



# Budget

## 2017-18

### **Portfolio Budget Statements 2017-18** **Budget Related Paper No. 1.12**

Industry, Innovation and Science Portfolio

Budget Initiatives and Explanations of  
Appropriations Specified by Outcomes  
and Programs by Entity

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**Senator the Hon Arthur Sinodinos AO**  
Minister for Industry, Innovation and Science

**Senator the Hon Matthew Canavan**  
Minister for Resources and Northern Australia

President of the Senate  
Australian Senate  
Parliament House  
CANBERRA ACT 2600

Speaker  
House of Representatives  
Parliament House  
CANBERRA ACT 2600

Dear Mr President  
Dear Mr Speaker

We hereby submit Portfolio Budget Statements in support of the 2017-18 Budget for the Industry, Innovation and Science portfolio.

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

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

Yours sincerely

Handwritten signature of Arthur Sinodinos in black ink.

Arthur Sinodinos

Handwritten signature of Matthew Canavan in black ink.

Matthew Canavan

## Abbreviations and conventions

The following notation may be used:

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nfp	not for publication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

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

## Enquiries

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

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

**USER GUIDE  
TO THE  
PORTFOLIO BUDGET STATEMENTS**

# USER GUIDE

The purpose of the *2017-18 Portfolio Budget Statements* (PB Statements) is to inform Senators and Members of Parliament of the proposed allocation of resources to government outcomes by entities within the portfolio. Entities receive resources from the annual appropriations acts, special appropriations (including standing appropriations and special accounts), and revenue from other sources.

A key role of the PB Statements is to facilitate the understanding of proposed annual appropriations in Appropriation Bills (No. 1 and No. 2) 2017-18 (or Appropriation (Parliamentary Departments) Bill (No. 1) 2017-18 for the parliamentary departments). In this sense, the PB Statements are Budget related papers and are declared by the Appropriation Acts to be 'relevant documents' to the interpretation of the Acts according to section 15AB of the *Acts Interpretation Act 1901*.

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

As required under section 12 of the *Charter of Budget Honesty Act 1998*, only entities within the general government sector are included as part of the Commonwealth general government sector fiscal estimates and produce PB Statements where they receive funding (either directly or via portfolio departments) through the annual appropriation acts.

## **The Enhanced Commonwealth Performance Framework.**

The following diagram outlines the key components of the enhanced Commonwealth performance framework. The diagram identifies the content of each of the publications and the relationship between them. Links to the publications for each entity within the portfolio can be found in the introduction to Section 2: Outcomes and planned performance.

**Enhanced Commonwealth Performance Framework**  
- key components of relevant publications

**Portfolio Budget Statements (May)**  
*Portfolio based*

Supports Annual Appropriations. Informs Senators and Members of Parliament of the proposed allocation of other resources to **government outcomes and programs**.

Provides links to **relevant programs** undertaken by other Commonwealth entities.

Provides high level performance information for current, ongoing programs, particularly a **forecast of performance for the current year**.

Provides **detailed** prospective performance information for proposed new budget measures that require a **new program** or **significantly change an existing program**.

**Corporate Plan (August)**  
*Entity based*

**Primary planning document** of a Commonwealth entity.

Sets out the **purposes** of the entity, the **activities** it will undertake to achieve its purposes and the **results** it expects to achieve over a minimum four year period.

Describes the **environment** in which the entity **operates**, the **capability** it requires to undertake **activities** and a discussion of **risk**.

Explains how the entity's **performance** will be **measured and assessed**.



**Annual Performance Statement (October following year)**  
*Entity based*

Included in the Commonwealth entity's Annual Report. Focuses on **recent performance**.

Reports on the **actual performance results** for the year against the **forecasts** made in the **corporate plan** and **Portfolio Budget Statements**, and provides other performance information relevant to the entity.

Provides an **analysis** of the factors that **contributed** to the entity's **performance results**.





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# **PORTFOLIO OVERVIEW**



# INDUSTRY, INNOVATION AND SCIENCE PORTFOLIO OVERVIEW

## Ministers and portfolio responsibilities

Senator the Hon Arthur Sinodinos AO is the Minister for Industry, Innovation and Science. Senator the Hon Matthew Canavan is the Minister for Resources and Northern Australia. The Hon Craig Laundy MP is the Assistant Minister for Industry, Innovation and Science.

The portfolio was established by the 19 July and 1 September 2016 Administrative Arrangements Orders and comprises the:

- **Department of Industry, Innovation and Science (DIIS)**

The Department of Industry, Innovation and Science facilitates the growth and productivity of globally competitive industries. It also supports the building of a strong scientific capability, business innovation, and the commercialisation of new ideas as critical requirements for productivity and economic growth.

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

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

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

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

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

CSIRO aims to deliver great science and innovative solutions for industry, society and the environment, for its science to contribute to national benefit, knowledge and capabilities and to provide societal benefits.

*Portfolio overview*

- **Geoscience Australia**

Geoscience Australia is Australia's national public sector geoscience organisation and the nation's trusted adviser on the geology and geography of Australia. Geoscience Australia applies science and technology to describe and understand the Earth for the benefit of Australia.

- **IP Australia**

IP Australia is the entity responsible for administering Australia's intellectual property rights system, specifically trade marks, patents, designs and plant breeder's rights.

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

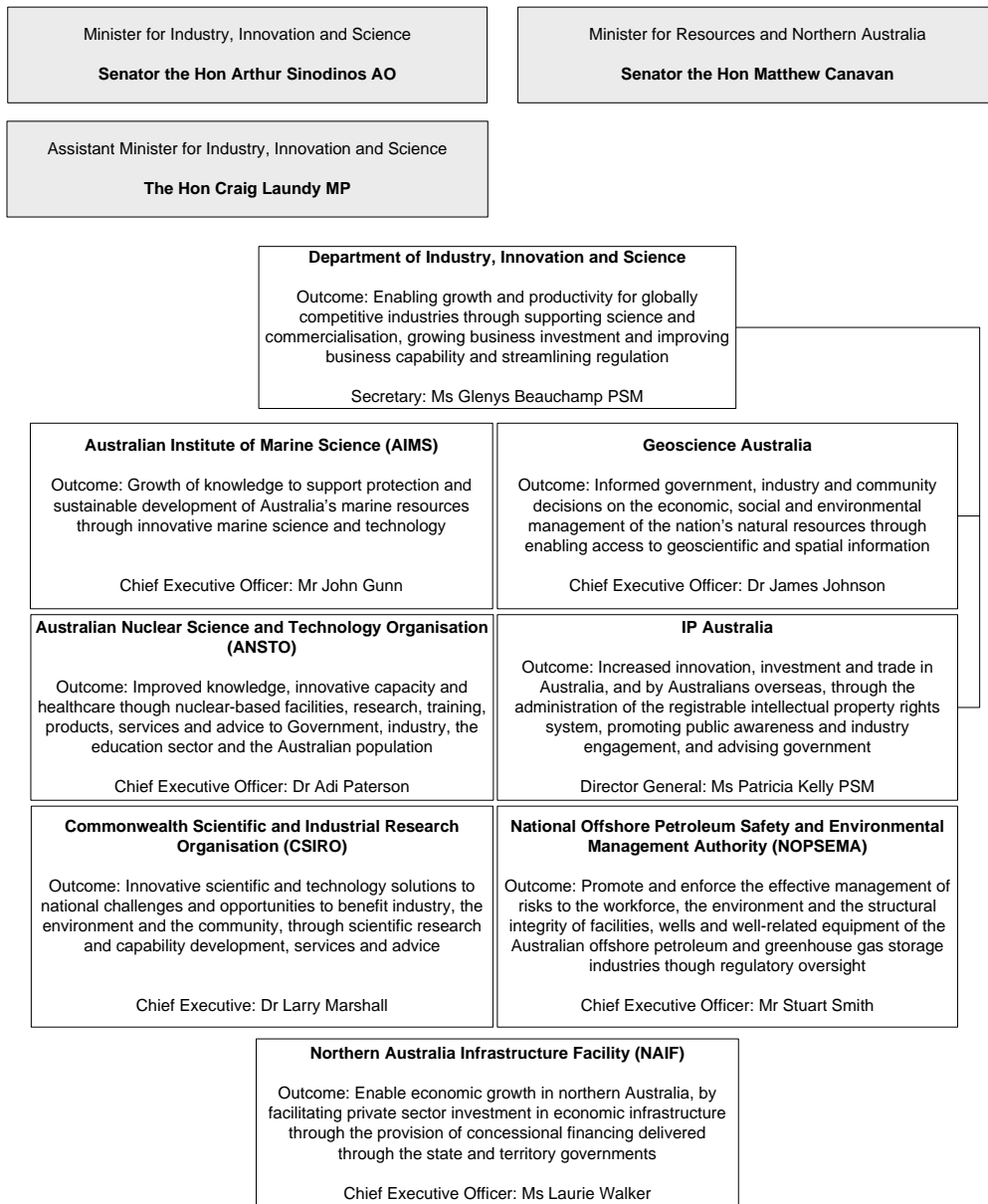
NOPSEMA is responsible for regulating the workplace health and safety, well integrity and environmental management of petroleum and greenhouse gas storage operations in Commonwealth waters.

- **Northern Australia Infrastructure Facility (NAIF)**

The NAIF offers debt or alternative financing mechanisms to encourage and complement private sector investment in infrastructure that benefits northern Australia.

For information on resourcing across the portfolio, please refer to Part 1: Agency Financial Resourcing in *Budget Paper No. 4: Agency Resourcing*.

**Figure 1: Industry, Innovation and Science portfolio structure and outcomes**







## **ENTITY RESOURCES AND PLANNED PERFORMANCE**

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**DEPARTMENT OF INDUSTRY,  
INNOVATION AND SCIENCE**

**ENTITY RESOURCES AND PLANNED  
PERFORMANCE**



# DEPARTMENT OF INDUSTRY, INNOVATION AND SCIENCE

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# DEPARTMENT OF INDUSTRY, INNOVATION AND SCIENCE

## Section 1: Entity overview and resources

### 1.1 STRATEGIC DIRECTION STATEMENT

The Department of Industry, Innovation and Science facilitates the growth and productivity of globally competitive industries. It also supports the building of a strong scientific capability, business innovation, and the commercialisation of new ideas as critical requirements for productivity and economic growth.

Globally competitive industries are important contributors to Australia's economic growth and productivity. Jobs and prosperity can be secured through competitive businesses and industries, and opening new markets for Australian resources. The Australian Government approach is to build an agile economy powered by strong, self-reliant and innovative businesses, in a challenging environment in which our population is ageing, the terms of trade have fallen from record highs, the global outlook is uncertain, and businesses and the community face intense global competition and disruptive technological change.

The department works closely with industry, businesses, the science community, Innovation and Science Australia, Australia's Chief Scientist and other stakeholders to help build a globally confident and outward looking Australian economy through supporting science and commercialisation; growing business investment and improving business capability; and simplifying doing business. The department also works across governments to open up resources and other export markets, and support economic development in northern Australia. The National Innovation and Science Agenda and flagship initiatives, such as the Industry Growth Centres, the Entrepreneurs' Programme, and the Cooperative Research Centres Programme, have common objectives and themes:

- Building on our competitive strengths and leveraging our competitive advantage through initiatives targeting high growth sectors in an effort to focus investment in areas that will get the best economic returns and outcomes in a tight fiscal environment
- Improving collaboration between and among government, businesses, and the research community
- Increasing private sector investment and foreign direct investment in Australia
- Building skills and capability to prepare Australia for the jobs and industries of the future.

## *DIIS Budget Statements*

The Government has confirmed its support for Australian astronomy research excellence by committing an additional \$26.1 million over the forward estimates to: enter a strategic partnership with the European Southern Observatory; and maintain Australia's world-renowned optical astronomy research and instrumentation capabilities.

Through the \$100 million Advanced Manufacturing Fund, the department is boosting innovation, skills and employment in advanced manufacturing to continue the transition to a new economy. Specifically, the measures in the fund will support research, invest in emerging engineers and scientists, provide facilities to test new products, and develop business capability. Importantly, support to automotive and other advanced manufacturing businesses will encourage investment in new processes and equipment to ensure that they are world-leaders in competitive global markets.

The Government is committing \$28.7 million to accelerate the responsible development of gas for Australian users. The department will deliver a program to support positive state-based programs, increase community benefits from gas development and provide better information to landholders. The measure represents a strategic investment in the future of manufacturing, as it will help secure the domestic gas market against possible supply shortfalls in coming years, and enable large gas-intensive manufacturing consumers to secure gas supplies on acceptable commercial terms.

The department will continue to focus on improving conditions for business through the National Business Simplification Initiative. The Government is committing: \$9.1 million to connect existing government digital business services to simplify business registrations and licensing and permit information; \$2.5 million to integrate the VANguard digital identity solution into the streamlined and simplified GovPass whole of government digital identity solution, allowing business to verify and link their ABN to their GovPass digital identity for use across all tiers of government; and \$12 million (through the Public Service Modernisation Fund) to increase the rate and scale at which grant programs can be transitioned to the Business Grants Hub. These measures will simplify government to business digital transactions and tailor information and advice, delivering savings and efficiencies to business. The department will also work to improve business conditions in northern Australia through the implementation of the measures in the White Paper on Developing Northern Australia.

Through portfolio measures under the Public Service Modernisation Fund in this Budget and by continuing to build a high performance organisation, the department aims to meet the needs of stakeholders.



## 1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the Department of Industry, Innovation and Science for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the entity's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome 1' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

**Table 1.1: Department of Industry, Innovation and Science resource statement — Budget estimates for 2017-18 as at Budget May 2017**

	<i>2016-17 Estimated actual \$'000</i>	2017-18 Estimate \$'000
<b>Departmental</b>		
Annual appropriations - ordinary annual services		
Prior year appropriations available (a)	95,605	91,355
Departmental appropriation	365,838	376,445
s74 retained revenue receipts (b)	78,768	78,632
Departmental capital budget	28,888	25,234
Annual appropriations - other services - non-operating		
Prior year appropriations available (a)	40,966	28,440
Equity injection	4,880	11,520
<i>Total departmental annual appropriations</i>	<i>614,945</i>	<i>611,626</i>
Special accounts (c)		
Opening balance	13,486	11,100
Appropriation receipts	4,000	4,000
Non-appropriation receipts	7,823	7,020
<i>Total special accounts</i>	<i>25,309</i>	<i>22,120</i>
<i>less departmental appropriations drawn from annual appropriations and credited to special accounts</i>	<i>4,000</i>	<i>4,000</i>
<b>Total departmental resourcing</b>	<b>636,254</b>	<b>629,746</b>

**Table 1.1: Department of Industry, Innovation and Science resource statement — Budget estimates for 2017-18 as at Budget May 2017 (continued)**

	2016-17 <i>Estimated actual \$'000</i>	2017-18 Estimate \$'000
<b>Administered</b>		
Annual appropriations - ordinary annual services		
Outcome 1	555,679	524,250
Payments to corporate entities (d)	1,020,264	1,042,088
Annual appropriations - other services - non-operating		
Prior year appropriations available (a)	111,542	119,840
Administered assets and liabilities	28,938	8,000
Payments to corporate entities	38,841	32,637
<b>Total administered annual appropriations</b>	<b>1,755,264</b>	<b>1,726,815</b>
<b>Total administered special appropriations (e)</b>	<b>212,996</b>	<b>713,189</b>
Special accounts		
Opening balance	175,172	150,361
Appropriation receipts	54,510	10,000
Non-appropriation receipts	44,880	23,802
<b>Total special account receipts</b>	<b>274,562</b>	<b>184,163</b>
<i>less administered appropriations drawn from annual appropriations and credited to special accounts</i>	<i>54,510</i>	<i>10,000</i>
<i>less payments to corporate entities from annual appropriations</i>	<i>1,059,105</i>	<i>1,074,725</i>
<b>Total administered resourcing</b>	<b>1,129,207</b>	<b>1,539,442</b>
<b>Total resourcing for Industry, Innovation and Science</b>	<b>1,765,461</b>	<b>2,169,188</b>
	2016-17	2017-18
<b>Average staffing level (number)</b>	<b>2,450</b>	<b>2,410</b>

All figures are GST exclusive.

