authority of Geoscience Australia is the Chief Executive Officer, Dr James Johnson, who occupied that position throughout 2020–21.

Figure 4: Geoscience Australia’s organisational structure as at 30 June 2021

Chief Executive Officer <i>Dr James Johnson</i>				
Chief Scientist	Chief of Division	Chief of Division	Chief of Division	
Office of the Chief Scientist	Minerals, Energy and Groundwater Division	Place, Space and Communities Division	Corporate Division	
Discovery and Engagement	Basin Systems	Community Safety	Enabling Services	Digital Science and Information
Land Air Marine Access	Mineral Systems	Digital Earth Africa		
	Advice, Investment Attraction and Analysis	National Earth and Marine Observations	Communications	Data Policy and Informatics
		National Location Information	Cyber Security	Digital Science Infrastructure and Integration
		National Positioning Infrastructure	Finance and Facilities	Digital Science Platforms
			Governance	Enterprise Digital Delivery
			Human Resources	ICT Service Management
			Program Management and Delivery	

Outcome and program structure

Geoscience Australia has one outcome and one program, as shown in Figure 5.

Program 1 contributes to Outcome 1 by providing trusted information and advice on Australia’s geology and geography to support faster and smarter decision making. Through this program, Geoscience Australia develops innovative applications and solutions in response to Australia’s most important challenges by bringing together observations, data and knowledge from across the geoscience disciplines.

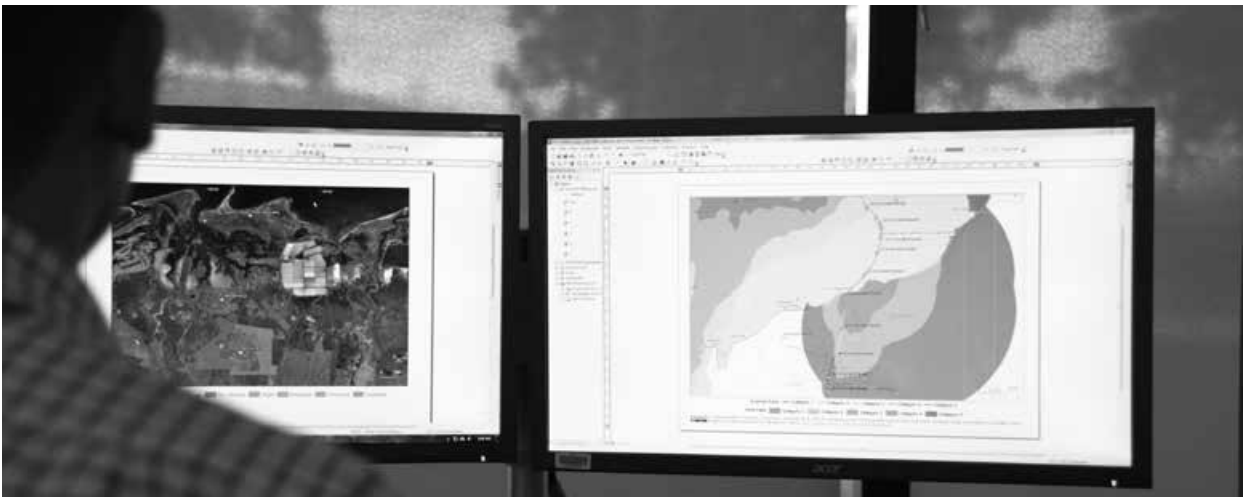
Figure 5: Geoscience Australia’s outcome and program structure, 2020–21

OUTCOME 1:

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

PROGRAM 1

Geoscientific and spatial information services



CHAPTER 7

REPORT ON PERFORMANCE

Introductory statement

As the accountable authority of Geoscience Australia, I am pleased to present the Annual Performance Statements of Geoscience Australia for 2020–21, as required under section 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). It is my opinion that the Annual Performance Statements accurately reflect the performance of Geoscience Australia and comply with section 39(2) of the PGPA Act.

Dr James Johnson
Chief Executive Officer

3 September 2021

Purpose

Geoscience Australia is the national public sector geoscience organisation. Our purpose is to be the trusted source of information on Australia's geology and geography for government, industry and community decision making, and to contribute to a safer, more prosperous and well-informed Australia.

Geoscience Australia supports evidence-based decisions through information, advice and services for a strong economy, resilient society and sustainable environment.

Strategic priorities and objectives

Geoscience Australia's work aligns with the Australian Government's Science and Research Priorities and supports global and domestic initiatives. In achieving our purpose, our work impacts 6 key areas:

- Building Australia's resources wealth – to maximise benefits from Australia's minerals and energy resources, now and into the future
- Supporting Australia's community safety – to strengthen our resilience to the impact of hazards
- Securing Australia's water resources – to optimise and sustain the use of our water resources
- Managing Australia's marine jurisdictions – to support sustainable use of our marine environment
- Creating a location-enabled Australia – to use detailed and fundamental geographic location information to develop our nation
- Enabling an informed Australia – to equip government, industry and community with geoscience data and information to make informed decisions for our nation.

Performance reporting structure

The 2020–21 Annual Performance Statements report performance against the outcomes, performance measures and targets published in the Portfolio Budget Statements 2020-21 and the *Geoscience Australia Corporate Plan 2020-21*.

Performance is assessed at the entity level and in each of the 6 key strategic priority areas. Figure 6 illustrates alignment of Geoscience Australia's purpose with entity level performance and the strategic priorities and outcomes to be reported in these Annual Performance Statements.

Table 41: Geoscience Australia's alignment of purpose, entity performance, strategic priorities and outcomes in the 2020–21 Annual Performance Statements

Purpose	
To be the trusted source of information on Australia's geology and geography for government, industry and community decision making, and to contribute to a safer, more prosperous and well-informed Australia	
Entity level performance	Geoscience Australia's products and services are underpinned by quality science, are fit for purpose and meet stakeholder needs
Strategic priorities	Outcome
1. Building Australia's resources wealth to maximise benefits from Australia's minerals and energy resources, now and into the future	1.1 Increase Australia's attractiveness as an exploration destination 1.2 Mapping Australia's resource base to support more diverse exploration investment and driving new resource discoveries 1.3 Increase the use of diverse geoscience datasets, ideas and technologies
2. Supporting Australia's community safety to strengthen our resilience to the impact of hazards	2.1 Data on hazards, exposure and vulnerability for all decision-makers that is findable, accessible, easy to use, trustworthy and nationally consistent 2.2 Stronger cross-sector capability development to independently leverage data for disaster risk management 2.3 Modern operations-grade infrastructure, supported to reliably inform timely decision making
3. Securing Australia's water resources to optimise and sustain the use of our water resources	3.1 Progressively characterise Australia's water systems 3.2 Enable productive and sustainable management decisions and practices for government and businesses
4. Managing Australia's marine jurisdictions to support sustainable use of our marine environment	4.1 Data describing Australia's maritime boundaries, the sea floor and the coastal zone is discoverable, accessible, easy to use, trustworthy and nationally consistent 4.2 Provide operational, modernised, reliable national spatial data infrastructure that quickly and easily supports decision making 4.3 Develop capability to enable businesses to be more productive and profitable and governments to make informed decisions
5. Creating a location-enabled Australia to use detailed and fundamental geographic location information to develop our nation	5.1 Reliable, findable, usable, fit-for-purpose and nationally consistent datasets that describe Australia's geography 5.2 Infrastructure enabling timely and easy access to national spatial data and information for improved decision making 5.3 Develop multiple or integrated location-based capabilities to enable businesses to be more productive and profitable and governments to make informed decisions
6. Enabling an informed Australia to equip government, industry and community with geoscience data and information to make informed decisions for our nation	6.1 Deliver high-quality, transparent, reproducible data, information and science that is relevant to users 6.2 Ensure everyone can easily access data that is ready to use 6.3 Develop and maintain Earth science resources and programs for teachers 6.4 Be a trusted global leader in the delivery of geoscientific data 6.5 Support infrastructure to measure and monitor the environment

Summary of performance results

Table 42: Summary of performance results

Entity-level performance	No. of targets	2020–21 result summary ¹
Geoscience Australia's products and services are underpinned by quality science, are fit for purpose and meet stakeholder needs	1	Achieved
Strategic priorities	No. of targets	2020–21 result summary ¹
1. Building Australia's resources wealth	12	All targets achieved
2. Supporting Australia's community safety	6	5 targets achieved 1 target partially achieved
3. Securing Australia's water resources	4	All targets achieved
4. Managing Australia's marine jurisdictions	3	All targets achieved
5. Creating a location-enabled Australia	7	5 targets achieved 1 target partially achieved 1 target not achieved
6. Enabling an informed Australia	14	11 targets achieved 3 targets partially achieved
Total	46	40 targets achieved 5 targets partially achieved 1 target not achieved

¹ Result summary definition:

- Achieved: target requirements met or delivered
- Partially achieved: significant or material progress towards target or requirements partially delivered
- Not achieved: target requirements not met or not delivered

Entity-level performance

Table 43: Entity-level performance

Performance measure ¹	2020–21 target	2020–21 result
Geoscience Australia's products and services are underpinned by quality science, are fit for purpose and meet stakeholder needs	Products and services adhere to Geoscience Australia's science principles, and stakeholders are satisfied with the information, data, products and services delivered	Achieved. Geoscience Australia continues to be well regarded by its stakeholders. Feedback confirms that our advice, information, products and services are fit for purpose and are underpinned by quality science. Geoscience Australia continued to work to achieve the impacts and outcomes identified in its decadal strategy, <i>Strategy 2028</i> . We were guided by our Science Principles as we conducted our work. These principles relate to relevant science, collaborative science, quality science, transparent science, communicated science and sustaining science capability.

¹ Source: Portfolio Budget Statements 2020-21

Building Australia's resources wealth

Summary and analysis

Geoscience Australia continued to provide high-quality geological data and information to drive private sector investment in Australia's resources sector and help support the Australian economy through the COVID-19 pandemic. Offshore areas that received a work program bid under the Australian Government's offshore petroleum exploration acreage program continued to be supported by our pre-competitive data and information. Onshore explorers continued to use pre-competitive data and information generated by the successful Exploring for the Future program to take up new exploration acreage in northern Australia at unprecedented levels. Over the past 12 months, the area covered by exploration permits has nearly doubled to more than 155,000km², with more than 25 companies now actively exploring in the region. Independent modelling by ACIL Allen, published in January 2020, demonstrated that the estimated economic benefit from 3 activities in the program could be worth up to \$2.5 billion, with returns to the Australian Government of up to \$632 million. On the back of these successes, the Australian Government announced in July 2020 that it would invest a further \$124.5 million over 4 years into the Exploring for the Future program to expand it into southern Australia.

Geoscience Australia's resources program expanded its focus to new Australian Government priorities, including developing gas resources, continuing to develop the critical minerals industry, and establishing the nascent hydrogen industry. In response, new projects focusing on assessing the potential of gas resources in onshore geological basins, carbon capture utilisation and storage, and hydrogen production and storage across Australia were included in the Exploring for the Future program. In addition, our scientific partnership with the United States and Canadian geological surveys, under the auspices of the Critical Minerals Facilitation Office, continued to provide global leadership in the classification and characterisation of critical mineral deposits in Australia and overseas, and opportunities to increase diversity in global supply chains.

Our expert technical advice and publications continue to be widely used to support Australian Government policy development and implementation, including supporting a record number of assessments by the Foreign Investment Review Board, project referrals under the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act), and a new area in the assessment of resource proposals for the Major Projects Facilitation Agency. Geoscience Australia's technical advice and information has also been used in developing Australian Government strategies and policy documents for the resources and manufacturing sectors. Promotion of the nation's resources potential in unison with the state and territory geological surveys has continued to provide an advantage for Australia in the globally competitive resources sector, with Australia remaining an attractive destination for resources investment. Geoscience Australia also focused on developing online portals to improve access to our data and information. This included improving the functionality of a world-first decision support tool that enables analysis of geologic, economic, cultural, regulatory and infrastructure information to help assess project viability at regional and national scales. These improvements resulted in significant stakeholder usage.

Table 44: Strategic priority: Building Australia's resources wealth – performance

Outcome 1: Increase Australia's attractiveness as an exploration destination		
Performance measure ¹	2020–21 target	2020–21 result
Deliver freely available pre-competitive geoscience data and open file data access	15 datasets and products are publicly released each year	Achieved. Geoscience Australia released 81 datasets and products during the year. The new data and information were collected as part of the Exploring for the Future program, the Mineral Exploration Cooperative Research Centre program and the broader pre-competitive geoscience programs. The datasets have reduced barriers to private sector exploration in the Northern Territory, western Queensland, Western Australia and offshore Commonwealth waters. The integration of these new datasets into national coverages has enabled explorers to target areas and resources of interest more effectively and efficiently. It has also given communities and governments access to new information that improves decision making and policy development regarding Australia's mineral, energy and groundwater resources.
Deliver independent information and technical advice	Annual publication of Australia's mineral and energy resource assessments	Achieved. Geoscience Australia released all of its planned annual publications: <i>Australia's Identified Mineral Resources 2020</i> ; <i>Australian Mineral Exploration Review 2020</i> ; <i>Australian Operating Mines Map 2020</i> ; and the inaugural release of the <i>Australia's Energy Commodity Resources</i> assessment. These publications support government decision making and help to attract investment by providing consistent and comparable sources of data on the value of Australia's mineral and energy commodity inventories, production data, global context, maps and significant exploration results.
	Annual commodity reviews completed and released	Achieved. Geoscience Australia released all of its planned commodity reviews on tungsten, tantalum and niobium. The <i>Australian Resource Review</i> series contributed 6 of the top 10 page views and downloads for Geoscience Australia's minerals publications, reflecting significant industry and investor interest in the information. Geoscience Australia fulfilled its obligation to provide Australia's contribution to <i>Uranium 2020: Resources, Production and Demand</i> , an internationally recognised authoritative source of information on the world uranium industry, published jointly by the Organisation for Economic Co-operation and Development, the Nuclear Energy Agency and the International Atomic Energy Agency. This reinforced Australia's global leadership role in the uranium industry.
	Annual national and international promotion of Australia's resources investment opportunities	Achieved. Geoscience Australia participated in 2 national events and 11 international events, pivoting its promotional activities to wholly online platforms due to the impact of the COVID-19 pandemic. This included working directly with Austrade to promote Australia's critical minerals resource potential, and with state and Northern Territory geological surveys to promote Australia's mineral and petroleum exploration opportunities. Australia's reputation with domestic and international explorers and investors as an attractive destination for resource sector investment was enhanced through the promotion of the nation's considerable resource potential, particularly in strategically important commodities such as critical minerals and hydrogen production.

<p>New exploration investment commitment attributed to Geoscience Australia's pre-competitive geoscience programs</p>	<p>Continued tenement/ permit uptake in areas supported by our pre-competitive data and science</p>	<p>Achieved.</p> <p>As a result of activities undertaken as part of the Exploring for the Future program, more than 25 companies have taken up new, or reinvigorated investment in, tenements between Tennant Creek and Mount Isa, covering an area of over 150,000km². The Exploring for the Future program has been cited by 12 companies as the reason for taking up tenements.</p> <p>During the past 12 months, we also saw the establishment of a new Australian potash industry on the back of pre-competitive geoscientific data published by Geoscience Australia in 2014. This has reduced supply chain risk for fertiliser products and benefitted the agricultural industry.</p>
	<p>Provision of geological data and reports to support the Australian Government's annual offshore petroleum acreage release</p>	<p>Achieved.</p> <p>Geoscience Australia fulfilled its commitment to support the Australian Government's offshore acreage release program by providing regional geological overviews for the Bonaparte, Browse, Roebuck, Northern Carnarvon, Otway and Gippsland basins, and a basin review of the Sorell Basin. The release of these geological overviews, including the associated data, allows explorers to make informed decisions regarding work program bids for each of the acreage areas. A total of 15 bids were received for the 2020 release round, with 12 permits awarded following the 2019 round.</p>

Outcome 2: Mapping Australia's resource base to support more diverse exploration investment and driving new resource discoveries

Performance measure ¹	2020–21 target	2020–21 result
Progressively map and characterise Australia's energy resource potential by capturing key geological information and identifying knowledge gaps	Six basins over 4 years with one to 2 basins delivered each year in the form of a basin inventory	Achieved. Geoscience Australia published a comprehensive regional geological study of the Centralian Superbasin, comprising the Amadeus, Canning, Officer and Georgina basins, demonstrating that there are new opportunities for investment in energy, mineral and groundwater projects in 4 basins in regional and remote Australia.
Increase the diversity of commodities being explored in Australia, including critical minerals	Year-on-year expansion of the level and type of commodity data being accessed	Achieved. In support of the Australian Government's drive to diversify critical mineral supply chains, Geoscience Australia: <ul style="list-style-type: none"> led the development of an international critical minerals online portal as part of the Critical Minerals Mapping Initiative, a collaboration with the United States Geological Survey and the Geological Survey of Canada. This new portal hosts the world's largest dataset of critical minerals from more than 60 countries and has attracted over 1,500 users since its launch in June 2021. improved the functionality and usability of the online Australian Mines Atlas for 36 commodities, which increased the number of page views per day by 60% on 2019–20 results. co-authored the updated Austrade-led <i>Australian Critical Minerals Prospectus 2020</i> and <i>Critical Minerals Projects in Australia 2020</i> publications, which are aimed at attracting more investment into Australia's critical minerals sector. commenced a new project to assess the critical mineral content of mine tailings and the feasibility of re-treating them to generate additional value and supply.
Provide technical advice supporting commercial carbon capture and storage, and hydrogen industries, and legislative, regulatory requirements and policy initiatives related to Australia's resource sector	By 2024, industry is utilising Geoscience Australia data to identify and assess CO ₂ storage as part of a resource investment strategy	Achieved. Geoscience Australia's technical expertise on carbon capture and storage was used in the selection of several industry projects funded under the Australian Government's Carbon Capture Use and Storage Development Fund. Our data and information was used in developing the <i>Technology Investment Roadmap</i> and the <i>Low Emissions Technology Statement</i> , which provides a framework for private sector investment in low emissions energy projects and will help Australia meet its emission reduction targets. As part of the Exploring for the Future program, Geoscience Australia commenced a new study of the potential for CO ₂ storage to support enhanced oil production from reservoir rocks containing residual amounts of oil, which will provide valuable information for industry investment and take-up.
	Geology and geospatial products are publicly released to support emerging hydrogen industry	Achieved. Supporting the implementation of the Australian Government's <i>National Hydrogen Strategy</i> , Geoscience Australia released a world first online Hydrogen Economic Fairways Tool in March 2021 and published a comprehensive review of Australia's potential for natural hydrogen as a clean energy source. The results of both projects will support decision making on the development of hydrogen hubs in Australia, including the location of new infrastructure.

Outcome 3: Increase the use of diverse geoscience datasets, ideas and technologies

Performance measure ¹	2020–21 target	2020–21 result
Increase the diversity of users of our resources data, publications and mapping tools	Year-on-year increase in the diversity of users	Achieved. Resources data portals were accessed by users from 137 countries, compared to 72 countries in 2019–20. In addition, 10% more users accessed the portals from mobile devices. This increase reflects an increase in the usability, availability, accessibility and relevance of our data for a growing user base across new technology platforms. Governments, academia, industry and the public also increased their use of high-profile portals including: <ul style="list-style-type: none"> • Australian Mines Atlas • Australian Critical Minerals • AusH2 - Australia's Hydrogen Opportunities Tool • Exploring for the Future • Geophysical Archive Data Delivery. Users are accessing Geoscience Australia's innovative online tools and portals to assist with rapid evidence-based decision making and analysis.
Annual increase in the access and use of the Geoscience Australia portal	Year-on-year increase in the use of the portal	Achieved. Resources data portals had a total of 39,000 users, which is a 650% increase from 2019–20. The timely release of, and easy access to, accurate and relevant geoscience data for government, industry, academia and the public has led to an increase in industry tenement uptake and supported informed decision making regarding resource development.

¹ Source: *Geoscience Australia Corporate Plan 2020-21*

Supporting Australia's community safety

Summary and analysis

Geoscience Australia is playing a significant role in identifying better ways to mitigate or reduce communities' risk to the ever growing scale and impacts of disasters.

We continue to monitor, measure, analyse and develop world-leading science and technology to better understand the behaviour of natural hazards and how they will impact communities.

Geoscience Australia's National Earthquake Alerts Centre (NEAC) continued real-time earthquake monitoring, detection, analysis and alerting, 24 hours a day, 7 days a week. In 2020–21, we detected, analysed and catalogued 2,059 earthquakes, including 381 Australian earthquakes above magnitude 2.0. We rapidly notified the Australian Government Crisis Coordination Centre and other stakeholders of 134 international earthquakes above magnitude 6.0. In our role within the Joint Australian Tsunami Warning Centre, we provided real-time alerts about 19 potentially tsunamigenic earthquakes, including 9 within the Australian region.

Our highly valued collaborations and partnerships continue to demonstrate the success of harnessing science for evidence-informed decisions. During 2020–21, we concluded 8 projects on cost-effective mitigation strategies, and impact and risk assessments for natural hazards. These projects involved partnerships with Emergency Management Australia, the Department of Fire and Emergency Services in Western Australia, Queensland Fire and Emergency Services, the Bushfire and Natural Hazards Cooperative Research Centre, and industry.

We continued to provide advice and support to build greater capacity in dealing with natural hazards in Asia-Pacific, the most disaster-prone region in the world.

We further advanced scientific understanding of natural hazards through our collaborations with leading academic institutions. We published 6 scientific reports, 4 new science applications, 4 datasets and 14 journal articles to ensure our science and tools can be used for better decision making and for future innovation and research.

Geoscience Australia is a key partner in the newly established Australian Climate Service, which became operational from 1 July 2021. Our role reaffirms Geoscience Australia's position as the nation's pre-eminent geoscience organisation and our vital work in providing science, data and tools to support Australia's community safety.

Table 45: Strategic priority: Supporting Australia's community safety—performance

Outcome 1: Data on hazards, exposure and vulnerability for all decision-makers that is findable, accessible, easy to use, trustworthy and nationally consistent		
Performance measure¹	2020–21 target	2020–21 result
Level of exposure data with 5 years' currency	Annual increase of 5 datasets	Achieved. Geoscience Australia made 10 new datasets available, including bushfire boundaries, and the exposure of utilities, health and education facilities. Stakeholders used this information during recent fires and floods to better understand and plan for what and who was under threat.
Hazard, exposure and vulnerability data that is accessible and discoverable	New or updated data is published and made openly available	Achieved. Geoscience Australia released 6 products throughout the year, an increase from 3 products released last year. These new datasets and applications support evidence-informed planning, preparedness and responses to natural hazards now and into the future and build the resilience of communities and infrastructure.
Outcome 2: Stronger cross-sector capability development to independently leverage data for disaster risk management		
Performance measure¹	2020–21 target	2020–21 result
Geoscience Australia's capability is routinely used in decision making to enhance the understanding of Australia's hazards and built environment vulnerability	Annual case studies demonstrating the uses and impacts of Geoscience Australia's products and services	Achieved. Earthquake impact and risk assessment for Perth and supporting infrastructure A 4-year, 6-partner research project focused on the potential impacts of earthquakes on the buildings and supporting critical infrastructure in the Perth metropolitan region, which has a population of 2 million people. The project entailed a collaboration with the Western Australian Department of Fire and Emergency Services and asset managers in the road transport, electricity and water supply sectors. The project team developed vulnerability models for key Australian infrastructure facilities that increase understanding of the potential impacts of rare earthquake events. The outcomes were used in 4 separate workshop activities to assess emergency management capability and arrangements for managing rare but credible earthquakes. One of the workshops took place at the 2018 East Asia Summit: International Disaster Assistance Workshop, while others were specific to earthquake management at the local and national level. The outcomes have highlighted areas for infrastructure mitigation investment (retrofitting and future development) across all sectors. The outcomes are also informing future investment in critical infrastructure facilities in Western Australia.

Outcome 3: Modern operations-grade infrastructure, supported to reliably inform timely decision making

Performance measure ¹	2020–21 target	2020–21 result
Data service systems availability	90%	Partially achieved. Geoscience Australia achieved 89% of data service systems availability for the Australian National Seismograph Network, including urban monitoring observatories. Maintenance of remote observatories throughout the reporting period was significantly impacted by COVID-19 travel restrictions, which affected system availability. Advancements in remote state-of-health monitoring systems and procedures minimised the impact on data delivery to mission-critical activities.
Availability of time-critical systems to support seismic alerting, including nuclear monitoring	98%	Achieved. Geoscience Australia achieved 99% availability of time-critical systems to support seismic alerting, including nuclear monitoring. <ul style="list-style-type: none"> • Australian Comprehensive Nuclear-Test-Ban Treaty nuclear monitoring stations exceeded the target despite a reduction in scheduled maintenance activities due to COVID-19 travel restrictions. • The Australian Geomagnetic Observatory Network made progress towards replacing observatories at Charters Towers and on Macquarie Island. • Successful satellite passes were achieved for the Alice Springs Satellite Ground Station, to deliver Earth observations for environmental monitoring.
Timely response to requests for activation of the International Disasters Charter or the Copernicus Emergency Management Service	Response within 72 hours of a formal request for activation	Achieved. Geoscience Australia responded within 72 hours of receiving an activation request, providing satellite map products of the disaster areas. <ul style="list-style-type: none"> • Geoscience Australia coordinated activation of the Copernicus Emergency Management Service on behalf of Emergency Management Australia and state emergency services for the Perth fires in February 2021 and the New South Wales flood emergency in March 2021.

¹ Source: *Geoscience Australia Corporate Plan 2020-21*

Securing Australia's water resources

Summary and analysis

Geoscience Australia's water resources program increasingly focused on regional- and national-scale water resource assessments, based on the development and application of a new assessment framework. Geoscience Australia provided high-quality data and information on the location and quality of groundwater resources in 9 Australian water systems to support more effective and efficient water management, including the implementation of compliance and enforcement measures by regulators.

The results of our work in northern Queensland are being used to develop a water management plan for the Upper Burdekin region, which will help improve environmental and resource management by informing decisions on water availability for future agricultural developments and domestic stock use. Two regional groundwater assessments in the Beetaloo Sub-basin and Cooper Basin, for the 4-year Geological and Bioregional Assessment Program, enable governments, industry and the community to understand the potential impacts of unconventional gas development on water resources. The assessments also provide management and regulation recommendations to safely manage these impacts as well as protect environmental values. This model is being carried forward into the Australian Government's Strategic Basins Program.

Our work to develop novel techniques using satellite data to map changes in groundwater resources at regional scale continued as part of Geoscience Australia's Great Artesian Basin Study. The evaluation of these techniques will continue over the next year with ground sampling, to provide a comprehensive assessment of their efficacy in detecting and monitoring spatial and temporal changes to groundwater resources.

Table 46: Strategic priority: Securing Australia's water resources—performance

Outcome 1: Progressively characterise Australia's water systems		
Performance measure¹	2020–21 target	2020–21 result
Develop a geoscientific framework for Australian water systems to prioritise future studies and inform the development of a basin inventory	Develop a framework and progressively develop a basin inventory capturing key geological information controlling groundwater systems and identifying knowledge gaps with a target of 2 per year	Achieved. Geoscience Australia developed a new and consistent framework for assessing groundwater systems as part of the Geological and Bioregional Assessment Program and the Exploring for the Future program, and applied it to 9 groundwater systems across Australia. Building a nationally consistent framework of groundwater system characterisation and applying that to groundwater assessments provides water managers with relevant information for effective groundwater resource management.
Deliver nationally consistent data and information to characterise Australia's water resources	10% annual increase in water systems characterised	Achieved. Geoscience Australia characterised 7 groundwater systems as part of the Exploring for the Future program and 2 under the Geological and Bioregional Assessments Program, representing a greater than 10% increase on 2019–20. The studies have identified groundwater systems with potential to supply remote communities and support future economic development. In addition, the data and information are being used by water managers to inform management decisions and protect environmental and cultural assets.
Integration of multidisciplinary datasets to improve the understanding of Australia's water systems	Year-on-year progressive increase in the number of data types being used to inform water management decision making	Achieved. A minimum of 5 different datasets, including new applications of satellite data, underpinned regional groundwater resource assessments across northern Australia and the Great Artesian Basin, representing an increase of 2 datasets compared with those used in 2019–20. The integration of new datasets, including satellite data, in undertaking regional groundwater resource assessments provides additional confidence to stakeholders managing and utilising groundwater resources.

Outcome 2: Enable productive and sustainable management decisions and practices for government and businesses

Performance measure ¹	2020–21 target	2020–21 result
Products, advice and services from our programs, such as DEA and Exploring for the Future, are utilised and support governments and businesses	Case studies demonstrating the use and impacts of Geoscience Australia's products and services in supporting sustainable water management decisions	Achieved. Upper Burdekin groundwater system Geoscience Australia's study of the Upper Burdekin groundwater system provided new insights into the hydrogeology and groundwater characteristics of the basalt aquifers and their interactions with the Burdekin River. The Queensland Government is using the results to develop a new water management plan for the Upper Burdekin region. The methods used for this project will also be applied to other regions of Australia with basalt aquifers supplying groundwater for industry and community use and environmental management. Satellite imagery supporting the northern Murray-Darling Basin Geoscience Australia developed a road map for the use of satellite imagery-based tools for supporting water compliance in the northern Murray-Darling Basin, in collaboration with the Murray-Darling Basin Authority, New South Wales and Queensland governments, and the Bureau of Meteorology as part of the Northern Basin Hydrometrics Project. Application of the road map will bring increased transparency and accountability to water management in the Murray-Darling Basin.

¹ Source: *Geoscience Australia Corporate Plan 2020-21*

Managing Australia's marine jurisdictions

Summary and analysis

Australia's marine resources continue to play an important role in the nation's economy, society and security. The need for reliable and easily accessible data that defines and describes Australia's marine jurisdiction and environment remains critical to maritime security and enabling continued growth of the Blue Economy by striking an appropriate balance between economic, environmental and social interests.

Geoscience Australia increased the availability and reliability of geospatial data covering Australia's marine jurisdiction. Australia's approaches to defining our maritime boundaries are gaining international credibility. Greater certainty on the location of our boundaries is reducing risk for offshore investment. Many Australian Government entities continue to depend on Geoscience Australia's information and advice for their operations, policy development and implementation. Our advice supports management of the offshore energy sector, safe navigation, management and monitoring of marine protected areas, and on-water activities.

A key product released in 2020–21 was the DEA Coastlines web service, which allows ready access to information that enables users to identify areas where coastal change is occurring, in timescales that are critical for informing management decisions. DEA Coastlines includes annual shoreline positions and rates of coastal change along the entire Australian coastline from 1988 to the present. The product enables trends in coastal erosion and growth to be examined annually at local and continental scales, and for patterns of coastal change to be mapped historically and updated regularly as data continues to be acquired. Since its release in March 2021, DEA Coastlines has been accessed more than 17,000 times.

Table 47: Strategic priority: Managing Australia's marine jurisdictions—performance

Outcome 1: Data describing Australia's maritime boundaries, the sea floor and the coastal zone is discoverable, accessible, easy to use, trustworthy and nationally consistent		
Performance measure¹	2020–21 target	2020–21 result
Make available new seabed data, updated maritime boundaries and other spatial information	New data acquired and made available	<p>Achieved.</p> <p>Geoscience Australia acquired and made available new marine data.</p> <ul style="list-style-type: none"> • Bathymetry data of Australia's sea floor has been acquired by Geoscience Australia in collaborative marine surveys. New data is continuously available on the AusSeabed Marine Data Portal, with several thousand additional data downloads and an increased area of seabed data coverage, of approximately 2 million square kilometres, compared to the last reporting period. • Updated datasets show the new agreed maritime boundary between Australia and Timor-Leste. This information will be used by Australian Government entities to support the administration of the Australian jurisdiction and enforcement of Australia's offshore boundaries.
Outcome 2: Provide operational, modernised, reliable national spatial data infrastructure that quickly and easily supports decision making		
Performance measure¹	2020–21 target	2020–21 result
Availability of marine information to support marine planning and administration	90% uptime	<p>Achieved.</p> <p>Information to support marine planning and administration was available online 90% of the time, a similar level of availability as last year.</p> <ul style="list-style-type: none"> • Seabed information (including bathymetry and sea floor characterisation) published through web services and downloadable datasets via the AusSeabed Portal is used by governments, industry and the research community for marine planning and operations. • Geoscience Australia has progressed a program of international and domestic legislative and technical reform to transition Australia to digital marine management of rights over the marine jurisdiction from 2023. Major progress includes the implementation of an international standard for the exchange of maritime boundary information.