(a) Estimated adjusted balance carried from previous year for annual and equity appropriations.

(b) Estimated retained revenue receipts under section 74 of the *Public Governance, Performance and Accountability Act 2013*.

(c) Adjusted to reflect the transfer of the Energy Special Account 2015 to the Department of the Environment and Energy as a result of the 19 July 2016 Administrative Arrangements Order.

(d) This excludes special appropriation payments to the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA).

(e) The special appropriation figures include loan funding relating to the Northern Australia Infrastructure Facility (NAIF). The department is administering the loan payments on behalf of the NAIF entity. The figures also include payments to NOPSEMA through a special appropriation administered by the department. The funding is equal in value to the levies NOPSEMA collects from the oil and gas industries.

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

	2016-17 <i>Estimated actual</i> \$'000	2017-18 Estimate \$'000
<b>Payments made to corporate entities within the Portfolio (a)</b>		
<b>Ordinary Annual Services</b>		
Australian Institute of Marine Science	41,552	41,916
Australian Nuclear Science and Technology Organisation	183,334	198,119
Commonwealth Scientific and Industrial Research Organisation	787,267	793,549
Northern Australia Infrastructure Facility	8,111	8,504
<b>Total ordinary annual services</b>	<b>1,020,264</b>	<b>1,042,088</b>
<b>Other services</b>		
Australian Institute of Marine Science	-	1,600
Australian Nuclear Science and Technology Organisation	28,841	21,037
Commonwealth Scientific and Industrial Research Organisation	10,000	10,000
<b>Total other services</b>	<b>38,841</b>	<b>32,637</b>
<b>Total payments to corporate entities within the Portfolio</b>	<b>1,059,105</b>	<b>1,074,725</b>

(a) This excludes special appropriation payments to NOPSEMA.

### 1.3 BUDGET MEASURES

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

**Table 1.2: Department of Industry, Innovation and Science 2017-18 Budget measures**

**Part 1: Measures announced since the 2016-17 Mid-Year Economic and Fiscal Outlook (MYEFO)**

	Program	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
<b>Expense measures</b>						
Advanced Manufacturing Fund (a)	1,2					
Administered expenses		-	18,600	39,450	19,750	6,500
Departmental expenses		-	1,766	697	755	438
<b>Total</b>		-	<b>20,366</b>	<b>40,147</b>	<b>20,505</b>	<b>6,938</b>
Energy for the Future - gas supply and affordability (b)	2					
Administered expenses		-	7,718	13,107	6,607	107
Departmental expenses		-	709	169	169	102
<b>Total</b>		-	<b>8,427</b>	<b>13,276</b>	<b>6,776</b>	<b>209</b>
GovPass Program - trusted digital identity framework (c)	3					
Administered expenses		-	-	-	-	-
Departmental expenses		-	-	-	-	-
<b>Total</b>		-	-	-	-	-
Incubator Support - regional focus	2					
Administered expenses		(3,000)	(250)	1,500	1,750	-
Departmental expenses		-	-	-	-	-
<b>Total</b>		<b>(3,000)</b>	<b>(250)</b>	<b>1,500</b>	<b>1,750</b>	<b>-</b>
Maintaining Australia's Optical Astronomy Capability	1					
Administered expenses		-	5,556	9,839	10,401	12,538
Departmental expenses		-	8,200	(9,782)	(10,608)	-
<b>Total</b>		-	<b>13,756</b>	<b>57</b>	<b>(207)</b>	<b>12,538</b>
National Business Simplification Initiative - connecting Government digital business services (d)	3					
Administered expenses		-	-	-	-	-
Departmental expenses		-	-	-	-	-
<b>Total</b>		-	-	-	-	-
Public Service Modernisation Fund - agency sustainability (e)	3					
Administered expenses		-	-	-	-	-
Departmental expenses		-	-	-	-	-
<b>Total</b>		-	-	-	-	-

**Part 1: Measures announced since the 2016-17 Mid-Year Economic and Fiscal Outlook (MYEFO)(continued)**

	Program	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
Public Service Modernisation Fund - transformation and innovation stream (f)	3					
Administered expenses		-	-	-	-	-
Departmental expenses		-	-	-	-	-
<b>Total</b>		-	-	-	-	-
Standardisation of Overseas Allowances for Australian Government Employees - efficiencies (g)	3					
Administered expenses		-	-	-	-	-
Departmental expenses		-	(3)	(9)	(27)	(28)
<b>Total</b>		-	<b>(3)</b>	<b>(9)</b>	<b>(27)</b>	<b>(28)</b>
<b>Total expense measures</b>						
Administered		(3,000)	31,624	63,896	38,508	19,145
Departmental		-	10,672	(8,925)	(9,711)	512
<b>Total</b>		<b>(3,000)</b>	<b>42,296</b>	<b>54,971</b>	<b>28,797</b>	<b>19,657</b>

**Part 1: Measures announced since the 2016-17 Mid-Year Economic and Fiscal Outlook (MYEFO)(continued)**

Program	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
<b>Capital measures</b>					
GovPass Program - trusted digital identity framework (c)	3				
Administered capital	-	-	-	-	-
Departmental capital	-	-	-	-	-
<b>Total</b>	-	-	-	-	-
National Business Simplification Initiative - connecting Government digital business services (d)	3				
Administered capital	-	-	-	-	-
Departmental capital	-	-	-	-	-
<b>Total</b>	-	-	-	-	-
Public Service Modernisation Fund - transformation and innovation stream (f)	3				
Administered capital	-	-	-	-	-
Departmental capital	-	-	-	-	-
<b>Total</b>	-	-	-	-	-
<b>Total capital measures</b>					
Administered	-	-	-	-	-
Departmental	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

Prepared on a Government Finance Statistics (fiscal) basis. Figures in brackets represent a decrease in funds.

(a) The Advanced Manufacturing Fund measure includes an additional \$13.5 million in tariff reductions that is shown under the Immigration and Border Protection portfolio.

(b) The full measure description and package details appear in Budget Paper No. 2 under the Environment and Energy portfolio.

(c) The lead entity for this measure is the Digital Transformation Agency. This measure will provide \$0.7 million in departmental expenses and \$1.9 million in capital over the forward estimates. The full measure description and package details appear in Budget Paper No. 2 under the Prime Minister and Cabinet portfolio.

(d) The lead entity for this measure is the Treasury. This measure will provide \$5.6 million in departmental expenses and \$3.5 million in capital over the forward estimates. The full measure description and package details appear in Budget Paper No. 2 under the Treasury portfolio.

(e) This measure will provide \$8.2 million over the forward estimates. Funding for this measure has already been provided for by the Government. The full measure description and package details appear in Budget Paper No. 2 under Cross Portfolio.

(f) This measure will provide \$20.0 million in departmental expenses and \$4.4 million in capital over the forward estimates. Funding for this measure has already been provided for by the Government. The full measure description and package details appear in Budget Paper No. 2 under Cross Portfolio.

(g) The lead entity for this measure is the Department of Foreign Affairs and Trade. The full measure description and package details appear in Budget Paper No. 2 under the Foreign Affairs and Trade portfolio.

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

The Department of Industry, Innovation and Science does not have any other measures not previously reported in a portfolio statement; therefore no table is presented.

## Section 2: Outcomes and planned performance

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

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

**Note:**

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide an entity's complete performance story.

The most recent corporate plan and annual performance statement for the Department of Industry, Innovation and Science can be found at:

[www.industry.gov.au/AboutUs/CorporatePublications](http://www.industry.gov.au/AboutUs/CorporatePublications).

## 2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

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

### Linked programs

#### Portfolio Agencies

**Australian Institute of Marine Science**

**Australian Nuclear Science and Technology Organisation**

**Commonwealth Scientific and Industrial Research Organisation**

**Geoscience Australia**

**IP Australia**

**National Offshore Petroleum Safety and Environmental Management Authority**

**Northern Australia Infrastructure Facility**

#### **Programs**

*Australian Institute of Marine Science*

- Program 1: Marine Research

*Australian Nuclear Science and Technology Organisation*

- Program 1: Science and Technology Solutions

*Commonwealth Scientific and Industrial Research Organisation*

- Program 1: Research – Science, Services and Innovation Fund
- Program 2: National Research Infrastructure – National Facilities and Collections
- Program 3: Science and Industry Endowment Fund

*Geoscience Australia*

- Program 1: Geoscientific and Spatial Information Services

*IP Australia*

- Program 1: IP Rights Administration and Professional Registration
- Program 2: Education, Awareness and International Engagement
- Program 3: Advice to Government

*National Offshore Petroleum Safety and Environmental Management Authority*

- Program 1: Regulatory oversight of Safety Cases, Well Operations Management Plans and Environment Plans coupled with effective monitoring, investigation and enforcement

*Northern Australia Infrastructure Facility*

- Program 1: Northern Australia Infrastructure Facility



<p><b>Contribution to Outcome 1 made by linked programs</b></p> <p>The portfolio agencies' programs contribute to enabling growth and productivity for globally competitive industries by supporting science and commercialisation, growing business investment and improving business capability and streamlining regulation. Further information on the linked programs is available in the entity resources and planned performance of the agencies' chapters.</p>
<p><b>Department of Agriculture and Water Resources</b></p> <hr/> <p><b>Programs</b></p> <ul style="list-style-type: none"> <li>• Program 1.2: Sustainable Management – Natural Resources</li> <li>• Program 3.1: Water Reform</li> </ul>
<p><b>Contribution to Outcome 1 made by linked programs</b></p> <p>The Department of Agriculture and Water Resources contributes to supporting science and commercialisation, growing business investment and improving business capability by collaborating with the Department of Industry, Innovation and Science in the planning phase of the National Carp Control Plan and the implementation of the National Water Infrastructure Development Fund as part of the White Paper on Developing Northern Australia.</p>
<p><b>Department of Defence</b></p> <hr/> <p><b>Programs</b></p> <ul style="list-style-type: none"> <li>• Program 2.1: Strategic Policy and Intelligence</li> </ul>
<p><b>Contribution to Outcome 1 made by linked programs</b></p> <p>The Department of Defence contributes to growing business investment and improving business capability by collaborating with the Department of Industry, Innovation and Science through the Centre for Defence Industry Capability (CDIC). The CDIC, funded by Defence and delivered by the Department of Industry, Innovation and Science, is a key initiative of the 2016 Defence Industry Policy Statement and contributes to improving business capability, productivity and global competitiveness, aligning with defence capability requirements. It is a cornerstone of the Government's strategy for resetting the defence-industry partnership. CDIC will help facilitate innovation and build the capability and capacity of Australian industry to meet the Department of Defence's requirements, through the provision of advisory services and grants. Defence is investing \$195 billion in growing Australia's defence capability over the next decade, including through major projects such as the Future Frigate and Future Submarine Programs. The CDIC is supporting the competitiveness and growth of Australia's defence industry to win work on these and other Defence programs, as well as connecting businesses to export opportunities.</p>

<p><b>Department of Education and Training</b></p> <hr/> <p><b>Programs</b></p> <ul style="list-style-type: none"> <li>• Program 2.1: Commonwealth Grant Scheme</li> <li>• Program 2.3: Higher Education Support</li> <li>• Program 2.4: Higher Education Loan Program</li> <li>• Program 2.5: Investment in Higher Education Research</li> <li>• Program 2.6: Research Capacity</li> <li>• Program 2.7: International Education Support</li> <li>• Program 2.8: Building Skills and Capability</li> </ul>
<p><b>Contribution to Outcome 1 made by linked programs</b></p> <p>The Department of Education and Training contributes to supporting science and commercialisation, growing business investment and improving business capability through improved access to quality higher education, international education and world-class science infrastructure, research, skills and training.</p>
<p><b>Department of Employment</b></p> <hr/> <p><b>Programs</b></p> <ul style="list-style-type: none"> <li>• Program 1.1: Employment Services</li> </ul>
<p><b>Contribution to Outcome 1 made by linked programs</b></p> <p>The Department of Employment contributes to growing business investment and improving business capability by creating policies that help Australians find and keep work, meet employer needs and increase Australia’s workforce participation. Like the Department of Industry, Innovation and Science, the Department of Employment works to assist employees in structurally transitioning industries. The departments work closely together to ensure there is a whole of government response to structural adjustment.</p>
<p><b>Department of Foreign Affairs and Trade</b></p> <hr/> <p><b>Programs</b></p> <ul style="list-style-type: none"> <li>• Program 1.1: Foreign Affairs and Trade Operations</li> </ul>
<p><b>Contribution to Outcome 1 made by linked programs</b></p> <p>The Department of Foreign Affairs and Trade contributes to supporting science and commercialisation, growing business investment and improving business capability through its role in science diplomacy, co-investment in the Australia-India Strategic Research Fund, advancement of Australia’s trade and investment interests, and as the lead in the conciliation process between Australia and Timor-Leste on maritime boundaries in the Timor Sea.</p>

<p><b>Austrade</b></p> <hr/> <p><b>Programs</b></p> <ul style="list-style-type: none"> <li>• Program 1.1: Promotion of Australia’s export and other international economic interests</li> <li>• Program 1.2: Programs to promote Australia’s export and other international economic interests</li> </ul>
<p><b>Contribution to Outcome 1 made by linked programs</b></p> <p>Austrade contributes to growing business investment and improving business capability by promoting Australia’s export and other international economic interests through the provision of information, advice and services to businesses, associations, institutions and Government, and working with the Department of Industry, Innovation and Science in the development and implementation of the Global Innovation Strategy.</p>
<p><b>Department of Health</b></p> <hr/> <p><b>Programs</b></p> <ul style="list-style-type: none"> <li>• Program 1.1: Health Policy Research and Analysis</li> </ul>
<p><b>Contribution to Outcome 1 made by linked programs</b></p> <p>The Department of Health contributes to growing business investment and improving business capability through the Biomedical Translation Fund – a Health portfolio measure under the National Innovation and Science Agenda, which is administered by the Department of Industry, Innovation and Science. The Department of Health also contributes by working with the Department of Industry, Innovation and Science towards a more streamlined and harmonised system of national chemicals regulation.</p>
<p><b>Department of Immigration and Border Protection</b></p> <hr/> <p><b>Programs</b></p> <ul style="list-style-type: none"> <li>• Program 2.2: Migration</li> <li>• Program 3.1: Border Revenue Collection</li> <li>• Program 3.2: Trade Facilitation and Industry Engagement</li> </ul>
<p><b>Contribution to Outcome 1 made by linked programs</b></p> <p>The Department of Immigration and Border Protection contributes to growing business investment and improving business capability through its contribution to Australia’s anti-dumping system in coordination with the Anti-Dumping Commission and provision of tariff and duty credits and concessions. The Department of Immigration and Border Protection is also working with the Department of Industry, Innovation and Science on the Significant Investor Visa Complying Investment Framework which encourages the expansion of Australia’s venture capital fund capacity, attracting investment into innovative early stage companies, particularly from new sources of foreign investment. The Department of Industry, Innovation and Science will continue to work with the Department of</p>