Outcome 3: Develop capability to enable businesses to be more productive and profitable and governments to make informed decisions

Performance measure ¹	2020–21 target	2020–21 result
Geoscience Australia's capability from activities such as DEA and AusSeabed is routinely utilised and supports governments and businesses in decision making	Annual case studies demonstrating the use and impacts of Geoscience Australia's products and services	<p>Achieved.</p> <p>Digital Earth Australia – Coastlines</p> <ul style="list-style-type: none"> • Australia's coast is subject to a wide range of pressures, including extreme weather and climate, sea level rise and human development. Understanding how the coastline responds to these pressures is crucial to managing this region, from social, environmental and economic perspectives. • DEA Coastlines was released in 2021 and includes annual shoreline positions and rates of movement along the entire Australian coastline, from 1988 to the present. • The product combines satellite data with tidal modelling to map the typical location of the coastline at mean sea level for each year. This allows current rates of shoreline movement to be compared with that observed in previous years or decades. • Products are available on the DEA website. <p>AusSeabed</p> <ul style="list-style-type: none"> • Australia has a vast marine area that supports a wide range of marine industries critical to the Australian economy. Key to the efficient operation of these industries, and to supporting growth in the Blue Economy, is information on the depth, structure, composition and habitats of Australia's seabed. • AusSeabed is a national collaborative initiative led by Geoscience Australia that aims to increase the coverage, quality and accessibility of seabed data. A key element of AusSeabed is a data portal, which was updated this year to improve online access to a rapidly expanding coverage of new and reprocessed legacy seabed data. • The data portal had 12,633 unique visitors from government, industry and research organisations over the year, with 6,029 data downloads. The new data significantly extends the available data coverage, while an automated approach has reduced data processing time from months to less than 2 weeks, enabling new data to be rapidly uploaded.

¹ Source: *Geoscience Australia Corporate Plan 2020-21*

Creating a location-enabled Australia

Summary and analysis

Location-based data and technologies remained crucial to decision making by business, citizens and government agencies during 2020–21. Demand continued to increase for easy-to-use, openly available and reliable Earth observation and digital mapping data describing Australia's geography, and highly precise positioning information from satellites. We are developing systems to maintain access to traditional forms of location information, such as maps, through collaboration on software platforms with the Queensland Government. The need to continue to find and digitise historic aerial photography that mapped the Australian landscape before the digital era also became stronger, as photographs deteriorate with age. A program to digitally capture this material continues to enable its preservation.

The next generation of the Australian Government's location-based data infrastructure, to be led by Geoscience Australia, will be the Digital Atlas of Australia, which was announced in the 2021 Federal Budget. This free, secure, interactive, 3-dimensional geospatial platform will enable users to access, download and personalise content from a rich and authoritative suite of national data about Australia's population, economy, employment, infrastructure, health, land and environment.

The programs supporting improved positioning information from satellite navigation systems, and improved take-up of Earth observation information in Australia and Africa, made good progress, although COVID-19 restrictions hampered the ability to maintain network availability for remotely located stations. The technical feasibility of a ‘data cube’ for Africa was demonstrated, using free and open data and cloud infrastructure. New datasets for land cover, wetlands and coastlines were released, and significant progress was made to compile an authoritative state borders dataset and digitise historic aerial photography. Improved governance for the maintenance of, and access to, Australia’s national coverage spatial data was also re-established through collaborative frameworks with states and territories. Similar success was achieved with Digital Earth Africa, although work continues on finalising a local host. Strong foundations for future collaboration on spatial data infrastructure with other Australian Government entities were established as a result of completing the Location Index project.

Geoscience Australia’s continued strong leadership and program achievements this year have benefitted government and business. States and territories participating in collaborative governance realised financial benefits through reduced costs of managing and delivering data to business. Business realised financial benefits through faster and easier access to that data.

Table 48: Strategic priority: Creating a location-enabled Australia—performance

Outcome 1: Reliable, findable, usable, fit-for-purpose and nationally consistent datasets that describe Australia’s geography		
Performance measure¹	2020–21 target	2020–21 result
Number of foundation spatial datasets with a currency of 10 years	Increase of 5 datasets per year	Achieved. Geoscience Australia achieved an annual increase of 6 datasets. <ul style="list-style-type: none"> • Datasets include locations of utilities, health and education facilities, railway lines and elevation data covering Victoria. • This data will be used to support research, planning and decision making, including for locating critical infrastructure and for responding to and recovery from natural disasters.
Outcome 2: Infrastructure enabling timely and easy access to national spatial data and information for improved decision making		
Performance measure¹	2020–21 target	2020–21 result
Positioning data service system availability	99% uptime	Achieved. Geoscience Australia achieved 100% uptime for the positioning data service system. <ul style="list-style-type: none"> • This system provides free and open access to precise positioning information to all Australians.
Data availability from the national positioning infrastructure networks	95% uptime	Not achieved. Geoscience Australia’s Global Navigation Satellite System (GNSS) network achieved 91% station uptime. <ul style="list-style-type: none"> • Maintenance of stations throughout the reporting period was significantly impacted by COVID-19 travel restrictions. • Work commenced on the upgrade and modernisation of stations as part of the Positioning Australia program. These upgrades will improve the accuracy and reliability of the stations.

Build the infrastructure and systems to deliver trusted and 10 cm accuracy positioning service across Australia and its maritime zones	(Target commencing in 2021-22)	<p>Status update.</p> <p>Geoscience Australia is progressing with the Australia–New Zealand Satellite-Based Augmentation System, known as SouthPAN.</p>
Build the infrastructure and systems to deliver 3 to 5 cm accuracy of positioning services for areas with mobile phone coverage across the continent	Increase of 100 stations	<p>Achieved.</p> <p>Geoscience Australia extended the number of stations contributing to the National Positioning Infrastructure Capability by 142 stations.</p> <ul style="list-style-type: none"> • The increased number of stations has improved access, coverage and performance of precise positioning services across parts of Queensland, South Australia, Tasmania and Western Australia.
Improvements to foundation spatial dataset supply chains	Annual case studies demonstrating positive peer review and feedback on improvements to foundation spatial data	<p>Achieved.</p> <p>Better access to foundation spatial data</p> <p>Through a joint work program with the Department of Defence, Geoscience Australia has improved access to spatial data by developing new long-term sustainable agreements that allow supplied data to be shared and reused across the Australian Government, saving time and money.</p> <p>These new agreements with the governments of the Northern Territory, South Australia and Western Australia have opened a range of foundation spatial data layers for decision-makers and the creation of national maps.</p>

Outcome 3: Develop multiple or integrated location-based capabilities to enable businesses to be more productive and profitable and governments to make informed decisions

Performance measure ¹	2020–21 target	2020–21 result
Geoscience Australia's capability is routinely utilised in decision making	Annual case studies demonstrating the incorporation of Geoscience Australia's capability in business operations and government decision making	Achieved. Elevation and Depth – Foundation Spatial Data (ELVIS) Geoscience Australia's ELVIS infrastructure is a cloud-based system that allows users to easily discover elevation and bathymetry data. Data can be quickly accessed through ELVIS to support efficient planning, research and decision making by government, industry, and research communities. ELVIS delivers 100,000 data orders every year, supporting the contribution of more than \$500 million to the Australian economy. Australian Exposure Information Platform (AEIP) The AEIP is a web-based tool that gives emergency services free 24/7 access to nationally consistent information on infrastructure, people and more. Information is customised to their geographic location, revealing what may be exposed to a potential hazard – from fires and floods to pandemics. This helps decision-makers make informed decisions and direct efforts.
Build demand for and support the development of an Australian Environmental Futures concept	Support the development of an Australian Environmental Futures concept for consideration as a <i>National Collaborative Research Infrastructure Strategy</i> (NCRIS) funded facility	Partially achieved. The Australian Environmental Futures concept was proposed to the National Research Infrastructure in August 2020 for consideration in the 2021 National Research Infrastructure Roadmap. The process for the 2021 road map has yet to commence.

¹ Source: *Geoscience Australia Corporate Plan 2020-21*

Enabling an informed Australia

Summary and analysis

Geoscience Australia continued to deliver fit-for-purpose quality data products, with notable examples including the Geophysical Archive Data Delivery System, Exploring for the Future program datasets, and the DEA Land Cover product. These and other products are supported by improvements to our underlying catalogue and systems that enable FAIR principles (findable, accessible, interoperable, reusable). The development this year of a streamlined product publication workflow improved the quality and standardisation of our product metadata.

Our delivery of geoscientific information continued to be world leading, and our scientific portals receive significant national and international exposure. Portals addressing topics of national significance include Digital Earth Australia Hotspots, Earthquakes@GA, AusH2 – Australia's Hydrogen Opportunities portal, Exploring for the Future, the Australian Mines Atlas, and the Critical Minerals Mapping Initiative. Engagement from stakeholders using these portals and accessing our products has dramatically increased and we are improving tools to monitor this engagement and improve stakeholder satisfaction.

All officials at Geoscience Australia play a shared role in stakeholder engagement and data discoverability and accessibility.

Geoscience Australia continued to support the regulation of the offshore petroleum industry through the effective management of data and sample management under the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* on behalf of the National Offshore Petroleum Titles Administrator. Improvements in Geoscience Australia's workflows and data delivery systems has resulted in additional data being received and supplied to clients compared to 2019–20 levels.

In response to COVID-19 and to comply with safety measures, we continued to adapt our stakeholder engagement and land access activities from face-to-face to virtual. This required the development and implementation of flexible new workflows to proactively engage stakeholder groups and impacted landholders. Most of these new virtual initiatives will continue after COVID-19 restrictions ease due to their success in reaching broader and more diverse audiences, including remote and regional communities. This supports our commitment to achieving a tenfold increase in engagement with stakeholders across our digital platforms by 2028.

During 2020–21, Geoscience Australia:

- remained committed to ensuring all teachers are equipped with the knowledge and resources to increase the participation of future generations in science, technology, engineering and mathematics (STEM)
- continued to facilitate the discoverability and accessibility of the National Mineral and Fossil Collection, and physical and digital library resources
- continued its commitment to educate and inspire the next generation of Australians about Earth science
- established a dedicated capability for land, air and marine access, providing advice and guidance across the organisation to ensure all field activities are conducted in accordance with industry best-practice standards
- continued to strengthen and establish relationships with Australia's First Nations peoples
- continued to increase and improve staff Aboriginal and Torres Strait Islander cultural competency and awareness.

Table 49: Strategic priority: Enabling an informed Australia—performance

Outcome 1: Deliver high-quality, transparent, reproducible data, information and science that is relevant to users		
Performance measure¹	2020–21 target	2020–21 result
Increased inclusion of appropriate measures of certainty and accuracy in our data products	Annual increase in data products containing supplementary information of data certainty, accuracy and quality	Partially achieved. Geoscience Australia's data products are commonly released with information describing measures of accuracy and data quality to allow stakeholders to decide whether the data is suitable for their needs and to improve trust in our data. Recognising the value of including more data quality statements, management processes were assessed and a road map was developed for 2021–22 to monitor and increase the inclusion of quality statements. Planned work includes: <ul style="list-style-type: none"> • modifying the publication workflow to identify and record when data quality statements are to be included with releases • adding questions regarding data uncertainty and quality to the annual data audit process, to increase the visibility and importance of descriptions of data quality and to encourage their inclusion with data products.

<p>Create fit-for-purpose and quality data products that strive to incorporate FAIR principles (findable, accessible, interoperable and reusable), leading practice and national and international standards</p>	<p>Annual case studies providing examples of fit-for-purpose and quality data products</p>	<p>Achieved.</p> <p>Geoscience Australia's data products are delivered via enterprise platforms, which assists in making them findable, accessible, interoperable and reusable. This is largely accomplished through the enterprise product catalogue and the supporting systems for persistent identifiers and data storage (corporate data store). Data products are compliant with Australian Government policy and data governance expectations.</p> <p>Examples of fit-for-purpose, quality data products that were improved in 2020–21 are described below.</p> <p>Geophysical Archive Data Delivery System (GADDS) 2.0</p> <p>Redevelopment of the GADDS platform to an integrated system (from data acquisition to data delivery) has resulted in Geoscience Australia's geophysical data collections being FAIR compliant. Extensive stakeholder feedback led to enhanced data management and processing functionality, improved connectivity with external data providers and repositories, and an upgrade to the user interface. These developments have significantly improved the delivery and usability of national-scale geophysical data and services for our stakeholders.</p> <p>Exploring for the Future</p> <p>The Exploring for the Future program served as a pilot for implementing a data lifecycle approach to data management and release, supporting improved adherence to the FAIR data principles. The overall goal was to implement best-practice data management for our science data while increasing the usability and use. This was achieved by:</p> <ul style="list-style-type: none"> • implementing data management plans using templates to increase productivity • streamlining product publication by developing a new workflow leveraging Geoscience Australia's legacy data and enterprise systems • improving machine learning and artificial intelligence applications • linking datasets and publications to improve data provenance and use by stakeholders. <p>Digital Earth Australia Land Cover</p> <p>The DEA Land Cover product provides information on the vegetation, urban areas, cropping, surface water and bare areas across Australia to support environmental monitoring and reporting.</p> <p>This year, DEA delivered a new national land cover product to support land accounts as part of the implementation of the United Nations System of Environmental-Economic Accounting for Australia. The land accounts are produced by combining the DEA Land Cover product with land use and land tenure data from the Australian Bureau of Agricultural and Resource Economics and Sciences. The land accounts project is led by the ABS and the Department of Agriculture, Water and the Environment. The ABS released the first experimental land accounts in this program for comment in June 2021, with full public release expected in September 2021.</p> <p>Full public release of the accounts and land cover will occur in the first quarter of 2021–22.</p>
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Increased use of Geoscience Australia's capability and engagement of stakeholders in our products and services

Annual case studies demonstrating the breadth of capability in supporting users and in government decision making

Achieved.

Information delivery through portals

Geoscience Australia develops and maintains more than 25 web applications that deliver scientific information to our stakeholders and to support our 6 impact areas. Increasingly, these portals are being developed using a common enterprise platform that is highly responsive and adheres to strict security standards, while providing a uniform look and feel.

These applications include:

- DEA Hotspots
- Earthquakes@GA
- ELVIS
- AUSGIN Geoscience Portal
- Geoscience Australia Portal with numerous thematic portals, or personas:
 - Aush2 – Australia's Hydrogen Opportunities Tool
 - Exploring for the Future
 - Australian Mines Atlas
 - Critical Minerals Mapping Initiative.
- Geoscience Australia continues to monitor the usage of its platforms to understand the range of users. Overall, we have noted an increase in the number of countries users come from, the diversity of users and the use of mobile devices to access the portals. This increase is due to the release of multiple new online applications and extensive efforts to improve user accessibility.

This functionality provides innovative capabilities so that users can access and analyse our data quickly and easily and make informed decisions faster. Feedback from users has shown the increase has been a benefit for industry, academia and the general community.

Develop and hone tools to measure and baseline digital engagement with stakeholders	Use this baseline to measure the number of unique users and hits to track progress towards a tenfold increase in engagement on digital platforms	<p>Partially achieved.¹</p> <p>Geoscience Australia maintains a wide range of digital platforms to support engagement with stakeholders by providing access to data products and science. A combination of commercial services and tools developed in-house are used to monitor the use and track stakeholder engagement on digital platforms.</p> <p>Geoscience Australia Website</p> <p>In 2019–20, Geoscience Australia had 3.36 million hits to its internet pages with 1.62 million unique users. In 2020–21, this increased to 5.99 million hits to our web pages with 2.03 million unique users.</p> <p>Geoscience Australia data and publications search portal</p> <p>During 2020–21, 3,383 discrete users accessed the Corporate Data Store (CDS), made more than 3.1 million hits on the system, and downloaded approximately 21 terabytes of data and products.</p> <p>Web service and data access monitoring tool development</p> <p>We have developed a self-service dashboard for monitoring the access and use of our web services. This will enable web service and data custodians to evaluate the type and volume of access to our products, and the performance of our delivery mechanisms. The dashboard will provide statistics on:</p> <ul style="list-style-type: none"> • access and usage of our web services • access and usage of the data and publications search portal • access to the CDS. <p>Information delivery through portals</p> <p>The following are statistics for 3 of our key spatial delivery platforms:</p> <ul style="list-style-type: none"> • Earthquakes@GA had 219,000 unique users during 2020–21 compared with 322,000 in 2019–20. • DEA Hotspots had 59,000 unique users during 2020–21 compared with 476,000 in 2019–20. • The Geoscience Australia Portal (including all thematic portals) had 44,000 unique users during 2020–21 compared with 6,800 in 2019–20. <p>User activity on Geoscience Australia’s portals fluctuates in response to stakeholder interest. For example, the DEA Hotspots portal had extremely high usage during the 2019–20 bushfires which dropped dramatically in 2020–21 with the decrease in bushfire events.</p> <p>¹ Partial achievement of this target reflects work completed to measure and baseline digital engagement with stakeholders and the significant increase in unique users engaging through digital platforms. The target requirement for a ‘tenfold’ increase in engagement on digital platforms is a 10-year goal and has been refined in Geoscience Australia’s <i>2021–22 Corporate Plan</i>.</p>
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Outcome 2: Ensure everyone can easily access data that is ready to use

Performance measure ¹	2020–21 target	2020–21 result
Delivery and management of offshore petroleum data according to <i>Offshore Petroleum and Greenhouse Gas Storage Act 2006</i> requirements	95%	<p>Partially achieved.</p> <p>Achieved a 100% completion rate for self-service delivery of offshore petroleum data through the National Offshore Petroleum Information Management System, delivering 340 terabytes of data to 20,463 users from industry, academia and the public.</p> <p>Achieved a 93% completion rate for customised data delivery to 289 client requests, providing 201 terabytes of data. This below-target result relates to several very complex data requests that required more time to negotiate precise requirements and/or compile multiple data sources.</p> <p>Achieved a 100% completion rate on cataloguing new offshore petroleum data and samples submitted under the regulations. This result meets our service-level agreement with the National Offshore Petroleum Titles Administrator to manage 'in-confidence' data and samples.</p>
Our ground-based satellite stations and observatories continue to capture data of national and international significance	Ongoing management and operation of satellite stations and observatories to support the delivery of data	<p>Achieved.</p> <p>Geoscience Australia met targets for operating and maintaining critical geodetic infrastructure from 4 observatories across Australia.</p> <p>This infrastructure enables positioning, navigation and timing applications in Australia and is a foundation for the Positioning Australia program.</p>

Outcome 3: Develop and maintain Earth science resources and programs for teachers

Performance measure ¹	2020–21 target	2020–21 result
New teaching resources developed, with increased downloads of these resources	Develop 15 new resources for teachers over 4 years (e.g. activity sheets, fact sheets, videos, webinars), including both curriculum-based and general interest, to enable teachers to inspire and educate students	<p>Achieved.</p> <p>Geoscience Australia developed 13 new resources for teachers, building on the 5 new resources delivered last year to accommodate digital and remote learning during the initial onset of the COVID-19 pandemic. Resources produced in 2020–21 include:</p> <ul style="list-style-type: none"> • 6 activities, 4 of which are clearly linked to the Australian curriculum and 2 that are of general interest • 5 Earth science educational videos that attracted more than 5,300 views • 2 online geoscience exhibits that nearly doubled the number of visitors to Geoscience Australia's Google Arts and Culture exhibits to nearly 4,000. <p>These resources helped strengthen Australia's geoscience literacy and provided teachers and parents with valuable resources that are particularly useful during periods of remote learning.</p>
Coordinate teacher professional development programs with increased attendees at these programs	Lead a teacher professional development event each year	<p>Achieved.</p> <p>Geoscience Australia led 4 teacher professional development events, all virtual. These reached 98 teachers during the live events, with a further 676 downloads of the recorded sessions afterwards.</p> <p>These learning sessions gave teachers the knowledge and confidence to accurately teach curriculum-based concepts in Earth science.</p>

<p>Engage with teachers via school visits and virtual classrooms Collate feedback from teachers on the program, school visits, and virtual classrooms via questionnaires</p>	<p>Produce a bimonthly newsletter to Australian education community to ensure discoverability of our content</p>	<p>Achieved. Six newsletter issues were produced for a relatively stable number of subscribers, with an average opening rate of 23%. Despite COVID-19 restrictions for much of the year, Geoscience Australia hosted 98 school groups at the Education Centre, including 3,545 students and 297 teachers. Nine virtual classroom visits reached a further 528 students and 24 teachers. These engagements shared valuable knowledge and resources to teachers and students, thereby strengthening Australia's Earth science literacy.</p>
<p>Engage with remote, rural and Indigenous schools</p>	<p>Produce a scoping report for the engagement of remote, rural and Indigenous schools, underpinned by classroom experiences at trial schools</p>	<p>Achieved. Thirteen per cent of the schools from Geoscience Australia's onsite and virtual visits were identified as being regional or remote. A plan for the Geoscience Knowledge Sharing project was completed in June 2021, including details on the Remote Community Education and Building Aboriginal Relationships modules.</p>

Outcome 4: Be a trusted global leader in the delivery of geoscientific data

Performance measure ¹	2020–21 target	2020–21 result
<p>Establish collaborative agreements with public-funded research organisations in Australia and internationally</p>	<p>Collaborative agreements established</p>	<p>Achieved. Geoscience Australia continued its strategic partnerships with the United States' Landsat and European Union's Copernicus satellite Earth observation programs. Geoscience Australia became members of, or entered collaborative agreements with, a large number of informatics-related organisations, including Australasian Earth and Environmental Science Information Partners, International Geo Sample Number, Open Geospatial Consortium, Standards Australia/International Organization for Standardization, Intergovernmental Committee on Surveying and Mapping/Australia and New Zealand Land Information Council, National Computational Infrastructure, Australian Research Data Commons, and Australian eResearch Organisations. Through our involvement and collaboration with these groups, we provide leadership and ensure we are tracking international better practice in data management, data standards and data delivery. This allows us to continuously assess and improve our internal processes to provide world-leading, fit-for-purpose geoscientific data delivery.</p>

Outcome 5: Support infrastructure to measure and monitor the environment

Performance measure¹	2020-21 target	2020-21 result
Develop towards best practice land access training and processes for our field station infrastructure	All land access stakeholders and agreements are identified, effectively managed and maintained, including plans for the establishment of new stations as well as the possible future decommissioning of individual stations	<p>Achieved.</p> <p>Geoscience Australia established a dedicated capability to provide strategic advice on land, air and marine access for best-practice field programs across the entity.</p> <p>This capability developed industry better-practice standards for Geoscience Australia's land, air and marine access requirements. These standards supported the completion of the world's largest airborne electromagnetic survey, covering 60% of the Australian landmass, and established compliant agreements for 50% of GNSS reference stations.</p> <p>As Australia's trusted geoscience advisor, Geoscience Australia also developed a community and engagement online portal, along with bespoke and fit-for-purpose communication materials, to increase accessibility of our data for all Australians.</p>
	Develop and deliver staff training courses and workshops to support land and marine access, particularly for our field stations	<p>Achieved.</p> <p>Geoscience Australia held Aboriginal and Torres Strait Islander cultural heritage legislative awareness training workshops, attended by around 70 staff members. Training complemented the implementation of due diligence processes and the publication of better-practice learning and development materials for our staff.</p> <p>Geoscience Australia commissioned and developed a 2-part cultural awareness training video as part of our commitment to reconciliation.</p>
Maintain appropriate field stations to support new and ongoing geoscience data requirements	Annually maintained or improved confidence for field station data across the nation	<p>Achieved.</p> <p>Maintenance of field stations throughout the reporting period was significantly impacted by COVID-19 travel restrictions; however, we are managing to maintain data availability measures.</p> <p>Work commenced on the upgrade and modernisation of GNSS reference stations as part of the Positioning Australia program. These upgrades will improve the accuracy and reliability of the stations, and provide an opportunity for collaboration and co-location to support other geoscience data collection techniques and outcomes.</p>

¹ Source: *Geoscience Australia Corporate Plan 2020-21*

Financial performance

Operating result

In 2020–21, Geoscience Australia had an operating deficit of \$10.8 million, before adjusting for unfunded depreciation⁵ of \$9.1 million, depreciation on right-of-use assets⁶ of \$27.5 million and principal repayments on lease assets of \$21.8 million. This deficit of \$10.8 million compares with a surplus of \$9.9 million in 2019–20. However, excluding the impact of depreciation, amortisation and AASB 16 Leases, the operating result at 30 June 2021 was a \$4.0 million surplus.

Geoscience Australia's total income for the year was \$207.3 million, comprising \$171.2 million in appropriations from the Australian Government, \$31.1 million from the sale of goods and services to related and external entities, and \$4.9 million from other revenue and rental income.

Geoscience Australia's total expenses were \$218.1 million. The major expense categories were employee expenses of \$78.3 million, supplier expenses of \$99.1 million, depreciation and amortisation of \$36.6 million, and interest on right-of-use assets of \$4.0 million.

The note on departmental budget variances in the financial statements compares the actual results to the original budget disclosed in the 2020–21 Portfolio Budget Statements.

Financial sustainability

Total equity as at 30 June 2021 was \$63.5 million. Total assets were \$445.1 million and total liabilities were \$381.6 million. Geoscience Australia has sufficient financial assets to pay its suppliers and other payables as and when they fall due. Non-financial assets consist mainly of property (land and buildings), plant and equipment, and leasehold improvements owned by Geoscience Australia.

Administered items

Geoscience Australia administered one grant on behalf of the Australian Government in 2020–21. However, no grant was made to the Australian UNESCO Committee for the International Geological Correlation Program due to COVID-19 restrictions on overseas travel.

A summary of Geoscience Australia's total resources and total payments is provided in Appendix B1.

⁵ As a result of the impacts of 'Operation Sunlight' on entity funding, entities are expected to make a loss equivalent to the level of their amortisation and depreciation. Amortisation and depreciation are not funded.

⁶ The inclusion of depreciation and amortisation expenses related to right-of-use leased assets and the lease liability principal repayment amount reflects the cash impact on implementation of AASB 16 Leases; it does not directly reflect a change in appropriation arrangements.



CHAPTER 8

GEOSCIENCE AUSTRALIA MANAGEMENT AND ACCOUNTABILITY

Corporate governance

Geoscience Australia's corporate governance arrangements guide our management practices and business operations to ensure we are accountable, we manage risk appropriately, deliver on strategic priorities and meet our legal obligations.

Our governance framework includes advisory bodies and committees, as well as Accountable Authority Instructions, policies, procedures and guidelines.

The Chief Executive Officer (CEO) is supported by the Executive Board. The Executive Board comprises Senior Executive Service (SES) officials and provides advice to the CEO on strategy, financial operations and risk management.

The Executive Board is responsible for meeting Geoscience Australia's planning and performance reporting obligations set out in the PGPA Act and associated rules. Specifically, the Executive Board is responsible for assisting the accountable authority in developing a corporate plan that documents the purpose, priorities and performance information of Geoscience Australia over the current and forward years.

To meet these obligations, the Executive Board is supported by the Investment and Finance Committee, which comprises SES officials and advises the CEO, through the Executive Board, on investment priorities and resource allocation.

The Executive Board is also supported by the Audit and Risk Committee, People and Culture Committee, Security Committee, Work Health and Safety Committee and Workplace Relations Committee.

Geoscience Australia's governance practices comply with all statutory requirements. These are reviewed regularly to ensure our practices remain relevant and effective.

Audit Committee

The Audit and Risk Committee's function is to review the appropriateness of Geoscience Australia's financial and non-financial performance reporting and provide independent advice to the CEO regarding our risk, control and compliance framework, and external accountability responsibilities. The Audit and Risk Committee Charter is available on the Geoscience Australia website. Details of Audit and Risk Committee membership are in Appendix B4.

Fraud control

Geoscience Australia's fraud control framework is consistent with better practice and provides assurance that our fraud control strategies are robust. We provide ongoing fraud awareness training for all staff members. As required by the Fraud Rule and the Commonwealth Fraud Control Framework, we review and update Geoscience Australia's Fraud Control Plan every 2 years. The plan details fraud prevention, detection, investigation and reporting procedures.

Compliance with finance law

There were no significant instances of non-compliance with finance law reported to the responsible minister as part of Geoscience Australia's internal compliance reporting process for 2020-21.

External scrutiny

In 2020-21, no judicial or administrative tribunal decisions or decisions of the Australian Information Commissioner had a significant effect on Geoscience Australia. No reports on our operations were given by the Commonwealth Ombudsman or Auditor-General, and no capability reviews were released.

Geoscience Australia had one reference to the Fair Work Ombudsman and one reference to the Office of the Merit Protection Commissioner during the reporting period.

Parliamentary committees

No parliamentary committees conducted investigations into Geoscience Australia's operations in 2020-21. Geoscience Australia appeared before:

- the New South Wales Legislative Council's Standing Committee on State Development's inquiry into the development of a hydrogen industry in New South Wales on 21 June 2021
- the Senate Economics Legislation Committee hearings on Budget Estimates on 4 June 2021
- the Senate Economics Legislation Committee hearings on Additional Estimates on 25 March 2021
- the Standing Committee on Industry, Innovation, Science and Resources inquiry into developing Australia's space industry on 17 March 2021
- the Senate Select Committee on the Multi-Jurisdictional Management and Execution of the Murray-Darling Basin Plan, providing feedback on the Bureau of Meteorology's Australian Water Resources Information System (AWRIS) on 9 February 2021
- the Senate Economics Legislation Committee hearings on Budget Estimates on 29 October 2020.

Information Publication Scheme

Under Part II of the *Freedom of Information Act 1982*, Geoscience Australia is required to publish information as part of the Information Publication Scheme. A plan showing the information we publish in accordance with the scheme is available at Geoscience Australia.

Management of human resources

In 2020–21, Geoscience Australia made progress on a diverse range of strategic people and culture initiatives, achieving multiple outcomes from our *People Strategy 2022*.

We implemented our inaugural *Mental Health Strategy 2023*, launched in October 2020 during Mental Health Month. The strategy supports our obligations embedded in our Work Health Safety Statement of Commitment 2023 and takes a whole-of-Australian-Public-Service (APS) approach to developing and sustaining mentally healthy workplaces. The strategy is focused on promoting mental health and wellness, protecting people from harm and supporting recovery.

Geoscience Australia participated in the APS Mental Health Capability Framework Pilot during the year. The pilot's maturity scale assessment identified a baseline of moderate maturity mental health capability, which will be further enhanced by future initiatives driven by the *Mental Health Strategy*. This level of maturity is supported by our 2020 APS Employee Census results, which show Geoscience Australia has a 73% wellbeing index score, with 88% of staff members believing their immediate supervisor cares about their health and wellbeing.

We developed a *Diversity and Inclusion Strategy 2025*, to be launched in early 2021–22. The new strategy articulates our commitment to being an employer of choice that is inclusive, supportive and equitable for all people. The 5 key themes of the strategy are Inclusive Culture, Gender Equity, Career Development, Talent Attraction, and Cultural and Linguistic Diversity. Outcomes across these themes will support a submission for silver accreditation with the Science in Australia Gender Equity (SAGE) program in 2025.

In October 2020, we launched our Small Acts of Inclusion Program, designed to target inclusive culture capabilities that are used every day by our staff. This is an organisation-wide initiative that will continue in 2021–22. The program consists of 3 'sprints', each exploring a theme from Geoscience Australia's Inclusive Leadership Charter over a 4-week learning period. The 3 sprints are Knowing Ourselves, Dignified Dialogue and Conscious Recognition.

We achieved accreditation as a Breastfeeding Friendly Workplace with the Australian Breastfeeding Association (ABA) in June 2021. The ABA enables workplaces to offer employment conditions that support women to combine breastfeeding and work, including lactation breaks, flexible work options and access to private facilities to express breastmilk. We are proudly one of 16 Australian Government organisations to achieve this accreditation, which demonstrates commitment to being leaders in progressing inclusive culture across the APS.

We are proactively and unambiguously addressing sexual harassment and sexism in our workplace. Using data collected through 'Listen and Learn' sessions and an employee survey in November 2020, Geoscience Australia consulted with staff to develop an explicit *Sexual Harassment and Sexism Policy and Procedure*, for launch in early 2021–22.

Geoscience Australia recruited 5 graduates through the 2021 Graduate Program, which commenced in February 2021. The Graduate Program applied best-practice recruitment strategies and workforce planning to identify, onboard and develop highly skilled graduates to meet our future workforce needs in geology, geodesy, geophysics and spatial analysis for the 2021 program.

Finally, we commenced participation in the competitive APS Commission Workforce Planning Pilot Program, enhancing our workforce planning capabilities to deliver a new strategic organisational workforce plan in the 2021–22 financial year.

Geoscience Australia's workforce metrics are detailed in Appendix B2.

Executive remuneration

The framework for determining remuneration for Geoscience Australia's key management personnel and other highly paid staff is set out in the Department of Industry, Science, Energy and Resources *Senior Executive Service Remuneration Policy*, and the *Geoscience Australia Enterprise Agreement 2019–22* (enterprise agreement). Key management personnel are remunerated through a common law contract that references policies and procedures. Highly paid staff are remunerated under the enterprise agreement, with an individual flexibility arrangement to provide additional remuneration benefits to recognise extensive skills, capability and experience. Geoscience Australia's accountable authority is responsible for approving remuneration for key management personnel and highly paid staff.

Geoscience Australia's executive remuneration details are provided in Appendix B3.

Work health and safety

During 2020–21, Geoscience Australia released its 3-year work health and safety (WHS) statement of commitment that outlines our commitment to holistic WHS practices, wellbeing, injury prevention and injury management. We began a review and refresh of our WHS management system to ensure continual compliance against applicable legislation, incorporation of best practice, and ease of use. Our investment in worker health, safety and wellbeing included:

- offering influenza vaccinations to all workers in April 2021, resulting in 47% of workers receiving a vaccination
- developing and implementing new WHS policy and procedures
- providing an Employee Assistance Program that gives employees and their immediate family members confidential, independent counselling for any personal or work-related matters
- workplace physical health and wellness assessments, providing employees with a self-screening online questionnaire to identify potential health issues, along with a practical examination
- a health self-management portal, including wellness assessments, wellness campaigns and resources to support mind, body, work and life
- a Minor Injury Support Program (MISP) for employees who have developed short-term medical conditions related to their work and have incurred expenses in seeking treatment. The MISP covers expenses incurred by employees in treating these conditions, to support an early and safe return to positive health
- case management support for managers and employees, for all WHS, rehabilitation and injury management matters.

During 2020–21, there were no incidents deemed notifiable under section 38 of the *Work Health and Safety Act 2011* (WHS Act) to report to Comcare. No notices were issued under Part 10 of the WHS Act.

Disability reporting mechanisms

Disability reporting is included in the APS Commission's annual *State of the Service Report* and the APS Statistical Bulletin, which are available on its website.

The *National Disability Strategy 2010–2020* sets out a 10-year national policy framework to improve the lives of people with disability, promote participation and create a more inclusive society. A high-level biennial report tracks Australia's progress against each of the 6 outcome areas of the strategy and presents a picture of how people with disability are faring. Reports are available on the Department of Social Services website.

Purchasing

During 2020–21, Geoscience Australia undertook its procurements in accordance with the Commonwealth Procurement Rules and the requirements of its Accountable Authority Instructions.

We support small business participation in the Australian Government procurement market. Small and medium enterprise (SME) and small enterprise participation statistics are available on the Department of Finance website.

Geoscience Australia recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury website. In an effort to support SMEs and ensure payments are made on time, Geoscience Australia uses payment cards, issued to all officials that pass a financial accreditation exam, for purchases under \$10,000 (GST inclusive).

Contracts

The CEO did not exempt any contract let during 2020–21 from publication on AusTender on the basis that it would disclose exempt matters under the *Freedom of Information Act 1982*.

All contracts valued at \$100,000 or more (GST inclusive) entered into during 2020–21 allowed for the Auditor-General to have access to the contractor's premises.

During 2020–21, Geoscience Australia entered into 546 new reportable non-consultancy contracts involving total actual expenditure of \$93,190,362 (GST inclusive). In addition, 37 ongoing reportable non-consultancy contracts were active during the period, involving total actual expenditure of \$8,016,979 (GST inclusive).

Annual reports contain information about actual expenditure on reportable non-consultancy contracts. Information on the value of reportable non-consultancy contracts is available on the AusTender website.

Table 50: Expenditure on reportable non-consultancy contracts, 2020–21

	Number	Expenditure (\$) (GST inc.)
New contracts entered into during the reporting period	546	93,190,362
Ongoing contracts entered into during a previous reporting period	37	8,016,979
Total	583	101,207,341

Table 51: Organisations receiving a share of reportable non-consultancy contract expenditure, 2020–21

Name of organisation	Expenditure (\$) (GST inc.)
Cirrus Networks (ACT) Pty Ltd (85 143 561 291)	13,064,791
Sander Geophysics Australia Pty Ltd (19 153 480 276)	5,000,000
CGG Aviation (Australia) Pty Ltd (71 008 685 336)	2,562,945
NEC Australia Pty Ltd (86 001 217 527)	2,558,848
SkyTEM Australia Pty Ltd (36 600 367 440)	2,402,400

Consultants

During 2020–21, Geoscience Australia entered into 10 new reportable consultancy contracts involving total actual expenditure of \$1,394,082 (GST inclusive). There were no ongoing consultancy contracts during 2020–21.

Geoscience Australia's policy on selecting and engaging consultants and approving expenditure takes into account all relevant legislation, the Commonwealth Procurement Rules and Geoscience Australia's Accountable Authority Instructions. The procurement method is determined having regard to cost, value for money and the nature of the work involved.

Consultants are typically engaged to carry out defined reviews or evaluations, or provide independent advice, information or creative solutions to assist Geoscience Australia's decision making. Examples include engagement of technical experts to assist with the effectiveness of Geoscience Australia's programs and provision of independent auditing services.

Annual reports contain information about actual expenditure on reportable consultancy contracts. Information on the value of contracts and consultancies is available on the AusTender website.

Table 52: Expenditure on reportable consultancy contracts, 2020–21

	Number	Expenditure (\$) (GST inc.)
New contracts entered into during the reporting period	10	1,394,082
Ongoing contracts entered into during a previous reporting period	0	-
Total	10	1,394,082

Table 53: Organisations receiving a share of reportable consultancy contract expenditure, 2020–21

Name of organisation	Expenditure (\$) (GST inc.)
Synergy Group Australia (65 119 369 827)	600,000
Shoal Group Pty Ltd (49 604 474 204)	200,000
Willyama Services Pty Ltd (21 611 623 575)	160,000
Geospatial Intelligence Pty Ltd (72 102 835 610)	119,772
Geoplex Pty Ltd (16 146 227 965)	93,500

Grants

Information on grants awarded by Geoscience Australia during 2020–21 is available on the GrantConnect website.

Advertising and market research

Under section 311A of the *Commonwealth Electoral Act 1918*, Geoscience Australia is required to disclose payments for advertising and market research that are over the reportable threshold of \$14,300 (GST inclusive).

During 2020–21, Geoscience Australia did not conduct any advertising campaigns.

Ecologically sustainable development and environmental performance

Section 516A of the *Environment Protection and Biodiversity Conservation Act 1999* requires Geoscience Australia to report annually on how our activities accord with and contribute to the principles of ecologically sustainable development and the environmental performance of our operations.

Many of our work activities contribute to an improved understanding of the physical nature and health of the natural environment. See the Annual Performance Statements in Chapter 7 for details of specific activities.

We continue to pursue ecologically sustainable development initiatives in our property and facilities management. We use an environmental management system to identify, modify and control environmental impacts in areas such as waste management, recycling and chemical disposal. Monitoring and reporting on water and energy consumption are also incorporated into this system.

Our building at Symonston in the Australian Capital Territory has many ecologically sustainable features, including:

- a north-south orientation to increase access to natural light
- movement detection for lighting in general office areas
- a geothermal air-conditioning system
- double-glazed windows and doors
- a large building footprint, allowing for a low ratio of external wall to gross floor area, minimising the impact of external thermal conditions on the air-conditioning system.

As part of a whole-of-Australian-Government property services arrangement, our facilities management provider, Evolve FM Pty Ltd, is responsible for the environmental management of our building and facilities, including monitoring and reporting.

Environmental initiatives at our building during 2020–21 included:

- completing lighting upgrades and ongoing replacement of fluorescent lighting for more than 20,000 square metres of office area with efficient light-emitting diode lighting controlled through a digital interface
- ongoing configuration improvements to our building management system
- ongoing upgrades and adjustments to the building's heating, ventilation and air-conditioning systems, including improvements to the geothermal water supply, rebalancing of floor space supply settings and system filter replacements.

In December 2020, we increased our National Australian Built Environment Rating System (NABERS) whole-of-building energy rating from a one-star to a 2-star rating. The lessor has made an ongoing commitment to improve the NABERS energy rating to at least a 4-star rating.



CHAPTER 9

GEOSCIENCE AUSTRALIA FINANCIAL STATEMENTS



INDEPENDENT AUDITOR'S REPORT

To the Minister for Resources and Water

Opinion

In my opinion, the financial statements of Geoscience Australia (the Entity) for the year ended 30 June 2021:

- (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Entity as at 30 June 2021 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following as at 30 June 2021 and for the year then ended:

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

Basis for opinion

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

Accountable Authority's responsibility for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Australian National Audit Office



Sally Bond

Executive Director

Delegate of the Auditor-General

Canberra

27 August 2021

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STATEMENT BY THE ACCOUNTABLE AUTHORITY AND CHIEF FINANCIAL OFFICER

In our opinion, the attached financial statements for the year ended 30 June 2021 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

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



Dr James Johnson
Chief Executive Officer
Geoscience Australia

27/08/2021



Michael Koh
Chief Finance Officer
Geoscience Australia

27/08/2021

Statement of Comprehensive Income*for the period ended 30 June 2021*

		2021	2020	Original Budget ¹
	Notes	\$'000	\$'000	\$'000
NET COST OF SERVICES				
Expenses				
Employee benefits	1.1A	78,319	78,187	80,972
Suppliers	1.1B	99,057	97,400	127,272
Grants	1.1C	-	18	-
Depreciation and amortisation	3.2A	36,590	35,405	38,055
Finance costs	1.1D	4,025	4,286	3,943
Write-down and impairment of other assets	1.1E	-	8	-
Foreign exchange losses		5	-	-
Losses from asset sales		96	25	-
Total expenses		218,092	215,329	250,242
Own-source income				
Own-source revenue				
Revenue from contracts with customers	1.2A	31,020	30,950	29,900
Rental income	1.2B	736	262	189
Other revenue	1.2C	4,272	1,587	652
Total own-source revenue		36,028	32,799	30,741
Gains				
Foreign exchange gains		-	5	-
Reversal of write-downs and impairment	1.2D	-	170	-
Other gains	1.2E	-	870	-
Total gains		-	1,045	-
Total own-source income		36,028	33,844	30,741
Net cost of services		(182,064)	(181,485)	(219,501)
Revenue from Government	1.2F	171,236	191,346	203,490
Surplus/(deficit) on continuing operations		(10,828)	9,861	(16,011)
OTHER COMPREHENSIVE INCOME				
Items not subject to subsequent reclassification to net cost of services				
Changes in asset revaluation reserve		295	2,446	-
Total other comprehensive income		295	2,446	-
Total comprehensive income/(loss)		(10,533)	12,307	(16,011)

The above statement should be read in conjunction with the accompanying notes.

Variance commentary is consolidated in the departmental budget variance commentary note.

1. Original budget as presented in the 2020-21 Portfolio Budget Statements (PBS).

Statement of Financial Position

as at 30 June 2021

	Notes	2021 \$'000	2020 \$'000	Original Budget ¹ \$'000
ASSETS				
Financial assets				
Cash and cash equivalents		336	560	2,500
Trade and other receivables	3.1A	76,430	111,003	110,421
Accrued revenue	3.1B	1,957	1,905	1,610
Total financial assets		78,723	113,468	114,531
Non-financial assets²				
Land	3.2A	1,902	1,880	1,782
Buildings	3.2A	296,856	323,964	296,125
Leasehold improvements	3.2A	20,478	22,010	20,232
Heritage and cultural assets	3.2A	3,196	3,221	3,221
Plant and equipment	3.2A	39,406	35,771	50,233
Computer software	3.2A	924	1,506	898
Prepayments		3,577	5,634	6,430
Total non-financial assets		366,339	393,986	378,921
Total assets		445,062	507,454	493,452
LIABILITIES				
Payables				
Suppliers	3.3A	9,679	7,652	9,428
Other payables	3.3B	34,255	28,669	27,006
Total payables		43,934	36,321	36,434
Interest bearing liabilities				
Leases	3.4A	307,596	329,022	306,978
Total interest bearing liabilities		307,596	329,022	306,978
Provisions				
Employee provisions	5.1A	26,182	26,534	28,172
Other provisions	3.5A	3,895	4,020	4,128
Total provisions		30,077	30,554	32,300
Total liabilities		381,607	395,897	375,712
Net assets		63,455	111,557	117,740
EQUITY				
Contributed equity		51,624	89,123	111,317
Reserves		15,211	14,916	14,916
Retained surplus/(Accumulated deficit)		(3,380)	7,518	(8,493)
Total equity		63,455	111,557	117,740

The above statement should be read in conjunction with the accompanying notes.

Variance commentary is consolidated in the departmental budget variance commentary note.

1. Original budget as presented in the 2020-21 Portfolio Budget Statements (PBS).

2. Right-of-use assets are included in Land, Buildings and Plant and Equipment.

Statement of Changes in Equity*for the period ended 30 June 2021*

	Notes	2021 \$'000	2020 \$'000	Original Budget ¹ \$'000
CONTRIBUTED EQUITY				
Opening balance		89,123	65,473	89,123
Transactions with owners				
Distributions to owners				
Returns of capital				
Appropriations repeal - Equity Injections	4.1A	-	(300)	-
Return of equity - Equity Injections Appropriations	4.1B	(20,087)	-	-
Return of equity - Operating Appropriations	4.1B	(31,691)	-	-
Contributions by owners				
Equity injection - Appropriations	4.1A	9,674	19,326	17,589
Departmental capital budget	4.1A	4,605	4,624	4,605
Total transactions with owners		(37,499)	23,650	22,194
Closing balance as at 30 June		51,624	89,123	111,317
RETAINED EARNINGS				
Opening balance				
Balance carried forward from previous period		7,518	(45,778)	7,518
Adjustment for changes in accounting policies				
Adjustment on initial application of AASB 15/AASB 1058		-	157	-
Adjustment on initial application of AASB 16		-	43,219	-
Adjusted opening balance		7,518	(2,402)	7,518
Comprehensive income				
Surplus/(deficit) for the period		(10,828)	9,861	(16,011)
Total comprehensive income/(loss)		(10,828)	9,861	(16,011)
Cash to Official Public Account				
		(70)	-	-
Transfers between equity components				
Revaluation write back on disposal		-	59	-
Closing balance as at 30 June		(3,380)	7,518	(8,493)
ASSET REVALUATION RESERVE				
Opening balance		14,916	12,529	14,916
Comprehensive income				
Other comprehensive income				
Change in make good provision		295	(1,168)	-
Revaluation and impairments		-	3,614	-
Total comprehensive income		295	2,446	-
Transfers between equity components				
Revaluation write back on disposal		-	(59)	-
Closing balance as at 30 June		15,211	14,916	14,916

	Notes	2021 \$'000	2020 \$'000	Original Budget \$'000
TOTAL EQUITY				
Opening balance				
Balance carried forward from previous period		111,557	32,224	111,557
Adjustment for changes in accounting policies		-	43,376	-
Adjusted opening balance		111,557	75,600	111,557
Comprehensive income				
Surplus/(deficit) for the period		(10,828)	9,861	(16,011)
Other comprehensive income				
Change in make good provision		295	(1,168)	-
Revaluation and impairments		-	3,614	-
Total comprehensive income/(loss)		(10,533)	12,307	(16,011)
Transactions with owners				
Distributions to owners				
Returns of capital				
Appropriations repeal - Equity	4.1A	-	(300)	-
Return of equity - Equity Injections Appropriations	4.1B	(20,087)	-	-
Return of equity - Operating Appropriations	4.1B	(31,691)	-	-
Cash to Official Public Account		(70)	-	-
Contributions by owners				
Equity injection - Appropriations	4.1A	9,674	19,326	17,589
Departmental capital budget	4.1A	4,605	4,624	4,605
Total transactions with owners		(37,569)	23,650	22,194
Closing balance as at 30 June		63,455	111,557	117,740

The above statement should be read in conjunction with the accompanying notes.

Variance commentary is consolidated in the departmental budget variance commentary note.

1. Original budget as presented in the 2020-21 Portfolio Budget Statements (PBS).

Accounting Policy

Equity Injections

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

Cash Flow Statement*for the period ended 30 June 2021*

Notes	2021 \$'000	2020 \$'000	Original Budget ¹ \$'000
OPERATING ACTIVITIES			
Cash received			
Appropriations	218,147	212,566	244,096
Receipts from Government	126	67	-
Sale of goods and rendering of services	28,415	33,542	24,744
Net GST received	9,166	9,088	10,790
Other	2,808	1,587	811
Total cash received	258,662	256,850	280,441
Cash used			
Employees	78,395	80,277	79,069
Suppliers	103,841	106,090	137,353
Interest payments on lease liabilities	3,989	4,255	3,893
Receipts transferred to OPA	48,593	46,361	40,124
Grants	-	18	-
Other	1	-	40
Total cash used	234,819	237,001	260,479
Net cash from operating activities	23,843	19,849	19,962
INVESTING ACTIVITIES			
Cash received			
Proceeds from sales of property, plant and equipment	8	8	-
Total cash received	8	8	-
Cash used			
Purchase of property, plant and equipment	10,495	7,743	22,584
Purchase of heritage and cultural assets	80	72	-
Purchase of intangibles	276	465	200
Total cash used	10,851	8,280	22,784
Net cash used by investing activities	(10,843)	(8,272)	(22,784)
FINANCING ACTIVITIES			
Cash received			
Contributed equity - Equity injection	3,981	2,433	22,201
Contributed equity - Departmental Capital Budget	4,605	4,624	4,605
Total cash received	8,586	7,057	26,806
Cash used			
Principal payments of lease liabilities	21,810	20,832	22,044
Total cash used	21,810	20,832	22,044
Net cash used by financing activities	(13,224)	(13,775)	4,762
Net decrease in cash held	(224)	(2,198)	1,940
Cash and cash equivalents at the beginning of the reporting period	560	2,758	560
Cash and cash equivalents at the end of the reporting period	336	560	2,500

The above statement should be read in conjunction with the accompanying notes.

Variance commentary is consolidated in the departmental budget variance commentary note.

1. Original budget as presented in the 2020-21 Portfolio Budget Statements (PBS).

Administered Schedule of Comprehensive Income*for the period ended 30 June 2021*

	Notes	2021 \$'000	2020 \$'000	Original Budget ¹ \$'000
NET COST OF SERVICES				
Expenses				
Grants	2.1A	-	19	19
Total expenses		<u>-</u>	<u>19</u>	<u>19</u>
Income				
Revenue				
Non-taxation revenue				
Other revenue	2.2A	19	-	-
Total non-taxation revenue		<u>19</u>	<u>-</u>	<u>-</u>
Total revenue		<u>19</u>	<u>-</u>	<u>-</u>
Total income		<u>19</u>	<u>-</u>	<u>-</u>
Net (cost of)/contribution by services		<u>19</u>	<u>(19)</u>	<u>(19)</u>
Total comprehensive income/(loss)		<u>19</u>	<u>(19)</u>	<u>(19)</u>

The above schedule should be read in conjunction with the accompanying notes.

1. Original budget as presented in the 2020-21 Portfolio Budget Statements (PBS).

Administered Reconciliation Schedule			
	Notes	2021 \$'000	2020 \$'000
Opening assets less liabilities as at 1 July		-	-
Net cost of services			
Income		19	-
Expenses			
Payments to entities other than corporate Commonwealth entities		-	(19)
Transfers from the Australian Government			
Appropriation transfers from Official Public Account			
Annual appropriations			
Payments to entities other than corporate Commonwealth entities		-	19
Appropriation transfers to OPA			
Transfers to OPA		(19)	-
Closing assets less liabilities as at 30 June		-	-

The above schedule should be read in conjunction with the accompanying notes.

Accounting Policy

Administered Cash Transfers to and from the Official Public Account

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

Administered Cash Flow Statement				
<i>for the period ended 30 June 2021</i>				
	Notes	2021	2020	Original Budget ¹
		\$'000	\$'000	\$'000
OPERATING ACTIVITIES				
Cash received				
Other		19	-	-
Total cash received		19	-	-
Cash used				
Grants		-	19	19
Total cash used		-	19	19
Net cash from/(used by) operating activities		19	(19)	(19)
Cash from Official Public Account				
Appropriations		-	19	19
Total cash from official public account		-	19	19
Cash to Official Public Account				
Appropriations		19	-	-
Total cash to official public account		19	-	-
Cash and cash equivalents at the beginning of the reporting period		-	-	-
Cash and cash equivalents at the end of the reporting period		-	-	-

This schedule should be read in conjunction with the accompanying notes.

1. Original budget as presented in the 2020-21 Portfolio Budget Statements (PBS).

Departmental Budget Variance Commentary

The financial statements provide a comparison of the original budget as presented in the 2020-21 Portfolio Budget Statements (PBS) to the 2020-21 final outcome as presented in accordance with Australian Accounting Standards for Geoscience Australia. The Budget is not audited.

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

- (a) the variance between budget and actual is greater than +/-10% of the budget for the line item; or
- (b) the variance between budget and actual is greater than +/-2% of the sub-total (i.e. total expenses, total income, total assets or total liabilities); or
- (c) the variance between budget and actual is below this threshold but is considered important for the reader's understanding, or it is sensitive or relates to a large offsetting movement.

In some instances, a budget has not been provided for in the PBS, for example non-cash items such as asset revaluations, foreign exchange and sale of asset adjustments.

Unless the variance is considered 'major' no explanation has been provided.

Statement of Comprehensive Income

Total expenses are lower than budget by 13%, mainly due to lower supplier expenses (\$28.2 million), as a result of the reprofiling of the Satellite-Based Augmentation System in the Mid-Year Economic and Fiscal Outlook (MYEFO). Refer to Revenue from Government below.

Total own-source revenue is higher than budget by 17% due to higher revenue from contracts with customers, rental income and other revenue.

Revenue from contracts with customers is higher than budget by \$1.2 million, mainly due to additional activities funded by other Australian Government entities.

Other revenue is higher than budget by \$3.5 million, mainly due to resources received free of charge under contractual arrangements (\$1.5 million), reimbursement of costs for the SouthPAN program from the New Zealand Government (\$1.2 million), and additional funding from Cooperative Research Centres.

Revenue from Government is lower than budget by \$32.3 million (16%) mainly due to the reprofiling of the Satellite-Based Augmentation System in MYEFO (\$35.1 million). This is offset by a new measure in MYEFO - Climate and Resilience Services Australia (\$3.9 million).

Statement of Financial Position

Total assets are lower than budget by 10%, mainly due to lower financial assets and non-financial assets as outlined below.

Financial assets are lower than budget by \$35.8 million, mainly as a result of lower trade and other receivables due to reduction of prior year appropriations for the Satellite Based Augmentation System program (\$31.7 million operating and \$20.1 million capital appropriation). This is offset by delays in the National Positioning Infrastructure Capability program (\$5.7 million capital appropriation) and the surplus on continuing operations (excluding depreciation and amortisation).

Non-financial assets are lower than budget by \$12.6 million, mainly due to **Plant and equipment** lower than budget by 22% as a result of the reprofiling of current year Satellite Based Augmentation System capital at MYEFO (\$7.9 million), delays in the National Positioning Infrastructure Capability program (\$5.7 million), and **Prepayments** are lower than budget by 44% mainly due to changes in the timing of invoicing for major services including cloud services.

Total payables are higher than budget by \$7.5 million, mainly due to additional funding received from Australian Government and State Government entities, for activities to be completed in 2021-22.

Total provisions are lower than budget by \$2.2 million, mainly due to lower **Employee provisions** reflecting the bond rate impact on the long service leave provision.

Statement of Changes in Equity

Total equity is lower than budget by \$54.3 million, mainly due to withholding of current and prior years Satellite Based Augmentation System program (\$31.7 million operation and \$28.0 million capital). This is offset by a higher retained surplus (as explained in the Statement of Comprehensive Income section).

Cash Flow Statement

Total cash used by investing activities is lower than budget by 52% and **Total cash received from financing activities** is lower than budget by 69%, mainly due to reprofiling of current year Satellite Based Augmentation System capital (\$7.9 million) and delays in the National Positioning Infrastructure Capability program (\$5.7 million).

Other major cash flow variances are consistent with the variances as explained in the Statement of Comprehensive Income section.

Overview

Objectives of the Entity

Geoscience Australia is an Australian Government controlled not-for-profit entity. Geoscience Australia's purpose is to be the trusted source of information on Australia's geology and geography for government, industry and community decision making, and contributes to a safer, more prosperous and well-informed Australia.

Geoscience Australia is structured to meet a single outcome: informed government, industry and community decisions on the economic, social and environmental management of the nation's natural resources through enabling access to geoscientific and spatial information.

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

Geoscience Australia's activities contributing toward its outcome are classified as either departmental or administered. Departmental activities involve the use of assets, liabilities, income and expenses controlled or incurred by the entity in its own right. Administered activities involve the management or oversight by the entity, on behalf of the Government, of items controlled or incurred by the Government.

Geoscience Australia administers a grant to the International Geological Correlation Program on behalf of the Government.

The Basis of Preparation

The financial statements are general purpose financial statements and are required by subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

The financial statements have been prepared in accordance with:

- a. *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* (FRR); and
- b. Australian Accounting Standards and Interpretations – Reduced Disclosure Requirements issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

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

New Accounting Standards

No new standards, revised standards and/or interpretations issued prior to the sign-off date and applicable to the current reporting period, had a material effect on Geoscience Australia's financial statements.

Taxation

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

Reporting of Administered activities

Administered revenues, expenses and cash flows are disclosed in the administered schedules and related notes. Geoscience Australia has no administered assets or liabilities.

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

COVID-19 impact

The spread of novel coronavirus (COVID-19) was declared a global pandemic by the World Health Organization in March 2020. COVID-19 has resulted in an unprecedented global response by governments, regulators and industry. The restrictions imposed on travel in response to COVID-9 have continued to impact on Geoscience Australia's fieldwork activities and the ability of some of its contractors and suppliers to perform work within originally planned timeframes. Geoscience Australia has made adjustments to its work plans and identified alternative solutions where possible with impacted contractors and suppliers to ensure the continuity of mission critical capabilities and delivery of major programs. This has included renegotiating contractual arrangements, for example agreed delivery dates.

The COVID-19 pandemic has not had a material impact on Geoscience Australia's financial position, performance or cash flows in 2020-21. The COVID-19 impact has not resulted in any major variances to budget (refer to the Departmental Budget Variance Commentary).

Events After the Reporting Period

There were no events occurring after 30 June 2021 that would have a material impact on the departmental or administered financial statements.

Financial Performance

This section analyses the financial performance of Geoscience Australia for the year ended 2021.

1.1 Expenses

	2021	2020
	\$'000	\$'000
1.1A: Employee benefits		
Wages and salaries	60,371	59,303
Superannuation		
Defined contribution plans	6,411	6,133
Defined benefit plans	5,060	5,142
Leave and other entitlements	6,477	6,656
Separation and redundancies	-	953
Total employee benefits	78,319	78,187

Accounting Policy

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

1.1B: Suppliers

Goods and services supplied or rendered

Consultants	1,951	1,412
Contractors	39,797	34,069
Travel	597	3,224
IT services	35,089	28,771
Property operating	5,415	6,222
Office supplies	657	1,444
Direct operational costs	2,958	3,413
Research	6,278	12,088
Other	5,930	6,142
Total goods and services supplied or rendered	98,672	96,785

Goods supplied	2,602	3,144
Services rendered	96,070	93,641
Total goods and services supplied or rendered	98,672	96,785

Other suppliers

Workers compensation expenses	299	411
Short-term leases	86	204
Total other suppliers	385	615
Total suppliers	99,057	97,400

Geoscience Australia had no short-term lease commitments at 30 June 2021.

The lease disclosures should be read in conjunction with the accompanying notes 1.1D, 1.2B, 3.2A and 3.4A.

Accounting Policy

Short-term leases and leases of low-value assets

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

	2021 \$'000	2020 \$'000
<u>1.1C: Grants</u>		
Other	-	18
Total grants	<u>-</u>	<u>18</u>
<u>1.1D: Finance costs</u>		
Interest on lease liabilities	3,989	4,255
Other interest payments	1	-
Unwinding of discount	35	31
Total finance costs	<u>4,025</u>	<u>4,286</u>

The above lease disclosures should be read in conjunction with the accompanying notes 1.1B, 1.2B, 3.2A and 3.4A.

1.1E: Write-down and impairment of other assets

Revaluation decrements	-	8
Total write-down and impairment of other assets	<u>-</u>	<u>8</u>

1.2 Own-Source Revenue and Gains		
	2021	2020
	\$'000	\$'000
Own-Source Revenue		
<u>1.2A: Revenue from contracts with customers</u>		
Sale of goods	198	886
Rendering of services	30,822	30,064
Total revenue from contracts with customers	31,020	30,950
Disaggregation of revenue from contracts with customers		
Geoscience Australia's value to the nation:		
Building Australia's resource wealth	5,271	12,069
Supporting Australia's community safety	2,770	3,310
Securing Australia's water resources	1,252	1,411
Managing Australia's marine jurisdictions	7,425	556
Creating a location-enabled Australia	12,170	8,894
Enabling an informed Australia	1,908	3,689
Corporate	224	1,021
	31,020	30,950
Type of customer:		
Australian Government entities (related parties)	17,909	11,082
State and Territory governments	5,106	10,092
Other	8,005	9,776
	31,020	30,950
Timing of transfer of goods and services:		
AASB 15		
Over time	30,612	28,229
Point in time	408	946
AASB 1058		
Immediately	-	1,775
	31,020	30,950

Accounting Policy***Revenue recognition***

Geoscience Australia recognises revenue from the provision of geoscientific support to all levels of government and industry.

Geoscience Australia delivers support across six key areas of society:

- maximising the value from our abundant mineral and energy resources
- strengthening our resilience to the impact of hazards
- optimising and sustaining our water use
- supporting the sustainable use of our marine environment
- using digital mapping for faster and smarter decision making
- equipping government, industry and the community with geoscience data and information to make informed decisions.

Geoscientific services include:

- provision of independent technical advice;
- development of tools, datasets, science products, data products and decision support tools to guide government, industry and communities;
- project management of air, marine and land surveys including but not limited to geospatial, geological, hydrogeological and geophysical data and sample collecting techniques;
- hazard and impact assessments including scenario modelling, analysis and interpretation;
- provision of ongoing real-time monitoring, analysis and advice, and
- production, supply, maintenance and management of observatory monitoring stations.

Geoscience Australia assesses agreements to determine if the contract is within the scope of AASB 15, including having enforceable performance obligations that are sufficiently specific to enable Geoscience Australia to determine when they have been satisfied. The majority of contracts that Geoscience Australia participates in fall within the scope of AASB 15.

Due to the customised nature of Geoscience Australia's services there usually is no direct observable selling price for the performance obligations. Geoscience Australia provides services on a cost recovery basis, the cost to provide each performance obligation is the best indicator of the standalone selling price.

Geoscience Australia recognises revenue as a performance obligation when satisfied. It can be over time or at a point in time. For the majority of service contracts Geoscience Australia recognises revenue over time; the customer receives the benefits provided by Geoscience Australia as services are provided. Should Geoscience Australia cease activities, the works carried out would not need to be substantially re-performed by another party to satisfy the remaining obligations. Revenue from the sale of goods is recognised at the point in time when control has been transferred to the buyer.

Where revenue is recognised over time, for each contract, Geoscience Australia determines the most representative measure of progress to achieving each performance obligation. The most common methods utilised by Geoscience Australia include:

- costs incurred as a proportion of total costs;
- surveys of performance completed to date, and
- time elapsed.

When a contract does not contain sufficiently specific performance obligations, revenue is recognised immediately in other income to the extent that the asset does not give rise to a contribution by owners, lease liability, financial instrument or a provision.

Where Geoscience Australia is contracted to acquire or construct a non-financial asset that will be controlled by Geoscience Australia, revenue is recognised when Geoscience Australia has satisfied its obligations under the agreement and is reported in other income:

- when an asset is acquired, this is at the point in time Geoscience Australia has control of the asset.
- when the asset is constructed, if Geoscience Australia has control during construction, revenue will be recognised to the extent that the construction has progressed.

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

	2021	2020
	\$'000	\$'000
1.2B: Rental income		
Operating lease		
Subleasing right-of-use assets ¹	736	262
Total rental income	736	262

Operating Leases

1. Geoscience Australia has subleased the childcare centre at the Symonston site in Canberra and 1,540m² within the main building. The childcare centre underlease has a ten year initial term expiring on 30 April 2027, with the option to extend for a further five years. In accordance with the Australian Government's Rent Relief Policy, which applied from 24 March 2020, no rent has been collected for the childcare centre due to the impact of COVID-19 restrictions. Rental income has been recognised on a straight-line basis over the lease term.

Maturity analysis of operating lease income receivables:

Within 1 year	128	413
One to two years	262	254
Two to three years	270	262
Three to four years	278	270
Four to five years	286	278
More than 5 years	245	531
Total undiscounted lease payments receivable	1,469	2,008

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

1.2C: Other revenue

Employee contributions (salary sacrifice arrangements)	571	543
Other ¹	2,056	910
Resources received free of charge		
Audit fees	93	85
IT Services	1,552	49
Total other revenue	4,272	1,587

1. Transfers to build or acquire assets, recognised in accordance with AASB 1058 are included in other income, refer Note 3.2B.

Accounting Policy

Resources Received Free of Charge

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

	2021 \$'000	2020 \$'000
Gains		
<u>1.2D: Reversal of write-downs and impairment</u>		
Revaluation increments	-	170
Total reversals of previous asset write-downs and impairments	-	170
<u>1.2E: Other gains</u>		
Resources received free of charge		
Heritage and cultural	-	37
Plant and equipment	-	833
Total other gains	-	870

Accounting Policy*Resources Received Free of Charge*

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition, unless received from another Government entity as a consequence of a restructuring of administrative arrangements.

Sale of Assets

Gains from disposal of assets are recognised when control of the asset has passed to the buyer.

1.2F: Revenue from Government

Appropriations

Departmental appropriations ¹	171,236	191,346
Total revenue from Government	171,236	191,346

1. Includes a formal reduction of \$32.254 million withheld under section 51 of the PGPA Act.

Accounting Policy*Revenue from Government*

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

Income and Expenses Administered on Behalf of Government

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

2.1 Administered - Expenses

	2021	2020
	\$'000	\$'000

2.1A: Grants

Private sector		
Not-for-profit organisations	-	19
Total grants	-	19

Accounting Policy

Geoscience Australia administers a grant to the International Geological Correlation Program on behalf of the Government. Grant and subsidy liabilities are recognised to the extent that (i) the services required to be performed by the grantee have been performed or (ii) the grant eligibility criteria have been satisfied, but payments due have not been made. When the Government enters into an agreement to make these grants and services but services have not been performed or criteria satisfied, this is considered a commitment.