Immigration and Border Protection on details of the abolition and replacement of 457 visas, and on changes to employer sponsored permanent skilled migration.
<b>Department of the Environment and Energy</b>
<p><b>Programs</b></p> <ul style="list-style-type: none"> <li>• Program 1.3: Commonwealth Environmental Water</li> <li>• Program 2.2: Adapting to Climate Change</li> <li>• Program 4.1: Energy</li> </ul>
<p><b>Contribution to Outcome 1 made by linked programs</b></p> <p>The Department of the Environment and Energy contributes to supporting science and commercialisation, growing business investment and improving business capability through its role in facilitating the delivery of reliable and affordable energy to underpin a productive and growing economy. The Department of the Environment and Energy works collaboratively with the Department of Industry, Innovation and Science in the planning phase of the National Carp Control Plan, the implementation of the Australian Government’s Domestic Gas Strategy, through its support for the COAG Energy Council, and international engagement with Australia’s key energy resource markets.</p> <p>The Department of the Environment and Energy also provides joint secretariat for the National Climate Science Advisory Committee. The Committee advises the Australian Government on a nationally integrated approach to climate change impacts and informs the direction and sustainability of Australia's climate science capacity and research priorities.</p>
<b>The Treasury</b>
<p><b>Programs</b></p> <ul style="list-style-type: none"> <li>• Program 1.3: Support for Markets and Business</li> <li>• Program 1.4: General Revenue Assistance</li> <li>• Program 1.9: National Partnership Payments to the States</li> </ul>
<p><b>Contribution to Outcome 1 made by linked programs</b></p> <p>The Treasury contributes to supporting science and commercialisation, growing business investment and improving business capability through: provision of funding to support markets and businesses; taxation benefits including the Research and Development (R&amp;D) Tax Incentive, the Early Stage Venture Capital Limited Partnerships tax concessions, Venture Capital Limited Partnerships tax concessions and Pooled Development Funds tax concessions; and payments for the environmental rehabilitation of the former Rum Jungle mine site. The Treasury also contributes to the Department of Industry, Innovation and Science’s outcome by providing policy support for the Australian Small Business Advisory Service which also includes the Australian Small Business Advisory Service’s Northern Australia Tourism Initiative.</p>

<p><b>Australian Competition and Consumer Commission</b></p> <hr/> <p><b>Programs</b></p> <ul style="list-style-type: none"> <li>• Program 1.1: Australian Competition and Consumer Commission</li> </ul>
<p><b>Contribution to Outcome 1 made by linked programs</b></p> <p>The Australian Competition and Consumer Commission contributes to growing business investment and improving business capability by achieving compliance with the <i>Competition and Consumer Act 2010</i> and associated legislation in order to protect, strengthen and supplement the way competition works in Australian markets and industries to improve the efficiency of the economy and to increase the welfare of Australians.</p>
<p><b>Australian Taxation Office</b></p> <hr/> <p><b>Programs</b></p> <ul style="list-style-type: none"> <li>• Program 1.1: Australian Taxation Office</li> <li>• Program 1.7: Fuel Tax Credit Scheme</li> <li>• Program 1.10: Research and Development Tax Incentive</li> </ul>
<p><b>Contribution to Outcome 1 made by linked programs</b></p> <p>The Australian Taxation Office contributes to supporting science and commercialisation, growing business investment and improving business capability through taxation benefits including the Research and Development (R&amp;D) Tax Incentive, Tax Incentives for Angel Investors, the Fuel Tax Credit Scheme, the Early Stage Venture Capital Limited Partnerships tax concessions, Venture Capital Limited Partnerships tax concessions and Pooled Development Funds tax concessions.</p>

**Budgeted expenses for Outcome 1**

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

**Table 2.1.1: Budgeted expenses for Outcome 1**

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

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>Program 1: Supporting Science and Commercialisation</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	194,439	207,941	246,141	273,544	276,734
<b>Administered total</b>	<b>194,439</b>	<b>207,941</b>	<b>246,141</b>	<b>273,544</b>	<b>276,734</b>
<b>Total expenses for program 1</b>	<b>194,439</b>	<b>207,941</b>	<b>246,141</b>	<b>273,544</b>	<b>276,734</b>
<b>Program 2: Growing Business Investment and Improving Business Capability</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	306,730	306,309	261,917	198,636	176,089
Ordinary annual services (Appropriation Bill No. 1) credited to special accounts	69,612	33,000	9,900	-	-
Special appropriations	165,290	108,782	64,509	61,176	31,650
Special accounts	45,541	30,218	15,468	14,368	14,268
Expenses not requiring appropriation in the Budget year (a)	1,032	214,527	462,057	511,563	461,283
<b>Administered total</b>	<b>588,205</b>	<b>692,836</b>	<b>813,851</b>	<b>785,743</b>	<b>683,290</b>
<b>Total expenses for program 2</b>	<b>588,205</b>	<b>692,836</b>	<b>813,851</b>	<b>785,743</b>	<b>683,290</b>
<b>Program 3: Program Support</b>					
Departmental expenses					
Departmental appropriation	365,838	376,445	357,987	351,126	342,565
s74 Retained revenue receipts (b)	78,768	78,632	67,151	61,006	61,467
Special accounts	10,209	8,025	7,289	6,326	5,312
Expenses not requiring appropriation in the Budget year (c)	51,137	43,032	43,469	43,485	43,485
<b>Departmental total</b>	<b>505,952</b>	<b>506,134</b>	<b>475,896</b>	<b>461,943</b>	<b>452,829</b>
<b>Total expenses for program 3</b>	<b>505,952</b>	<b>506,134</b>	<b>475,896</b>	<b>461,943</b>	<b>452,829</b>

**Table 2.1.1: Budgeted expenses for Outcome 1 (continued)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>Outcome 1 Totals by appropriation type</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	501,169	514,250	508,058	472,180	452,823
Ordinary annual services (Appropriation Bill No. 1) credited to special accounts	69,612	33,000	9,900	-	-
Special appropriations	165,290	108,782	64,509	61,176	31,650
Special accounts	45,541	30,218	15,468	14,368	14,268
Expenses not requiring appropriation in the Budget year (a)	1,032	214,527	462,057	511,563	461,283
<b>Administered total</b>	<b>782,644</b>	<b>900,777</b>	<b>1,059,992</b>	<b>1,059,287</b>	<b>960,024</b>
Departmental expenses					
Departmental appropriation	365,838	376,445	357,987	351,126	342,565
s74 Retained revenue receipts (b)	78,768	78,632	67,151	61,006	61,467
Special accounts	10,209	8,025	7,289	6,326	5,312
Expenses not requiring appropriation in the Budget year (c)	51,137	43,032	43,469	43,485	43,485
<b>Departmental total</b>	<b>505,952</b>	<b>506,134</b>	<b>475,896</b>	<b>461,943</b>	<b>452,829</b>
<b>Total expenses for Outcome 1</b>	<b>1,288,596</b>	<b>1,406,911</b>	<b>1,535,888</b>	<b>1,521,230</b>	<b>1,412,853</b>
<b>Movement of administered funds between years (d)</b>					
<b>Outcome 1:</b>					
<b>Program 2</b>					
Bindaree Beef - assistance	(5,525)	5,525	-	-	-
Radioactive Waste Management	(162)	3,346	(3,184)	-	-
Rum Jungle Mine Site - Environmental Rehabilitation	(212)	46	69	97	-
<b>Total movement of administered funds</b>	<b>(5,899)</b>	<b>8,917</b>	<b>(3,115)</b>	<b>97</b>	<b>-</b>
	2016-17	2017-18			
<b>Average staffing level (number)</b>	2,450	2,410			

Figures in brackets represent a decrease in funds.

This table reflects the impact of energy functions that transferred to the Department of the Environment and Energy as a result of the 19 July and 1 September 2016 Administrative Arrangements Orders.

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

(b) Estimated expenses incurred in relation to receipts retained under section 74 of the *Public Governance, Performance and Accountability Act 2013*.

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

**Table 2.1.2: Program components of Outcome 1**

<b>Program 1: Supporting Science and Commercialisation</b>					
	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<i>Sub-program 1.1: Science awareness, infrastructure and international engagement</i>					
<b>Annual administered expenses:</b>					
Access to World-leading Astronomy Infrastructure	-	5,556	11,333	11,918	12,538
Australia-China Science and Research Fund	5,133	2,538	2,204	2,204	2,204
Australia-India Strategic Research Fund	3,743	2,213	1,040	-	-
Australian Astronomical Observatory	1,497	1,495	-	-	-
Global Innovation Strategy	7,036	6,536	6,536	6,536	6,536
Inspiring all Australians in STEM	14,239	12,239	12,225	9,405	9,405
National Carp Control Plan	-	-	3,677	-	-
Square Kilometre Array Radio Telescope Project	4,000	3,600	39,000	39,000	44,000
<b>Total annual administered expenses</b>	<b>35,648</b>	<b>34,177</b>	<b>76,015</b>	<b>69,063</b>	<b>74,683</b>
<b>Total sub-program 1.1 expenses</b>	<b>35,648</b>	<b>34,177</b>	<b>76,015</b>	<b>69,063</b>	<b>74,683</b>
<i>Sub-program 1.2: Business research, development and commercialisation</i>					
<b>Annual administered expenses:</b>					
Business Research and Innovation Initiative	2,453	9,207	3,560	9,214	3,468
Clean Technology Innovation Program	375	-	-	-	-
Commercialisation Australia	1,545	-	-	-	-
Cooperative Research Centres Programme	149,839	160,868	162,871	191,567	194,876
Digital Productivity	2,396	1,500	1,500	1,500	1,500
Innovation Investment Fund	110	116	122	127	134
Research and Development Tax Incentive	2,073	2,073	2,073	2,073	2,073
<b>Total annual administered expenses</b>	<b>158,791</b>	<b>173,764</b>	<b>170,126</b>	<b>204,481</b>	<b>202,051</b>
<b>Total sub-program 1.2 expenses</b>	<b>158,791</b>	<b>173,764</b>	<b>170,126</b>	<b>204,481</b>	<b>202,051</b>
<b>Total program 1 expenses</b>	<b>194,439</b>	<b>207,941</b>	<b>246,141</b>	<b>273,544</b>	<b>276,734</b>



**Table 2.1.2: Program components of Outcome 1 (continued)**

<b>Program 2: Growing Business Investment and Improving Business Capability</b>					
	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<i>Sub-program 2.1: Competitive marketplace</i>					
<b>Annual administered expenses:</b>					
Australian Business Number and Business Names Registration System - expansion	50	50	50	50	50
Bindaree Beef - assistance	-	5,525	-	-	-
Clean Technology Investment Programs	4,149	150	-	-	-
Country of Origin Labelling Information Campaign	6,787	-	-	-	-
Support for Industry Service Organisations program	4,086	4,042	4,043	4,104	4,170
<b>Total annual administered expenses</b>	<b>15,072</b>	<b>9,767</b>	<b>4,093</b>	<b>4,154</b>	<b>4,220</b>
<b>Total sub-program 2.1 expenses</b>	<b>15,072</b>	<b>9,767</b>	<b>4,093</b>	<b>4,154</b>	<b>4,220</b>
<i>Sub-program 2.2: Business and market development</i>					
<b>Annual administered expenses:</b>					
Asialink Business	3,467	3,259	3,183	3,138	3,250
Entrepreneurs' Programme	106,977	120,001	123,356	122,357	117,592
Expediting Clinical Trial Reform in Australia	100	-	-	-	-
Industry Growth Centres	60,730	93,980	56,398	39,380	48,280
Leveraging Australia's Global Expat Platform - Advance	500	-	-	-	-
<b>Total annual administered expenses</b>	<b>171,774</b>	<b>217,240</b>	<b>182,937</b>	<b>164,875</b>	<b>169,122</b>
<b>Total sub-program 2.2 expenses</b>	<b>171,774</b>	<b>217,240</b>	<b>182,937</b>	<b>164,875</b>	<b>169,122</b>
<i>Sub-program 2.3: Economic transition</i>					
<b>Annual administered expenses:</b>					
Advanced Manufacturing Growth Fund	-	12,600	23,200	9,500	-
Alcoa Portland Aluminium Smelter – financial assistance	30,000	-	-	-	-
Australian Government Innovation and Investment Fund (Tasmania)	3,000	-	-	-	-
Automotive Diversification Programme (a)	5,062	1,839	-	-	-
Automotive Transformation Scheme	9,330	1,642	-	-	-
Cyber Security – implementation of Australia's Cyber Security Strategy	500	500	4,250	6,750	-
Encouraging Innovation in Advanced Manufacturing	-	4,000	8,250	4,250	2,500
Manufacturing Transition Programme	21,100	-	-	-	-
Next Generation Manufacturing Investment Programme (a)	21,000	21,184	8,600	1,124	100
Tasmanian Jobs and Investment Fund	5,500	5,500	-	-	-
Toyota Major Facelift Vehicle and Supplier Grant	1,000	1,250	-	-	-
Victorian Innovation and Investment Fund - Ford assistance	4,300	-	-	-	-
<b>Total annual administered expenses</b>	<b>100,792</b>	<b>48,515</b>	<b>44,300</b>	<b>21,624</b>	<b>2,600</b>