2.2 Administered - Income		
	2021	2020
	\$'000	\$'000
Revenue		
2.2A: Other revenue		
Other ¹	19	-
Total other revenue	19	-
1. Prior year grant returned due to COVID-19 travel restrictions.		

Financial Position

This section analyses the assets Geoscience Australia used to conduct its operations and the operating liabilities incurred as a result. Employee related information is disclosed in the People and relationships section.

3.1 Financial Assets

	2021 \$'000	2020 \$'000
3.1A: Trade and other receivables		
Goods and services receivables		
Goods and services from contracts with customers	9,649	826
Total goods and services receivables	9,649	826
Appropriations receivables		
Appropriation receivable	62,897	107,369
Total appropriations receivables	62,897	107,369
Refer to Note 4.1A and 4.1B for information relating to section 51 withholdings.		
Other receivables		
Statutory receivables	3,094	1,900
Other	790	908
Total other receivables	3,884	2,808
Total trade and other receivables (gross)	76,430	111,003
Less impairment loss allowance for contracts with customers	0	0
Total trade and other receivables (net)	76,430	111,003

Credit terms for goods and services from contracts with customers were within 30 days (2020: 30 days).

Accounting Policy

Financial assets

Trade receivables, loans and other receivables that are held for the purpose of collecting the contractual cash flows where the cash flows are solely payments of principal and interest, that are not provided at below-market interest rates, are subsequently measured at amortised cost using the effective interest method adjusted for any loss allowance.

Accounting Judgements and Estimates

The global COVID-19 pandemic has not materially affected the recoverability of Geoscience Australia's trade receivables and other receivables. In general, the operations of Geoscience Australia's customers and debtors have not been significantly impacted by COVID-19.

3.1B: Accrued revenue

Accrued revenue ¹	58	150
Accrued revenue from contracts with customers	1,899	1,755
Total accrued revenue	1,957	1,905

1. Accrued revenue for transfers to acquire or construct a non-financial asset, refer Note 3.2B.

3.2 Non-Financial Assets

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

	Land \$'000	Buildings \$'000	Leasehold improvements ¹ \$'000	Heritage and cultural ² \$'000	Plant and equipment \$'000	Computer Software ³ \$'000	Total \$'000
As at 1 July 2020							
Gross book value	1,921	351,401	22,010	3,221	35,827	10,710	425,090
Accumulated depreciation, amortisation and impairment	(41)	(27,437)	-	-	(56)	(9,204)	(36,738)
Total as at 1 July 2020	1,880	323,964	22,010	3,221	35,771	1,506	388,352
Adjusted total as at 1 July 2020	1,880	323,964	22,010	3,221	35,771	1,506	388,352
Additions							
Purchase	-	-	694	-	9,743	239	10,676
Right-of-use assets	82	36	-	-	37	-	155
Depreciation and amortisation	-	(21)	(2,216)	-	(5,993)	(821)	(9,051)
Depreciation on right-of-use assets	(46)	(27,435)	-	-	(58)	-	(27,539)
Other movements	-	-	(10)	(25)	10	-	(25)
Other movements of right-of-use assets - Remeasurement	(14)	312	-	-	-	-	298
Disposals	-	-	-	-	(104)	-	(104)
Other	-	-	-	-	-	-	-
Total as at 30 June 2021	1,902	296,856	20,478	3,196	39,406	924	362,762
Total as at 30 June 2021 represented by							
Gross book value	1,989	351,749	22,694	3,196	45,470	8,577	433,675
Accumulated depreciation, amortisation and impairment	(87)	(54,893)	(2,216)	-	(6,064)	(7,653)	(70,913)
Total as at 30 June 2021	1,902	296,856	20,478	3,196	39,406	924	362,762
Carrying amount of right-of-use assets ⁴	737	296,513	-	-	76	-	297,326

1. 1,540m² of the Symonston building leasehold fit-out (20,000m²) was sub-leased for the year.

2. Land, buildings and other property, plant and equipment that met the definition of a heritage and cultural item were disclosed in the heritage and cultural asset class.

3. The carrying amount of computer software is for purchased software.

4. The carrying amount of right-of-use assets included in the total as at 30 June 2021.

There were no indicators of impairment found for non-financial assets during 2021 (2020: nil).

Property, plant and equipment replaced in the building refurbishment and from decommissioning the inorganic laboratory will be disposed of over the next 12 months.

Revaluations of non-financial assets

All revaluations were conducted in accordance with the revaluation policy stated at Note 6.3. An independent valuer has conducted a materiality review as at 30 June 2021. Refer to Note 6.3 for the fair value measurement.

Asset type	Comprehensive valuation date
Land	30/06/2020
Buildings	30/06/2020
Leasehold improvements	30/06/2020
Heritage and cultural	30/06/2019
Plant and equipment	30/06/2020

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

Total commitments for property, plant, equipment and intangible assets were \$5,984,419 (2020: \$6,116,724).

Accounting Policy

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

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

Tangible Assets

Asset Recognition Threshold

Purchases of leasehold improvements and plant and equipment are recognised initially at cost in the Statement of Financial Position, except for assets costing less than the relevant asset recognition threshold, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total). Asset recognition thresholds can be found in the table below.

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. These costs are included in the relevant asset class with a corresponding provision for the 'make good' recognised.

Lease Right-of-Use (ROU) Assets

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

On initial adoption of AASB 16 Geoscience Australia adjusted the ROU assets at the date of initial application by the amount of any provision for onerous leases recognised immediately before the date of initial application. Following initial application, an impairment review is undertaken for any right-of-use lease asset that shows indicators of impairment and an impairment loss is recognised against any right-of-use lease asset that is impaired. Lease ROU assets continue to be measured at cost after initial recognition.

Revaluations

Following initial recognition at cost, property, plant and equipment (excluding ROU assets) are carried at fair value (or an amount not materially different from fair value) less subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets did not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depended upon the volatility of movements in market values for the relevant assets.

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

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

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the entity 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 and the unexpired period of the lease.

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

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

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

Asset Type	Threshold		Useful lives	
	2021	2020	2021	2020
Building on freehold land	N/A	N/A	40 years	40 years
Leasehold improvements	\$25,000	\$25,000	7 - 15 years	7 - 15 years
Plant and equipment	\$5,000	\$5,000	3 - 25 years	3 - 25 years
Collections	\$5,000	\$5,000	Indefinite	Indefinite

Impairment

All assets were assessed for impairment at 30 June 2021. Where indications of impairment exist, the asset recoverable amount is estimated and an impairment adjustment made if the asset recoverable amount is less than its carrying amount. The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the entity were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Derecognition

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

Intangible Assets

Geoscience Australia's intangible assets comprise of software. Software assets are carried at cost less accumulated amortisation and accumulated impairment losses, except for assets costing less than the relevant asset recognition threshold.

Intangible Asset Type	Threshold		Useful lives	
	2021	2020	2021	2020
Purchased software	\$10,000	\$10,000	3 - 15 years	3 - 15 years
Internally developed software	\$200,000	\$200,000	3 - 15 years	3 - 15 years

All software assets were assessed for indicators of impairment at 30 June 2021.

Heritage and Cultural Assets

The key objective of Geoscience Australia's collection is to maintain geoscience knowledge and capability. Geoscience Australia's heritage and cultural assets comprise:

- a collection of minerals which are primarily held for research, public exhibition and education; and
- the Commonwealth Paleontological Collection (CPC) – which includes internationally recognised reference specimens used to define fossil species under the International Codes of Botanical and Zoological Nomenclature. Such assets are irreplaceable and have indefinite useful lives as a reference, for further research as well as outreach activities.

Geoscience Australia's Collections Management Policy uses accepted best practice standards and guidelines including those of SPECTRUM¹, ICOM² and Museums Australia³ to manage the collection. Supporting procedures for the policy have been developed which detail daily management of the collections.

The Geoscience Australia museum is registered as a Deductible Gift Recipient and the Cultural Gifts Program.

Collections not recognised as assets

Through the process of national geological mapping, both onshore and in Australia's marine jurisdiction, and the national stewardship of cores, cuttings, and other samples and data submitted to the agency under the *Petroleum Search Subsidy Act [PSSA] 1957-1961*, *Petroleum [Submerged Lands] Act 1967 amended*, and the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*, Geoscience Australia has diverse and comprehensive geoscience collections used for scientific research and analysis purposes. The collections have been acquired since the inception of Geoscience Australia's forerunner organisation, the Bureau of Mineral Resources, Geology and Geophysics, in 1946.

The rock and core collections include:

- geological reference samples of surface rock and cores collected during the mapping of Australia;
- physical cores and cuttings samples from offshore petroleum wells and stratigraphic boreholes; and
- oil, gas and other fluid samples submitted under the various petroleum legislations.

Numerous data collections are maintained including fundamental types such as:

- two and three dimensional seismic and non-seismic geophysical data;
- satellite earth observation data;
- geospatial data particularly geodetic data for positioning purposes; and
- elevation and bathymetry.

The bulk fossil collection:

Palaeontological specimens collected and donated which are unprocessed from both Australia and overseas. These are national, and in some cases international collections that have enduring scientific value for the nation.

These collections are deemed irreplaceable, with an indefinite useful life. They are not recognised as assets of Geoscience Australia as their value is not reliably measureable.

1. <http://obs-traffic.museum/spectrum-uk-museum-documentation-standard-1>
2. http://icom.museum/fileadmin/user_upload/pdf/Codes/code_ethics2013_eng.pdf
3. https://www.museumsaustralia.org.au/sites/default/files/uploaded-content/website-content/SubmissionsPolicies/ma_code_of_ethics_1999.pdf

	Closing balance \$'000	Opening balance \$'000
<u>3.2B: Transfers to acquire or construct a non-financial asset</u>		
Accrued revenue	58	150

During the reporting period, other income of \$475,000 (2020: \$337,000) was a result of acquiring or constructing non-financial assets to be controlled by Geoscience Australia. No liabilities existed in relation to these transfers at reporting date (2020: nil).

Geoscience Australia satisfies its obligations under these transfers and recognises revenue when it controls the asset, typically as the asset is constructed or when the asset acquired has been received.

3.3 Payables

	2021	2020
	\$'000	\$'000
3.3A: Suppliers		
Trade creditors	491	-
Accruals	9,188	7,652
Total suppliers	9,679	7,652

Credit terms for goods and services from contracts with customers were within 30 days (2020: 30 days).

3.3B: Other payables

Salaries and wages	1,814	1,254
Superannuation	213	168
Separations and redundancies	-	205
Unearned income from contracts with customers	32,100	26,813
Other	128	229
Total other payables	34,255	28,669

The unearned income from contracts with customers represents receipts for goods and services that are not recognised as revenue at reporting date.

3.4 Interest Bearing Liabilities

	2021	2020
	\$'000	\$'000
3.4A: Leases		
Lease liabilities	307,596	329,022
Total leases	307,596	329,022

Total cash outflow for leases for the year ended 30 June 2021 was \$25.8 million (2020: \$25.1 million) including short-term leases \$0.086 million.

Maturity analysis - contractual undiscounted cash flows

Within 1 year	26,553	25,793
Between 1 to 5 years	112,898	109,624
More than 5 years	190,601	220,080
Total contractual undiscounted cash flows	330,052	355,497

Geoscience Australia's most significant leasing arrangement is for office accommodation at Symonston ACT. This lease expires on 31 May 2032 and rent payable has a 3% annual increase. Refer to Note 1.2B in relation to the sublease arrangements. Geoscience Australia has other lease arrangements including the Satellite Laser Ranging Station at Yarragadee, WA, the Alice Springs satellite ground station and motor vehicles used in field work.

Geoscience Australia in its capacity as lessee uses small parcels of land across Australia to accommodate ground station infrastructure. These arrangements are below market terms, often for nil consideration and have been accounted for at cost. The leases are restricted to a permitted use of collecting and communicating geoscientific and geospatial information.

The above lease disclosures should be read in conjunction with the accompanying notes 1.1B, 1.1D, 1.2B, and 3.2A.

Accounting Policy

Geoscience Australia has elected to recognise right-of-use assets and lease liabilities for all leases with term of more than 12 months and of value over \$10,000.

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

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

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

3.5 Other Provisions**3.5A: Other provisions**

	Other \$'000	Provision for restoration \$'000	Total \$'000
As at 1 July 2020	436	3,584	4,020
Additional provisions made	109	88	197
Amounts used	(40)	-	(40)
Finance costs - unwinding of discount	-	35	35
Change in discount rate	-	(317)	(317)
Total as at 30 June 2021	505	3,390	3,895

Geoscience Australia currently has 10 agreements (2020: 5) for the leasing of premises which have provisions requiring it to restore the premises to their original condition at the conclusion of the lease. Geoscience Australia has made a provision to reflect the present value of this obligation.

Accounting Judgements and Estimates.

Provision for restoration of non-financial assets has been estimated by the independent valuer stated in Note 6.3. Right-of-use assets make good is an estimate of the present expenditure adjusted using building price indices and government bond rates. Other provisions includes a provision for building painting required every seven years under the lease agreement \$494,325 (2020: \$395,460); this provision has been estimated based on historical cost adjusted by CPI.

Funding

This section identifies Geoscience Australia's funding structure.

4.1 Appropriations

4.1A: Annual appropriations ('recoverable GST exclusive')

Annual Appropriations for 2021

	Annual appropriation ¹ \$'000	Adjustments to appropriation ² \$'000	Total appropriation \$'000	Appropriation applied in 2021 (current and prior years) \$'000	Variance ³ \$'000
Departmental					
Ordinary annual services	203,490	38,883	242,373	207,636	34,737
Capital Budget ⁴	4,605	-	4,605	4,605	-
Other services					
Equity Injections	17,589	-	17,589	3,981	13,608
Total departmental	225,684	38,883	264,567	216,222	48,345
Administered					
Ordinary annual services					
Administered items	19	19	38	-	38
Total administered	19	19	38	-	38

1. Annual departmental appropriations include \$40.169 million withheld under section 51 of the PGPA Act; \$32.254 million for Ordinary annual services and Equity Injections of \$7.915 million.

2. Ordinary annual services is adjusted by the receipt of amounts under PGPA Act section 74.

3. The departmental variance is due to the section 51 withholding of departmental appropriations¹ and National Positioning Infrastructure Capability (NPIC) program delays. Administered variance is due to COVID-19 restrictions on overseas travel.

4. Departmental and Administered Capital Budgets are appropriated through Appropriation Acts (No.1,3,5). They form part of ordinary annual services and are not separately identified in the Appropriation Acts.

Annual Appropriations for 2020

	Annual Appropriation \$'000	Adjustments to appropriation ¹ \$'000	Total appropriation \$'000	Appropriation applied in 2020 \$'000	Variance ² \$'000
Departmental					
Ordinary annual services	191,346	36,192	227,538	204,824	22,714
Capital Budget ³	4,624	-	4,624	4,624	-
Other services					
Equity Injections	19,326	(300)	19,026	2,433	16,593
Total departmental	215,296	35,892	251,188	211,881	39,307
Administered					
Ordinary annual services					
Administered items	19	-	19	19	-
Total administered	19	-	19	19	-

1. Ordinary annual services is adjusted by the receipt of amounts under PGPA Act section 74; Appropriation Act (No. 2) 2016-2017 was repealed on 1 July 2019, reducing Equity Injections.

2. The variance is due to accrued expenses and delays in both Satellite-based Augmentation System (SBAS) program (\$25.5 million) and National Positioning Infrastructure Capability (NPIC) program (\$6.2 million).

3. Departmental and Administered Capital Budgets are appropriated through Appropriation Acts (No.1,3,5). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts.

4.1B: Unspent annual appropriations ('recoverable GST exclusive')

	2021 \$'000	2020 \$'000
Departmental		
Appropriation Act (No. 1) 2018-2019 ¹	10,812	-
Appropriation Act (No. 2) 2018-2019 ¹	8,106	8,106
Supply Act (No. 1) 2019-2020 ¹	20,879	-
Appropriation Act (No. 1) 2019-2020	-	81,455
Appropriation Act (No. 1) 2019-2020 - Cash on hand	-	560
Supply Act (No. 2) 2019-2020 ¹	2,554	6,535
Appropriation Act (No. 2) 2019-2020 ¹	11,273	11,273
Supply Act (No. 1) 2020-2021 ¹	32,254	-
Appropriation Act (No. 1) 2020-2021	51,377	-
Appropriation Act (No. 1) 2020-2021 - Cash on hand	336	-
Supply Act (No. 2) 2020-2021 ¹	10,261	-
Appropriation Act (No. 2) 2020-2021	7,328	-
Total departmental	155,180	107,929
Administered		
Supply Act (No. 1) 2019-2020	8	-
Appropriation Act (No. 1) 2019-2020	11	-
Supply Act (No. 1) 2020-2021	12	-
Appropriation Act (No. 1) 2020-2021	7	-
Total administered	38	-

1. Unspent annual appropriations include \$91.947 million withheld under section 51 of the PGPA Act from current and prior years; \$51.778 million (Ordinary annual services \$31.691 million and Equity Injections \$20.087 million) was withheld from prior years and \$40.169 million from 2020-21 (see Note 4.1A).

4.2 Net Cash Appropriation Arrangements

	2021	2020
	\$'000	\$'000
Total comprehensive income/(loss) - as per the Statement of Comprehensive Income	(10,533)	12,307
Plus: depreciation/amortisation of assets funded through appropriations (departmental capital budget funding and/or equity injections) ¹	9,051	7,863
Plus: depreciation of right-of-use assets ²	27,539	27,542
Less: lease principal repayments ²	(21,810)	(20,832)
Net Cash Operating Surplus	4,247	26,880

1. From 2010-11, the Government introduced net cash appropriation arrangements where revenue appropriations for depreciation/amortisation expenses of non-corporate Commonwealth entities and selected corporate Commonwealth entities were replaced with a separate capital budget provided through equity injections. Capital budgets are to be appropriated in the period when cash payment for capital expenditure is required.

2. The inclusion of depreciation/amortisation expenses related to ROU leased assets and the lease liability principal repayment amount reflects the impact of AASB 16 Leases, which does not directly reflect a change in appropriation arrangements.

People and relationships

This section describes a range of employment and post employment benefits provided to our people and our relationships with other key people.

5.1 Employee Provisions

	2021 \$'000	2020 \$'000
5.1A: Employee provisions		
Leave	26,182	26,031
Separations and redundancies	-	503
Total employee provisions	26,182	26,534

Accounting policy

Liabilities for short-term employee benefits and termination benefits expected within twelve months of the end of reporting period are measured at their nominal amounts.

Other long-term employee benefits are measured as net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at the end of the reporting period of plan assets (if any) out of which the obligations are to be settled directly.

Under the *Public Service (Terms and Conditions of Employment) (General wage increase deferrals during the COVID-19 pandemic) Determination 2020*, the salary increases due to be provided in June 2020 under the Geoscience Australia Enterprise Agreement 2019-2022 were deferred for six months.

Leave

The liability for employee benefits includes provision for annual leave and long service leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including the entity's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave has been determined by the 'shorthand method' outlined in the Resource Management Guide No. 125 - Commonwealth Entities Financial Statements Guide and the recommended probability factors have been applied, along with a discount factor which is the combination of a salary growth rate and the Government 10 year bond rate. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Separation and Redundancy

Provision is made for separation and redundancy benefit payments. Geoscience Australia recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

Superannuation

Geoscience Australia's staff are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), the PSS accumulation plan (PSSap), or other superannuation funds held outside the Australian Government. The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme. The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance's administered schedules and notes. Geoscience Australia makes employer contributions to the employees' defined benefit superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the Government. Geoscience Australia accounts for the contributions as if they were contributions to defined contribution plans.

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

5.2 Key Management Personnel Remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of Geoscience Australia, directly or indirectly, including any director (whether executive or otherwise) of Geoscience Australia. Geoscience Australia has determined the key management personnel to be the Chief Executive Officer, Chiefs of Division, Chief Scientist and Chief Scientific Information Officer. Key management personnel remuneration is reported in the table below:

	2021 \$'000	2020 \$'000
Short-term employee benefits	1,598	1,857
Post-employment benefits	290	315
Other long-term employee benefits	23	51
Termination benefits	-	153
Total key management personnel remuneration expenses¹	1,911	2,376

Six key management personnel (KMP) are included in the table above (2020: nine key management personnel). The reduction in KMP was due to an organisational restructure and acting arrangements in 2019-20.

1. The above KMP remuneration excludes the remuneration and other benefits of the Portfolio Minister. The Portfolio Minister's remuneration and other benefits are set by the Remuneration Tribunal and are not paid by Geoscience Australia.

5.3 Related Party Disclosures

Related party relationships:

Geoscience Australia is an Australian Government controlled entity. Geoscience Australia's related parties are Key Management Personnel including the Portfolio Minister and Executive, and other Australian Government entities.

Transactions with related parties:

Given the breadth of Government activities, related parties may transact with the government sector in the same capacity as ordinary citizens. Such transactions include the payment or refund of taxes, receipt of a Medicare rebate or higher education loans. These transactions have not been separately disclosed in this note.

There are no transactions with Key Management Personnel (KMP) besides remuneration disclosed in Note 5.2 and travel allowances paid in the ordinary course of business.

Geoscience Australia transacts with other Australian Government controlled entities consistent with normal day-to-day business operations provided under normal terms and conditions, including provision of advice and other services, payment of workers compensation, insurance premiums and superannuation¹. Giving consideration to relationships with related entities, and transactions entered into during the reporting period by Geoscience Australia, it has been determined that there are no related party transactions to be separately disclosed.

There are no related party transactions by Ministers requiring disclosure by Geoscience Australia in 2021 (2020: nil).

1. Refer to Note 5.1 Employee Provisions for details on superannuation arrangements with the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), and the PSS accumulation plan (PSSap).

Managing uncertainties

This section analyses how Geoscience Australia manages financial risks within its operating environment.

6.1 Contingent Assets and Liabilities

There are no contingent liabilities in 2021 (2020: nil). A contingent financial asset resulting from probable insurance settlements of \$505,810 exists at 30 June 2021 (2020: Probable insurance settlement \$76,400).

Accounting Policy

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

6.2 Financial Instruments

	2021	2020
	\$'000	\$'000

6.2A: Categories of financial instruments**Financial assets at amortised cost**

Cash at bank	336	560
Trade, contract and lease receivables	9,649	826
Total financial assets at amortised cost	9,985	1,386
Total financial assets	9,985	1,386

Financial Liabilities**Financial liabilities measured at amortised cost**

Trade creditors and accruals	9,679	7,652
Total financial liabilities measured at amortised cost	9,679	7,652
Total financial liabilities	9,679	7,652

Accounting Policy**Financial assets**

With the implementation of AASB 9 *Financial Instruments* for the first time in 2019, Geoscience Australia classified its financial assets in the following categories:

- a) financial assets at fair value through profit or loss;
- b) financial assets at fair value through other comprehensive income; and
- c) financial assets measured at amortised cost.

The classification depends on both Geoscience Australia's business model for managing the financial assets and contractual cash flow characteristics at the time of initial recognition. Financial assets are recognised when Geoscience Australia becomes a party to the contract and, as a consequence, has a legal right to receive or a legal obligation to pay cash and derecognised when the contractual rights to the cash flows from the financial asset expire or are transferred upon trade date.

Financial Assets at Amortised Cost

Financial assets included in this category need to meet two criteria:

1. the financial asset is held in order to collect the contractual cash flows; and
2. the cash flows are solely payments of principal and interest (SPPI) on the principal outstanding amount.

Amortised cost is determined using the effective interest method.

Effective Interest Method

Income is recognised on an effective interest rate basis for financial assets that are recognised at amortised cost.

Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI)

Financial assets measured at fair value through other comprehensive income are held with the objective of both collecting contractual cash flows and selling the financial assets and the cash flows meet the SPPI test.

Any gains or losses as a result of fair value measurement or the recognition of an impairment loss allowance is recognised in other comprehensive income.

Financial Assets at Fair Value Through Profit or Loss (FVTPL)

Financial assets are classified as financial assets at fair value through profit or loss where the financial assets either don't meet the criteria of financial assets held at amortised cost or at FVOCI (i.e. mandatorily held at FVTPL) or may be designated.

Financial assets at FVTPL are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest earned on the financial asset.

Impairment of Financial Assets

Financial assets are assessed for impairment at the end of each reporting period based on Expected Credit Losses, using the general approach which measures the loss allowance based on an amount equal to *lifetime expected credit losses* where risk has significantly increased, or an amount equal to *12-month expected credit losses* if risk has not increased.

The simplified approach for trade, contract and lease receivables is used. This approach always measures the loss allowance as the amount equal to the lifetime expected credit losses.

A write-off constitutes a derecognition event where the write-off directly reduces the gross carrying amount of the financial asset.

Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Financial Liabilities at Fair Value Through Profit or Loss

Financial liabilities at fair value through profit or loss are initially measured at fair value. Subsequent fair value adjustments are recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

Financial Liabilities at Amortised Cost

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective interest basis.

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

	2021 \$'000	2020 \$'000
6.2B: Net gains or losses on financial assets		
Financial assets at amortised cost		
Exchange gains/(losses)	(5)	5
Net gains/(losses) on financial assets at amortised cost	(5)	5
Net gains/(losses) on financial assets	(5)	5

6.3 Fair Value Measurement**Accounting Policy**

An annual assessment is undertaken to determine whether the carrying amount of the assets is materially different from the fair value. Comprehensive formal valuations are carried out at least once every three years for all non financial assets classes, with the exception of right-of-use assets. An annual assessment is undertaken to determine whether the carrying amount of the assets is materially different from the fair value.

The valuation models developed by the valuer are in compliance with AASB 13. The methods utilised to determine and substantiate the unobservable inputs are derived and evaluated as follows:

Physical Depreciation and Obsolescence - Assets that do not transact with enough frequency or transparency to develop objective opinions of value from observable market evidence have been measured utilising the Depreciated Replacement Cost approach.

Under this approach the estimated cost to replace the asset is calculated and then adjusted to take into account physical depreciation and obsolescence. Physical depreciation and obsolescence has been determined based on professional judgement regarding physical, economic and external obsolescence factors relevant to the asset under consideration. For all leasehold improvement assets, the consumed economic benefit / asset obsolescence deduction is determined based on the term of the associated lease.

Geoscience Australia's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

	Fair value measurements at the end of the reporting period	
	2021	2020
	\$'000	\$'000
6.3A: Fair value measurement		
Non-financial assets ¹		
Land ⁴	1,165	1,165
Building ⁵	308	330
Leasehold Improvements ⁵	19,127	21,334
Infrastructure, Plant and Equipment ²	7,019	6,833
Infrastructure, Plant and Equipment ⁵	19,774	21,644
Heritage and Cultural Collection ²	2,769	2,769
Heritage and Cultural Collection (CPC Collection) ⁴	200	200
Work in Progress - Building ⁵	35	34
Work in Progress - Leasehold Improvements ³	1,351	676
Work in Progress - Infrastructure, Plant & Equipment ³	12,537	7,197
Work in Progress - Heritage and Cultural Collection ³	227	252
Total fair value measurements of assets in the Statement of Financial Position	64,512	62,434

1. All non financial asset classes underwent a materiality assessment by an independent valuer Public Private Property, as at 30 June 2021 (2020: comprehensive valuation for all non financial asset classes with the exception of right-of-use assets and the Heritage and Cultural Collection that had an annual materiality assessment.) Geoscience Australia has relied upon those outcomes to establish carrying amounts.

2. Valuation technique used: Level 2 - Market Approach

3. Valuation technique used: Level 2 - Replacement Cost

4. Valuation technique used: Level 3 - Market Approach

5. Valuation technique used: Level 3 - Depreciated Replacement Cost

Other information

7.1 Current/non-current distinction for assets and liabilities

	2021	2020
	\$'000	\$'000

7.1A: Current/non-current distinction for assets and liabilities

Assets expected to be recovered in:

No more than 12 months

Cash and cash equivalents	336	560
Trade and other receivables	76,079	110,728
Accrued revenue	1,957	1,839
Prepayments	3,543	5,559
Total no more than 12 months	81,915	118,686

More than 12 months

Trade and other receivables	351	275
Accrued revenue	-	66
Land	1,902	1,880
Buildings	296,856	323,964
Leasehold improvements	20,478	22,010
Heritage and cultural assets	3,196	3,221
Plant and equipment	39,406	35,771
Computer software	924	1,506
Prepayments	34	75
Total more than 12 months	363,147	388,768

Total assets

445,062 **507,454**

Liabilities expected to be settled in:

No more than 12 months

Suppliers	9,679	7,581
Other payables	33,502	25,343
Leases	22,841	21,777
Employee provisions	7,125	7,725
Other provisions	10	-
Total no more than 12 months	73,157	62,426

More than 12 months

Suppliers	-	71
Other payables	753	3,326
Leases	284,755	307,245
Employee provisions	19,057	18,809
Other provisions	3,885	4,020
Total more than 12 months	308,450	333,471

Total liabilities

381,607 **395,897**

7.2 Cooperative Research Centres

7.2A: Cooperative Research Centres

All Cooperative Research Centres (CRCs) have been classified as joint operations as their purpose is for the pursuit of collaborative scientific research where participants share in the scientific outcomes and outputs of the CRCs.

Geoscience Australia's total cash and in-kind contribution (e.g. staff and use of assets) to CRCs from its own resources was \$7.210 million for the year (2020: \$5.218 million). Contributions made are expensed as incurred and these are included in the Statement of Comprehensive Income.

No contingent liabilities were reported by the CRCs in which Geoscience Australia is a participant.

Geoscience Australia is a participant in the following CRCs as at 30 June 2021:

Name of CRC	Expected Termination Date¹
Bushfire and Natural Hazards CRC	30/06/2021
MinEx CRC	30/06/2028

1. Expected termination date for Geoscience Australia participation.



CHAPTER 10

GEOSCIENCE AUSTRALIA APPENDICES

Appendix B1: Financial summary

Table 54: Entity resource statement, current report period (2020–21)

	Actual available appropriation for 2020–21 \$'000 (a)	Payments made 2020–21 \$'000 (b)	Balance remaining 2020–21 \$'000 (a) – (b)
Departmental			
Annual appropriations - ordinary annual services ¹	274,688	222,975	51,713
Annual appropriations - other services - non-operating ²	15,501	3,981	11,520
Total departmental annual appropriations	290,189	226,956	63,233
Departmental special appropriations	0	0	0
Total special appropriations	0	0	0
Special accounts	0	0	0
Total special accounts	0	0	0
<i>less departmental appropriations drawn from annual/special appropriations and credited to special accounts</i>	0	0	0
Total departmental resourcing	290,189	226,956	63,233

	Actual available appropriation for 2020–21 \$'000 (a)	Payments made 2020–21 \$'000 (b)	Balance remaining 2020–21 \$'000 (a) – (b)
Administered			
Annual appropriations – ordinary annual services ¹	38	0	38
Annual appropriations – other services – non-operating ²	0	0	0
Annual appropriations – other services – specific payments to states, ACT, NT and local government	0	0	0
Annual appropriations – other services – new administered expenses	0	0	0
Total administered annual appropriations	38	0	38
Administered special appropriations	0	0	0
Total administered special appropriations	0	0	0
Special accounts	0	0	0
Total special accounts receipts	0	0	0
<i>less administered appropriations drawn from annual/special appropriations and credited to special accounts</i>	0	0	0
<i>less payments to corporate entities from annual/special appropriations</i>	0	0	0
Total administered resourcing	38	0	38
Total resourcing and payments for Geoscience Australia	290,227	226,956	63,271

¹ Departmental ordinary annual appropriations include prior year appropriations and section 74 external revenue and exclude \$63,945 million withheld under section 51 of the PGPA Act. Administered annual appropriations include prior year appropriations.

² Appropriation Act (No. 2) include prior-year appropriation and exclude section 51 of \$28.002 million.

Table 55: Expenses by outcome

Expenses for outcome 1

Outcome 1: Informed government, industry and community decisions on the economic, social and environmental management of the nation's natural resources through enabling access to geoscientific and spatial information	Budget* 2020–21 \$'000 (a)	Actual expenses 2020–21 \$'000 (b)	Variation 2020–21 \$'000 (a) – (b)
Program 1 – Geoscientific and Spatial Information Services			
Administered expenses			
Ordinary annual services (Appropriation Act No. 1)	19	0	19
Other services (Appropriation Act Nos. 2, 4 and 6)	0	0	0
s74 External Revenue ¹	0	0	0
Special appropriations	0	0	0
Special accounts	0	0	0
Payments to corporate entities	0	0	0
Expenses not requiring appropriation in the Budget year ²	0	0	0
Administered total	19	0	19
Departmental expenses			
Departmental appropriation	203,490	167,191	36,299
s74 External Revenue ¹	30,741	36,028	-5,287
Special appropriations	0	0	0
Special accounts	0	0	0
Expenses not requiring appropriation in the Budget year ²	16,011	14,873	1,138
Departmental total	250,242	218,092	32,150
Total expenses for Program 1	250,261	218,092	32,169
Outcome 1 totals by appropriation type			
Administered expenses			
Ordinary annual services (Appropriation Act Nos. 1, 3 and 5)	19	0	19
Other services (Appropriation Bill Nos. 2, 4 and 6)	0	0	0
s74 External Revenue ¹	0	0	0
Special appropriations	0	0	0
Special accounts	0	0	0
Payments to corporate entities	0	0	0
Expenses not requiring appropriation in the Budget year ²	0	0	0
Administered total	19	0	19

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	Budget* 2020–21 \$'000 (a)	Actual expenses 2020–21 \$'000 (b)	Variation 2020–21 \$'000 (a) – (b)
Departmental expenses			
Departmental appropriation	203,490	167,191	36,299
s74 External Revenue ¹	30,741	36,028	-5,287
Special appropriations	0	0	0
Special accounts	0	0	0
Expenses not requiring appropriation in the budget year ²	16,011	14,873	1,138
Departmental total	250,242	218,092	32,150
Total expenses for Outcome 1	250,261	218,092	32,169
	Budget 2020–21	Actual 2020–21	
Average staffing level (number)	600	573	

* Full-year budget.

¹ Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act.

² Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, make good expenses, audit fees, and lease principal repayments.

Appendix B2: Workforce statistics

All employees

Table 56: All ongoing employees, current report period (2020–21)

Location	Male			Female			Indeterminate			Total
	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total	
NSW	0	0	0	0	0	0	0	0	0	0
Qld	0	0	0	0	0	0	0	0	0	0
SA	0	0	0	0	0	0	0	0	0	0
Tas	0	0	0	0	0	0	0	0	0	0
Vic	0	0	0	0	0	0	0	0	0	0
WA	5	0	5	0	0	0	0	0	0	5
ACT	319	10	329	202	29	231	0	0	0	560
NT	0	1	1	0	0	0	0	0	0	1
External territories	0	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	0	0	0	0	0	0
Total	324	11	335	202	29	231	0	0	0	566

Table 57: All non-ongoing employees, current report period (2020–21)

Location	Male			Female			Indeterminate			Total
	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total	
NSW	0	0	0	0	0	0	0	0	0	0
Qld	0	0	0	0	0	0	0	0	0	0
SA	0	0	0	0	0	0	0	0	0	0
Tas	0	0	0	0	0	0	0	0	0	0
Vic	0	0	0	0	0	0	0	0	0	0
WA	0	0	0	0	0	0	0	0	0	0
ACT	25	2	27	14	4	18	0	0	0	45
NT	0	0	0	0	0	0	0	0	0	0
External territories	0	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	0	0	0	0	0	0
Total	25	2	27	14	4	18	0	0	0	45

Table 58: All ongoing employees, previous report period (2019-20)

Location	Male			Female			Indeterminate			Total
	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total	
NSW	0	0	0	0	0	0	0	0	0	0
Qld	0	0	0	0	0	0	0	0	0	0
SA	0	0	0	0	0	0	0	0	0	0
Tas	0	0	0	0	0	0	0	0	0	0
Vic	0	0	0	0	0	0	0	0	0	0
WA	6	0	6	0	0	0	0	0	0	6
ACT	317	8	325	195	30	225	0	0	0	550
NT	0	1	1	0	0	0	0	0	0	1
External territories	0	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	0	0	0	0	0	0
Total	323	9	332	195	30	225	0	0	0	557

Table 59: All non-ongoing employees, previous report period (2019-20)

Location	Male			Female			Indeterminate			Total
	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total	
NSW	0	0	0	0	0	0	0	0	0	0
Qld	0	0	0	0	0	0	0	0	0	0
SA	0	0	0	0	0	0	0	0	0	0
Tas	0	0	0	0	0	0	0	0	0	0
Vic	0	0	0	0	0	0	0	0	0	0
WA	0	0	0	0	0	0	0	0	0	0
ACT	19	14	33	18	7	25	0	0	0	116
NT	0	0	0	0	0	0	0	0	0	0
External territories	0	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	0	0	0	0	0	0
Total	19	14	33	18	7	25	0	0	0	58

Australian Public Sector classification and gender

Table 60: Public Service Act 1999 ongoing employees, current report period (2020–21)

Classification	Male			Female			Indeterminate			Total
	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total	
SES 3	1	0	1	0	0	0	0	0	0	1
SES 2	3	0	3	1	0	1	0	0	0	4
SES 1	0	0	0	1	0	1	0	0	0	1
EL 2	68	1	69	23	1	24	0	0	0	93
EL 1	106	3	109	61	5	66	0	0	0	175
APS 6	90	3	93	62	11	73	0	0	0	166
APS 5	42	4	46	39	8	47	0	0	0	93
APS 4	12	0	12	13	4	17	0	0	0	29
APS 3	1	0	1	2	0	2	0	0	0	3
APS 2	1	0	1	0	0	0	0	0	0	1
APS 1	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0
Total	324	11	335	202	29	231	0	0	0	566

Table 61: Public Service Act 1999 non-ongoing employees, current report period (2020–21)

Classification	Male			Female			Indeterminate			Total
	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total	
SES 3	0	0	0	0	0	0	0	0	0	0
SES 2	0	0	0	0	0	0	0	0	0	0
SES 1	0	0	0	0	0	0	0	0	0	0
EL 2	1	0	1	0	0	0	0	0	0	1
EL 1	6	1	7	0	0	0	0	0	0	7
APS 6	8	1	9	4	0	4	0	0	0	13
APS 5	6	0	6	6	2	8	0	0	0	14
APS 4	3	0	3	4	2	6	0	0	0	9
APS 3	1	0	1	0	0	0	0	0	0	1
APS 2	0	0	0	0	0	0	0	0	0	0
APS 1	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0
Total	25	2	27	14	4	18	0	0	0	45

Table 62: Public Service Act 1999 ongoing employees, previous report period (2019–20)

Classification	Male			Female			Indeterminate			Total
	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total	
SES 3	1	0	1	0	0	0	0	0	0	1
SES 2	3	0	3	1	0	1	0	0	0	4
SES 1	0	0	0	1	0	1	0	0	0	1
EL 2	77	1	78	28	1	29	0	0	0	107
EL 1	112	2	114	61	7	68	0	0	0	182
APS 6	82	2	84	57	10	67	0	0	0	151
APS 5	38	4	42	37	7	44	0	0	0	86
APS 4	8	0	8	9	5	14	0	0	0	22
APS 3	2	0	2	1	0	1	0	0	0	3
APS 2	0	0	0	0	0	0	0	0	0	0
APS 1	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0
Total	323	9	332	195	30	225	0	0	0	557

Table 63: Public Service Act 1999 non-ongoing employees, previous report period (2019–20)

Classification	Male			Female			Indeterminate			Total
	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total	
SES 3	0	0	0	0	0	0	0	0	0	0
SES 2	0	0	0	0	0	0	0	0	0	0
SES 1	0	0	0	0	0	0	0	0	0	0
EL 2	1	2	3	0	0	0	0	0	0	3
EL 1	3	5	8	4	0	4	0	0	0	12
APS 6	6	4	10	6	1	7	0	0	0	17
APS 5	4	0	4	4	1	5	0	0	0	9
APS 4	2	1	3	3	2	5	0	0	0	8
APS 3	3	0	3	1	1	2	0	0	0	5
APS 2	0	2	2	0	2	2	0	0	0	4
APS 1	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0
Total	19	14	33	18	7	25	0	0	0	58

Employment type by full-time and part-time status

Table 64: Public Service Act 1999 employees by full-time and part-time status, current report period (2020-21)

Classification	Ongoing			Non-ongoing			Total
	Full-time	Part-time	Total	Full-time	Part-time	Total	
SES 3	1	0	1	0	0	0	1
SES 2	4	0	4	0	0	0	0
SES 1	1	0	1	0	0	0	1
EL 2	91	2	93	1	0	1	94
EL 1	167	8	175	6	1	7	182
APS 6	152	14	166	12	1	13	179
APS 5	81	12	93	12	2	14	107
APS 4	25	4	29	7	2	9	38
APS 3	3	0	3	1	0	1	4
APS 2	1	0	1	0	0	0	1
APS 1	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
Total	526	40	566	39	6	45	611

Table 65: Public Service Act 1999 employees by full-time and part-time status, previous report period (2019-20)

Classification	Ongoing			Non-ongoing			Total
	Full-time	Part-time	Total	Full-time	Part-time	Total	
SES 3	1	0	1	0	0	0	1
SES 2	4	0	4	0	0	0	4
SES 1	1	0	1	0	0	0	1
EL 2	105	2	107	1	2	3	110
EL 1	173	9	182	7	5	12	194
APS 6	139	12	151	12	5	17	168
APS 5	75	11	86	8	1	9	95
APS 4	17	5	22	5	3	8	30
APS 3	3	0	3	4	1	5	8
APS 2	0	0	0	0	4	4	4
APS 1	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
Total	518	39	557	37	21	58	615

Employment type by location

Table 66: Public Service Act 1999 employment type by location current report period (2020–21)

Location	Ongoing	Non-ongoing	Total
NSW	0	0	0
Qld	0	0	0
SA	0	0	0
Tas	0	0	0
Vic	0	0	0
WA	5	0	5
ACT	560	45	605
NT	1	0	1
External territories	0	0	0
Overseas	0	0	0
Total	566	45	611

Table 67: Public Service Act 1999 employment type by location, previous report period (2019–20)

Location	Ongoing	Non-ongoing	Total
NSW	0	0	0
Qld	0	0	0
SA	0	0	0
Tas	0	0	0
Vic	0	0	0
WA	6	0	6
ACT	550	58	608
NT	1	0	1
External territories	0	0	0
Overseas	0	0	0
Total	557	58	615

Indigenous employment

Table 68: Public Service Act 1999 Indigenous employment, current report period (2020–21)

	Total
Ongoing	3
Non-ongoing	0
Total	3

Table 69: Public Service Act 1999 Indigenous employment, previous report period (2019–20)

	Total
Ongoing	4
Non-ongoing	0
Total	4

Employment arrangements for SES and non-SES employees

Table 70: Public Service Act 1999 employment arrangements, current report period (2020–21)

	SES	Non-SES	Total
Common-law contract	6	0	6
Enterprise agreement	0	615	615
Individual flexibility arrangement	0	37	37
Total	6	652	658

Salary ranges by classification level¹

Table 71: Public Service Act 1999 employment salary ranges by classification level (minimum/maximum), current report period (2020–21)

Classification	Minimum salary \$	Maximum salary \$
SES 3	356,000	356,000
SES 2	260,501	290,351
SES 1	219,660	219,660
EL 2	123,297	159,740
EL 1	103,751	117,285
APS 6	86,193	99,772
APS 5	74,317	82,515
APS 4	66,717	73,403
APS 3	59,235	62,976
APS 2	51,998	55,560
APS 1	41,938	45,498
Other	N/A	N/A
Minimum/maximum range	41,938	356,000

¹ Geoscience Australia provides employees with non-salary benefits that are not included under the enterprise agreement, such as:

- access to a childcare centre
- onsite gym facilities
- onsite free parking
- annual influenza vaccination
- early intervention case management
- support to return to work for non-compensable injuries and illnesses
- mental health and wellbeing support
- in-house capability development programs
- internal and external secondment opportunities.

Performance pay by classification level

Geoscience Australia had no performance pay, also known as performance-linked bonuses, to report during 2020–21.

Appendix B3: Executive remuneration

Table 72: Remuneration for key management personnel

Name	Position title	Short-term benefits (\$)			Other benefits and allowances	Post-employment benefits (\$)	Other long-term benefits (\$)			Total remuneration (\$)
		Base salary	Bonuses	Bonuses and allowances			Superannuation contributions	Long service leave	Other long-term benefits	
James Johnson	Chief Executive Officer	339,906	0	0	0	55,035	3,991	0	0	398,932
Andrew Heap	Chief of Minerals, Energy and Groundwater Division	299,488	0	0	0	65,641	-328	0	0	364,801
Trent Rawlings	Chief of Corporate Division, Chief Operating Officer	273,315	0	0	0	52,573	6,804	0	0	332,693
Alison Rose	Chief of Place, Space and Communities Division	263,289	0	0	0	50,630	3,758	0	0	317,677
Steven Hill	Chief Scientist	260,709	0	0	0	40,272	4,186	0	0	305,166
Tanya Whiteway	Chief Scientific Information Officer	161,677	0	0	0	25,501	4,518	0	0	191,696
Total		1,598,384	0	0	0	289,651	22,930	0	0	1,910,966

Table 73: Remuneration for senior executives

Total remuneration bands (\$)	Number of senior executives	Short-term benefits (\$)			Post-employment benefits (\$)	Other long-term benefits			Termination benefits (\$)	Total remuneration (\$)
		Average base salary	Average bonuses	Average other benefits and allowances		Average superannuation contributions	Average long service leave	Average other long-term benefits		
\$0-\$220,000	1	49,279	0	0	9,086	-2,790	0	0	0	55,575

Table 74: Remuneration for other highly paid staff

Total remuneration bands (\$)	Number of other highly paid staff	Short-term benefits (\$)			Post-employment benefits (\$)		Other long-term benefits (\$)		Termination benefits (\$)	Total remuneration (\$)
		Average base salary	Average bonuses	Average other benefits and allowances	Average superannuation contributions	Average long service leave	Average other long-term benefits	Average termination benefits		
\$230,001-\$245,000	4	198,581	0	101	36,098	2,946	0	0	0	237,726
\$245,001-\$270,000	4	184,954	0	0	31,150	12,755	0	29,415	0	258,274
\$270,001-\$295,000	1	218,793	0	9	51,714	-164	0	0	0	270,352

Appendix B4: Audit and Risk Committee membership

Table 75: Audit and Risk Committee membership

Member name	Qualifications, knowledge, skills or experience (including formal and informal as relevant)	Number of meetings attended/total number of meetings	Total annual remuneration (GST inc.) \$
Brad Medland	<p>Chartered Accountant with over 26 years of experience, including 8 years in the private sector and 18 years in the public sector in senior finance roles.</p> <ul style="list-style-type: none"> • Qualified Chartered Accountant New Zealand and Australia (1995) • Bachelor of Economics, Australian National University (1995). 	4/4	\$0
Tarnya Gersbach	<p>Certified Practising Accountant with 24 years of experience across a variety of portfolio entities, including more than 11 years of experience in public sector finance roles and 10 years at the Senior Executive Service level with the Australian Federal Police.</p> <ul style="list-style-type: none"> • Certified Practising Accountant • Graduate Certificate in Organisational Change (2018) • Graduate Diploma in Administration (1998) • Bachelor of Commerce (1991). 	4/4	\$0
Andrew Heap	<p>More than 20 years of public sector experience leading geoscience programs and research. Commonwealth representative on the Council of Australian Governments Energy Council's Geoscience Working Group. Represents Australia in the International Ocean Discovery Program (IODP) as Council Member of the Australia–New Zealand IODP consortium. Is a board member of the CO2CRC Ltd.</p> <ul style="list-style-type: none"> • Doctor of Philosophy in Earth Sciences, James Cook University (2000) • Master of Science, University of Auckland (1996) • Bachelor of Science, University of Auckland (1993) • Bachelor of Commerce, University of Auckland (1993). 	2/4	\$0 (internal member)

PART C:
IP AUSTRALIA



Australian Government

IP Australia

The Hon Angus Taylor MP
Acting Minister for Industry, Science and
Technology
Parliament House
Canberra ACT 2600

Dear Minister

I am pleased to present the annual report of IP Australia for the year ending 30 June 2021.

The report has been prepared in accordance with all applicable obligations of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), including section 46, which requires that the report be tabled in parliament.

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

I certify that I am satisfied that IP Australia has in place appropriate fraud control mechanisms that meet our needs and comply with the PGPA Act and PGPA Rule for the 2020-21 period.

Yours sincerely

A handwritten signature in black ink, reading "Michael Schwager".

Michael Schwager
Director General
28 September 2021



CHAPTER 11

OVERVIEW 2020–21

Director General's review

For IP Australia, 2020–21 was a year of continued transformation amid global uncertainty. We remained focused on delivering improvements to our operations and our services while navigating the challenges of the pandemic for our customers, stakeholders and workforce.

Our core responsibility is to administer the intellectual property (IP) system to deliver high-quality and efficient IP rights in a way that meets the expectations of our customers. Investment in critical activities ensured the continued transformation of our services. We rolled out digital technologies such as the Transactional Digital Services (TDS) Program, making our systems more accessible to our customers and making it easier to apply for and manage IP rights. Our focus on customer service was key to our success in managing an unexpected growth in IP rights applications during the global economic downturn over 2020–21.

We also continued to improve our education and awareness products to highlight the value of IP rights. IP rights play a fundamental part in driving economic recovery and, ultimately, in creating jobs and growth. To help ensure that IP is considered early as part of business strategy, we focused our education and awareness efforts on key players in the innovation ecosystems, such as small businesses, universities and startups.

In Australia and globally, the COVID-19 pandemic impacted every aspect of life in 2020–21. We continued to engage with our customers to understand how the pandemic was affecting them and what we could do to support them. We also continued our efforts to enhance the IP system by working with our partners in government to progress policy initiatives in key areas such as designs and Indigenous knowledge. Beyond matters related directly to IP, we engaged across government, supplying our knowledge and data to support a range of activities critical to economic recovery – including economic responses to the pandemic.

The COVID-19 pandemic also changed the way our staff members work. They responded with self-leadership, flexibility and resilience, which allowed IP Australia to continue to deliver on our service commitments in our Customer Service Charter.

Key achievements in building a world-leading IP system that increases prosperity for Australia

IP rights administration

IP Australia is an important element of Australia's innovation ecosystem, and we have a strong focus on providing robust IP rights.

Table 76: Rights administered by IP Australia, 2020–21

Patents	Trade marks	Plant breeder's rights	Design rights
37,524 applications, of which 10% were Australian	86,137 applications, of which 63% were Australian	326 applications, of which 42% were Australian	7,553 applications, of which 36% were Australian
Duration: up to 20 years (standard patent) or 8 years (innovation patent)	Duration: no limit (renew every 10 years)	Duration: up to 20 years (standard plant breeder's right)	Duration: up to 10 years
Protects novel, useful, non-obvious invention	Protects 'brands', including words, phrases, numbers, logos, images and sounds	Protects new plant varieties	Protects the shape, look and appearance of a product

During 2020–21, we continued to develop better systems and strategies to improve the quality, timeliness and efficiency of our service delivery and the IP rights we administer.

We continued to deliver on our new quality review framework, moving IP Australia to a principles-based approach that enables greater consistency across our search and examination services. This framework was rolled out across all remaining IP rights and was supported by a new information technology (IT) system in 2020–21, allowing us to continue to streamline and automate our quality processes.

IP Australia also introduced a new performance and achievement framework, placing greater emphasis on collaboration to support a culture of teamwork and continuous improvement. Over time, this will lead to improvements in the production of high-quality IP rights that are robust and defensible for our customers.

Improving the customer experience and building IP awareness

We published our new Customer Service Charter with a simplified set of commitments that place the needs of our customers at the centre of IP rights administration. The charter provides customers with the opportunity to tell us how well we are performing and will inform the way we do business with them in the future.

IP Australia's Transactional Digital Services (TDS) Program successfully reimaged the transactional experience for all IP Australia customers. Through customer-led delivery, the new platform has significantly reduced red tape and made accessing the IP system simpler. More than 6,000 customers provided direct, real-time feedback about the new online services experience,

rating their satisfaction with the new experience at 4.5 out of 5.0 on average. We have cemented IP Australia at the forefront of digital government services with the successful delivery of our new application programming interface-based business-to-business and online services assets.

Smart Trade Mark is an emerging product that IP Australia is developing to help our customers better leverage their trade marks in the digital economy. Connecting products and services directly to the government register, Smart Trade Mark aims to improve the visibility of authentic Australian brands and help fight against counterfeiting. Through a strategic partnership with the National Rugby League, IP Australia has tested the Smart Trade Mark Trust Badge to boost consumer trust in eCommerce platforms. We have also recently completed a partner project with the Indigenous Land and Sea Corporation to deliver a traceability system that tests the supply security of the Kakadu plum (an indigenous harvested bush food). IP Australia is currently considering options for Smart Trade Mark as a future service offering.

We have continued to improve our services for small businesses ahead of the phase-out of the innovation patent on 26 August 2021. Our new Patent Case Manager service provides personal contacts for Australian small and medium enterprises (SMEs) navigating the patent application process. An SME portal was created to consolidate information and resources to help Australian businesses navigate the IP system. To improve patent education, we continue to leverage multiplier networks. We also offer the SME Fast Track service to expedite the examination of SME patents applications. We have trialled and evaluated these initiatives and will incorporate them into our ongoing offering for Australian SMEs.

We have expanded outreach and engagement through public education activities concentrating on 3 key sectors – universities, government and peak industry bodies – with a focus on reaching SMEs and startups.

We have worked to improve and simplify the experience for those deciding whether to register a design, making information clearer and easier to find. This includes providing website content to make it easier to access essential information about how to manage and protect designs, a new online filing system for design applications, and a rewrite and restructure of the designs examination manual.

We started work on a website redevelopment and modernisation project as part of the Customer Value Program. We worked closely with customers and stakeholders to understand their behaviour during their visit to the IP Australia website and developed a new structure and design to improve the educational aspect of their journey as they move through to our application portal.

Policy and international engagement

In 2020–21, IP Australia's Patent Analytics Hub provided patent data and analytics to help inform government decisions, including in support of Australian critical technologies policy development and improved expenditure forecasting for the Pharmaceutical Benefits Scheme.

Research conducted by the Office of the Chief Economist this year found that after filing trade marks in export markets, Australian manufacturers expand their exports and become more resilient to shocks. The research results will help guide how the Australian Government supports businesses to navigate trade barriers and expand their exports.

In March 2021, IP Australia launched a project under the Association of Southeast Asian Nations–Australia–New Zealand Free Trade Area Economic Cooperation Work Programme to explore and enhance the quality of trade mark examination, with a view to building certainty and confidence for Australian businesses trading in the region.

We are continuing our work on reforming Australia's designs system. In December 2020, the Designs Amendment (Advisory Council on Intellectual Property Response) Bill 2020 was introduced to parliament. This Bill will improve and streamline the designs system, including through the introduction of a grace period for designers who disclose their design before applying for an IP right.

We continued to work with the Department of Foreign Affairs and Trade and other government agencies to provide advice in relation to the IP provisions of the free trade agreement Australia is currently negotiating with the European Union. We also contributed to whole-of-government efforts to reach an agreement in principle for a free trade agreement with the United Kingdom.

Consultations with Aboriginal and Torres Strait Islander people and businesses helped to shape proposals in our Indigenous Knowledge (IK) Work Plan. The consultations indicated broad support for proposed changes to improve the existing IP system to protect IK, including establishing an Indigenous-led panel to strengthen the voice of First Nations people in protecting their knowledge.

Technology and data

IP Australia is the custodian of a rich source of data that we proudly promote to support Australian Government decision making. Our data, analytics and economic research provide insights into global growth, investment in critical technologies, trends and organisational behaviours in focus areas that support Australia's job creation and economic growth.

During 2020–21, IP Australia successfully progressed key strategic initiatives while managing the impacts of the COVID-19 pandemic.

We continued our collaboration with global IP offices to share learnings, information and research regarding economic and filing activity trends. Internationally, we also continued our involvement in developing standards for IP rights data and the use of artificial intelligence (AI) and automation to improve IP rights systems. We co-lead the World Intellectual Property Organization Blockchain Task Force in drafting a standard on use of blockchain technology in the IP ecosystem.

Data and analytics remained a core focus for IP Australia. We established our IP Data Platform based on leading cloud technologies, bringing together key data for analysis and insights for evidence-based decision making. This platform is also being used by our data scientists to develop new analytics and research approaches.

We developed a new Cognitive Futures Strategy and Roadmap to guide our AI development and investment over the next 3 years. We continued to enhance our intelligent systems, introducing new smart tools and machine learning algorithms to better support our staff and customers.

Increasing our ICT security maturity to protect our critical technology and data assets remained a high priority through investment in the Security Uplift Program. Our core technology teams sustain this multi-year ICT security program, which involves multiple projects. We remain committed to ICT security best practice and are well positioned to govern and protect these assets while proactively detecting and responding to evolving cyber threats.

The Patents Modernisation Initiative substantially progressed the development of a new patent management system, demonstrating our customer-centric approach. Once completed, the enhanced digital platforms will deliver functionality to classify patent applications, export classification data for inclusion in international databases and to help develop new examination and quality review functions. It is now easier for our examiners to review patents and assure high-quality, dependable outcomes.

Overview

Our role and functions

IP Australia is responsible for administering Australia's IP rights system, specifically trade marks, patents, designs and plant breeder's rights, as well as regulation of the IP attorney profession. We administer legislation including the *Patents Act 1990*, the *Plant Breeder's Rights Act 1994*, the *Trade Marks Act 1995* and the *Designs Act 2003*.

To achieve our outcome (see 'Outcome and program structure' below), IP Australia grants exclusive IP rights for a period. This fosters innovation, investment and international competitiveness by:

- providing an effective legal framework for protecting products and brands, and creating a secure environment for investment
- promoting the disclosure of discoveries and follow-on generation of ideas
- enabling firms to build brand value and business reputation, which in turn helps improve consumer confidence
- providing incentives for undertaking research and development.

IP Australia also promotes awareness of IP, regulates the IP attorney profession, provides advice to government on the development of IP policy, and contributes to bilateral and multilateral negotiations and development of cooperation programs to support the global IP system.

We operate as a non-corporate Commonwealth entity within the portfolio and recover almost all our costs by charging fees for the IP rights services we administer.

Our Executive

The Director General is the accountable authority of IP Australia. Table 77 provides details of the person who held that position during the reporting period.

Table 77: IP Australia accountable authority, 2020–21

Name	Position title/position held	Period as the accountable authority	
		Commenced	Ceased
Michael Schwager	Director General	20 September 2018	N/A

Our structure

The Director General is assisted by two Deputy Director Generals who manage the two divisions within IP Australia:

- The Deputy Director General of the Customer Services Division holds the statutory offices of Commissioner of Patents, Registrar of Trade Marks, Registrar of Designs and Registrar of Plant Breeder's Rights, and is responsible for education and awareness activities.
- The Deputy Director General of the Policy and Corporate Division is responsible for policy advice, corporate support and international engagement.

Table 78 shows IP Australia's organisational structure.

Table 78: IP Australia organisational structure, 30 June 2021

Director General Michael Schwager	
Deputy Director General, Customer Services Division	Deputy Director General, Policy and Corporate Division
General Manager, Trade Marks and Designs	General Manager, Governance
General Manager, Patents, Chemical, Plant Breeder's Rights and Electrical	General Manager (Chief Financial Officer), Finance and People Services
General Manager, Patents, Mechanical and Oppositions	General Manager, Policy and Stakeholders
General Manager, Customer Experience	General Manager (Chief Information Officer), Innovation and Technology

Outcome and program structure

IP Australia has one outcome, and 3 programs that contribute to achieving that outcome.

Figure 6: IP Australia outcome and program structure, 2020-21





CHAPTER 12

IP AUSTRALIA REPORT ON PERFORMANCE

Annual Performance Statements

Introductory statement

I, as the accountable authority of IP Australia, present the Annual Performance Statements of IP Australia for 2020–21, as required under section 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

In my opinion, this statement is based on properly maintained records and accurately represents IP Australia's performance in the reporting period in accordance with section 39(2) of the PGPA Act.

In accordance with subsection 16F(1) of the Public Governance, Performance and Accountability Rule 2014 (PGPA Rule), this performance statement reports on our performance for the year ended 30 June 2021, assessed against the purpose and measures published in:

- *IP Australia Corporate Plan 2020–21*
- *Portfolio Budget Statements 2020–21: Industry, Science, Energy and Resources Portfolio.*

Michael Schwager
Director General
28 September 2021

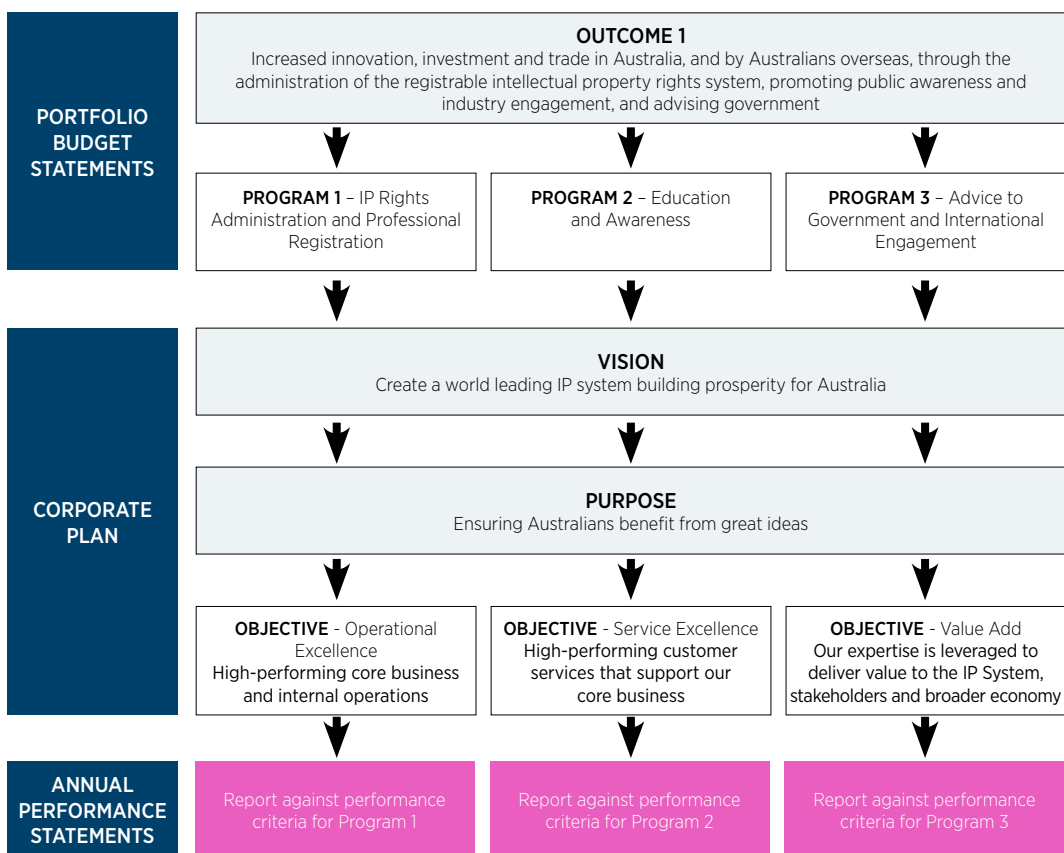
Purpose

Our purpose is to ensure Australians benefit from great ideas.

We are committed to delivering world-leading IP services that are modern, effective and efficient. We achieve this by administering the registrable intellectual property rights system, regulating the IP attorney profession, promoting public awareness and industry engagement, and advising government.

Delivery of these elements enables us to provide an effective framework for the protection of innovative products and brands. This creates a secure environment for investment in innovation, enables firms to build brand value and business reputation, and encourages the disclosure of inventions and the transfer of knowledge and technology.

Figure 7: IP Australia's Performance Framework



Program 1: IP Rights Administration and Professional Registration

This program delivers robust intellectual property (IP) rights that satisfy IP Australia's customers in terms of timeliness and quality, and by maintaining the professional registration of persons wishing to qualify for registration as patent and/or trade mark attorneys.

Objective	
Maintain high customer satisfaction with the quality and timeliness of IP rights.	
Source	
<i>Portfolio Budget Statements 2020-21</i> , page 316	
<i>IP Australia Corporate Plan 2020-21</i> , page 9	
Result	
Not met	
1.	<p>Criterion Customer Service Charter and legislative commitments are met.</p> <p>Target There are 9 key targets under IP Australia's Customer Service Charter, which is available on our website.</p> <p>Result IP Australia met 7 of the 9 key targets under the charter. Specific results for each of the measures are included in the tables below.</p>

Table 79: Customer Service Charter commitments

	Target	Result	
Doing Business with Us			
1.1	90% or more of customers are satisfied with IP Australia's administration of the Australian intellectual property registration system.	90%	Met
1.2	85% or more of customers agree that IP Australia helps them make informed business decisions.	87%	Met
Quality			
1.3	80% or more of customers have confidence that the decisions IP Australia has taken in granting their IP right/s meet the applicable legal framework.	91%	Met
1.4	80% or more of customers agree that IP Australia's decisions are consistent and demonstrate a professional approach.	89%	Met
1.5	80% or more of customers agree that IP Australia provides sufficient detail in reports to explain our decisions.	88%	Met
Timeliness			
1.6	Patents		Met
	85% of international search reports (for one invention) in 10 weeks.	96%	
	95% of international search reports (for all search requests) 12 weeks.	98%	
	85% of international-type search reports (for one invention where the original request is compliant) in 6 weeks.	93%	
	95% of international-type search reports (for all search requests from receiving a compliant request) in 8 weeks.	98%	

	Target	Result	
1.7	Trade Marks		Not met
	85% of first reports on new applications in 13 weeks.	71%	
	95% of first reports on new applications in 18 weeks.	96%	
	95% of Headstart Part 1 assessments in 5 days.	99%	
	97% of Headstart Part 1 assessments in 7 days.	100%	
1.8	Designs		Not met
	85% of formalities reports on new applications in 8 weeks.	74%	
	95% of formalities reports on new applications in 9 weeks.	86%	
	85% of first reports in 13 weeks.	36%	
	95% of first reports in 16 weeks.	64%	
1.9	Plant Breeder's Rights		Met
	100% of initial examination in 8 weeks.	100%	
	95% of further examination in 4 weeks.	97%	

Objective

Provide effective and efficient trans-Tasman attorney registration.