**Table 2.1.2: Program components of Outcome 1 (continued)**

<b>Program 2: Growing Business Investment and Improving Business Capability</b>					
	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>Special appropriations:</b>					
<i>Automotive Transformation Scheme Act 2009</i>	165,290	108,722	64,449	61,116	31,590
<b>Total special appropriations</b>	<b>165,290</b>	<b>108,722</b>	<b>64,449</b>	<b>61,116</b>	<b>31,590</b>
<b>Special account expenses:</b>					
<i>Services for Other Entities and Trust Moneys - s20 FMA Act Det 2011/09</i>	31,882	16,250	1,200	100	-
<b>Total special account expenses</b>	<b>31,882</b>	<b>16,250</b>	<b>1,200</b>	<b>100</b>	<b>-</b>
<b>Total sub-program 2.3 expenses</b>	<b>297,964</b>	<b>173,487</b>	<b>109,949</b>	<b>82,840</b>	<b>34,190</b>
<i>Sub-program 2.4: Resources</i>					
<b>Annual administered expenses:</b>					
Coal Mining Abatement Technology Support Package	7,584	8,459	-	-	-
Maralinga Maintenance	239	239	239	239	-
Onshore Gas Social and Economic Research Fund	1,000	1,000	1,000	1,000	-
Petroleum Royalties Administration	40	40	40	40	40
Radioactive Waste Management	10,058	13,285	16,132	-	-
Rum Jungle Mine Site - Environmental Rehabilitation	31	46	69	97	-
Supporting the Development of New Onshore Gas Supply	-	7,718	13,107	6,607	107
<b>Total annual administered expenses</b>	<b>18,952</b>	<b>30,787</b>	<b>30,587</b>	<b>7,983</b>	<b>147</b>
<b>Special appropriations:</b>					
<i>Offshore Minerals Act 1994</i>	-	60	60	60	60
<b>Total special appropriations</b>	<b>-</b>	<b>60</b>	<b>60</b>	<b>60</b>	<b>60</b>
<b>Special account expenses:</b>					
<i>Clean Energy Initiative Special Account - s20 FMA Act Det 2009/21</i>					
Carbon Capture and Storage Flagships	27,010	33,000	9,900	-	-
Low Emissions Technology Demonstration Fund	40,000	-	-	-	-
National Low Emissions Coal Initiative	2,602	-	-	-	-
National Offshore Petroleum Titles Administrator	13,659	13,968	14,268	14,268	14,268
<b>Total special account expenses</b>	<b>83,271</b>	<b>46,968</b>	<b>24,168</b>	<b>14,268</b>	<b>14,268</b>
<b>Expenses not requiring appropriation in the Budget year:</b>					
National Offshore Petroleum Titles Administrator (b)	1,032	1,032	1,032	1,032	1,032
<b>Total expenses not requiring appropriation in the Budget year</b>	<b>1,032</b>	<b>1,032</b>	<b>1,032</b>	<b>1,032</b>	<b>1,032</b>
<b>Total sub-program 2.4 expenses</b>	<b>103,255</b>	<b>78,847</b>	<b>55,847</b>	<b>23,343</b>	<b>15,507</b>

**Table 2.1.2: Program components of Outcome 1 (continued)**

<b>Program 2: Growing Business Investment and Improving Business Capability</b>					
	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<i>Sub-program 2.5: Energy (c)</i>					
<b>Annual administered expenses:</b>					
Energy Efficiency Programs	30	-	-	-	-
GEMS National Legislative Framework	110	-	-	-	-
<b>Total annual administered expenses</b>	<b>140</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total sub-program 2.5 expenses</b>	<b>140</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Sub-program 2.6: Northern Australia Development</i>					
<b>Expenses not requiring appropriation in the Budget year:</b>					
Northern Australia Infrastructure Facility (d)	-	213,495	461,025	510,531	460,251
<b>Total expenses not requiring appropriation in the Budget year</b>	<b>-</b>	<b>213,495</b>	<b>461,025</b>	<b>510,531</b>	<b>460,251</b>
<b>Total sub-program 2.6 expenses</b>	<b>-</b>	<b>213,495</b>	<b>461,025</b>	<b>510,531</b>	<b>460,251</b>
<b>Total program 2 expenses</b>	<b>588,205</b>	<b>692,836</b>	<b>813,851</b>	<b>785,743</b>	<b>683,290</b>

(a) This is a component of the Growth Fund.

(b) Expenses not requiring appropriation relate to depreciation and amortisation expenses for the National Offshore Petroleum Titles Administrator.

(c) The estimates reflect the impact of energy functions that transferred to the Department of the Environment and Energy as a result of the 19 July and 1 September 2016 Administrative Arrangements Orders.

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

**Table 2.1.2: Program components of Outcome 1 (continued)**

<b>Program 3: Program Support</b>					
	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>Annual departmental expenses:</b>					
Ordinary annual services (Appropriation Bill No. 1)	365,838	376,445	357,987	351,126	342,565
s74 Retained revenue receipts (a)	78,768	78,632	67,151	61,006	61,467
Special accounts	10,209	8,025	7,289	6,326	5,312
Expenses not requiring appropriation in the Budget year (b)	51,137	43,032	43,469	43,485	43,485
<b>Total program 3 expenses</b>	<b>505,952</b>	<b>506,134</b>	<b>475,896</b>	<b>461,943</b>	<b>452,829</b>

This table reflects the impact of energy functions that transferred to the Department of the Environment and Energy as a result of the 19 July and 1 September 2016 Administrative Arrangements Orders.

(a) Estimated expenses incurred in relation to receipts retained under section 74 of the *Public Governance, Performance and Accountability Act 2013*.

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

**Table 2.1.3: Performance criteria for Outcome 1**

Table 2.1.3 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2017-18 Budget measures have created new programs or materially changed existing programs.

<p><b>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.</b></p>	
<p><b>Program 1: Supporting Science and Commercialisation</b></p> <p>The objective of Program 1 is to facilitate the development and uptake of new ideas and technology and translate them into commercial activity. It will increase productivity, improve Australia's competitiveness and drive economic growth by delivering better scientific and economic outcomes for Australia, including encouraging collaboration between researchers and businesses.</p> <p>The components of Program 1 are grouped under the following sub-programs:</p> <ul style="list-style-type: none"> <li>• Sub-program 1.1: Science awareness, infrastructure and international engagement – this sub-program is designed to improve science awareness, infrastructure and international engagement to support the creation and dissemination of scientific and technical information as an input to the economic process</li> <li>• Sub-program 1.2: Business research, development and commercialisation – this sub-program is designed to provide incentives for business research, development and commercialisation and encourage collaboration between businesses and researchers to drive innovation and thus contribute to improved productivity.</li> </ul>	
<p><b>Delivery</b></p>	<ul style="list-style-type: none"> <li>• Support the creation and sharing of scientific and technological information as an input to commercial activity</li> <li>• Encourage collaboration between the research sector and businesses to generate solutions that lead to improved productivity, international competitiveness and address national and international challenges</li> <li>• Support international collaboration on science and technology</li> <li>• Maintain a strong science base focused on meeting Australia's priorities</li> <li>• Promote the innovative adoption and diffusion of digital technologies.</li> </ul>
<p><b>Performance information</b></p>	
<p><b>Intended results</b></p>	<p><b>Performance criteria</b></p>
<p>Growth in the proportions of small, medium and large firms engaging in innovative activity</p>	<ul style="list-style-type: none"> <li>• Proportion of Australia's businesses that are innovation active</li> </ul>
<p>Increased investment by businesses in intangible assets- i.e. the knowledge assets of an organisation</p>	<ul style="list-style-type: none"> <li>• Private gross fixed capital formation - intellectual property products</li> <li>• Business research and development expenditure as a percentage of GDP</li> </ul>
<p>Growth in the value add of knowledge-intensive industries</p>	<ul style="list-style-type: none"> <li>• Gross value added and employment by knowledge-intensive industries</li> </ul>
<p>Improved returns from the commercialisation of research</p>	<ul style="list-style-type: none"> <li>• Number and value of research contracts, consultancies and collaborations entered into by research institutions</li> </ul>
<p>Improvement in Australia's performance in scientific research</p>	<ul style="list-style-type: none"> <li>• Share of world's top one per cent of highly cited publications</li> </ul>

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<b>Sub-program 1.1: Science awareness, infrastructure and international engagement</b>						
<ul style="list-style-type: none"> <li>• Increased science awareness</li> <li>• Improved research infrastructure</li> <li>• Enhanced international engagement.</li> </ul>						
<b>Contributing components</b>	<b>Performance criteria (a)</b>	<b>2016-17 targets</b>	<b>2017-18 targets</b>	<b>2018-19 targets</b>	<b>2019-20 targets</b>	<b>2020-21 targets</b>
Australia-China Science and Research Fund; Australia-India Strategic Research Fund	Number of collaborative research projects and activities completed that reported strengthened international relationships	29	10	12	8	6
Global Innovation Strategy	Number of activities completed that reported strengthened international relationships	0	64	64	72	55
Australian Astronomical Observatory (AAO)	Number of research students supervised or funded by the AAO	35	30	These targets will be superseded by the targets developed for the program, Access to World-leading Astronomy Infrastructure (below).		
	Number of users accessing international eight metre telescope facilities supported by the AAO to undertake research	50	40			
	Number of users accessing Australian telescope operated and supported by the AAO to undertake research	200	200			
Access to World-leading Astronomy Infrastructure	<i>To be developed following finalisation of program design and consultation with stakeholders</i>					
Inspiring all Australians in STEM (Science for Australia's Future – Inspiring Australia)	Number of direct engagements supported by Inspiring Australia activities	1,600	1,600	1,600	1,600	1,600
	Number of institutions participating in the Science in Australia Gender Equity process	32	40	50	60	60
Square Kilometre Array Radio Telescope Project	Number of Australian companies/research institutions participating in the SKA Pre-Construction Work Programme	6	6	6	6	6

(a) New or modified performance criteria that reflect materially changed programs are shown in *italics*.

<b>Sub-program 1.2: Business research, development and commercialisation</b>						
<ul style="list-style-type: none"> <li>Increased research and development in business</li> <li>Increased commercialisation</li> <li>Increased collaboration between businesses and researchers</li> <li>Enhanced digital productivity.</li> </ul>						
<b>Contributing components</b>	<b>Performance criteria</b>	<b>2016-17 targets</b>	<b>2017-18 targets</b>	<b>2018-19 targets</b>	<b>2019-20 targets</b>	<b>2020-21 targets</b>
Business Research and Innovation Initiative	Proportion of feasibility studies completed (per round) (%)	80	0	80	0	80
	Proportion of proof of concept projects completed (per round) (%)	0	0	60	0	60
	Proportion of participating agencies procuring a solution developed under the program (per round) (%)	0	0	0	20	0
Cooperative Research Centres (CRCs) Programme	Number of CRCs and CRC Projects supported	62	104	130	137	116
	Number of commercialisation agreements reported by CRCs and CRC Projects	206	183	172	132	132
	Number of applications for patents filed by CRCs and CRC Projects	64	57	53	41	41
Quantum Computing	To be developed as part of the new company's (NewCo's) business plan, and finalised in consultation with the NewCo board.					
Research and Development (R&D) Tax Incentive	R&D expenditure registered with AusIndustry in order to claim the tax incentive through their annual tax returns (\$'000)	19,200,000	The department does not have forward estimates for the R&D Tax Incentive programme. The number of entities includes R&D-performing subsidiaries of head companies. The registered R&D is reported against the income year in which it is registered. This is the year following the year in which the companies undertake the R&D activity.			
	Number of entities registering R&D expenditure with AusIndustry in order to claim the tax incentive through their annual tax returns	15,750				
<b>Purposes</b>	Purpose 1: Supporting Science and Commercialisation – Facilitating the development and uptake of new ideas and technology and translating them into commercial activity.					
<b>Material changes to Program 1 resulting from the following measures:</b>						
<ul style="list-style-type: none"> <li>Maintaining Australia's Optical Astronomy Capability</li> </ul>						

<p><b>Program 2: Growing Business Investment and Improving Business Capability</b></p> <p>The objective of Program 2 is to build a diversified, flexible, resilient and dynamic economic base that can identify and adapt to new markets and emerging opportunities. It will drive Australia's future prosperity and continued jobs growth by supporting the transformation of existing industries and the growth of new ones, enabling access to new markets and increasing competitiveness in existing markets.</p> <p>The components of Program 2 are grouped under the following sub-programs:</p> <ul style="list-style-type: none"> <li>• Sub-program 2.1: Competitive marketplace – this sub-program is designed to create a more competitive marketplace to achieve profitable and sustainable industry futures</li> <li>• Sub-program 2.2: Business and market development – this sub-program is designed to enhance business leadership, management and entrepreneurial skills, increase innovation and investment in growth sectors and open up international export markets to Australian businesses</li> <li>• Sub-program 2.3: Economic transition – this sub-program is designed to encourage innovation and investment to underpin industry transformation</li> <li>• Sub-program 2.4: Resources – this sub-program is designed to support the sustainable development of the resources sector, attract private sector investment and encourage innovative technologies</li> <li>• Sub-program 2.5: Energy – responsibility for energy programs under this sub-program has been transferred to the Department of the Environment and Energy as a result of the Administrative Arrangements Orders issued on 19 July 2016 and 1 September 2016</li> <li>• Sub-program 2.6: Northern Australia Development – this sub-program is designed to drive economic growth and investment in northern Australia.</li> </ul>	
<p><b>Delivery</b></p>	<ul style="list-style-type: none"> <li>• Work with industry to support businesses to build the capability (including digital) necessary to achieve profitable and sustainable futures</li> <li>• Encourage innovation and investment in growth sectors to underpin industry transformation</li> <li>• Support economic development in northern Australia</li> <li>• Work collaboratively across government to open up resources and other export markets</li> <li>• Work nationally and internationally to attract private sector investment.</li> </ul>
<p><b>Performance information</b></p>	
<p><b>Intended results</b></p>	<p><b>Performance criteria</b></p>
<p>Growth in new private sector investment</p>	<ul style="list-style-type: none"> <li>• Annual private business investment growth</li> </ul>
<p>Increased foreign direct investment in Australia</p>	<ul style="list-style-type: none"> <li>• Foreign direct investment as a share of annual GDP</li> </ul>
<p>Improvement in Australia's ranking in international performance indices</p>	<ul style="list-style-type: none"> <li>• Australia's ranking in World Bank ease of doing business index</li> <li>• Australia's ranking in Global Innovation Index</li> <li>• Australia's ranking in the Global Entrepreneurship Monitor indicator of total early-stage entrepreneurship activity (TEA)</li> </ul>



<b>Sub-program 2.1: Competitive marketplace</b>						
<ul style="list-style-type: none"> <li>Improved market competitiveness.</li> </ul>						
<b>Contributing components</b>	<b>Performance criteria</b>	<b>2016-17 targets</b>	<b>2017-18 targets</b>	<b>2018-19 targets</b>	<b>2019-20 targets</b>	<b>2020-21 targets</b>
Certain Inputs to Manufacture (CIM); Enhanced Project By law Scheme (EPBS) (a)	Number of new duty registrations	4	4	4	4	4
	Total value of duty concessions to eligible firms (\$'000)	58,300	7,140	4,000	4,000	4,000
Textile Clothing and Footwear— Register of Approved Occupational Clothing	Proportion of registrations within 30 Days of complete information being provided (%)	90	90	90	90	90
Tradex	Number of active Tradex Order users	605	590	580	560	560
	Total value of duty and/or tax concessions to eligible firms (\$'000)	200,000	155,000	135,000	133,000	133,000
Support for Industry Service Organisations	Australian memberships of key international standardisation and accreditation bodies are maintained					
<b>Sub-program 2.2: Business and market development</b>						
<ul style="list-style-type: none"> <li>Improved business management and capability</li> <li>Increased innovation and investment in growth sectors</li> <li>Development of new markets.</li> </ul>						
<b>Contributing components</b>	<b>Performance criteria</b>	<b>2016-17 targets</b>	<b>2017-18 targets</b>	<b>2018-19 targets</b>	<b>2019-20 targets</b>	<b>2020-21 targets</b>
Asialink Business	Number of courses run on Asia CapabilityDevelopment	5	5	5	5	5
	Number of events held promoting and building Asia capabilities	50	50	50	50	50
Entrepreneurs' Programme	Number of services provided to strengthen business management and networks, develop start-up capabilities, enhance research collaborations, and facilitate commercialisation of novel products, processes and services	6,512	6,932	6,932	6,832	6,832
Industry Growth Centres Initiative	Established Growth Centres are delivering against the Initiative's objectives through implementation of Sector Competitiveness Plans including activities to: <ul style="list-style-type: none"> <li>identify and pursue opportunities for regulatory reform including improving industry standards</li> <li>increase collaboration between business and researchers</li> <li>increase business engagement with supply chains and international markets</li> <li>identify sector skills needs and improve management and workforce skills.</li> </ul>					

(a) EPBS was closed to new applications in May 2016 and the duty forgone benefits to remaining firms under the EPBS will cease in 2017-18. Targets continue into the forward estimates as CIM is a continuing program.

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<b>Sub-program 2.3: Economic transition</b>						
<ul style="list-style-type: none"> <li>Increased capital and innovation investment</li> <li>Increased job opportunities.</li> </ul>						
<b>Contributing components</b>	<b>Performance criteria (a)</b>	<b>2016-17 targets</b>	<b>2017-18 targets</b>	<b>2018-19 targets</b>	<b>2019-20 targets</b>	<b>2020-21 targets</b>
Advanced Manufacturing Growth Fund	<i>Induced private sector investment in new or expanded business activity (\$'000)</i>	-	37,800	69,600	28,500	-
Automotive Diversification Programme	Induced private sector investment in new or expanded activity by the Australian automotive supply chain (\$'000)	31,600	5,200	-	-	-
Automotive Transformation Scheme	Total value of plant and equipment and innovation investment by Australian automotive industry induced by the Automotive Transformation Scheme (\$'000)	469,927	522,378	505,745	490,621	222,674
Next Generation Manufacturing Investment Programme	Induced private sector investment in new or expanded activity (\$'000)	36,800	50,400	17,200	2,200	-
Tasmanian Jobs and Investment Fund	Induced private sector investment in new or expanded activity (\$'000)	25,186	11,000	-	-	-
Toyota Major Facelift Vehicle Grant; Toyota Supplier Development Program Grant	Total amount of investment by Toyota induced by the grants (\$'000)	2,000	2,530	-	-	-

(a) New or modified performance criteria that reflect materially changed programs are shown in *italics*.

<b>Sub-program 2.4: Resources</b>						
<ul style="list-style-type: none"> <li>• Sustainable development of the resources sector</li> <li>• Increased private investment</li> <li>• Uptake of innovative technologies.</li> </ul>						
<b>Contributing components</b>	<b>Performance criteria (a)</b>	<b>2016-17 targets</b>	<b>2017-18 targets</b>	<b>2018-19 targets</b>	<b>2019-20 targets</b>	<b>2020-21 targets</b>
Carbon Capture and Storage Flagships	Number of companies supported for the development of Carbon Capture and Storage	11	9	8	-	-
Coal Mining Abatement Technology Support Package	Number of co-funded projects developing and demonstrating technologies funded	4	1	-	-	-
<i>Offshore Minerals Act 1994</i>	Percentage of Offshore Minerals Act 1994 fees received paid to states/ Northern Territory for administration (%)	100	100	100	100	100
Maralinga Maintenance	Effective management of Maralinga section 400 in line with obligations under the 2009 Handback Deed					
National Offshore Petroleum Titles Administrator	Titles administration is effective and delivered on a full cost recovery basis, in accordance with regulatory requirements					
NT Uranium Royalty (Ranger Project Area) Administration (including SPP)	Efficient and effective biannual collection, payment and reconciliation of uranium royalties					
Petroleum Royalties Administration	Timely and accurate delivery of audit and monthly administration and verification of petroleum royalties					
Royalty Payments WA – Offshore Petroleum and Greenhouse Gas Storage Act 2006 (SPP)	Timely and accurate calculation, verification and advice to the Commonwealth Treasury of the amount payable to Western Australia					
Radioactive Waste Management	Effective delivery of activities supporting the government's radioactive waste management strategy					
Rum Jungle Mine Site – Environmental Rehabilitation Project (SPP)	Effective delivery of scheduled activities for the Rum Jungle Mine Site Rehabilitation Project					
Supporting the Development of New Onshore Gas Supply	<i>Effective delivery of the Commonwealth support to states and territories through COAG Energy Council to improve onshore gas supply</i>					

(a) New or modified performance criteria that reflect materially changed programs are shown in *italics*.

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<b>Sub-program 2.5: Energy</b>						
Responsibility for energy programs under this sub-program has been transferred to the Department of the Environment and Energy as a result of the Administrative Arrangements Orders issued on 19 July 2016 and 1 September 2016.						
<b>Sub-program 2.6: Northern Australia Development</b>						
<ul style="list-style-type: none"> <li>Increased economic growth and investment in northern Australia.</li> </ul>						
<b>Contributing components</b>	<b>Performance criteria</b>	<b>2016-17 targets</b>	<b>2017-18 targets</b>	<b>2018-19 targets</b>	<b>2019-20 targets</b>	<b>2020-21 targets</b>
Northern Australia Infrastructure Facility (NAIF)	The Northern Australia Infrastructure Facility (NAIF) was established as a Corporate Commonwealth Entity on 1 July 2016. Refer to the NAIF's Budget Statement for information about the facility's performance criteria and targets					
<b>Purposes</b>	Purpose 2: Growing Business Investment and Improving Business Capability – Building a diversified, flexible, resilient and dynamic economic base that can identify and adapt to new markets and emerging opportunities.					
<b>Material changes to Program 2 resulting from the following measures:</b>						
<ul style="list-style-type: none"> <li>Advanced Manufacturing Fund</li> <li>Energy for the Future- gas supply and affordability</li> </ul>						

<p><b>Program 3: Program Support</b></p> <p>The objectives of Program 3 are to make it easier for business to interact with government and reduce the cost of doing business in Australia, and provide effective and efficient administrative services and support to the department, government, industry and other stakeholders. It will facilitate competition and innovation, boost productivity and enhance Australia's international competitiveness by reducing the burden on industry of inefficient regulation and improving the delivery of our programs and services.</p> <p>The components of Program 3 are grouped under the following sub-programs:</p> <ul style="list-style-type: none"> <li>• Sub-program 3.1: Simplifying doing business – this sub-program aims to facilitate competition and innovation by making it easier for business to interact with government and reducing the cost of doing business in Australia. It is achieved through: <ul style="list-style-type: none"> <li>○ Regulatory reform and functions – the department will reduce the burden on industry of inefficient regulation by the implementation of regulatory reform across all levels of government, ensuring that the regulatory environment strikes the right balance between efficient markets and community expectations</li> <li>○ Better services and information for business – the department will improve the delivery of our services and programs by streamlining and simplifying business services and programs, as well as providing information to assist businesses to grow and improving the ways in which it is delivered.</li> </ul> </li> <li>• Sub-program 3.2: Building a high performance organisation – this sub-program aims to provide effective and efficient operational and administrative support and specific services to the department, government, industry and other stakeholders.</li> </ul>	
<p><b>Delivery</b></p>	<ul style="list-style-type: none"> <li>• Make it simpler for businesses to find, understand and access government services to help them start, run, grow and leave their businesses</li> <li>• Personalise and streamline business dealings with government</li> <li>• Be an exemplar of innovation, embracing digital solutions to improve the efficiency and business experience of our program delivery function</li> <li>• Develop new ways to provide information and services to businesses to help them better understand business opportunities and challenges</li> <li>• Drive better connections between business programs to build impact and scale</li> <li>• Contribute to economy-wide regulatory reforms that reduce business costs</li> <li>• Take opportunities to use regulation as a selling point for Australia, its products and services</li> <li>• Create a conducive operating environment for competitive Australian businesses</li> <li>• Contribute to the Government's Shared and Common Services Programme and Streamlining Grants Administration Programme to increase the effectiveness and efficiency of services within government</li> <li>• Foster a strong and collaborative development culture that builds employee capabilities and creates career opportunities</li> <li>• Improve the delivery of internal enabling and support services through regularly reviewing key processes to: remove internal red tape, optimise the use of digital technologies and increase efficiency</li> <li>• Become an agency of choice for new and existing employees.</li> </ul>

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Performance information						
Intended results		Performance criteria				
The quality of regulation (measured via domestic and international reviews)		<ul style="list-style-type: none"> <li>Australia's ranking by the OECD product market regulation index</li> </ul>				
Business and government satisfaction with delivery of regulation reform		<ul style="list-style-type: none"> <li>Portfolio net regulatory reduction for business</li> </ul>				
The ease of doing business in Australia		<ul style="list-style-type: none"> <li>Australia's ranking by the World Bank ease of doing business index</li> </ul>				
<b>Sub-program 3.1: Simplifying doing business</b> <ul style="list-style-type: none"> <li>Reduced burden on industry of inefficient regulation</li> <li>Regulation administered fairly, effectively and efficiently</li> <li>Improved access for business to Government services and information</li> <li>Streamlined and integrated program delivery.</li> </ul>						
Contributing components	Performance criteria (a)	2016-17 targets	2017-18 targets	2018-19 targets	2019-20 targets	2020-21 targets
Regulatory policy advice	Provision of high-quality, timely and strategic industry policy advice to support the Government's deregulation agenda					
Portfolio Regulatory Reform	Successful implementation of Portfolio Regulatory Reform					
National Business Simplification Initiative	<i>Working effectively with other portfolios and with state and territory governments to help simplify the process of operating a business in Australia and improve business regulation and services</i>					
<b>Sub-program 3.2: Building a high performance organisation</b> <ul style="list-style-type: none"> <li>Effective and efficient provision of general operational and administrative support</li> <li>Effective and efficient provision of specific services.</li> </ul>						
Contributing components	Performance criteria	2016-17 targets	2017-18 targets	2018-19 targets	2019-20 targets	2020-21 targets
Corporate, financial, digital and analytical services	Effective and efficient provision of corporate, financial, digital and analytical services					
<b>Purposes</b>	Purpose 1: Supporting Science and Commercialisation – Facilitating the development and uptake of new ideas and technology and translating them into commercial activity. Purpose 2: Growing Business Investment and Improving Business Capability – Building a diversified, flexible, resilient and dynamic economic base that can identify and adapt to new markets and emerging opportunities. Purpose 3: Simplifying Doing Business – Facilitating competition and innovation by making it easier for businesses to interact with government and reducing the cost of doing business.					
<b>Material changes to Program 3 resulting from the following measures:</b> <ul style="list-style-type: none"> <li>National Business Simplification Initiative - connecting Government digital business services</li> </ul>						

(a) New or modified performance criteria that reflect materially changed programs are shown in *italics*.

## Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2017-18 budget year, including the impact of budget measures and resourcing on financial statements.

### **3.1 BUDGETED FINANCIAL STATEMENTS**

#### **3.1.1 Differences between entity resourcing and financial statements**

There are no material differences between the entity resources table and the financial statements.

#### **3.1.2 Explanatory notes and analysis of budgeted financial statements**

##### **Departmental Financial Statements**

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

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

The budgeted net cost of services to the department for delivering its programs in 2017-18 is \$419.8 million.

##### **Expenses**

Total departmental expenses budgeted for 2017-18 are \$506.1 million, comprising \$279.9 million for employee expenses, \$182.2 million for suppliers, \$43.0 million for depreciation and amortisation and \$1.1 million for other expenses.

##### **Income**

Total departmental own-source income budgeted for in 2017-18 is \$86.4 million, comprising \$78.6 million from sale of goods and rendering of services, \$7.0 million from other independent sources and \$0.7 million in resources received free of charge.

Revenue from Government for 2017-18 is budgeted at \$376.4 million.

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

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

### **Assets**

Total departmental assets budgeted for 2017-18 are \$389.7 million, comprising \$255.1 million in non-financial assets and \$134.6 million in financial assets.

Non-financial assets include \$126.9 million for land and buildings, \$57.4 million for property, plant and equipment, \$60.0 million for intangibles, \$2.5 million for inventories and \$8.3 million in other assets. Financial assets consist of \$127.9 million for receivables, \$4.7 million for cash, and \$2.0 million in other assets.

### **Liabilities**

Total departmental liabilities budgeted for in 2017-18 are \$186.7 million, comprising \$109.0 million in provisions and \$77.7 million in payables.

### **Statement of Changes in Equity – Summary of movement**

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

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

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

### **Administered Financial Statements**

#### **Schedule of Budgeted Income and Expenses**

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

#### **Income**

Total administered income budgeted for in 2017-18 is \$1.0 billion, represented by \$901.1 million in royalties, \$30.3 million in interest, \$12.2 million in unwind concessional loan discounts, \$16.1 million in fees and \$50.1 million in other revenue.

#### **Expenses**

Total administered expenses budgeted for in 2017-18 are \$2.0 billion, represented by \$1.0 billion in payments to corporate Commonwealth entities, \$510.2 million in grants, \$213.5 million in concessional loan discounts, \$110.4 million in subsidies, \$92.1 million in suppliers and depreciation and \$6.8 million in employee benefits.



**Schedule of Budgeted Assets and Liabilities**

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

**Assets**

Total administered assets budgeted for in 2017-18 are \$4.1 billion, represented by \$3.6 billion in investments, \$497.4 million in cash and receivables, \$82.6 million in other financial assets and \$6.2 million in non-financial assets.

**Liabilities**

Total administered liabilities budgeted for in 2017-18 are \$68.7 million, represented by \$67.2 million in payables and \$1.5 million in provisions.