Source

Portfolio Budget Statements 2020-21, page 316

IP Australia Corporate Plan 2020-21, page 9

	Result	Met
2. Criterion	Applications for trans-Tasman attorney registration are processed within 15 working days from the date that the application complies with registration requirements.	
Target	Achieved.	
Result	100% of applications were processed within the required timeframe.	

Analysis

IP Australia focused on improving the quality of our services in 2020–21, as we continued to employ our principles-based and customer-centric approach to quality management. Customers are satisfied with the detail in our examination reports and our professional approach, and they are confident in our decisions. Satisfaction results for our Quality Objectives were 88% or greater.

In 2020–21, we implemented a new Customer Service Charter following consultation with our customers. It focuses on aspects of our services that our customers told us mattered to them most. One message we heard was that our customers valued a 13-week timeframe for examination of a standard trade mark application. We were quite a long way off meeting this timeframe in previous years due to past workforce limitations. However, with a focused effort on continued recruitment and training, we achieved the 13-week timeframe as at the end of the 2020–21 financial year. Although we did not achieve the commitment for the full year, we anticipate that we will now sustain and meet this benchmark for 2021–22.

We did not meet our 2020–21 Customer Service Charter commitments for designs in relation to formalities or examinations. This was primarily due to the unexpected absence of examination staff members and an increased demand for design rights. In 2021–22, we will remediate this with new training initiatives to increase the number of qualified design examiners.

We exceeded all charter commitments for patents. The charter reflects that timeliness for international and international-type search requests is a priority for customers. We have actively managed these requests – and continue to do so – through appropriate planning, resource management and continual process improvements to ensure timely completion of these products.

Throughout 2020–21, we consistently completed IP attorney registrations within the timeframe specified.

Case study - Cognitive Futures

Over a number of years, IP Australia has implemented the Cognitive Futures body of work, which leverages the power of cognitive technologies to enhance customer service delivery and the way we do business.

IP Australia has successfully delivered a range of cognitive computing tools and services to improve the customer experience, make business processes more efficient and improve quality across the IP rights process. This work has been enabled by using cognitive technologies and artificial intelligence techniques such as machine learning and natural language processing capability. It has allowed IP Australia to become a technological leader across the Australian Public Service and the IP ecosystem.

One new service implemented in 2020–21 is the Outcome Based Directions machine learning model, which changed the process of issuing Directions to Request Examination. The directions process is where the Commissioner of Patents directs patent applicants to request examination. This process was identified by stakeholders as one of the key opportunities to improve customer service and internal efficiency through artificial intelligence and machine learning solutions.

Our patent case management system now uses a machine learning model to assist in the prioritisation of directions based on an applicant's circumstances. Instead of pulling applications from our stockpile in chronological order, we pull them based on 'likelihood' of IP readiness. This ensures a more tailored source, both for applicants in a hurry and for those happy to wait to have their application processed as they continue to work on their patent. The new process will continue until late 2021 and will be assessed on an ongoing basis to determine its sustainability.

Case study – Transactional Digital Services Program

The protection of IP is crucial to fostering innovation and enabling businesses to gain commercial benefits from their idea, invention or brand. The Transactional Digital Services (TDS) Program has re-imagined the filing experience for all IP Australia customers, through large-scale digital transformation of our transactional platforms, to make applying for and managing IP rights easier for Australian businesses.

Modern Agile and DevOps methodologies underpin this government-leading technical delivery, with rapid, high-quality feature releases delivered to production during 3-week development sprints.

Our application programming interface solution provides a streamlined experience, allowing businesses to seamlessly integrate their technologies with our systems. By leveraging structured data, the solution enables automation and real-time data validation – improving our service delivery in line with current expectations.

We applied a customer-led delivery approach, which ensured IP Australia's customers were involved at each stage of the design and ongoing build of the new online services platform. Since the soft launch in October 2020, more than 6,000 customers have used the new platform and provided an average feedback rating of 4.5 out of 5.0.

To ensure continuous improvement, the program developed underlying advanced analytics that allow the agency to better understand customer behaviour and real-time sentiment when using the new platform. The success of the program reflects the Australian Government's commitment to ensure services are delivered seamlessly and efficiently, when and where they are needed.

Program 2: 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.

Objective			
		Improve public awareness of the IP system through tailored education products.	
Source			
		<i>Portfolio Budget Statements 2020-21, page 317</i>	
		<i>IP Australia Corporate Plan 2020-21, page 9</i>	
Result			Met
3.	Criterion	Improved awareness of the IP rights system.	
	Target	90%+ of people and partners accessing our public education, awareness and information products have an improved understanding of how IP rights can benefit their business.	
	Result	98% of people and partners accessing our public education, awareness and information products were satisfied.	
Objective			
		Digital services suit the preferences of customers and exceed expectations.	
Source			
		<i>IP Australia Corporate Plan 2020-21, page 9</i>	
Result			Met
4.	Criterion	Customer satisfaction with the reliability and effectiveness of externally facing ICT systems.	
	Target	85%+ of customers are satisfied with the reliability and effectiveness of externally facing ICT systems.	
	Result	89% of customers are satisfied with the reliability and effectiveness of externally facing ICT systems.	
Objective			
		Build the customer service capability and knowledge of our staff.	
Source			
		<i>IP Australia Corporate Plan 2020-21, page 9</i>	
Result			Met
5.	Criterion	Customer satisfaction with our staff.	
	Target	85%+ of customers are satisfied with our staff is maintained in the customer satisfaction survey.	
	Result	88% of customers were satisfied with our staff.	

Analysis

IP Australia made significant progress in 2020-21 to become an agency that is truly customer-centric. We delivered key projects and programs and further improved the tools we will use to measure our performance against their expectations.

In 2020–21, IP Australia met all customer satisfaction metrics by putting customers at the centre of everything we do, including service delivery and customer-centric system design. We also met our target for the proportion of people accessing our public education, awareness and information products, who gain an improved understanding of how IP rights can benefit their business.

We have focused on modernising our ICT platforms to better meet the needs of our customers in 2020–21. This included replacing our legacy business-to-business platform with a modern and efficient customer-centric digital experience, and introducing application programming interfaces (APIs) that cover 96% of IP rights transaction types. This provides a more streamlined experience for customers using our search and examination services. We also used APIs that enable our customers and stakeholders to access our IP rights search systems.

Our key achievements under this program in 2020–21 included:

- expanding outreach and engagement through public education activities concentrating on 3 key sectors – universities, government and peak industry bodies – with a focus on reaching small and medium enterprises (SMEs) and startups
- increased engagement with universities developing and delivering IP education sessions, engaging subject matter experts to deliver customised material; for example, the RMIT Activator ‘Trade Routes’ program
- engaging with the AusIndustry network, leveraging its relationships with business, particularly through the Entrepreneurs’ Programme
- establishing relationships with CSIRO, identifying opportunities to deliver to their program participants, from secondary schools to startups
- developing an on-demand webinar program, informed by customer feedback
- releasing a set of video case studies showcasing a range of Australian design businesses and their IP journeys
- improving our customer-facing digital services to make it easier to transact with us, and increasing access to our IP rights search systems.

Case study – Dedicated support for small businesses

Throughout 2020–21, IP Australia provided targeted support for Australian SMEs to help build confidence in engaging with the IP rights system.

Customers told us they had trouble navigating the patent application process and the opposition process. In response, we set up a Patent Case Manager service – with dedicated case managers who work with patent applicants, augmenting existing online resources and helping customers to resolve issues with their applications. Customers have made good use of this service, with more than 115 calls to the service and continued strong engagement. The case manager service is now part of our standard service offering.

We also designed an SME portal to highlight the range of resources available, providing direct links and enabling faster accessibility to trustworthy and current information. For example, the portal showcases the SME Fast Track service – an expedited examination available upon request at no extra cost. Web traffic to the SME portal generated 3,834 unique users and a total of 4,992 total page views, with the most popular content being the Patent Case Manager service.

We also ran a dedicated outreach program to deliver content to SMEs in regional Australia. This included engaging with more than 30 external parties to share content and promote our webinar program (live and on demand). More than 840 website visitors were attributed to the shared content and 534 of these visitors were new to the IP Australia website, demonstrating the success of the program.

The recent tabling of the Patents Accessibility Review, conducted by Professor Raoul Mortley, and its recommendations supports an ongoing focus on Australian SMEs, which are critical to IP Australia's important contribution to the innovation ecosystem. We will continue to proactively seek feedback across all customer channels and continue to provide targeted support. Future activities will build on the foundations established by this program.

Program 3: Advice to Government and International Engagement

IP Australia supports policy and legislative change to foster Australian innovation by shaping the development of the IP system domestically and abroad. IP Australia engages internationally to influence the development of effective IP systems in line with Australia's interests.

Objective			
		Improve support for customers seeking to engage in international and domestic markets.	
Source			
		<i>IP Australia Corporate Plan 2020-21, page 9</i>	
Result			Met
6.	Criterion	Utility of value-added services to customers as measured by evaluation of key initiatives.	
	Target	Maintain or improve results for key initiatives, benchmark new initiatives and use feedback to improve future service offerings.	
	Result	<p>SME initiative – Case management program</p> <p>Between 1 July and 30 April 2021, there were 96 calls to the program and 23 actions arising from contact with a case manager. We directed several customers to other forms of IP protection or indicated that a patent is not appropriate for their business. Evaluation of this activity occurred in May 2021 and the results form a baseline level of participation of SMEs in the program.</p> <p>SME initiative – Outreach program</p> <p>Between 27 July 2020 and 3 February 2021 there were 3,834 unique page views, with a total of 4,992 page views and an average time on page of 1.38 minutes.</p> <p>Cognitive Futures</p> <p>Outcome Based Directions was successfully tested in all lower environments and deployed to production on 27 May 2021, followed by appropriate internal and external communications.</p> <p>Entrepreneurs' Programme Report</p> <p>The Patent Analytics Hub has delivered 30 patent analytics reports to 18 different participants across medical and pharmaceuticals technologies.</p> <p>A survey for a total of 21 reports revealed that the reports were easy to understand and interpret, provided new information to most respondents, helped to identify new collaborators, contributed to strategic business decisions, and would be recommended by more than half of respondents.</p>	
Objective			
		Increase the accessibility of our data holdings.	
Source			
		<i>IP Australia Corporate Plan 2020-21, page 9</i>	
Result			Met
7.	Criterion	IP Australia's public data is available.	
	Target	Increase in number of annual downloads from www.data.gov.au .	
	Result	Annual downloads of IP Australia's public data from www.data.gov.au have increased 26% (by 4,167) from the previous year.	

Objective

Provide high-quality and timely advice to government.

Source

Portfolio Budget Statements 2020-21, pages 317-18

IP Australia Corporate Plan 2020-21, page 9

Result**Met**

8.	Criterion	Provision of high-quality advice to the Australian Government on policy, legislation, ministerial correspondence and briefs.
	Target	Ministerial briefs and correspondence delivered to the Minister's Office are of a high quality, with less than 10% requested to be redrafted. 100% of ministerial briefs and correspondence requested by the Minister's Office are delivered within the agreed timeframes.
	Result	100% of ministerial briefs and correspondence were of a high quality, with no redrafts requested by the Minister's Office. 100% of ministerial briefs and correspondence were delivered within the agreed timeframes. Provided timely and high-quality advice to the Australian Government on the introduction of the Designs Amendment (Advisory Council on Intellectual Property Response) Bill 2020.

Analysis

During 2020-21, IP Australia supported key policy and legislative changes aimed at enabling better and easier participation in the Australian IP system for Australian businesses. Anecdotal feedback from the Portfolio Ministers and the Executive indicated satisfaction with the quality and timeliness of advice in meeting the needs of the government and our customers.

We launched our SMEs case management program on 1 July 2020. The new Patent Case Manager service provides personal contacts for Australian SMEs navigating the patent application process. To understand more about the patent system and what they need to prepare to file a patent application, unrepresented SMEs with an interest in gaining a patent can speak with a case manager drawn from the patent examiner cohort. We also offer SME Fast Track to expedite examination for SMEs' patent applications. The case manager is available to support the customer following filing.

In July 2020, we launched the SME portal, an online space to consolidate key information and resources to help Australian businesses navigate the IP system.

The SME outreach program promoted the portal through explicit communication and content to message multipliers, to leverage networks that will help improve patent education. IP Australia reached out to more than 25 message multipliers seeking to engage them to share content to help SMEs learn more about the patents system. These included federal, state and local government departments and agencies, growth centres, and state and territory chambers of commerce and industry. Of these, 17 have shared content to date.

The purpose of the SME initiatives is to ensure SMEs can better understand and access the IP system by accessing information and support tailored to their needs and level of knowledge. We have trialled and evaluated these initiatives this year and will incorporate them into our ongoing service offering for Australian small businesses.

The Cognitive Futures program successfully deployed the Outcome Based Directions model to production in May 2021. This innovative machine learning model improves our patent directions process by recognising those applicants with more developed IP strategies and who are better equipped to enter the examination process. This increases the efficiency of our patent examination process by fast-tracking applicants who are ready to proceed.

We engaged with the AusIndustry network, leveraging its relationships with business, to support the Entrepreneurs' Programme. The Patent Analytics Hub focused on stakeholder education; report timeliness; managing the volume of work, focusing on automation; and improving the details provided in the reports. The trial has demonstrated that patent analytics are valuable and useful to Australian innovators.

Case study – Designs Reform Project

In 2019, IP Australia initiated a year-long exploratory review of Australia’s design economy and the role of design rights in incentivising design innovation. The review encompassed the entire design ecosystem, which was found to contribute \$67.5 billion per annum to Australia’s GDP. In the 2020–21 financial year, the Designs Reform Project delivered a suite of short- and long-term initiatives based on the findings of the review. These initiatives have been focused on removing barriers preventing a broad segment of the design community from accessing and benefiting from the design rights system.

The project embedded a human-centred design framework from the outset and invested time to develop a strong and diverse stakeholder network. This enabled us to better understand the challenges and experiences of stakeholders and provided a solid foundation to work with our stakeholders to address problems that were uncovered in the research. For example, we worked with peak industry bodies, tertiary institutions and design businesses to develop a suite of educational resources to improve knowledge of design rights, their purpose and how to make use of them. We successfully co-designed case studies with the Australian Design Council and partnered with the Australian Fashion Council and the Design Institute of Australia on our Melbourne Design Week 2021 events.

We delivered several initiatives to improve and simplify the experience for those deciding whether to register a design.

- Our ‘IP for designers’ page, primarily for designers and SMEs, provides a suite of case studies, presentations, short videos, animations and tools. These can assist with collaborations and help businesses make informed decisions about protecting designs as part of a broader commercialisation strategy.
- Our refreshed website content makes it easier to access essential information about how to manage and protect designs, the basics of design rights and how the application process works.
- Our new online filing system for design applications is helping to make the experience of applying for design rights faster and easier. This is part of a comprehensive transformation of IP Australia’s online services platform.
- Our refreshed designs examination manual, which design experts rely on to make important decisions about IP, was rewritten and restructured to make the information clearer and easier to find.
- We are also pursuing several longer-term policy and legislation initiatives that would significantly change the design rights system. These consider:
 - how to introduce protection that is more compatible with the iterative design process
 - how to expand the design registration system to non-physical or ‘virtual’ products and parts of products. Research has confirmed that there is industry interest in these changes, with an overall likely benefit to the economy.
- We used human-centred design across our policy work as part of an innovative mixed-methods approach. The policy development work was grounded in relevant and clear policy problems and produced a clear set of evidence-based recommendations.
- While the Designs Reform Project successfully closed at the end of the financial year, we are continuing with the human-centred design approach that underpinned the work, and we have transitioned ongoing reform measures into everyday practice across IP Australia.

Financial performance

Report on financial performance

IP Australia recorded an operating surplus of just under \$24 million for the financial year, driven by revenue results that were 14% higher than budgeted.

Due to the potential economic impacts of the worldwide pandemic, IP Australia worked to constrain costs during the financial year, managing the risk that revenues could fall with a focus on maintaining financial sustainability. IP Australia's expenses came in under budget and fell by \$3 million from the previous financial year. Revenues did not fall as expected, demand grew with significant increases in patent and trade marks applications, and together with the impact of fee changes, this accounts for revenue rising in 2020–21.

IP Australia reduced capital expenditures, reflecting the end of the investment peak in 2020–21 (having finalised the new trade marks system and accommodation fitout projects), and together with the higher operating surplus, cash reserves have grown during the financial year, improving the agency's balance sheet and reinforcing financial sustainability.

The budget focus in the new financial year is to complete detailed ICT investment planning to ensure that our cash reserves are sufficient for known asset replacement requirements while maintaining a reasonable buffer for sustainable operations. Once this work is completed, following on from the improved financial position for 2020–21, IP Australia will be well placed for longer-term strategic financial planning to ensure we can balance our obligations as a cost recovery agency for efficient operations while delivering outcomes for stakeholders in an environment of increasing demand for our services.

Demand forecast and actual performance

Each year, we forecast the expected demand for IP Australia's services based on historical application trends. We use this information to determine the workforce profile and capacity we will need to meet our Customer Service Charter requirements, in line with our cost-recovery framework. Table 80 reports our actual performance against the estimated demand for examination and registration services for the year.

Table 80: Program 1 results

Deliverable¹	Estimated	Actual
Receipt of applications		
Patents	28,048	37,524
Plant breeder's rights	275	326
Patent Cooperation Treaty	2,544	3,103
Trade marks	63,863	86,137
Designs	7,123	7,553
Registration service		
Trans-Tasman IP Attorneys Board	1,363	1,580

¹ Source: IP Australia Corporate Plan 2020–21.



CHAPTER 13

IP AUSTRALIA MANAGEMENT AND ACCOUNTABILITY

Corporate governance

IP Australia's key governing body is the Executive Board. The Executive Board supports the Director General in delivering the strategic and operational outcomes of IP Australia. It considers all issues that affect our strategic direction, corporate governance, performance and reputation.

The Executive Board is supported by 5 primarily internal governance committees, 4 of which consist of internal members and one – the Investment, ICT and Property Committee – that includes one independent member. This committee develops and oversees investment strategies that align directly with IP Australia's Corporate Plan.

In addition, as required under the PGPA Act, IP Australia's Director General has established the Audit Committee to provide independent advice, support and assistance in meeting his duties and obligations as an accountable authority.

IP Australia's governance practices comply with all statutory requirements and are reviewed annually to ensure they remain relevant and effective.

We have a comprehensive risk management framework, which enables us to effectively manage risks in accordance with our risk appetite. We routinely monitor and report on risks at operational and strategic levels, with the governance committees providing a key mechanism for the escalation and delegation of risks and controls. The Executive Board and Audit Committee play key roles in managing and monitoring strategic and emerging risks that have the potential to impact our objectives, and monitoring progress towards the achievement of our risk maturity culture targets. IP Australia has set clear targets for risk maturity, which are independently assessed through our internal audit function (we achieved 'Established', Level 3 of 5) and the Comcover Risk Management Benchmarking Program (we achieved 'Embedded', Level 4 of 5). Roadmaps to progress maturity are monitored by the Executive Board on a quarterly basis.

Audit Committee

IP Australia's Audit Committee was established by the Director General in accordance with Section 17 of the PGPA Rule. The functions of the committee are set out in the Audit Committee Charter.

IP Australia's Audit Committee comprises 3 independent members and one IP Australia member. Members were selected based on their expertise and ability to discharge the functions of the committee in line with the charter.

Table 81: During 2020–21, the Committee met in September and December 2020 and March and June 2021.

Member	Expertise	Meeting attendance	Remuneration*
Ms Anne O'Donnell <i>Independent Chair</i>	Ms O'Donnell has more than 40 years of experience in the finance sector and is an experienced executive and non-executive director in the listed, not-for-profit and mutual sectors. Ms O'Donnell holds a Masters of Business Administration, a Bachelor of Arts in Banking and Finance and is a Senior Fellow of FINSIA and a Fellow of AICD.	4	\$25,297
Ms Jennifer Morison <i>Independent member</i>	Ms Morison FCA, B.Ec (Sydney University) has 38 years of broad experience in the accounting profession, commerce and government. Ms Morison founded Morison Consulting Pty Limited in 1996 and brings a wealth of experience, having held roles as an independent member and Chair of Commonwealth audit and risk committees and financial statement sub-committees for large and small government entities for the last 17 years.	4	\$23,532
Dr David Bryant <i>Independent member</i>	Dr Bryant is a Senior ACS Certified Professional (PCP) and AIPM Certified Practising Project Director (CPPD) and specialises in IT governance and projects. Dr Bryant also holds roles as an independent member of other Commonwealth department audit and investment committees.	3	\$17,649
Ms Edel Kairouz <i>IP Australia member</i>	Ms Kairouz is the General Manager of IP Australia's Patents Chemical, Plant Breeder's Rights and Electrical Group and provides technical specialist knowledge of IP Australia's operations.	4	N/A

* The figures above include GST. Independent members are engaged as contractors in accordance with the Commonwealth Procurement Rules. IP Australia members are employees and do not receive remuneration for participating as a member of the Audit Committee.

The Audit Committee's charter can be found on IP Australia's website.

Fraud control

IP Australia's fraud control framework is made up of the Accountable Authority Instruction, the Fraud Control Plan, and the Fraud Risk Register and Treatment Plan. IP Australia continues to maintain appropriate fraud prevention, detection, investigation, reporting and data collection procedures.

The current Fraud Risk Register and Treatment Plan is linked to IP Australia's risk management framework, and consolidates key fraud prevention and detection controls in one document.

We review the framework periodically to consider changes in the operating environment, and in accordance with the Commonwealth Risk Management Framework. The Audit Committee reviews the Fraud Risk Register and progress of treatments.

Compliance with finance law

There were no significant instances of non-compliance with finance law reported to the responsible minister as part of IP Australia's internal compliance reporting process for 2020-21.

External scrutiny

IP Australia is subject to external scrutiny in the form of appeals or applications for judicial reviews of our decisions, made by the Commissioner of Patents, the Registrar of Trade Marks, the Registrar of Designs, the Registrar of Plant Breeder's Rights and their delegates. The Federal Court of Australia generally has jurisdiction over appeals; however, in some cases, an application for review may be made to the Administrative Appeals Tribunal. Decisions of the Registrar of Trade Marks and the Registrar of Designs are also appealable in the Federal Circuit Court. Appendix C1 lists the appeals and applications for judicial review that IP Australia received in 2020-21.

Table 82: 2020-21 – Appearances before parliamentary committees

Appearance	Committee	Topic
16 September 2020	Senate Select Committee on the Aboriginal Flag	Inquiry into the copyright and licensing arrangements for the Aboriginal Flag design
3 June 2021	Senate Economics Legislation Committee	Budget Estimates

The Australian Information Commissioner has not made any decisions relating to IP Australia in 2020-21. The Commissioner may review freedom of information (FOI) decisions on application. At the time of compiling this report, 6 FOI matters were under consideration.

IP Australia was included in the Auditor-General's cross-entity performance audit of the cyber security strategies of non-corporate Commonwealth entities. The report was tabled in March 2021 and assessed 7 entities. IP Australia was ranked in the middle of the 7 entities for its cyber security maturity, with no recommendations identified.

Information Publication Scheme

An Australian Government agency subject to the *Freedom of Information Act 1982* (FOI Act) must publish a range of information on its website as part of its Information Publication Scheme (IPS). This includes the agency's structure, functions, appointments, annual reports and consultation arrangements, and contact details for the agency's FOI officer. Information routinely released through FOI requests and routinely provided to parliament must also be published online.

Where possible, IP Australia publishes information that has been released in response to an FOI request in our FOI disclosure log; however, an agency is not required to publish personal or business affairs information. Most FOI requests received by IP Australia are for documents containing business affairs information as submitted by trade mark applicants and are not routinely published in our FOI disclosure log.

The IPS also requires an agency to publish its information publication plan explaining what information it proposes to publish, how it intends to publish the information, and what else it intends to do to comply with the IPS. The IP Australia information publication plan is published on our website and is reviewed every 2 years.

Management of human resources

IP Australia attracts talent from the corporate and public sectors. Our employees have a passion for creating a world-leading IP system and are focused on driving growth and prosperity in the Australian economy. IP Australia's public service ethos is strong, and our Executive team, managers and staff members are committed to the APS Values and Code of Conduct.

IP Australia's Human Resources (HR) management function is critical to the delivery of our People Strategy goals. We continue to focus on developing and leveraging the capability of our people, systems, processes and culture, ensuring that Australians benefit from great ideas.

We focus our People Strategy and HR programs on building organisational capability and capacity in 5 areas:

- strategic leadership – investing in our agency, and our vision and values
- employee engagement – investing in our people
- organisational capability – investing in our future
- collaboration, innovation and inclusivity – investing in our culture
- workforce intelligence – investing in our data and analytics capability.

IP Australia delivered several key activities and outcomes under our People Strategy in 2020–21. We:

- examined the Employee Census results to identify emerging priorities to ensure our People Strategy deliverables provide appropriate solutions
- delivered Operational Workforce planning for each IP Australia business group, assessing critical job roles, learning priorities, succession risks and workforce risks
- developed succession plans for the organisation's critical roles
- maintained the focus on safety culture and supporting the workforce to respond to changes and challenges due to the COVID-19 pandemic
- continued to implement IP Australia's Work Health and Safety Strategy
- developed and launched a mental health framework and commenced development of an action plan
- delivered a program of work to better understand and respond to gender equity challenges, including the launch of an inclusive leadership training program for all senior leaders

- focused on capability uplift across the organisation, including:
 - launching a Leadership Exploration and Development (LEAD) program to stretch, support and encourage staff members to explore their leadership development pathway
 - delivering a learning and development program against IP Australia's core capabilities
 - delivering performance management refresher training for managers
 - targeted delivery of bullying and harassment training
 - reviewing and launching a new induction program for new starters, including the contractor workforce
- commenced work on IP Australia's new 'Innovate' Reconciliation Action Plan to drive reconciliation through our business activities, services, programs and stakeholders
- commenced HR policy reviews to support and leverage our goal as a contemporary and adaptable organisation.

IP Australia's workforce information is provided in Appendix C3.

Executive remuneration

Key management personnel (KMP) include those who have authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity. IP Australia has determined KMP to be the Director General (SES Band 3) and the Deputy Director Generals (SES Band 2). For 2020–21, remuneration for KMP in IP Australia was determined by the Secretary of the Department of Industry, Science, Energy and Resources or his delegate in accordance with the conditions set out in their common law contract.

During the reporting period ended 30 June 2021, IP Australia had 4 executives who met the definition of KMP, as shown in Table 83.

Table 83: Key management personnel, 2020–21

Name	Position	Term
Michael Schwager	Director General	Full year
Margaret Tregurtha	Deputy Director General	Full year
Frances Roden	Deputy Director General	1 July 2020 – 23 April 2021
Paula Adamson	Deputy Director General	24 April 2021 to present

Table 84 details the total remuneration paid to KMP, as shown in the notes to the financial statements for 2020–21. Further detail on executive remuneration and other highly paid staff is in Appendix C4.

Table 84: Total remuneration of key management personnel, 2020–21

Note 4.1: Key management personnel remuneration	2020–21
Short-term benefits:	
Base salary	\$864,892
Bonus	\$0
Other benefits and allowances	\$9,454
Total short-term benefits	\$874,346
Superannuation	\$169,012
Total post-employment benefits	\$169,012
Other long-term benefits	
Long service leave	\$22,340
Total other long-term benefits	\$22,340
Total key management personnel remuneration	\$1,065,698

Work health and safety

IP Australia is committed to providing a healthy and safe working environment for all workers (employees, contractors and others) and visitors, and we have continued to prioritise matters related to work health and safety (WHS).

In 2020–21 we continued to implement our WHS Strategy (2019–2021) to increase the WHS maturity of our organisation. Actions included:

- launching the IP Australia Mental Health Framework in October 2020
- WHS training for officers and senior executive staff in July 2020
- delivering inclusive leadership training and targeted bullying and harassment awareness training.

We offered training in response to the COVID-19 pandemic and to enhance the mental health awareness of our workforce, to promote:

- effective mental health conversations
- resilience
- emotional intelligence
- mental health for leaders
- general mental health awareness through employee assistance program seminars and webinars.

Our support for our people throughout the COVID-19 response included managing WHS requirements as employees transitioned to working from home, and then our staged return to the office. We also enhanced the mental health and ergonomic support for Melbourne-based staff members affected by the prolonged COVID-19 lockdown.

We offered annual flu vaccinations, skin checks and health assessments, and promoted healthy lifestyle actions for our staff through a range of health and wellbeing initiatives.

We also continued to offer free counselling services to all employees and their immediate families through the Employee Assistance Program.

Two incidents during the year were deemed notifiable under section 38 of the *Work Health and Safety Act 2011* and were reported to Comcare.

Disability reporting mechanisms

The National Disability Strategy 2010–2020 is Australia’s overarching framework for disability reform. It acts to ensure the principles underpinning the United Nations Convention on the Rights of Persons with Disabilities are incorporated into Australia’s policies and programs that affect people with disability, their families and carers. Disability reporting is included in the State of the Service Report and the APS Statistical Bulletin of the Australian Public Service Commission (APSC). Both reports are available on the APSC website.

IP Australia continues to partner with organisations such as the Australian Network on Disability with the joint aim of building a disability confident workforce.

Purchasing

During 2020–21, IP Australia’s procurement and contracts team continued to ensure that all commitments entered into were consistent with the Commonwealth Procurement Rules and that authorised delegates achieved value for money for the Australian Government.

IP Australia’s Accountable Authority Instructions require the use of purchase orders for all purchases valued at more than \$10,000. This assists in tracking commitments and meeting accountability requirements.

As necessary, we publish our annual procurement plan on AusTender to give prospective suppliers advance knowledge of anticipated procurement opportunities for the next 12 months.

IP Australia supports small business participation in the Commonwealth Government procurement market. SME and small enterprise participation statistics are available on the Department of Finance’s website.

Consultants

During 2020–21, IP Australia entered into 15 new consultancy contracts with a total value of \$1.114 million (GST inclusive). 17 ongoing consultancy contracts were active during the period with total expenditure of \$0.420 million (GST inclusive).

Table 85: Expenditure reportable consultancy contracts, 2020-21

Reportable consultancy contracts 2020-21	Number	Total (\$)
New contracts entered into during the reporting period	15	\$1,113,577
Ongoing contracts entered into during a previous reporting period	17	\$420,126
Total	32	\$1,533,703

Table 86: Organisations receiving a share of reportable consultancy contract expenditure, 2020-21

Organisations receiving a share of reportable consultancy contract expenditure 2020-21	Total (\$)
The Boston Consulting Group	\$524,480
Orima Research	\$135,240
Bevington Consulting	\$133,979
Ninti One	\$110,942
Workplace Research Associated	\$74,940

Annual reports contain information about actual expenditure on reportable consultancy contracts. Information on the value of reportable consultancy contracts is available on the AusTender website: www.tenders.gov.au

Decisions to engage consultants during 2020-21 were made in accordance with the PGPA Act and related regulations including the Commonwealth Procurement Rules and relevant internal policies.

IP Australia selects consultants through the use of panel arrangements or by making an open approach to market.

The Director General did not exempt any contract let during 2020-21 from publication on AusTender on the basis that it would disclose exempt matters under the *Freedom of Information Act 1982*.

All contracts valued at \$100,000 or more (GST inclusive) during 2020-21 allowed for the Auditor-General to have access to the contractor's premises.

Non-consultancy contracts

During 2020-21, IP Australia entered into 204 new non-consultancy contracts with a total value of \$14.145 million (GST inclusive). 236 ongoing non-consultancy contracts were active during the period with total expenditure of \$56.643 million (GST inclusive).

Table 87: Expenditure reportable non-consultancy contracts, 2020-21

Reportable non-consultancy contracts 2020-21	Number	Total (\$)
New contracts entered into during the reporting period	204	\$14,144,796
Ongoing contracts entered into during a previous reporting period	236	\$56,642,961
Total	440	\$70,787,757

Table 88: Organisations receiving a share of reportable non-consultancy contract expenditure, 2020–21

Organisations receiving a share of reportable non-consultancy contract expenditure 2020–21	Total (\$)
Jones Lang LaSalle	\$14,967,216
Deloitte Touche Tohmatsu	\$2,861,468
Data#3	\$2,782,530
Capgemini Australia	\$2,240,278
European Patent Office	\$2,137,822

Annual reports contain information about actual expenditure on reportable consultancy contracts. Information on the value of reportable consultancy contracts is available on the AusTender website: www.tenders.gov.au

Grant programs

IP Australia did not administer any grants during 2020–21.

Advertising and market research

During 2020–21, IP Australia paid advertising agencies or marketing, polling or direct mail organisations above the reporting threshold of \$14,300 per payment (GST inclusive) to a total of \$135,240 (GST inclusive).

Table 89: Payments associated with advertising and market research, 2020–21

Name of recipient	Services	Total (\$)
Advertising agencies		
Nil		0
Nil		0
Direct mail		
Nil		0
Market research		
Orima Research Pty Ltd	Customer Satisfaction Surveys	79,950
Orima Research Pty Ltd	Detailed analysis of State of the Service results	55,290
Media advertising		
Nil		0
Polling organisations		
Nil		0

Ecologically sustainable development and environmental performance

Throughout 2020–21, IP Australia continued to manage its operations with sustainability and value-adding activities at the forefront of operational decisions. IP Australia’s flexible workplace arrangements and the implementation of its Business Continuity Plan, in response to the COVID-19 pandemic, meant IP Australia was able to reduce its generation of waste, consumption of electricity and business travel for 2020–21.



CHAPTER 14

IP AUSTRALIA FINANCIAL STATEMENTS



INDEPENDENT AUDITOR'S REPORT

To the Minister for Industry, Science and Technology

Opinion

In my opinion, the financial statements of IP Australia (the Entity) for the year ended 30 June 2021:

- (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Entity as at 30 June 2021 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following as at 30 June 2021 and for the year then ended:

- Statement by the Accountable Authority and Chief Financial Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement; and
- Notes to the financial statements, comprising a summary of significant accounting policies and other explanatory information.

Basis for opinion

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

Accountable Authority's responsibility for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Australian National Audit Office



Colin Bienke
Audit Principal

Delegate of the Auditor-General

Canberra
22 September 2021

IP Australia

STATEMENT BY THE ACCOUNTABLE AUTHORITY AND CHIEF FINANCIAL OFFICER

In our opinion, the attached financial statements for the year ended 30 June 2021 comply with subsection 42(2) of the Public Governance, Performance and Accountability Act 2013 (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

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


Michael Schwager
Accountable Authority


Doug Pereira
Chief Financial Officer

31 September 2021

21 September 2021

IP AUSTRALIA

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IP AUSTRALIA
STATEMENT OF COMPREHENSIVE INCOME
for the period ended 30 June 2021

	2021	2020	Original Budget ¹
	\$'000	\$'000	\$'000
NET COST OF SERVICES			
Expenses			
Employee benefits	1.1A 130,659	134,996	130,079
Suppliers	1.1B 42,581	42,159	44,081
Depreciation and amortisation	2.2A 31,908	32,347	33,637
Finance costs	1.1C 1,847	1,976	1,851
Write-down and impairment of assets	2.2A 1,155	19	-
Losses from non-financial assets revaluation	2.2A 388	-	-
Losses from asset sales	-	3	-
Total expenses	208,538	211,500	209,648
Own-Source Income			
Own-source revenue			
Revenue from contracts with customers	1.2A 231,197	201,566	203,378
Resources received free of charge	1.2B 178	158	160
Rental income	1.2C 749	68	752
Total own-source revenue	232,124	201,792	204,290
Gains			
Gains from sale of assets - Plant and equipment	23	-	-
Total gains	23	-	-
Total own-source income	232,147	201,792	204,290
Net (cost of)/contribution by services	23,609	(9,708)	(5,358)
Revenue from Government	358	362	358
Surplus/(Deficit) attributable to the Australian Government	23,967	(9,346)	(5,000)
OTHER COMPREHENSIVE INCOME			
Items not subject to subsequent reclassification to net cost of services			
Changes in asset revaluation reserve	1,003	-	-
Total other comprehensive income	1,003	-	-
Total comprehensive income/(loss) attributable to the Australian Government	24,970	(9,346)	(5,000)

The above statement should be read in conjunction with the accompanying notes.

1. Budget reported in the 2020-21 Portfolio Budget Statements published in October 2020.
 Explanations of major variances are provided in Note 1.

IP AUSTRALIA
STATEMENT OF FINANCIAL POSITION
as at 30 June 2021

		2021	2020	Original Budget ¹
		\$'000	\$'000	\$'000
ASSETS				
Financial assets				
Cash and cash equivalents	2.1A	52,937	22,992	20,009
Trade and other receivables	2.1B	1,454	1,574	1,614
Total financial assets		54,391	24,566	21,623
Non-financial assets				
Prepayments		7,510	7,367	7,702
Leasehold improvements ²	2.2A	168,152	183,511	166,868
Plant and equipment ²	2.2A	4,179	7,562	4,566
Intangibles	2.2A	110,767	107,211	108,214
Total non-financial assets		290,608	305,651	287,350
Total assets		344,999	330,217	308,973
LIABILITIES				
Suppliers	2.3A	5,023	7,128	7,298
Other payables	2.3B	48,927	45,330	38,296
Total payables		53,950	52,458	45,594
Interest bearing liabilities				
Leases	2.4A	141,594	152,014	141,704
Total interest bearing liabilities		141,594	152,014	141,704
Provisions				
Employee provisions	2.5A	46,967	48,227	49,157
Total provisions		46,967	48,227	49,157
Total liabilities		242,511	252,699	236,455
Net assets		102,488	77,518	72,518
EQUITY				
Contributed equity		5,908	5,908	5,908
Reserves		2,950	1,947	1,947
Retained surplus		93,630	69,663	64,663
Total equity		102,488	77,518	72,518

The above statement should be read in conjunction with the accompanying notes.

1. Budget reported in the 2020-21 Portfolio Budget Statements published in October 2020.

Explanations of major variances are provided in Note 1.

2. Right-of-use assets are included in the following line items:

Leasehold improvements	Note 2.2A
Plant and equipment	Note 2.2A

IP AUSTRALIA
STATEMENT OF CHANGES IN EQUITY
for the period ended 30 June 2021

	Retained earnings			Asset revaluation reserve			Contributed equity			Total equity		
	2021	2020	Original Budget ¹	2021	2020	Original Budget ¹	2021	2020	Original Budget ¹	2021	2020	Original Budget ¹
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance	69,663	90,032	69,663	1,947	1,947	1,947	5,908	5,908	5,908	77,518	97,887	77,518
Balance carried forward from previous period												
Adjustment on initial application of AASB 15	-	(24,768)	-	-	-	-	-	-	-	-	(24,768)	-
Adjustment on initial application of AASB 16	-	13,745	-	-	-	-	-	-	-	-	13,745	-
Adjusted opening balance	69,663	79,009	69,663	1,947	1,947	1,947	5,908	5,908	5,908	77,518	86,864	77,518
Comprehensive income	23,967	(9,346)	(5,000)	-	-	-	-	-	-	23,967	(9,346)	(5,000)
Surplus/(Deficit) for the period												
Other comprehensive income - changes in asset revaluation surplus	-	-	-	1,003	-	-	-	-	-	1,003	-	-
Total comprehensive income	23,967	(9,346)	(5,000)	1,003	-	-	-	-	-	24,970	(9,346)	(5,000)
Closing balance as at 30 June	93,630	69,663	64,663	2,950	1,947	1,947	5,908	5,908	5,908	102,488	77,518	72,518

The above statement should be read in conjunction with the accompanying notes.

1. Budget reported in the 2020-21 Portfolio Budget Statements published in October 2020.

Explanations of major variances are provided in Note 1.

IP AUSTRALIA
CASH FLOW STATEMENT
for the period ended 30 June 2021

	2021	2020	Original Budget ¹
	\$'000	\$'000	\$'000
OPERATING ACTIVITIES			
Cash received			
Appropriations	358	362	358
Sale of goods and rendering of services	235,222	201,135	199,296
GST received	5,286	7,676	(34)
Total cash received	240,866	209,173	199,620
Cash used			
Employees	(131,404)	(131,986)	(131,510)
Suppliers	(44,790)	(47,751)	(43,932)
Interest payments on lease liabilities	(1,851)	(1,976)	(1,851)
GST Paid	(5,306)	(7,093)	-
Total cash used	(183,351)	(188,806)	(177,293)
Net cash from operating activities	57,515	20,367	22,327
Cash received			
Proceeds from sales of property, plant and equipment	77	140	-
Total cash received	77	140	-
Cash used			
Purchase of leasehold improvements	2.2A (25)	(11,420)	-
Purchase of property, plant and equipment	2.2A (395)	(1,792)	(550)
Purchase of intangibles	2.2A (16,929)	(20,644)	(14,450)
Total cash used	(17,349)	(33,856)	(15,000)
Net cash used by investing activities	(17,272)	(33,716)	(15,000)
FINANCING ACTIVITIES			
Cash used			
Principal payments of lease liabilities	(10,298)	(8,868)	(10,310)
Total cash used	(10,298)	(8,868)	(10,310)
Net cash used by financing activities	(10,298)	(8,868)	(10,310)
Net increase/(decrease) in cash held			
Cash and cash equivalents at the beginning of the reporting period	29,945	(22,217)	(2,983)
Cash and cash equivalents at the end of the reporting period	22,992	45,209	22,992
2.1A	52,937	22,992	20,009

The above statement should be read in conjunction with the accompanying notes.

1. Budget reported in the 2020-21 Portfolio Budget Statements published in October 2020.
Explanations of major variances are provided in Note 1.

IP AUSTRALIA

Overview

Objectives of IP Australia

IP Australia is an Australian Government controlled entity. It is a not-for-profit entity. The objective of IP Australia is to contribute to the improvement of Australian and international IP systems and thereby supporting Australia's economic development through the provision and administration of intellectual property rights.

IP Australia is structured to meet one outcome: increased innovation, investment and trade in Australia, and by Australians overseas, through the administration of the registrable intellectual property rights system, promoting public awareness and industry engagement, and advising government.

IP Australia's activities contributing toward the outcome are classified as departmental. Departmental activities involve the use of assets, liabilities, income and expenses controlled or incurred by IP Australia in its own right.

Departmental activities are identified under three programs:

- Program 1.1 - IP Rights Administration and Professional Registration.
- Program 1.2 - Education and Awareness; and
- Program 1.3 - Advice to Government and International Engagement.

IP Australia operates on a cost recovery basis, funding its operations almost entirely through revenues raised from charges for intellectual property services. Appropriation is received for advice to Government and international engagement. The use of a Special Account, established under the *Public Governance, Performance and Accountability Act 2013*, enables IP Australia to fund its operations from the revenue received from charges for intellectual property services.

The Basis of Preparation of the Financial Statements

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

The financial statements have been prepared in accordance with:

- a) *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* (FRR); and
- b) Australian Accounting Standards and Interpretations – Reduced Disclosure Requirements issued by Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and in accordance with historical cost convention, except for certain assets and liabilities reported at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial statements are presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

IP AUSTRALIA

Overview

New Accounting Standards

All new and amending standards or interpretations applicable to the current financial year did not have a material effect on IP Australia's financial statements.

Resources Received Free of Charge

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

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition.

Revenue from Government

Amounts appropriated for departmental appropriations for the year (adjusted for any formal additions and reductions) are recognised as Revenue from Government when IP Australia gains control of the appropriation. Appropriations receivable are recognised at their nominal amounts.

Significant Accounting Judgements and Estimates

IP Australia has used accounting judgements and estimates when applying accounting policies. Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 2.2 – leasehold improvements and plant & equipment – the fair value of IP Australia's leasehold improvements and plant and equipment has been taken to be the market value of similar items or depreciated replacement cost as determined by an independent valuer. In some instances, IPA's leasehold improvements that were purposed-built and some specialised plant and equipment may in fact realise more or less in the market.
- Note 2.3B – employee payables – IP Australia uses estimation to value employee payables at 30 June including salary and wages and superannuation obligations.
- Note 2.5 – employee provisions – IP Australia uses judgements and estimates in determining the cost of future leave liabilities. The present value of the liability takes into account expected attrition rates and pay increases through promotion and inflation. The estimated value has been determined with reference to work of an actuary as at 31 January 2019. IP Australia engages Australian Government Actuary with regularity to ensure judgements are current.

Contingent Liabilities and Contingent Assets

IP Australia had no quantifiable or unquantifiable contingent liabilities or assets at 30 June 2021 (2019-20: nil).

Taxation

IP Australia is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST). Revenues, expenses, and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

Events After the Reporting Period

There are no events occurring after statement of financial position date that materially affect the financial statements.

IP AUSTRALIA**Note 1: Budget Variance Commentary***for the period ended 30 June 2021*

IP Australia considers that major variances are those where:

- A variance between budget and actual is greater than 10% of the original Portfolio Budget Statement (PBS) estimate or
- An item below this threshold but is considered important for the reader's understanding or is relevant to an assessment of the discharge of accountability and to an analysis of the performance of IP Australia.

Where a budget estimate has not been provided in the PBS, for example non-cash items such as sale of asset adjustments and finance cost, for these items no explanation has been provided unless the variance is considered to be 'major'.

The Budget is not audited.

Note 1A: Departmental Major Budget Variances for 2021

Explanation of major variances	Affected line items
IP Australia's budget preparation included the potential of the Covid-19 pandemic on demand for patent and trademarks applications and renewals. In contrast, demand for these items was higher than anticipated and resulted in a positive variance against the budget.	Revenue from contracts with customers Cash and cash equivalents Other payables Total cash received (cash flow) Net increase in cash (cash flow)
The increase in the asset revaluation reserve is mainly due to IP Australia performing a comprehensive revaluation of leasehold improvements and plant and equipment during the 2020-21 financial year.	Changes in asset revaluation reserve
Suppliers payable liability is difficult to estimate over a year out from report date and actual results reflect activity levels with vendors leading up to 30 June.	Suppliers payable

IP AUSTRALIA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Financial Performance

Note 1.1: Expenses

	2021	2020
	\$'000	\$'000
Note 1.1A: Employee Benefits		
Wages and salaries	101,752	102,891
Superannuation:		
Defined contribution plans	11,940	11,602
Defined benefit plans	6,040	7,524
Leave and other entitlements	10,285	11,045
Separation and redundancies	642	1,934
Total employee benefits	<u>130,659</u>	<u>134,996</u>

Accounting Policy

Accounting policies for employee related expenses are contained in note 2.5A.

Note 1.1B: Suppliers

Goods and services supplied or rendered

Contractors	10,333	10,826
Consultants	1,545	1,559
Travel	187	1,164
Communication & IT Services	19,611	19,972
Administrative Services	9,568	7,228
Subscription to World Intellectual Property Organisation	1,100	1,080
Total goods and services supplied or rendered	<u>42,344</u>	<u>41,829</u>

Goods supplied	140	329
Services rendered	42,204	41,500
Total goods and services supplied or rendered	<u>42,344</u>	<u>41,829</u>

Other suppliers

Workers compensation expenses	237	330
Total other suppliers	<u>237</u>	<u>330</u>
Total suppliers	<u>42,581</u>	<u>42,159</u>

Note 1.1C: Finance costs

Interest on lease liabilities	1,847	1,976
Total finance costs	<u>1,847</u>	<u>1,976</u>

The above lease disclosures should be read in conjunction with the accompanying notes 2.2A and 2.4A.

IP AUSTRALIA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 1.2: Own-Source Revenue and Gains

	2021	2020
	\$'000	\$'000
Own-Source Revenue		
Note 1.2A: Revenue from contracts with customers		
Provision of goods	350	363
Rendering of services	<u>230,847</u>	<u>201,203</u>
Total revenue from contracts with customers	<u>231,197</u>	<u>201,566</u>

Major services and goods are made up of

Patent fees	145,944	123,433
Trade Mark fees	77,809	71,784
Design fees	3,929	3,610
Plant Breeders Rights fees	1,491	1,309
Other goods and services	1,160	854
Trans-Tasman IP Attorney fees	864	576
	<u>231,197</u>	<u>201,566</u>

Accounting Policy

Revenue from the sale of goods and services is recognised when a customer obtains control of the goods and services. IP Australia operates on a cost recovery basis, funding its operations almost entirely through revenues raised from charges for intellectual property services. The breakdown of major services provided by IP Australia are listed above.

For majority of services provided by IP Australia, the performance obligation is satisfied at a point in time. IP Australia recognises revenue when (or as) it satisfies each performance obligation by transferring promised goods or services to the customer.

For trademark application service provided by IP Australia, the performance obligation is satisfied over time. IP Australia uses the input method for measuring progress towards satisfaction of a performance obligation using its Activity Based Costing system.

1.2B: Resources Received Free of Charge

Remuneration of auditors	155	155
Plant and equipment	<u>23</u>	<u>3</u>
	<u>178</u>	<u>158</u>

1.2C: Rental income

Sub-lease income	<u>749</u>	<u>68</u>
	<u>749</u>	<u>68</u>

IP Australia sub-leased part of its premises to National Disability Insurance Agency (NDIA) without limiting IP Australia's obligation under the Head Lease. IP Australia agrees to perform all of its obligations as tenant under the Head Lease except those which NDIA is required to perform "under sublease agreement". Leasing arrangements with NDIA ceased in 2021.

Maturity analysis of operating lease income receivables:

Within 1 year	613	752
One to two years	6,440	-
Two to three years	6,878	-
Three to four years	7,345	-
Four to five years	7,843	-
More than 5 years	<u>9,363</u>	<u>-</u>
Total undiscounted lease payments receivable	<u>38,482</u>	<u>752</u>

IP Australia has entered into a future sub-leasing arrangement for part of its premises to Clean Energy Regulator (CER) without limiting IP Australia's obligation under the Head Lease. IP Australia agrees to perform all of its obligations as tenant under the Head Lease except those which CER will be required to perform "under sublease agreement". Leasing arrangements will commence in 2022.

IP AUSTRALIA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Financial Position

Note 2.1: Financial Assets

	2021	2020
	\$'000	\$'000
Note 2.1A: Cash and Cash Equivalents		
Cash in special accounts (held as cash in OPA)	50,625	16,125
Cash on hand or on deposit	2,312	6,867
Total cash and cash equivalents	52,937	22,992

The closing balance of Cash in special accounts does not include amounts held in trust: \$420,821 in 2021 and \$479,253 in 2020. See note 3.2 Special Accounts for more information.

Note 2.1B: Trade and Other Receivables

Trade receivable	674	726
GST receivable from the Australian Taxation Office	765	745
Other Receivables	15	103
Total trade and other receivables	1,454	1,574

Accounting Policy

Trade receivables and other receivables are held for the purpose of collecting the contractual cash flows of principal and interest at market interest rates. These receivables are subsequently measured at amortised cost using the effective interest method, adjusted for any loss allowance.

Credit terms for goods and services were within 30 days (2019-20: 30 days).

IP Australia assesses trade and other receivables for impairment losses, which is presented separately in the statement of profit or loss. IP Australia did not recognise an impairment loss in 2020-21 (2019-20: Nil).

IP AUSTRALIA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**Note 2.2: Non-Financial Assets****Note 2.2A: Reconciliation of the opening and closing balances of Property, Plant and Equipment and Intangibles 2021**

	Leasehold Improvements	Plant & equipment	Computer software internally developed	Computer software purchased	Total Intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2020						
Gross book value	201,560	18,827	197,357	14,744	212,101	432,488
Accumulated depreciation and impairment	(18,049)	(11,265)	(92,129)	(12,761)	(104,890)	(134,204)
Total as at 1 July 2020	183,511	7,562	105,228	1,983	107,211	298,284
Additions - by purchase or Internally developed	63	423	16,948	-	16,948	17,434
Right-of-use assets	-	217	-	-	-	217
Revaluations and impairments recognised in other comprehensive income	969	34	-	-	-	1,003
Revaluations recognised in net cost of services	-	(388)	-	-	-	(388)
Depreciation/Amortisation expense	(3,119)	(2,646)	(12,571)	(583)	(13,154)	(18,919)
Depreciation on right-of-use assets	(12,364)	(625)	-	-	-	(12,989)
Other movements of right-of-use assets	-	(335)	-	-	-	(335)
Disposals and write down of assets	(908)	(63)	(222)	(16)	(238)	(1,209)
Total as at 30 June 2021	168,152	4,179	109,383	1,384	110,767	283,098
Total as at 30 June 2021 represented by:						
Gross book value	192,846	9,922	212,252	12,859	225,111	427,879
Accumulated depreciation and impairment	(24,694)	(5,743)	(102,869)	(11,475)	(114,344)	(144,781)
Total as at 30 June 2021 represented by:	168,152	4,179	109,383	1,384	110,767	283,098
Carrying amount of right-of-use assets	135,204	314	-	-	-	135,518

No indicators of impairment were identified for leasehold improvements, plant and equipment and intangibles

No property, plant and equipment and intangibles are expected to be sold or disposed within the next 12 months.

All revaluations were conducted in accordance with the revaluation policy. IP Australia engaged JLL Public Sector Valuations Pty Ltd (JLL) to conduct a revaluation of leasehold improvements and plant & equipment asset classes as at 30 June 2021.

Capital commitments

As at the 30 June 2021 IP Australia had capital commitments with respect to leasehold improvements for Canberra office accommodation and software enhancements.

Commitments payable on non-financial assets purchases by maturity:	<u>2021</u>
	<u>\$'000</u>
Within 1 year	<u>703</u>
Total capital commitments¹	<u>703</u>

1. Total capital commitment excludes GST.

IP AUSTRALIA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 2.2: Non- Financial Assets

Accounting Policy

The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value.

Asset Recognition Threshold

Purchases of property, plant and equipment are recognised initially at cost in the statement of financial position, except for purchases of leasehold improvements costing less than \$20,000 (2019-20: \$20,000) and computer equipment costing less than \$1,000 (2019-20: \$1,000). Purchases of other plant and equipment are also recognised initially at cost in the statement of financial position, except for purchases costing less than \$5,000 (2019-20: \$5,000).

Where purchases do not meet the threshold for capitalisation, they are expensed in the year they are purchased.

Lease Right of Use (ROU) Assets

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

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

Revaluations

Following initial recognition at cost, property, plant and equipment (excluding ROU assets) are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets did not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments are made on a class by class basis. Any revaluation increment was credited to equity under the heading of asset revaluation reserve except to the extent it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets were recognised directly through the surplus/deficit except to the extent that these amounts reversed a previous revaluation increment for that class.

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

Depreciation

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

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

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

	2021	2020
Leasehold improvements	Lease term	Lease term
Plant and Equipment	3 to 25 years	3 to 25 years

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

Impairment

All assets were assessed for impairment at 30 June 2021. Where indications of impairment existed, the asset's recoverable amount was estimated and an impairment adjustment made if the asset's recoverable amount was less than its carrying amount.

Derecognition

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

Sale of Asset

Gains from disposal of assets are recognised when control of the asset has passed to the buyer.

Intangibles

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

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of IP Australia's software are 3 to 10 years (2019-20: 3 to 10 years).

Purchases of software are recognised initially at cost in the statement of financial position, except for purchases costing less than \$5,000 (2019-20: \$5,000). Dependent on the stage of development, internally developed software is recognised at cost in the statement of financial position, except for purchases costing less than \$200,000 (2019-20: \$200,000).

IP AUSTRALIA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 2.3: Payables

	2021	2020
	\$'000	\$'000
Note 2.3A: Suppliers		
Trade creditors and accruals	5,023	7,128
Total suppliers	<u>5,023</u>	<u>7,128</u>

Settlement is usually made within 30 days.

Note 2.3B: Other Payables

Unearned revenues		
Patents fees	17,540	16,304
Trade Marks fees	26,111	24,613
Designs fees	293	214
Plant Breeders Rights fees	2,083	1,902
Total unearned revenues	<u>46,027</u>	<u>43,033</u>
Other unearned income	271	90
Salary and wages	2,277	1,925
Superannuation	352	282
Total other payables	<u>48,927</u>	<u>45,330</u>

Accounting Policy

Supplier and other payables are classified as 'financial liabilities measured at amortised cost'. Liabilities are recognised to the extent that the goods or services have been received/rendered (and irrespective of having been invoiced). Supplier and other payables are derecognised on payment.

For unearned revenue policy "refer Note 1.2A".

IP AUSTRALIA
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 2.4: Interest bearing liabilities

	2021	2020
	\$'000	\$'000
Note 2.4A: Leases		
Lease Liabilities	141,594	152,014
Total leases	<u>141,594</u>	<u>152,014</u>

Total cash outflow for leases for the year ended 30 June 2021 was \$12.150m (2020: \$10.844m).

Maturity analysis - contractual undiscounted cash flows

Within 1 year	10,423	10,409
Between 1 to 5 years	44,408	43,095
More than 5 years	<u>86,763</u>	<u>98,510</u>
Total leases	<u>141,594</u>	<u>152,014</u>

IP Australia in its capacity as lessee has leasing arrangements for office space.

The above lease disclosures should be read in conjunction with the accompanying notes 1.1C and 2.4A.

Accounting Policy

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

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

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

IP AUSTRALIA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 2.5: Provisions

	2021	2020
	\$'000	\$'000
Note 2.5A: Employee Provisions		
Leave	42,684	42,722
Superannuation on-cost	4,283	4,225
Separations and redundancies	-	1,280
Total employee provisions	<u>46,967</u>	<u>48,227</u>

Accounting Policy

Liabilities for 'short-term employee benefits' (as defined in AASB 119 Employee Benefits) and termination benefits due within twelve months of the end of the reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits are measured as net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at the end of the reporting period of plan assets (if any) out of which the obligations are to be settled directly.

Leave

The liability for employee benefits includes provision for annual leave and long service leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time leave is taken, including IP Australia's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave has been determined by reference to the work of an actuary as at 31 January 2019. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Separation and Redundancy

IP Australia recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

Superannuation

IP Australia staff are predominantly members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS) or the PSS accumulation plan (PSSap). The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported by the Department of Finance within its administered schedules and notes.

IP Australia makes employer contributions to the employee's superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the Government. IP Australia accounts for the contributions as if they were contributions to defined contribution plans.

The liability for superannuation recognised as at 30 June 2021 represents outstanding contributions.

IP AUSTRALIA
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 2.6: Financial Instruments

		2021	2020
	Notes	\$'000	\$'000
<u>Note 2.6A: Categories of Financial Instruments</u>			
Financial assets at amortised cost			
Cash and cash equivalents	2.1A	52,937	22,992
Trade and other receivables	2.1B	689	829
Total financial assets		<u>53,626</u>	<u>23,821</u>
Financial Liabilities			
Financial liabilities measured at amortised cost			
Trade creditors	2.3A	5,023	7,128
Total financial liabilities		<u>5,023</u>	<u>7,128</u>

IP AUSTRALIA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 2.6: Financial Instruments

Accounting Policy

Financial assets

IP Australia classifies its financial assets at amortised cost in accordance with AASB 9 *Financial Instruments*.

This classification is based on IP Australia's business model for managing the financial assets and contractual cash flow characteristics at the time of recognition.

Financial assets are recognised when the entity becomes a party to the contract and, as a consequence, has a legal right to receive or a legal obligation to pay cash and derecognised when the contractual rights to the cash flows from the financial asset expire or are transferred upon trade date.

Financial Assets at Amortised Cost

Financial assets included in this category need to meet two criteria:

1. the financial asset is held in order to collect the contractual cash flows; and
2. the cash flows are solely payments of principal and interest (SPPI) on the principal outstanding amount.

Amortised cost is determined using the effective interest method.

Effective Interest Method

Income is recognised on an effective interest rate basis for financial assets that are recognised at amortised cost.

Impairment of Financial Assets

Financial assets are assessed for impairment at the end of each reporting period based on Expected Credit Losses, using the general approach which measures the loss allowance based on an amount equal to *lifetime expected credit losses* where risk has significantly increased, or an amount equal to *12-month expected credit losses* if risk has not increased.

The simplified approach for trade, contract and lease receivables is used. This approach always measures the loss allowance as the amount equal to the lifetime expected credit losses.

A write-off constitutes a derecognition event where the write-off directly reduces the gross carrying amount of the financial asset.

Financial liabilities

Financial liabilities are classified as financial liabilities 'at amortised cost'. Financial liabilities are recognised and derecognised upon 'trade date'.

Financial Liabilities at Amortised Cost

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

IP AUSTRALIA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Funding

Note 3.1: Appropriations

Table 3.1A: Annual Appropriations (Recoverable GST exclusive)

Annual Appropriations for 2021

	Appropriation Act			Variance \$'000
	Annual Appropriation \$'000	Total appropriation \$'000	Appropriation applied in 2021 (current and prior years) \$'000	
DEPARTMENTAL				
Ordinary annual services	358	358	358	-
Total departmental	358	358	358	358

Annual Appropriations for 2020

	Appropriation Act			Variance \$'000
	Annual Appropriation \$'000	Total appropriation \$'000	Appropriation applied in 2020 (current and prior years) \$'000	
DEPARTMENTAL				
Ordinary annual services	362	362	362	-
Total departmental	362	362	362	-

Appropriations received under ordinary annual services are sourced from Appropriation Acts (Nos. 1 & 3)

Table 3.1B: Unspent Annual Appropriations (Recoverable GST exclusive)

	2021 \$'000	2020 \$'000
DEPARTMENTAL		
Ordinary Annual Services of the Government - Supply Act (No.1) 2020-21	-	-
Ordinary Annual Services of the Government - Appropriation Act (No.1) 2020-21	-	-
Ordinary Annual Services of the Government - Supply Act (No.1) 2019-20	-	-
Ordinary Annual Services of the Government - Appropriation Act (No.1) 2019-20	-	-

IP AUSTRALIA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**Note 3.2: Special Accounts**

	Intellectual Property Special Account ¹		Services for Other Entities and Trust Moneys World Intellectual Property Organisation ²		Services for Other Entities and Trust Moneys - Security of Costs ²		Service for Other Entities and Trust Moneys - Comcare ²	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Balance brought forward from previous period	22,992	45,209	442	332	37	20	-	-
Increases:								
Appropriation credited to special account	358	362	-	-	-	-	-	-
Costs recovered	235,222	201,135	-	-	-	-	-	-
Receipts on behalf of WIPO	-	-	3,926	4,403	-	-	-	-
Other receipts	77	140	-	-	45	32	59	109
Total increases	235,657	201,637	3,926	4,403	45	32	59	109
Available for payments	258,649	246,846	4,368	4,735	82	52	59	109
Decreases:								
Departmental								
Payments made to suppliers	(74,288)	(92,451)	-	-	-	-	-	-
Payments made to employees	(131,404)	(131,986)	-	-	-	-	-	-
Adjustments to special account	(20)	583	-	-	-	-	-	-
Money held for non-Commonwealth Party	-	-	(4,011)	(4,293)	(17)	(15)	(59)	(109)
Total departmental decreases	(205,712)	(223,854)	(4,011)	(4,293)	(17)	(15)	(59)	(109)
Total balance carried to the next period	52,937	22,992	357	442	65	37	-	-
Balance represented by:								
Cash held in entity bank accounts	2,312	6,867	357	442	65	37	-	-
Cash held in the Official Public Account	50,625	16,125	-	-	-	-	-	-
	52,937	22,992	357	442	65	37	-	-

1. Appropriation: *Public Governance and Performance, Accountability Act 2013: s78*

Establishing Instrument: PGPA Act Determination - Establishment of Intellectual Property Special Account 2017 [29 March 2017]

Purpose: For developing and administering intellectual and industrial property systems, including the provision of property rights in inventions, trademarks, designs and plant breeders rights.

2. Appropriation: *Public Governance and Performance, Accountability Act 2013: s78*

Establishing Instrument: Financial Management and Accountability Determination 2011/11

Purpose: For the Services for Other Entities and Trust Moneys - IP Australia (Special Public Money) - For expenditure of money temporary held on trust or otherwise for the benefit of a person other than the Commonwealth and expenditure in connection with services performed on behalf of other Government and bodies that are not FMA Act agencies.

Financial Management and Accountability Determination 2011/11 will lapse on 30 June 2021. This will be replaced by *PGPA Act Determination (IP Australia SOETM Special Account 2021)* from 1 July 2021.

In prior years this note has been prepared on a GST-inclusive basis. During 2020-21 IP Australia received advice that it should be reported on a GST-exclusive basis. Therefore 2019-20 amounts have been updated to reflect GST-exclusive reporting.

Note 3.3: Regulatory Charging Summary

	2021 \$'000	2020 \$'000
Amounts applied		
Departmental		
Annual appropriations	358	362
Own source revenue	235,222	201,135
Total amounts applied	235,580	201,497
Expenses		
Departmental	208,538	211,500
Total Expenses	208,538	211,500
External Revenue		
Departmental	231,197	201,566
Total External Revenues	231,197	201,566

Regulatory charging activities:

IP Australia operates on a cost recovery basis, predominately funding all operations from cost recovered activities.

These activities include:

- Patents
- Trade Marks
- Designs
- Plant Breeder's Rights
- Trans-Tasman IP Attorneys Board

Documentation (Cost Recovery Implementation Statement/s) for the above activities is available at <https://www.ipaustralia.gov.au/tools-resources/publications-reports/cost-recovery-implementation-statement>

IP AUSTRALIA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Other Items

Note 4.1: Key Management Personnel Remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity. IP Australia has determined the key management personnel to be the Director General and the Deputy Director Generals. Key management personnel remuneration is reported in the table below:

	2021	2020
	\$	\$
Short-term employee benefits	874,346	927,233
Post-employment benefits	169,012	166,765
Other long-term employee benefits	22,340	28,707
Total key management personnel remuneration expenses	1,065,698	1,122,705

Notes:

The total number of key management personnel that are included: 4 individuals. (2020: There were 4 key management personnel).