**Schedule of Budgeted Administered Cash Flows**

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

### 3.2. BUDGETED FINANCIAL STATEMENTS TABLES

**Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>EXPENSES</b>					
Employee benefits	306,114	279,880	273,729	266,442	282,406
Suppliers	153,623	182,188	158,202	151,537	126,669
Grants	1,401	329	210	210	-
Depreciation and amortisation	43,486	43,009	43,027	43,026	43,026
Write-down and impairment of assets	600	-	-	-	-
Other expenses	728	728	728	728	728
<b>Total expenses</b>	<b>505,952</b>	<b>506,134</b>	<b>475,896</b>	<b>461,943</b>	<b>452,829</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Sale of goods and rendering of services	78,768	78,632	67,151	61,006	61,467
Other	7,823	7,020	6,752	5,057	5,043
<b>Total own-source revenue</b>	<b>86,591</b>	<b>85,652</b>	<b>73,903</b>	<b>66,063</b>	<b>66,510</b>
<b>Gains</b>					
Other	728	728	728	728	728
<b>Total gains</b>	<b>728</b>	<b>728</b>	<b>728</b>	<b>728</b>	<b>728</b>
<b>Total own-source income</b>	<b>87,319</b>	<b>86,380</b>	<b>74,631</b>	<b>66,791</b>	<b>67,238</b>
<b>Net (cost of)/contribution by services</b>	<b>(418,633)</b>	<b>(419,754)</b>	<b>(401,265)</b>	<b>(395,152)</b>	<b>(385,591)</b>
Revenue from Government	365,838	376,445	357,987	351,126	342,565
<b>Surplus/(deficit) attributable to the Australian Government</b>	<b>(52,795)</b>	<b>(43,309)</b>	<b>(43,278)</b>	<b>(44,026)</b>	<b>(43,026)</b>
<b>Total comprehensive income/(loss)</b>	<b>(52,795)</b>	<b>(43,309)</b>	<b>(43,278)</b>	<b>(44,026)</b>	<b>(43,026)</b>
<b>Total comprehensive income/(loss) attributable to the Australian Government</b>	<b>(52,795)</b>	<b>(43,309)</b>	<b>(43,278)</b>	<b>(44,026)</b>	<b>(43,026)</b>

**Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June (continued)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations</b>	<b>(9,309)</b>	<b>(300)</b>	<b>(251)</b>	<b>(1,000)</b>	<b>-</b>
less depreciation/amortisation expenses previously funded through revenue appropriations	(43,486)	(43,009)	(43,027)	(43,026)	(43,026)
<b>Total comprehensive income/(loss) - as per the statement of comprehensive income</b>	<b>(52,795)</b>	<b>(43,309)</b>	<b>(43,278)</b>	<b>(44,026)</b>	<b>(43,026)</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2: Budgeted departmental balance sheet (as at 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	5,495	4,730	4,472	3,474	3,476
Trade and other receivables	129,261	127,928	127,926	127,924	127,922
Other financial assets	1,975	1,968	1,968	1,968	1,968
<b>Total financial assets</b>	<b>136,731</b>	<b>134,626</b>	<b>134,366</b>	<b>133,366</b>	<b>133,366</b>
<b>Non-financial assets</b>					
Land and buildings	128,997	126,912	122,611	120,808	114,236
Property, plant and equipment	68,597	57,399	48,551	37,209	26,221
Intangibles	51,074	60,027	58,360	55,033	56,452
Inventories	2,468	2,468	2,468	2,468	2,468
Other non-financial assets	8,293	8,287	8,287	8,287	8,287
<b>Total non-financial assets</b>	<b>259,429</b>	<b>255,093</b>	<b>240,277</b>	<b>223,805</b>	<b>207,664</b>
<b>Total assets</b>	<b>396,160</b>	<b>389,719</b>	<b>374,643</b>	<b>357,171</b>	<b>341,030</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	43,461	43,461	43,461	43,461	43,461
Grants	1,177	1,177	1,177	1,177	1,177
Other payables	33,110	33,110	33,110	33,110	33,110
<b>Total payables</b>	<b>77,748</b>	<b>77,748</b>	<b>77,748</b>	<b>77,748</b>	<b>77,748</b>
<b>Provisions</b>					
Employee provisions	87,951	88,065	88,065	88,065	88,065
Other provisions	20,925	20,925	20,925	20,925	20,925
<b>Total provisions</b>	<b>108,876</b>	<b>108,990</b>	<b>108,990</b>	<b>108,990</b>	<b>108,990</b>
<b>Total liabilities</b>	<b>186,624</b>	<b>186,738</b>	<b>186,738</b>	<b>186,738</b>	<b>186,738</b>
<b>Net assets</b>	<b>209,536</b>	<b>202,981</b>	<b>187,905</b>	<b>170,433</b>	<b>154,292</b>
<b>EQUITY*</b>					
Contributed equity	471,134	507,888	536,090	562,644	589,529
Reserves	11,245	11,245	11,245	11,245	11,245
Retained surplus (accumulated deficit)	(272,843)	(316,152)	(359,430)	(403,456)	(446,482)
<b>Total equity</b>	<b>209,536</b>	<b>202,981</b>	<b>187,905</b>	<b>170,433</b>	<b>154,292</b>

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

**Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2017-18)**

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2017</b>				
Balance carried forward from previous period	(272,843)	11,245	471,134	209,536
<b>Adjusted opening balance</b>	<b>(272,843)</b>	<b>11,245</b>	<b>471,134</b>	<b>209,536</b>
<b>Comprehensive income</b>				
Surplus/(deficit) for the period	(43,309)	-	-	(43,309)
<b>Total comprehensive loss</b>	<b>(43,309)</b>	<b>-</b>	<b>-</b>	<b>(43,309)</b>
of which:				
Attributable to the Australian Government	(43,309)	-	-	(43,309)
<b>Transactions with owners</b>				
<b>Contributions by owners</b>				
Equity injection	-	-	11,520	11,520
Departmental capital budget (DCB)	-	-	25,234	25,234
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>36,754</b>	<b>36,754</b>
<b>Estimated closing balance as at 30 June 2018</b>	<b>(316,152)</b>	<b>11,245</b>	<b>507,888</b>	<b>202,981</b>
<b>Closing balance attributable to the Australian Government</b>	<b>(316,152)</b>	<b>11,245</b>	<b>507,888</b>	<b>202,981</b>

Prepared on Australian Accounting Standards basis.

**Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	390,673	377,778	357,989	351,128	342,567
Sale of goods and rendering of services	78,768	78,632	67,151	61,006	61,467
Net GST received	17,376	15,516	15,996	16,455	19,253
Other	8,034	7,027	6,752	5,057	5,043
<b>Total cash received</b>	<b>494,851</b>	<b>478,953</b>	<b>447,888</b>	<b>433,646</b>	<b>428,330</b>
<b>Cash used</b>					
Employees	317,026	279,766	273,729	266,442	282,406
Suppliers	153,218	181,454	157,474	150,809	125,941
Grants	1,401	329	210	210	-
Net GST paid	17,376	15,516	15,996	16,455	19,253
Other	215	728	728	728	728
<b>Total cash used</b>	<b>489,236</b>	<b>477,793</b>	<b>448,137</b>	<b>434,644</b>	<b>428,328</b>
<b>Net cash from/(used by) operating activities</b>	<b>5,615</b>	<b>1,160</b>	<b>(249)</b>	<b>(998)</b>	<b>2</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment and intangibles	40,274	38,679	28,211	26,554	26,885
<b>Total cash used</b>	<b>40,274</b>	<b>38,679</b>	<b>28,211</b>	<b>26,554</b>	<b>26,885</b>
<b>Net cash from/(used by) investing activities</b>	<b>(40,274)</b>	<b>(38,679)</b>	<b>(28,211)</b>	<b>(26,554)</b>	<b>(26,885)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity	33,768	36,754	28,202	26,554	26,885
<b>Total cash received</b>	<b>33,768</b>	<b>36,754</b>	<b>28,202</b>	<b>26,554</b>	<b>26,885</b>
<b>Net cash from/(used by) financing activities</b>	<b>33,768</b>	<b>36,754</b>	<b>28,202</b>	<b>26,554</b>	<b>26,885</b>
<b>Net increase/(decrease) in cash held</b>	<b>(891)</b>	<b>(765)</b>	<b>(258)</b>	<b>(998)</b>	<b>2</b>
Cash and cash equivalents at the beginning of the reporting period	6,386	5,495	4,730	4,472	3,474
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>5,495</b>	<b>4,730</b>	<b>4,472</b>	<b>3,474</b>	<b>3,476</b>

Prepared on Australian Accounting Standards basis.

**Table 3.5: Departmental capital budget statement (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>NEW CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 (DCB)	28,888	25,234	25,149	25,217	25,541
Equity injections - Bill 2	4,880	11,520	3,053	1,337	1,344
<b>Total new capital appropriations</b>	<b>33,768</b>	<b>36,754</b>	<b>28,202</b>	<b>26,554</b>	<b>26,885</b>
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	<i>33,768</i>	<i>36,754</i>	<i>28,202</i>	<i>26,554</i>	<i>26,885</i>
<b>Total items</b>	<b>33,768</b>	<b>36,754</b>	<b>28,202</b>	<b>26,554</b>	<b>26,885</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations (a)	7,629	13,445	3,053	1,337	1,344
Funded by capital appropriation - DCB (b)	29,941	25,234	25,149	25,217	25,541
Funded internally from departmental resources (c)	2,804	-	9	-	-
<b>TOTAL</b>	<b>40,374</b>	<b>38,679</b>	<b>28,211</b>	<b>26,554</b>	<b>26,885</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	40,374	38,679	28,211	26,554	26,885
<b>Total cash used to acquire assets</b>	<b>40,374</b>	<b>38,679</b>	<b>28,211</b>	<b>26,554</b>	<b>26,885</b>

(a) Includes both current Bill 2 and prior Act 2/4/6 appropriations and special capital appropriations.

(b) Does not include annual finance lease costs. Includes purchases from current and previous years' Departmental Capital Budgets (DCBs).

(c) Includes the following sources of funding:

- current Bill 1 and prior year Act 1/3/5 appropriations (excluding amounts from the DCB);
- internally developed assets; and
- s74 Retained revenue receipts.

Prepared on Australian Accounting Standards basis.

**Table 3.6: Statement of asset movements (Budget year 2017-18)**

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
<b>As at 1 July 2017</b>				
Gross book value	152,186	115,483	115,222	382,891
Accumulated depreciation/ amortisation and impairment	(23,189)	(46,886)	(64,148)	(134,223)
<b>Opening net book balance</b>	<b>128,997</b>	<b>68,597</b>	<b>51,074</b>	<b>248,668</b>
<b>Capital asset additions</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - appropriation ordinary annual services (a)	9,365	10,761	18,553	38,679
<b>Total additions</b>	<b>9,365</b>	<b>10,761</b>	<b>18,553</b>	<b>38,679</b>
<b>Other movements</b>				
Depreciation/amortisation expense	(11,450)	(21,959)	(9,600)	(43,009)
<b>Total other movements</b>	<b>(11,450)</b>	<b>(21,959)</b>	<b>(9,600)</b>	<b>(43,009)</b>
<b>As at 30 June 2018</b>				
Gross book value	161,551	126,244	133,775	421,570
Accumulated depreciation/ amortisation and impairment	(34,639)	(68,845)	(73,748)	(177,232)
<b>Closing net book balance</b>	<b>126,912</b>	<b>57,399</b>	<b>60,027</b>	<b>244,338</b>

(a) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No.1) 2016-17 for depreciation/amortisation expenses, DCBs or other operational expenses. Prepared on Australian Accounting Standards basis.



**Table 3.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>EXPENSES</b>					
Employee benefits	6,778	6,828	6,878	6,878	6,878
Suppliers	82,151	91,102	101,433	90,695	90,625
Fees	40	40	40	40	40
Subsidies	174,620	110,364	64,449	61,116	31,590
Grants	553,279	510,189	462,826	426,691	407,304
Depreciation and amortisation	1,032	1,032	1,032	1,032	1,032
Payments to corporate entities	1,020,264	1,042,088	1,088,180	1,101,368	1,104,163
Concessional loan discount	-	213,495	461,025	510,531	460,251
<b>Total expenses administered on behalf of Government</b>	<b>1,838,164</b>	<b>1,975,138</b>	<b>2,185,863</b>	<b>2,198,351</b>	<b>2,101,883</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
<b>Taxation revenue</b>					
Indirect tax	800	750	550	550	550
<b>Total taxation revenue</b>	<b>800</b>	<b>750</b>	<b>550</b>	<b>550</b>	<b>550</b>
<b>Non-taxation revenue</b>					
Fees from regulatory services	16,080	16,080	16,080	16,080	16,080
Fees	533	-	-	-	-
Interest	2,941	30,313	89,341	153,846	210,803
Royalties	931,082	901,101	818,307	817,799	783,308
Other non-taxation revenue	77,704	49,379	48,811	48,830	48,844
Unwind concessional loan discount	5,665	12,241	26,296	42,274	57,303
<b>Total non-taxation revenue</b>	<b>1,034,005</b>	<b>1,009,114</b>	<b>998,835</b>	<b>1,078,829</b>	<b>1,116,338</b>
<b>Total own-source revenue administered on behalf of Government</b>	<b>1,034,805</b>	<b>1,009,864</b>	<b>999,385</b>	<b>1,079,379</b>	<b>1,116,888</b>
<b>Total own-sourced income administered on behalf of Government</b>	<b>1,034,805</b>	<b>1,009,864</b>	<b>999,385</b>	<b>1,079,379</b>	<b>1,116,888</b>
<b>Net (cost of)/contribution by services</b>	<b>(803,359)</b>	<b>(965,274)</b>	<b>(1,186,478)</b>	<b>(1,118,972)</b>	<b>(984,995)</b>
<b>Total comprehensive income/(loss)</b>	<b>(803,359)</b>	<b>(965,274)</b>	<b>(1,186,478)</b>	<b>(1,118,972)</b>	<b>(984,995)</b>

Prepared on Australian Accounting Standards basis.

**Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	78,306	45,668	42,725	42,937	43,249
Trade and other receivables	111,750	451,688	1,179,794	1,981,170	2,697,551
Other investments	3,632,547	3,558,727	3,503,742	3,430,630	3,357,423
Accrued revenue	86,313	82,610	75,210	75,056	71,651
<b>Total financial assets</b>	<b>3,908,916</b>	<b>4,138,693</b>	<b>4,801,471</b>	<b>5,529,793</b>	<b>6,169,874</b>
<b>Non-financial assets</b>					
Leasehold improvements	259	287	315	343	371
Property, plant and equipment	292	260	228	196	164
Intangibles	5,143	5,615	6,087	6,559	7,031
<b>Total non-financial assets</b>	<b>5,694</b>	<b>6,162</b>	<b>6,630</b>	<b>7,098</b>	<b>7,566</b>
<b>Total assets administered on behalf of Government</b>	<b>3,914,610</b>	<b>4,144,855</b>	<b>4,808,101</b>	<b>5,536,891</b>	<b>6,177,440</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	11,296	11,296	11,296	11,296	11,296
Subsidies	39,224	18,269	14,623	15,875	-
Grants	37,613	37,613	37,613	37,613	37,613
<b>Total payables</b>	<b>88,133</b>	<b>67,178</b>	<b>63,532</b>	<b>64,784</b>	<b>48,909</b>
<b>Provisions</b>					
Employee provisions	1,519	1,519	1,519	1,519	1,519
<b>Total provisions</b>	<b>1,519</b>	<b>1,519</b>	<b>1,519</b>	<b>1,519</b>	<b>1,519</b>
<b>Total liabilities administered on behalf of Government</b>	<b>89,652</b>	<b>68,697</b>	<b>65,051</b>	<b>66,303</b>	<b>50,428</b>
<b>Net assets/(liabilities)</b>	<b>3,824,958</b>	<b>4,076,158</b>	<b>4,743,050</b>	<b>5,470,588</b>	<b>6,127,012</b>

Prepared on Australian Accounting Standards basis.

**Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Interest	2,361	991	793	594	396
Fees	16,613	16,080	16,080	16,080	16,080
Royalties	918,045	904,804	825,707	817,952	786,713
Net GST received	62,155	54,478	47,562	45,413	45,404
Other	49,548	42,578	13,433	13,485	13,547
Levy receipts	35,256	32,273	37,691	37,696	37,696
<b>Total cash received</b>	<b>1,083,978</b>	<b>1,051,204</b>	<b>941,266</b>	<b>931,220</b>	<b>899,836</b>
<b>Cash used</b>					
Grants	586,486	510,229	462,866	426,731	407,344
Subsidies paid	190,193	131,318	68,095	59,864	47,465
Suppliers	92,965	91,102	101,433	90,695	90,625
Employees	6,778	6,828	6,878	6,878	6,878
Net GST paid	62,155	54,478	47,562	45,413	45,404
Payments to corporate entities	1,020,264	1,042,088	1,088,180	1,101,368	1,104,163
<b>Total cash used</b>	<b>1,958,841</b>	<b>1,836,043</b>	<b>1,775,014</b>	<b>1,730,949</b>	<b>1,701,879</b>
<b>Net cash from/(used by) operating activities</b>	<b>(874,863)</b>	<b>(784,839)</b>	<b>(833,748)</b>	<b>(799,729)</b>	<b>(802,043)</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Repayments of advances and loans	5,000	38,408	115,950	201,818	279,229
<b>Total cash received</b>	<b>5,000</b>	<b>38,408</b>	<b>115,950</b>	<b>201,818</b>	<b>279,229</b>

**Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June) (continued)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>Cash used</b>					
Advances and loans made	-	552,000	1,192,000	1,320,000	1,190,000
Investments	58,127	10,200	6,240	6,240	6,240
Purchase of property, plant and equipment and intangibles	1,500	1,500	1,500	1,500	1,500
Corporate entity investments	38,841	32,637	38,611	10,000	10,000
<b>Total cash used</b>	<b>98,468</b>	<b>596,337</b>	<b>1,238,351</b>	<b>1,337,740</b>	<b>1,207,740</b>
<b>Net cash from/(used by) investing activities</b>	<b>(93,468)</b>	<b>(557,929)</b>	<b>(1,122,401)</b>	<b>(1,135,922)</b>	<b>(928,511)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash from Official Public Account</b>					
Appropriations	1,699,230	2,247,347	2,892,029	2,991,168	2,832,207
Appropriations - administered assets and liabilities	58,127	10,200	6,240	6,240	6,240
Equity appropriation - corporate entities	38,841	32,637	38,611	10,000	10,000
Special accounts	194,456	64,718	28,923	15,868	15,768
GST appropriations	62,155	54,478	47,562	45,413	45,404
<b>Total cash received</b>	<b>2,052,809</b>	<b>2,409,380</b>	<b>3,013,365</b>	<b>3,068,689</b>	<b>2,909,619</b>
<b>Cash to Official Public Account</b>					
Appropriations	(922,933)	(978,332)	(981,911)	(1,069,744)	(1,115,732)
Special accounts	(99,390)	(33,802)	(27,743)	(17,881)	(17,929)
GST appropriations	(62,155)	(54,478)	(47,562)	(45,413)	(45,404)
<b>Total cash used</b>	<b>(1,084,478)</b>	<b>(1,066,612)</b>	<b>(1,057,216)</b>	<b>(1,133,038)</b>	<b>(1,179,065)</b>
<b>Net cash from/(used by) financing activities</b>	<b>968,331</b>	<b>1,342,768</b>	<b>1,956,149</b>	<b>1,935,651</b>	<b>1,730,554</b>
<b>Net increase/(decrease) in cash held</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at beginning of reporting period	104,917	104,917	104,917	104,917	104,917
<b>Cash and cash equivalents at end of reporting period</b>	<b>104,917</b>	<b>104,917</b>	<b>104,917</b>	<b>104,917</b>	<b>104,917</b>

Prepared on Australian Accounting Standards basis.

**Table 3.10: Administered capital budget statement (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>NEW CAPITAL APPROPRIATIONS</b>					
Administered Assets and Liabilities - Bill 2	28,938	8,000	5,000	5,000	5,000
<b>Total new capital appropriations</b>	<b>28,938</b>	<b>8,000</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>
<i>Provided for:</i>					
Other Items	28,938	8,000	5,000	5,000	5,000
<b>Total items</b>	<b>28,938</b>	<b>8,000</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>

Prepared on Australian Accounting Standards basis.

**Table 3.11: Statement of administered asset movements (Budget year 2017-18)**

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
<b>As at 1 July 2017</b>				
Gross book value	399	564	10,976	11,939
Accumulated depreciation/amortisation and impairment	(140)	(272)	(5,833)	(6,245)
<b>Opening net book balance</b>	<b>259</b>	<b>292</b>	<b>5,143</b>	<b>5,694</b>
<b>CAPITAL ASSET ADDITIONS</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - other	100	100	1,300	1,500
<b>Total additions</b>	<b>100</b>	<b>100</b>	<b>1,300</b>	<b>1,500</b>
<b>Other movements</b>				
Depreciation/amortisation expense	(72)	(132)	(828)	(1,032)
<b>Total other movements</b>	<b>(72)</b>	<b>(132)</b>	<b>(828)</b>	<b>(1,032)</b>
<b>As at 30 June 2018</b>				
Gross book value	499	664	12,276	13,439
Accumulated depreciation/amortisation and impairment	(212)	(404)	(6,661)	(7,277)
<b>Closing net book balance</b>	<b>287</b>	<b>260</b>	<b>5,615</b>	<b>6,162</b>

Prepared on Australian Accounting Standards basis.

# **AUSTRALIAN INSTITUTE OF MARINE SCIENCE**

## **ENTITY RESOURCES AND PLANNED PERFORMANCE**





# AUSTRALIAN INSTITUTE OF MARINE SCIENCE

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# AUSTRALIAN INSTITUTE OF MARINE SCIENCE

## Section 1: Entity overview and resources

### 1.1 STRATEGIC DIRECTION STATEMENT

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

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

AIMS achieves this by:

- Developing and participating in integrated observing systems and undertaking robust long-term monitoring of key components of Australia's tropical coastal and marine ecosystems
- Undertaking strategic and applied research into major gaps in our understanding of the impacts of natural and human pressures on these ecosystems
- Enabling effective environmental risk assessment by government and industry through developing decision tools that drive efficiency gains in evidence-based regulatory regimes and marine industry development
- Developing, deploying (and potentially marketing) innovative data and underwater sensing technologies
- Contributing to a growing body of publicly available data and information bases
- Engaging in national and international research collaborations, to leverage off investment, ensure uptake of research, and promote outcomes enhancing Australia's role in supporting regional blue economies
- Optimising the use of its world-class research infrastructure (vessels, aquaria, ocean monitoring equipment and laboratories) to support research conducted by AIMS and research collaborators.

This helps AIMS achieve its vision for Australia of:

- A healthy, resilient Great Barrier Reef
- Sustainable coastal ecosystems and industries across tropical Australia
- Environmentally sustainable offshore oil and gas development.

## *AIMS Budget Statements*

This vision is important to AIMS. As a marine nation, Australia derives significant cultural, environmental and economic benefits from our ocean and coastal territories. These ocean and coastal territories also define our relationships with other countries, playing an increasingly important role as Australia's 'window' on the rapidly growing Asian region.

Australia's marine industries were valued at around \$74 billion in 2013-14, making up 4.8 percent of Gross Domestic Product and directly and indirectly providing almost 400,000 jobs.

The industries that sit within the marine sector (fishing, offshore oil and gas exploration and extraction, boat and ship building, repair and maintenance services and infrastructure, marine tourism and recreational activities, and water transport) are growing at a rate close to double that of GDP and look set to easily pass \$100 billion in value by 2025.

With projected ongoing population increases along Australia's coastlines and an expansion in maritime trade, offshore oil and gas production and tourism, much of which is occurring in Australia's tropical north, AIMS-generated research and knowledge continues to provide critical strategic inputs to Government, industry and community decision makers.

AIMS 10-year strategic plan, released in 2015 and its 5-year Corporate Plan provided to Government in 2015 and updated annually, articulate the broad scale, multidisciplinary capability developed within AIMS and used to achieve AIMS' three high priority outcomes for Australia's tropical marine estate.

AIMS achieves its successes through a judicious use of its three main resources - its staff, its infrastructure and its culture. These come together to form the following utilising principles that guide AIMS' research, internal and external relationships and organisational ethos:

- Health, safety and environment: Leading the way in providing safe and low environmental impact marine research.
- Trusted adviser: Delivering independent, evidence-based scientific advice to our stakeholders for the economic, environmental and social good of Australia.
- Focused research: Executing focused plans aligned to national research priorities and with identified pathways to impact.
- Knowledge transfer: Documenting and widely disseminating findings through a variety of mechanisms and formats.
- Excellence and innovation: Undertaking high-calibre research and technology development.
- Return on investment: Maximising investment in marine science through collaborations, co-investment and industry-funded research.

## 1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to AIMS for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the entity's operations) classification.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome 1' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

**Table 1.1: AIMS resource statement — Budget estimates for 2017-18 as at Budget May 2017**

	<i>2016-17 Estimated actual \$'000</i>	<i>2017-18 estimate \$'000</i>
<b>Opening balance/cash reserves at 1 July (a)</b>	<b>36,438</b>	<b>35,504</b>
<b>Funds from Government</b>		
Annual appropriations - ordinary annual services (b)		
Outcome 1	41,552	41,916
Annual appropriations - other services (c)		
Equity injection	-	1,600
<i>Total annual appropriations</i>	<i>41,552</i>	<i>43,516</i>
<b>Total funds from Government</b>	<b>41,552</b>	<b>43,516</b>
<b>Funds from other sources</b>		
Interest	1,417	1,114
Sale of goods and services	19,365	19,838
Other	1,110	376
<b>Total funds from other sources</b>	<b>21,892</b>	<b>21,328</b>
<b>Total net resourcing for AIMS</b>	<b>99,882</b>	<b>100,348</b>
	<i>2016-17</i>	<i>2017-18</i>
<b>Average staffing level (number)</b>	<b>221</b>	<b>223</b>

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

All figures GST exclusive.

(a) Includes cash at bank and cash on deposit.

(b) Appropriation Bill (No. 1) 2017-18.

(c) Appropriation Bill (No. 2) 2017-18.

AIMS is not directly appropriated as it is a corporate Commonwealth entity. Appropriations are made to the Department of Industry, Innovation and Science, which are then paid to AIMS and are considered departmental for all purposes.

### 1.3 BUDGET MEASURES

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

**Table 1.2: AIMS 2017-18 Budget measures  
Part 1: Measures announced since the 2016-17 Mid-Year Economic and Fiscal Outlook (MYEFO)**

	Program	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
<b>Capital measures</b>						
Public Service Modernisation Fund - agency sustainability (a)	1					
Departmental capital		-	-	-	-	-
<b>Total</b>		-	-	-	-	-
<b>Total capital measures</b>						
Departmental		-	-	-	-	-
<b>Total</b>		-	-	-	-	-

Prepared on a Government Finance Statistics (fiscal) basis. Figures in brackets represent a decrease in funds.  
(a) This measure will provide \$1.6 million in 2017-18 and \$0.2 million in 2018-19. Funding for this measure has already been provided for by the Government. The full measure description and package details appear in Budget Paper No. 2 under Cross Portfolio.

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

AIMS does not have any other measures not previously reported in a portfolio statement; therefore no table is presented.

## Section 2: Outcomes and planned performance

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

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

**Note:**

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide an entity's complete performance story.

The most recent corporate plan for AIMS can be found at:  
[www.aims.gov.au/publications.html](http://www.aims.gov.au/publications.html).

The most recent annual performance statement can be found at:  
[www.aims.gov.au/docs/publications/annual-reports.html](http://www.aims.gov.au/docs/publications/annual-reports.html).

## 2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

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

### Linked programs

<b>Department of Industry, Innovation and Science</b>
<b>Programs</b>
<ul style="list-style-type: none"> <li>• Program 1: Supporting Science and Commercialisation</li> </ul>
<b>Contribution to Outcome 1 made by linked programs</b>
<p>The Department of Industry, Innovation and Science contributes to Outcome 1 through its policies and programs supporting science and commercialisation including the Australia-China Science and Research Fund, which facilitates an AIMS international collaboration (a).</p>
<b>Department of Education and Training</b>
<b>Programs</b>
<ul style="list-style-type: none"> <li>• Program 2.6: Research Capacity</li> </ul>
<b>Contribution to Outcome 1 made by linked programs</b>
<p>The Department of Education and Training contributes to Outcome 1 through its policies and programs to invest in Australia’s research capacity, including the National Collaborative Research Infrastructure Strategy.</p>
<b>Department of the Environment and Energy</b>
<b>Programs</b>
<ul style="list-style-type: none"> <li>• Program 1.1: Sustainable Management of Natural Resources and the Environment</li> </ul>
<b>Contribution to Outcome 1 made by linked programs</b>
<p>The Department of the Environment and Energy and AIMS work together on implementation of the Reef 2050 Plan to protect and conserve the Great Barrier Reef.</p>

(a) Sino-Australian Centre for Healthy Coasts (SACHC) Joint Research Centre.



**Budgeted expenses for Outcome 1**

This table shows how much AIMS intends to spend (on an accrual basis) on achieving the outcome, broken down by program.

**Table 2.1.1: Budgeted expenses for Outcome 1**

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

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>Program 1: Marine Research</b>					
Revenue from Government					
Ordinary annual services (Appropriation Bill No. 1)	41,552	41,916	44,305	44,800	45,297
Expenses not requiring appropriation in the budget year (a)	3,789	4,099	4,116	3,753	3,837
Revenues from industry sources	21,975	21,603	19,644	19,894	19,872
<b>Total expenses for Program 1</b>	<b>67,316</b>	<b>67,618</b>	<b>68,065</b>	<b>68,447</b>	<b>69,006</b>
<b>Outcome 1 totals by resource type</b>					
Revenue from Government					
Ordinary annual services (Appropriation Bill No. 1)	41,552	41,916	44,305	44,800	45,297
Expenses not requiring appropriation in the budget year (a)	3,789	4,099	4,116	3,753	3,837
Revenues from industry sources	21,975	21,603	19,644	19,894	19,872
<b>Total expenses for Outcome 1</b>	<b>67,316</b>	<b>67,618</b>	<b>68,065</b>	<b>68,447</b>	<b>69,006</b>
<b>Average staffing level (number)</b>					
	2016-17	2017-18			
	221	223			

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

**Table 2.1.2: Program components of Outcome 1**

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

**Table 2.1.3: Performance criteria for Outcome 1**

Table 2.1.3 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2017-18 Budget measures have created new programs or materially changed existing programs.