The remuneration totals for key management personnel include those staff who ceased in those roles as well as their replacements.

1. The above key management personnel remuneration excludes the remuneration and other benefits of the Portfolio Minister. The Portfolio Minister's remuneration and other benefits are set by the Remuneration Tribunal and are not paid by IP Australia.

IP AUSTRALIA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Other Items

Note 4.2: Related Party Disclosures

Related party relationships:

IP Australia is an Australian Government controlled entity. Related parties to IP Australia are Key Management Personnel including the Portfolio Minister and Executive, and other Australian Government entities.

Transactions with related parties:

Given the breadth of Government activities, related parties may transact with the government sector in the same capacity as ordinary citizens. Such transactions include the payment or refund of IP rights services fees.

Giving consideration to relationships with related entities, and transactions entered into during the reporting period by IP Australia, it has been determined that there are no related party transactions to be separately disclosed (2019-20: nil).

IP AUSTRALIA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Other Items

Note 4.3: Aggregate Assets and Liabilities

	2021	2020
	<u>\$'000</u>	<u>\$'000</u>
Assets expected to be recovered in:		
No more than 12 months		
Cash and cash equivalents	52,937	22,992
Trade and other receivables	1,454	1,574
Prepayments	7,290	6,617
Total no more than 12 months	<u>61,681</u>	<u>31,183</u>
More than 12 months		
Prepayments	220	750
Leasehold improvements	168,152	183,512
Plant and equipment	4,179	7,562
Intangibles	110,767	107,210
Total more than 12 months	<u>283,318</u>	<u>299,034</u>
Total Assets	<u>344,999</u>	<u>330,217</u>
Liabilities expected to be settled in:		
No more than 12 months		
Suppliers	5,023	7,128
Other payables	39,192	36,732
Leases	10,423	10,310
Employee provisions	14,901	16,788
Total no more than 12 months	<u>69,539</u>	<u>70,958</u>
More than 12 months		
Other payables	9,735	8,598
Leases	131,171	141,704
Employee provisions	32,066	31,439
Total more than 12 months	<u>172,972</u>	<u>181,741</u>
Total Liabilities	<u>242,511</u>	<u>252,699</u>



CHAPTER 15

IP AUSTRALIA APPENDICES

Appendix C1: Appeals of decisions

Commissioner of Patents

In 2020–21, 7 appeals were filed with the Federal Court and the Administrative Appeals Tribunal from decisions originating with the Commissioner of Patents. As of 30 June 2021, 3 of the 7 matters have been finalised and 4 remain open. The Commissioner is the respondent in one of the open matters – the appeal to the Full Court of the Federal Court by Repipe Pty Ltd of the decisions of the Federal Court in *Repipe Pty Ltd v Commissioner of Patents* [2019] FCA 1956 and *Repipe Pty Ltd v Commissioner of Patents* (No. 3) [2021] FCA 31.

Registrar of Trade Marks

In 2020–21, there were 19 new appeals from decisions of the Registrar of Trade Marks, involving 24 trade marks. As of 30 June 2021, 17 of the 19 appeals went to the Federal Court, one to the Federal Circuit Court and one to the Administrative Appeals Tribunal. Thirty appeals were finalised during the year and 21 of those appeals were initiated before July 2020. There were no new design appeals. One designs matter was finalised.

Appendix C2: Financial summary

Entity Resource Statement subset Summary Current Report Period (2020-21)

Table 90: Entity resource statement 2020-21

	Actual available appropriation for 2020-21 \$'000	Payments made 2020-21 \$'000	Balance remaining 2020-21 \$'000
	(a)	(b)	(a) - (b)
Ordinary annual services ¹			
Departmental appropriation	358	358	0
Total	358	358	0
Total ordinary annual services	358	358	0
Total available annual appropriations and payments	358	358	0
Special accounts ²			
Opening balance	22,992		
Appropriation receipts ³	358		
Non-appropriation receipts to special accounts	235,299		
Payments made		205,712	
Total special accounts	258,649	205,712	52,937
Total resourcing and payments			
A+B	259,007	206,070	
Less appropriations drawn from annual or special appropriations above and credited to special accounts ³	358	358	
Total net resourcing and payments for IP Australia	258,649	205,712	

1 *Appropriation Act (No. 1) 2020-21.*

2 Does not include 'special public money' held in accounts such as 'services for other entities and trust moneys' special accounts.

3 Appropriation receipts from IP Australia annual appropriations for 2020-21 included above.

Expenses and resources for Outcome 1

Table 91: Expenses and resources for 2020–21

Expenses for Outcome 1

Outcome 1: Increased innovation, investment and trade in Australia, and by Australians overseas, through the administration of the registrable intellectual property rights system, promoting public awareness and industry engagement, and advising government.	Budget* 2020–21 \$'000 (a)	Actual expenses 2020–21 \$'000 (b)	Variation 2020–21 \$'000 (a) – (b)
Program 1: IP Rights Administration and Professional Registration			
Departmental expenses			
Special accounts	194,288	192,544	1,744
Expenses not requiring appropriation in the budget year	160	155	5
Total for Program 1	194,448	192,699	1,749
Program 2: Education and Awareness			
Departmental expenses			
Special accounts	2,238	2,163	75
Total for Program 2	2,238	2,163	75
Program 3: Advice to Government and International Engagement			
Departmental expenses			
Departmental appropriation ¹	358	358	0
Special accounts	12,604	13,318	-714
Total for Program 3	12,962	13,676	-714
Outcome 1 totals by appropriation type			
Departmental expenses			
Departmental appropriation ¹	358	358	0
Special accounts	209,130	208,025	1,105
Expenses not requiring appropriation in the budget year	160	155	5
Total expenses for Outcome 1	209,648	208,538	1,110
Average staffing level (number)	1,054	1,038	

* Full-year budget, including any subsequent adjustment made to the 2020–21 budget at Additional Estimates.

¹ Departmental appropriation combines ordinary annual services (*Appropriation Act Nos. 1, 3 and 5*) and retained revenue receipts under section 74 of the PGPA Act.

Appendix C3: Workforce statistics

All employees

Table 92: Ongoing employees at 30 June 2021 (actual positions)

Location	Male			Female			Indeterminate			Total
	Full-time	Part-time	Total male	Full-time	Part-time	Total female	Full-time	Part-time	Total indeterminate	
Vic	36	3	39	11	8	19	0	0	0	58
ACT	546	23	569	387	92	479	0	0	0	1,048
Total	582	26	608	398	100	498	0	0	0	1,106

Table 93: Non-ongoing employees at 30 June 2021 (actual positions)

Location	Male			Female			Indeterminate			Total
	Full-time	Part-time	Total male	Full-time	Part-time	Total female	Full-time	Part-time	Total indeterminate	
Vic	0	1	1	0	0	0	0	0	0	1
ACT	17	0	17	17	6	23	0	0	0	40
Total	17	1	18	17	6	23	0	0	0	41

Table 94: Ongoing employees at 30 June 2020 (actual positions)

Location	Male			Female			Indeterminate			Total
	Full-time	Part-time	Total male	Full-time	Part-time	Total female	Full-time	Part-time	Total indeterminate	
Vic	46	2	48	17	9	26	0	0	0	74
ACT	550	21	571	396	82	478	0	0	0	1,049
Total	596	23	619	413	91	504	0	0	0	1,123

Table 95: Non-ongoing employees at 30 June 2020 (actual positions)

Location	Male			Female			Indeterminate			Total
	Full-time	Part-time	Total male	Full-time	Part-time	Total female	Full-time	Part-time	Total indeterminate	
Vic	2	0	2	0	0	0	0	0	0	2
ACT	6	1	7	12	5	17	0	0	0	24
Total	8	1	9	12	5	17	0	0	0	26

Note: The figures in the above tables have been summarised in line with APS Employment Database guidelines.

APS employees

Table 96: APS ongoing employees at 30 June 2021 (actual positions)

Classification	Male			Female			Indeterminate			Total
	Full-time	Part-time	Total male	Full-time	Part-time	Total female	Full-time	Part-time	Total indeterminate	
SES 3	1	0	1	0	0	0	0	0	0	1
SES 2	0	0	0	3	0	3	0	0	0	3
SES 1	5	0	5	5	0	5	0	0	0	10
EL 2	63	1	64	32	6	38	0	0	0	102
EL 1	154	3	157	104	23	127	0	0	0	284
APS 6	296	19	315	179	52	231	0	0	0	546
APS 5	51	1	52	55	12	67	0	0	0	119
APS 4	11	2	13	20	6	26	0	0	0	39
APS 3	1	0	1	0	1	1	0	0	0	2
APS 2	0	0	0	0	0	0	0	0	0	0
APS 1	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0
Total	582	26	608	398	100	498	0	0	0	1,106

Table 97: APS non-ongoing employees at 30 June 2021 (actual positions)

Classification	Male			Female			Indeterminate			Total
	Full-time	Part-time	Total male	Full-time	Part-time	Total female	Full-time	Part-time	Total indeterminate	
SES 3	0	0	0	0	0	0	0	0	0	0
SES 2	0	0	0	0	0	0	0	0	0	0
SES 1	0	0	0	0	0	0	0	0	0	0
EL 2	0	0	0	1	0	1	0	0	0	1
EL 1	6	0	6	1	2	3	0	0	0	9
APS 6	3	0	3	1	2	3	0	0	0	6
APS 5	1	0	1	3	0	3	0	0	0	4
APS 4	6	1	7	10	1	11	0	0	0	18
APS 3	1	0	1	0	0	0	0	0	0	1
APS 2	0	0	0	1	1	2	0	0	0	2
APS 1	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0
Total	17	1	18	17	6	23	0	0	0	41

Table 98: APS ongoing employees at 30 June 2020 (actual positions)

Classification	Male			Female			Indeterminate			Total
	Full-time	Part-time	Total male	Full-time	Part-time	Total female	Full-time	Part-time	Total indeterminate	
SES 3	1	0	1	0	0	0	0	0	0	1
SES 2	0	0	0	3	0	3	0	0	0	3
SES 1	5	0	5	5	0	5	0	0	0	10
EL 2	61	0	61	36	3	39	0	0	0	100
EL 1	155	3	158	97	22	119	0	0	0	277
APS 6	302	18	320	177	49	226	0	0	0	546
APS 5	43	0	43	58	11	69	0	0	0	112
APS 4	27	2	29	37	5	42	0	0	0	71
APS 3	2	0	2	0	1	1	0	0	0	3
APS 2	0	0	0	0	0	0	0	0	0	0
APS 1	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0
Total	596	23	619	413	91	504	0	0	0	1,123

Table 99: APS non-ongoing employees at 30 June 2020 (actual positions)

Classification	Male			Female			Indeterminate			Total
	Full-time	Part-time	Total male	Full-time	Part-time	Total female	Full-time	Part-time	Total indeterminate	
SES 3	0	0	0	0	0	0	0	0	0	0
SES 2	0	0	0	0	0	0	0	0	0	0
SES 1	0	0	0	0	0	0	0	0	0	0
EL 2	0	0	0	1	0	1	0	0	0	1
EL 1	4	0	4	2	1	3	0	0	0	7
APS 6	4	0	4	2	3	5	0	0	0	9
APS 5	0	0	0	1	0	1	0	0	0	1
APS 4	0	0	0	6	1	7	0	0	0	7
APS 3	0	0	0	0	0	0	0	0	0	0
APS 2	0	1	1	0	0	0	0	0	0	1
APS 1	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0
Total	8	1	9	12	5	17	0	0	0	26

Table 100: APS employees by full-time and part-time status, at 30 June 2021 (actual positions)

Classification	Ongoing			Non-ongoing			Total
	Full-time	Part-time	Total ongoing	Full-time	Part-time	Total non-ongoing	
SES 3	1	0	1	0	0	0	1
SES 2	3	0	3	0	0	0	3
SES 1	10	0	10	0	0	0	10
EL 2	95	7	102	1	0	1	103
EL 1	258	26	284	7	2	9	293
APS 6	475	71	546	4	2	6	552
APS 5	106	13	119	4	0	4	123
APS 4	31	8	39	16	2	18	57
APS 3	1	1	2	1	0	1	3
APS 2	0	0	0	1	1	2	2
APS 1	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
Total	980	126	1,106	34	7	41	1,147

Table 101: APS employees by full-time and part-time status, at 30 June 2020 (actual positions)

Classification	Ongoing			Non-ongoing			Total
	Full-time	Part-time	Total ongoing	Full-time	Part-time	Total non-ongoing	
SES 3	1	0	1	0	0	0	1
SES 2	3	0	3	0	0	0	3
SES 1	10	0	10	0	0	0	10
EL 2	97	3	100	1	0	1	101
EL 1	252	25	277	6	1	7	284
APS 6	479	67	546	6	3	9	555
APS 5	101	11	112	1	0	1	113
APS 4	64	7	71	6	1	7	78
APS 3	2	1	3	0	0	0	3
APS 2	0	0	0	0	1	1	1
APS 1	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
Total	1,009	114	1,123	20	6	26	1,149

Table 102: APS employment type by location, at 30 June 2021 (actual positions)

Location	Ongoing	Non-ongoing	Total
Vic	58	1	59
ACT	1,048	40	1,088
Total	1,106	41	1,147

Table 103: APS employment type by location, at 30 June 2020 (actual positions)

Location	Ongoing	Non-ongoing	Total
Vic	74	2	76
ACT	1,049	24	1,073
Total	1,123	26	1,149

Table 104: APS Indigenous employment at 30 June 2021 (actual positions)

Employment type	Number
Ongoing	7
Non-ongoing	1
Total	8

Table 105: APS Indigenous employment at 30 June 2020 (actual positions)

Employment type	Number
Ongoing	5
Non-ongoing	1
Total	6

Employment arrangements of Senior Executive Service and non-Senior Executive Service employees

Table 106: APS employment arrangements at 30 June 2021 (substantive positions)

Arrangement	SES	Non-SES	Total
Enterprise agreement	0	965	965
Individual flexibility arrangement	0	172	172
Common law agreement	10	0	10
Total	10	1,137	1,147

Salary ranges by classification level

Table 107: APS employment salary ranges by classification level, at 30 June 2021

Classification	Minimum salary (\$)	Maximum salary (\$)
SES 3	357,000	357,000
SES 2	260,502	290,351
SES 1	202,278	234,192
EL 2	129,330	210,311
EL 1	105,575	145,070
APS 6	84,112	114,127
APS 5	77,019	82,621
APS 4	69,169	76,521
APS 3	62,163	67,460
APS 2	55,296	60,545
APS 1	48,079	53,337
Other	0	0

IP Australia provided staff members with non-salary benefits that are not included under the provisions of the enterprise agreement, such as:

- annual influenza immunisation and annual health and skin checks
- early intervention for case management
- a return-to-work program for non-compensable injuries and illnesses
- mentoring programs
- access to capability development programs
- contributions to relevant professional memberships
- mental health and wellbeing support, including wellbeing seminars
- internal and external mobility/secondment opportunities.

Performance pay by classification level*Table 108: APS employment performance pay by classification level, at 30 June 2021*

Classification	Number of employees receiving performance pay	Aggregated (sum total) of all payments made (\$)	Average of all payments made (\$)	Minimum payment made (\$)	Maximum payment made (\$)
SES 3	0	0	0	0	0
SES 2	0	0	0	0	0
SES 1	0	0	0	0	0
EL 2	0	0	0	0	0
EL 1	1	11,421	11,421	11,421	11,421
APS 6	0	0	0	0	0
APS 5	0	0	0	0	0
APS 4	0	0	0	0	0
APS 3	0	0	0	0	0
APS 2	0	0	0	0	0
APS 1	0	0	0	0	0
Other	0	0	0	0	0
	1	11,421	11,421	11,421	11,421

Appendix C4: Executive remuneration

Table 109: Remuneration of key management personnel, 2020–21

Name	Position title	Short-term benefits (\$)			Post-employment benefits (\$)			Other long-term benefits (\$)			Total remuneration (\$)
		Base salary	Bonuses	Other benefits and allowances	Superannuation contributions	Long service leave	Other long-term benefits	Termination benefits (\$)			
Michael Schwager	Director General	324,801	0	3,137	67,117	8,925	0	0	0	403,980	
Margaret Tregurtha	Deputy Director General	254,638	0	3,137	48,974	5,898	0	0	0	312,647	
Frances Roden	Deputy Director General	233,992	0	2,553	43,718	6,050	0	0	0	286,313	
Paula Adamson	Deputy Director General	51,461	0	627	9,203	1,467	0	0	0	62,758	

Table 110: Remuneration of senior executives, 2020–21

Total remuneration bands	Number of senior executives	Short-term benefits (\$)			Post-employment benefits (\$)			Other long-term benefits (\$)			Termination benefits (\$)	Total remuneration (\$)
		Average base salary	Average bonuses	Average other benefits and allowances	Average superannuation contributions	Average long service leave	Average other long-term benefits	Average termination benefits				
0–220 000	11	80,885	0	1,731	12,143	2,440	0	0	0	97,199		
245 001–270 000	1	217,291	0	3,137	42,122	5,601	0	0	0	268,151		
270 001–295 000	2	232,086	0	3,137	39,740	6,427	0	0	0	281,390		
295 001–320 000	1	247,234	0	3,919	42,969	5,770	0	0	0	299,892		
445 001–470 000	1	188,529	0	627	8,999	1,593	0	257,929	0	457,677		

Table 111: Remuneration of other highly paid staff, 2020–21

Total remuneration bands (\$)	Number of other highly paid staff	Short-term benefits (\$)			Post-employment benefits (\$)		Other long-term benefits (\$)		Termination benefits (\$)	Total remuneration (\$)
		Average base salary	Average bonuses	Average other benefits and allowances	Average superannuation contributions	Average long service leave	Average other long-term benefits	Average termination benefits		
305,001–330 000	1	140,923	0	150	26,554	-8,992	0	157,435	316,070	

Appendix C5: Corrections to figures published in the 2019–20 annual report

The following errors appeared in IP Australia's 2019–20 annual report.

Table 118: Information about remuneration for other highly paid staff, 2019–20 was excluded from the 2019–20 annual report. The correct information is provided in the table below.

Table 112: IP Australia – Information about remuneration for other highly paid staff, 2019–20

Total remuneration bands (\$)	Number of other highly paid staff	Short-term benefits (\$)			Post-employment benefits (\$)			Other long-term benefits (\$)			Termination benefits (\$)		Total remuneration (\$)
		Average base salary	Average bonuses	Average other benefits and allowances	Average superannuation contributions	Average other long-term benefits	Average long service leave	Average other long-term benefits	Average termination benefits	Average total remuneration			
225,001–245,000	3	160,222	0	47,537	21,564	4,934	0	0	0	0	0	234,257	

PART D: REFERENCES

Abbreviations and acronyms

AAS	Australian Accounting Standards
AASB	Australian Accounting Standards Board
ABS	Australian Bureau of Statistics
AIMS	Australian Institute of Marine Science
AIP	Australian Industry Participation
ANSTO	Australian Nuclear Science and Technology Organisation
API	application programming interface
APS	Australian Public Service
APSC	Australian Public Service Commission
ARENA	Australian Renewable Energy Agency
CCE	corporate Commonwealth entity
CEFC	Clean Energy Finance Corporation
CMFO	Critical Minerals Facilitation Office
CRC	Cooperative Research Centre
CRC-P	Cooperative Research Centre Project
CSIRO	Commonwealth Scientific and Industrial Research Organisation
CSS	Commonwealth Superannuation Scheme
DCB	departmental capital budget
DEA	Digital Earth Australia
E3	Equipment Energy Efficiency [program]
ECL	expected credit loss
ERA	Energy Resources Australia
FOI	freedom of information
FRR	PGPA (Financial Reporting) Rule 2015
GEMS	Greenhouse and Energy Minimum Standards
GNSS	Global Navigations Satellite System
GST	Goods and Services Tax
HR	human resources
ICT	information and communications technology
IP	intellectual property
IT	information technology
KMP	key management personnel
LEAD	Leadership Exploration and Development
MMI	Modern Manufacturing Initiative
MMS	Modern Manufacturing Strategy
NAIF	Northern Australia Infrastructure Facility
NMI	National Measurement Institute
NOPTA	National Offshore Petroleum Titles Administrator
OPA	Official Public Account
PBS	Portfolio Budget Statements
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i>
PPE	personal protective equipment
PSMA	PSMA Australia Limited
PSS	Public Sector Superannuation Scheme
PSSap	PSS accumulation plan
ROU	Right of Use
SAGE	Science in Australia Gender Equity
SES	Senior Executive Service
SMEs	small and medium enterprises
SPPI	solely payments of principal and interest
STEM	science, technology, engineering and mathematics
WHS	work health and safety

Compliance checklist (2020–21)

PGPA Rule Reference	Page			Description	Requirements
	Department of Industry, Science, Energy and Resources	Geoscience Australia	IP Australia		
17AD(g)	Letter of transmittal				
17AI	2	154	256	A copy of the letter of transmittal signed and dated by the accountable authority on the date the final text is approved, with a statement that the report has been prepared in accordance with section 46 of the PGPA Act and any enabling legislation that specifies additional requirements in relation to the annual report	Mandatory
17AD(h)	Aids to access				
17AJ(a)	v–viii			Table of contents	Mandatory
17AJ(b)	339–346			Alphabetical index	Mandatory
17AJ(c)	330			Glossary of abbreviations and acronyms	Mandatory
17AJ(d)	331–338			List of requirements	Mandatory
17AJ(e)	iv			Details of the contact officer	Mandatory
17AJ(f)	iv			Entity's website address	Mandatory
17AJ(g)	iv			Electronic address of the report	Mandatory
17AD(a)	Review by accountable authority				
17AD(a)	3–20	155–158	257–260	A review by accountable authority	Review by accountable authority
17AD(b)	Overview of the entity				
17AE(1)(a)(i)	18	159	261	A description of the role and functions of the entity	Mandatory
17AE(1)(a)(ii)	17–18	160	261–262	A description of the organisational structure of the entity	Mandatory
17AE(1)(a)(iii)	19	160	262	A description of the outcomes and programs administered by the entity	Mandatory
17AE(1)(a)(iv)	17	162	264	A description of the purposes of the entity as included in the corporate plan	Mandatory
17AE(1)(aa)(i)	17	160	261	Name of the accountable authority or each member of the accountable authority	Mandatory
17AE(1)(aa)(ii)	17	160	261	Position title of the accountable authority or each member of the accountable authority	Mandatory

PGPA Rule Reference	Department of Industry, Science, Energy and Resources	Page		Description	Requirements
		Geoscience Australia	IP Australia		
17AE(1)(aa)(iii)	17	160	261	Period as the accountable authority or member of the accountable authority within the reporting period	Mandatory
17AE(1)(b)	16	NA	NA	An outline of the structure of the portfolio of the entity	Portfolio departments—mandatory
17AE(2)	NA	NA	NA	Where the outcomes and programs administered by the entity differ from any portfolio budget statement, portfolio additional estimates statement or other portfolio estimates statement that was prepared for the entity for the period, details of variation and reasons for change	If applicable, mandatory
17AD(c)	Report on the performance of the entity				
	Annual performance statements				
17AD(c)(i);16F	23–42	161–186	263–276	Annual performance statement in accordance with paragraph 39(1)(b) of the Act and section 16F of the Rule	Mandatory
17AD(c)(ii)	Report on financial performance				
17AF(1)(a)	40–41	186	276	A discussion and analysis of the entity's financial performance	Mandatory
17AF(1)(b)	63–70	241–244	316–317	A table summarising the total resources and total payments of the entity	Mandatory
17AF(2)	NA	NA	NA	If there may be significant changes in the financial results during or after the previous or current reporting period, information on those changes, including the cause of any operating loss of the entity; how the entity has responded to the loss and the actions that have been taken in relation to the loss; and any matter or circumstances that it can reasonably be anticipated will have a significant impact on the entity's future operation or financial results	If applicable, mandatory
17AD(d)	Management and accountability				
	Corporate governance				
17AG(2)(a)	2	154	256	Information on compliance with section 10 (fraud systems)	Mandatory
17AG(2)(b)(i)	2	154	256	A certification by the accountable authority that fraud risk assessments and fraud control plans have been prepared	Mandatory
17AG(2)(b)(ii)	2	154	256	A certification by accountable authority that appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud that meet the specific needs of the entity are in place.	Mandatory

PGPA Rule Reference	Page			Description	Requirements
	Department of Industry, Science, Energy and Resources	Geoscience Australia	IP Australia		
17AG(2)(b) (iii)	2	154	256	A certification by the accountable authority that all reasonable measures have been taken to deal appropriately with fraud relating to the entity	Mandatory
17AG(2)(c)	44	187	277	An outline of the structures and processes in place for the entity to implement principles and objectives of corporate governance	Mandatory
17AG(2) (d)– (e)	45	188	279	A statement of significant issues reported to the Minister under paragraph 19(1)(e) of the Act that relates to non-compliance with finance law and action taken to remedy non-compliance	If applicable, mandatory
<i>Audit committee</i>					
17AG(2A)(a)	45	188	278	A direct electronic address of the charter determining the functions of the entity's audit committee	Mandatory
17AG(2A)(b)	151	254	278	The name of each member of the entity's audit committee	Mandatory
17AG(2A)(c)	151	254	278	The qualifications, knowledge, skills or experience of each member of the entity's audit committee	Mandatory
17AG(2A)(d)	151	254	278	Information about the attendance of each member of the entity's audit committee at committee meetings	Mandatory
17AG(2A)(e)	151	254	278	The remuneration of each member of the entity's audit committee	Mandatory
<i>External scrutiny</i>					
17AG(3)	45	188	279	Information on the most significant developments in external scrutiny and the entity's response to the scrutiny	Mandatory
17AG(3)(a)	45	188	279, 315	Information on judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner that may have a significant effect on the operations of the entity	If applicable, mandatory
17AG(3)(b)	45	188	279	Information on any reports on operations of the entity by the Auditor General (other than reports under section 43 of the Act), a Parliamentary Committee or the Commonwealth Ombudsman	If applicable, mandatory
17AG(3)(c)	45	188	Not applicable	Information on any capability reviews on the entity that were released during the period	If applicable, mandatory

PGPA Rule Reference	Department of Industry, Science, Energy and Resources	Page		Description	Requirements
		Geoscience Australia	IP Australia		
<i>Management of human resources</i>					
17AG(4)(a)	46–50	189–190	280–281	An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives	Mandatory
17AG(4)(aa)	51–52	245–246	318	Statistics on the entity's employees on an ongoing and non-ongoing basis, including statistics on: (a) full-time employees (b) part-time employees (c) gender (d) staff location	Mandatory
17AG(4)(b)	53–59	247–250	319–322	Statistics on the entity's APS employees on an ongoing and non-ongoing basis, including statistics on: (a) staffing classification level (b) full-time employees (c) part-time employees (d) gender (e) staff location (f) employees who identify as Indigenous	Mandatory
17AG(4)(c)	58	251	322	Information on any enterprise agreements, individual flexibility arrangements, Australian workplace agreements, common law contracts and determinations under subsection 24(1) of the <i>Public Service Act 1999</i>	Mandatory
17AG(4)(c)(i)	58	251	322	Information on the number of SES and non-SES employees covered by agreements etc. identified in paragraph 17AG(4) (c)	Mandatory
17AG(4)(c)(ii)	58	251	323	Salary ranges available for APS employees by classification level	Mandatory
17AG(4)(c)(iii)	58	251	323	A description of non-salary benefits provided to employees	Mandatory
17AG(4)(d)(i)	59	NA	324	Information on the number of employees at each classification level who received performance pay	If applicable, mandatory
17AG(4)(d)(ii)	59	NA	324	Information on aggregate amounts of performance pay at each classification level	If applicable, mandatory
17AG(4)(d)(iii)	59	NA	324	Information on the average amount of performance payment and range of such payments at each classification level	If applicable, mandatory
17AG(4)(d)(iv)	59	NA	324	Information on aggregate amount of performance payments	If applicable, mandatory

PGPA Rule Reference	Page			Description	Requirements
	Department of Industry, Science, Energy and Resources	Geoscience Australia	IP Australia		
<i>Asset management</i>					
17AG(5) 17AG(5)	NA	NA	NA	An assessment of the effectiveness of asset management where asset management is a significant part of the entity's activities	If applicable, mandatory
<i>Purchasing</i>					
17AG(6)	71	191	283	An assessment of entity performance against the Commonwealth Procurement Rules	Mandatory
<i>Reportable consultancy contracts</i>					
17AG(7)(a)	72-73	192	283-284	A summary statement detailing the number of new contracts engaging consultants entered into during the period; the total actual expenditure on all new consultancy contracts entered into during the period (inclusive of GST); the number of ongoing reportable consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting year on the ongoing consultancy contracts (inclusive of GST)	Mandatory
17AG(7)(b)	72	192	283	A statement that "During [reporting period], [specified number] new consultancy contracts were entered into involving total actual expenditure of \$[specified million]. In addition, [specified number] ongoing reportable consultancy contracts were active during the period, involving total actual expenditure of \$[specified million]."	Mandatory
17AG(7)(c)	73	192	284	A summary of the policies and procedures for selecting and engaging consultants, and the main categories of purposes for which consultants were selected and engaged	Mandatory
17AG(7)(d)	73	192	284	A statement that "Annual reports contain information about actual expenditure on reportable consultancy contracts. Information on the value of reportable consultancy contracts is available on the AusTender website."	Mandatory

PGPA Rule Reference	Department of Industry, Science, Energy and Resources	Page		Description	Requirements
		Geoscience Australia	IP Australia		
Reportable non-consultancy contracts					
17AG(7A)(a)	71-72	191-192	284-285	A summary statement detailing the number of new reportable non-consultancy contracts entered into during the period; the total actual expenditure on such contracts (inclusive of GST); the number of ongoing reportable non-consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting period on those ongoing contracts (inclusive of GST).	Mandatory
17AG(7A)(b)	72	191	284	A statement that 'Annual reports contain information about actual expenditure on reportable non-consultancy contracts. Information on the value of reportable non-consultancy contracts is available on the AusTender website.'	Mandatory
17AD(daa)	Additional information about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts				
17AGA	71	191	284	Additional information, in accordance with section 17AGA, about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts.	Mandatory
Australian National Audit Office access clauses					
17AG(8)	NA	NA	NA	If an entity entered into a contract with a value of more than \$100 000 (inclusive of GST) and the contract did not provide the Auditor General with access to the contractor's premises, the report must include the name of the contractor, the purpose and value of the contract, and the reason why a clause allowing access was not included in the contract	If applicable, mandatory
Exempt contracts					
17AG(9)	71	NA	NA	If an entity entered into a contract or there is a standing offer with a value greater than \$10 000 (inclusive of GST), which has been exempted from being published on AusTender because it would disclose exempt matters under the Freedom of Information Act, the annual report must include a statement that the contract or standing offer has been exempted, and the value of the contract or standing offer, to the extent that doing so does not disclose the exempt matters	If applicable, mandatory

PGPA Rule Reference	Page			Description	Requirements
	Department of Industry, Science, Energy and Resources	Geoscience Australia	IP Australia		
<i>Small business</i>					
17AG(10)(a)	71	191	283	A statement that “[Name of entity] supports small business participation in the Commonwealth Government procurement market. Small and medium enterprise and small enterprise participation statistics are available on the Department of Finance’s website.”	Mandatory
17AG(10)(b)	71	191	283	An outline of the ways in which the procurement practices of the entity support small and medium enterprises	Mandatory
17AG(10)(c)	71	191		If the entity is considered by the department administered by the Finance Minister as material in nature, a statement that “[Name of entity] recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury’s website.”	If applicable, mandatory
<i>Financial statements</i>					
17AD(e)	75–138	195–240	287–314	Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act	Mandatory
<i>Executive remuneration</i>					
17AD(da)	59–62	190, 252–253	281–282, 325–326	Information about executive remuneration in accordance with Subdivision C of Division 3A of Part 23 of the Rule	Mandatory
17AD(f)	Other mandatory information				
17AH(1)(a)(i)	NA	NA	285	If the entity conducted advertising campaigns, a statement that “During [reporting period], the [name of entity] conducted the following advertising campaigns: [name of advertising campaigns undertaken]. Further information on those advertising campaigns is available at [address of entity’s website] and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance website.”	If applicable, mandatory
17AH(1)(a)(ii)	74	193	NA	If the entity did not conduct advertising campaigns, a statement to that effect	If applicable, mandatory
17AH(1)(b)	73	193	NA	A statement that “Information on grants awarded by [name of entity] during [reporting period] is available at [address of entity’s website].”	If applicable, mandatory

PGPA Rule Reference	Department of Industry, Science, Energy and Resources	Page		Description	Requirements
		Geoscience Australia	IP Australia		
17AH(1)(c)	49	191	283	An outline of mechanisms for disability reporting, including reference to a website for further information	Mandatory
17AH(1)(d)	45	189	280	Reference to a website where the entity's Information Publication Scheme statement pursuant to Part II of FOI Act can be found	Mandatory
17AH(1)(e)	NA	NA	327	Correction of material errors in the previous annual report	If applicable, mandatory
17AH(2)	139-148	NA	NA	Information required by other legislation	Mandatory

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