<b>Outcome 1: Growth of knowledge to support protection and sustainable development of Australia's marine resources through innovative marine science and technology.</b>		
<b>Program 1: Marine Research:</b> Research services focused on supporting the sustainable development by industry of Australia's marine estate while ensuring the protection of high value marine and coastal ecosystems through effective environmental management.		
<b>Delivery</b>	<ul style="list-style-type: none"> <li>Developing and participating in integrated observing systems and conducting robust long-term monitoring of key components of Australia's tropical coastal and marine ecosystems</li> <li>Conducting strategic and applied research investigating major gaps in our understanding of the impacts of natural and human pressures on these ecosystems</li> <li>Enabling effective environmental risk assessment by government and industry through developing decision tools that drive efficiency gains in evidence-based regulatory regimes and marine industry development</li> <li>Developing, deploying (and potentially marketing) innovative data and underwater sensing technologies</li> <li>Contributing to a growing body of publicly available data and information</li> <li>Engaging in national and international research collaborations, to leverage investment, harness capability, ensure uptake of knowledge, and promote outcomes enhancing Australia's role in supporting regional blue economies</li> <li>Optimising the use of world-class research infrastructure (vessels, aquaria, ocean monitoring equipment and laboratories) to support research conducted by AIMS and research collaborators.</li> </ul>	
<b>Performance information</b>		
<b>Year</b>	<b>Performance criteria (a)</b>	<b>Targets</b>
2016-17	<ul style="list-style-type: none"> <li>Achieve the specific 2016-17 research priorities described in AIMS' 2016-17 Corporate Plan</li> <li>Successful transfer of new knowledge to users of marine science by maintaining or increasing the number of publications and other data and knowledge products, and uptake, use and application of AIMS' advice, data holdings, decision support tools, practices and processes</li> <li>Scientific excellence, innovation and impact as measured by the number of publications (peer-reviewed and industry-commissioned) and expert assessment of activities</li> <li>Increase research capability, capacity and impact by maintaining or increasing the number of formal national and international collaborations, joint ventures, partnerships, strategic alliances and collaborative research papers and grants</li> </ul>	<p>On track to achieve performance target</p> <p>On track to achieve performance target</p> <p>On track to achieve performance target</p> <p>On track to achieve performance target</p>

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	<ul style="list-style-type: none"> <li>Enhance Australia's marine research capability by effective delivery of new research infrastructure capacity provided by facilities such as the National Sea Simulator</li> </ul>	On track to achieve performance target
2017-18	<ul style="list-style-type: none"> <li>Maintain or increase scientific excellence innovation and impact</li> <li>Successful delivery of strategic and applied research and monitoring that is aligned with national research priorities and stakeholder needs. Key stakeholders of focus include federal and state government, marine industries (oil and gas, ports sectors, coastal industries and tourism) and coastal communities</li> <li>Improve research outcomes through increased Indigenous engagement in the planning and delivery of coastal research and development</li> <li>Research advice and data/knowledge products are used by stakeholders to assess the impacts of natural and human pressures on sensitive marine ecosystems</li> <li>Increased research capability, capacity, impact and science diplomacy through participation in formal national and international collaborations, joint ventures, partnerships and strategic alliances</li> <li>Optimal utilisation of research infrastructure assets</li> </ul>	<p>Maintain acknowledged global standing in relevant fields of research and confidence of key stakeholders in research outputs</p> <p>Maintain or increase the amount of stakeholder commissioned research</p> <p>Increase the percentage of projects with Indigenous engagement in planning and delivery phases</p> <p>Maintain or increase the number of peer reviewed publications, data sets and derived knowledge products that are publicly available</p> <p>Maintain or increase participation by AIMS on advisory panels and committees</p> <p>Maintain or increase number and scale of domestic and international research partnerships, collaborations, joint ventures and strategic alliances</p> <p>Maintain or increase usage of infrastructure</p>
2018-19 and beyond	As per 2017-18	As per 2017-18
<b>Purposes</b>	To provide the research and knowledge of Australia's tropical marine estate required to support growth in its use, effective environmental management and protection of its unique ecosystems	

## **Section 3: Budgeted financial statements**

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2017-18 budget year, including the impact of budget measures and resourcing on financial statements.

### **3.1 BUDGETED FINANCIAL STATEMENTS**

#### **3.1.1 Differences between entity resourcing and financial statements**

There are no material differences between the entity resources table and the financial statements.

#### **3.1.2 Explanatory notes and analysis of budgeted financial statements**

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

- Finance Reporting Rules (FRR)
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB).

#### **Budgeted comprehensive income statement**

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

AIMS is projecting losses of \$4.1 million in 2017-18, \$4.1 million in 2018-19, \$3.6 million in 2019-20 and \$3.8 million in 2020-21. The operating losses are predominantly due to unfunded depreciation expenses relating to assets for which capital was previously provided by the Government. The operating losses have been approved by the Government for the forward years to 2019-20.

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

#### **Budgeted departmental balance sheet**

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

The total value of non-financial assets is declining in the forward years due to the asset replacement program for each year being lower than depreciation expenses.

Equity injections of \$1.6 million and \$0.2 million for 2017-18 and 2018-19 respectively, are to be received as a result of the Public Service Modernisation Fund measure and will be applied to the installation of a Solar Photovoltaic System.

**Budgeted departmental statement of cash flows**

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

AIMS' level of cash flow over the years remains fairly static. However, much of the cash is committed for capital expenditure and research initiatives.

**Budgeted capital budget statement**

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

### 3.2. BUDGETED FINANCIAL STATEMENTS TABLES

**Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>EXPENSES</b>					
Employee benefits	27,240	28,343	28,921	29,873	30,648
Suppliers	28,266	27,155	27,007	26,800	26,500
Depreciation and amortisation	11,810	12,120	12,137	11,774	11,858
<b>Total expenses</b>	<b>67,316</b>	<b>67,618</b>	<b>68,065</b>	<b>68,447</b>	<b>69,006</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Sale of goods and rendering of services	19,862	20,263	18,294	18,544	18,522
Interest	1,200	1,200	1,200	1,200	1,200
Other	913	140	150	150	150
<b>Total own-source revenue</b>	<b>21,975</b>	<b>21,603</b>	<b>19,644</b>	<b>19,894</b>	<b>19,872</b>
<b>Total own-source income</b>	<b>21,975</b>	<b>21,603</b>	<b>19,644</b>	<b>19,894</b>	<b>19,872</b>
<b>Net (cost of)/contribution by services</b>	<b>(45,341)</b>	<b>(46,015)</b>	<b>(48,421)</b>	<b>(48,553)</b>	<b>(49,134)</b>
Revenue from Government	41,552	41,916	44,305	44,800	45,297
<b>Surplus/(deficit) attributable to the Australian Government</b>	<b>(3,789)</b>	<b>(4,099)</b>	<b>(4,116)</b>	<b>(3,753)</b>	<b>(3,837)</b>
<b>Total comprehensive income/(loss)</b>	<b>(3,789)</b>	<b>(4,099)</b>	<b>(4,116)</b>	<b>(3,753)</b>	<b>(3,837)</b>
<b>Total comprehensive income/(loss) attributable to the Australian Government</b>	<b>(3,789)</b>	<b>(4,099)</b>	<b>(4,116)</b>	<b>(3,753)</b>	<b>(3,837)</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2: Budgeted departmental balance sheet (as at 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	250	250	250	250	250
Trade and other receivables	5,171	5,741	5,219	4,547	4,542
Other investments	35,254	34,528	35,211	39,913	41,834
<b>Total financial assets</b>	<b>40,675</b>	<b>40,519</b>	<b>40,680</b>	<b>44,710</b>	<b>46,626</b>
<b>Non-financial assets</b>					
Land and buildings	88,906	88,983	89,530	88,362	86,345
Property, plant and equipment	56,445	55,154	50,852	48,203	45,426
Intangibles	2,249	1,805	1,422	1,557	1,447
Inventories	207	207	214	213	212
Other non-financial assets	3,083	3,299	3,670	3,287	3,278
<b>Total non-financial assets</b>	<b>150,890</b>	<b>149,448</b>	<b>145,688</b>	<b>141,622</b>	<b>136,708</b>
<b>Total assets</b>	<b>191,565</b>	<b>189,967</b>	<b>186,368</b>	<b>186,332</b>	<b>183,334</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	3,381	3,641	3,654	5,058	5,009
Other payables	3,877	3,785	3,505	5,146	5,166
<b>Total payables</b>	<b>7,258</b>	<b>7,426</b>	<b>7,159</b>	<b>10,204</b>	<b>10,175</b>
<b>Provisions</b>					
Employee provisions	10,070	10,803	11,437	12,109	12,977
<b>Total provisions</b>	<b>10,070</b>	<b>10,803</b>	<b>11,437</b>	<b>12,109</b>	<b>12,977</b>
<b>Total liabilities</b>	<b>17,328</b>	<b>18,229</b>	<b>18,596</b>	<b>22,313</b>	<b>23,152</b>
<b>Net assets</b>	<b>174,237</b>	<b>171,738</b>	<b>167,772</b>	<b>164,019</b>	<b>160,182</b>
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	86,607	88,207	88,357	88,357	88,357
Reserves	68,144	68,144	68,144	68,144	68,144
Retained surplus (accumulated deficit)	19,486	15,387	11,271	7,518	3,681
<b>Total parent entity interest</b>	<b>174,237</b>	<b>171,738</b>	<b>167,772</b>	<b>164,019</b>	<b>160,182</b>
<b>Total equity</b>	<b>174,237</b>	<b>171,738</b>	<b>167,772</b>	<b>164,019</b>	<b>160,182</b>

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

Prepared on Australian Accounting Standards basis.

**Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2017-18)**

	Retained earnings	Asset revaluation reserve	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2017</b>				
Balance carried forward from previous period	19,486	68,144	86,607	174,237
<b>Adjusted opening balance</b>	<b>19,486</b>	<b>68,144</b>	<b>86,607</b>	<b>174,237</b>
<b>Comprehensive income</b>				
Surplus/(deficit) for the period	(4,099)	-	-	(4,099)
<b>Total comprehensive income</b>	<b>(4,099)</b>	<b>-</b>	<b>-</b>	<b>(4,099)</b>
of which:				
Attributable to the Australian Government	(4,099)	-	-	(4,099)
<b>Transactions with Owners</b>				
<b>Contributions by owners</b>				
Equity injection - Appropriation	-	-	1,600	1,600
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>1,600</b>	<b>1,600</b>
<b>Estimated closing balance as at 30 June 2018</b>	<b>15,387</b>	<b>68,144</b>	<b>88,207</b>	<b>171,738</b>
<b>Closing balance attributable to the Australian Government</b>	<b>15,387</b>	<b>68,144</b>	<b>88,207</b>	<b>171,738</b>

Prepared on Australian Accounting Standards basis.



**Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	41,552	41,916	44,305	44,800	45,297
Sale of goods and rendering of services	19,365	19,838	18,521	20,460	18,522
Interest	1,417	1,114	1,200	1,392	1,200
Other	913	140	150	150	150
<b>Total cash received</b>	<b>63,247</b>	<b>63,008</b>	<b>64,176</b>	<b>66,802</b>	<b>65,169</b>
<b>Cash used</b>					
Employees	25,921	27,762	28,273	28,995	29,756
Suppliers	28,525	27,111	27,371	25,013	26,538
<b>Total cash used</b>	<b>54,446</b>	<b>54,873</b>	<b>55,644</b>	<b>54,008</b>	<b>56,294</b>
<b>Net cash from/(used by) operating activities</b>	<b>8,801</b>	<b>8,135</b>	<b>8,532</b>	<b>12,794</b>	<b>8,875</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	197	236	196	426	201
Investments (a)	934	726	-	-	-
<b>Total cash received</b>	<b>1,131</b>	<b>962</b>	<b>196</b>	<b>426</b>	<b>201</b>
<b>Cash used</b>					
Purchase of property, plant and equipment and intangibles	9,932	10,697	8,195	8,518	7,156
Investments (a)	-	-	683	4,702	1,920
<b>Total cash used</b>	<b>9,932</b>	<b>10,697</b>	<b>8,878</b>	<b>13,220</b>	<b>9,076</b>
<b>Net cash from/(used by) investing activities</b>	<b>(8,801)</b>	<b>(9,735)</b>	<b>(8,682)</b>	<b>(12,794)</b>	<b>(8,875)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity	-	1,600	150	-	-
<b>Total cash received</b>	<b>-</b>	<b>1,600</b>	<b>150</b>	<b>-</b>	<b>-</b>
<b>Net cash from/(used by) financing activities</b>	<b>-</b>	<b>1,600</b>	<b>150</b>	<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash held</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	250	250	250	250	250
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>250</b>	<b>250</b>	<b>250</b>	<b>250</b>	<b>250</b>

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

**Table 3.5: Departmental capital budget statement (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>NEW CAPITAL APPROPRIATIONS</b>					
Equity injections - Bill 2	-	1,600	150	-	-
<b>Total new capital appropriations</b>	-	<b>1,600</b>	<b>150</b>	-	-
<b>Provided for:</b>					
<i>Purchase of non-financial assets</i>	-	1,600	150	-	-
<b>Total items</b>	-	<b>1,600</b>	<b>150</b>	-	-
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations (a)	-	1,600	150	-	-
Funded internally from departmental resources (b)	9,932	9,097	8,045	8,518	7,156
<b>TOTAL</b>	<b>9,932</b>	<b>10,697</b>	<b>8,195</b>	<b>8,518</b>	<b>7,156</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	9,932	10,697	8,195	8,518	7,156
<b>Total cash used to acquire assets</b>	<b>9,932</b>	<b>10,697</b>	<b>8,195</b>	<b>8,518</b>	<b>7,156</b>

(a) Includes both current Bill 2 and prior Act 2/4/6 appropriations and special capital appropriations.

(b) Includes the following sources of funding:

- current Bill 1 and prior year Act 1/3/5 appropriations (excluding amounts from the DCB)
- donations and contributions
- gifts
- internally developed assets
- s74 Retained revenue receipts
- proceeds from the sale of assets.

Prepared on Australian Accounting Standards basis.

**Table 3.6: Statement of asset movements (Budget year 2017-18)**

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
<b>As at 1 July 2017</b>				
Gross book value	98,351	84,649	4,423	187,423
Accumulated depreciation/ amortisation and impairment	(9,445)	(28,204)	(2,173)	(39,822)
<b>Opening net book balance</b>	<b>88,906</b>	<b>56,445</b>	<b>2,250</b>	<b>147,601</b>
<b>Capital asset additions</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - appropriation equity (a)	-	1,600	-	1,600
By purchase - other	4,280	4,652	165	9,097
<b>Total additions</b>	<b>4,280</b>	<b>6,252</b>	<b>165</b>	<b>10,697</b>
<b>Other movements</b>				
Depreciation/amortisation expense	(4,203)	(7,307)	(610)	(12,120)
Disposals	-	(236)	-	(236)
<b>Total other movements</b>	<b>(4,203)</b>	<b>(7,543)</b>	<b>(610)</b>	<b>(12,356)</b>
<b>As at 30 June 2018</b>				
Gross book value	102,631	90,901	4,588	198,120
Accumulated depreciation/ amortisation and impairment	(13,648)	(35,747)	(2,783)	(52,178)
<b>Closing net book balance</b>	<b>88,983</b>	<b>55,154</b>	<b>1,805</b>	<b>145,942</b>

(a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2017-18.

Prepared on Australian Accounting Standards basis.

**Table 3.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)**

AIMS does not administer any income or expenses on behalf of Government; therefore Table 3.7 is not presented.

**Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)**

AIMS does not administer any asset or liabilities on behalf of Government; therefore Table 3.8 is not presented.

**Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June)**

AIMS does not administer any cash flows on behalf of Government; therefore Table 3.9 is not presented.

**Table 3.10: Administered capital budget statement (for the period ended 30 June)**

AIMS does not administer any capital budgets on behalf of Government; therefore Table 3.10 is not presented.

**Table 3.11: Statement of administered asset movements (Budget year 2017-18)**

AIMS does not administer any asset movements on behalf of Government; therefore Table 3.11 is not presented.

# **AUSTRALIAN NUCLEAR SCIENCE AND TECHNOLOGY ORGANISATION**

## **ENTITY RESOURCES AND PLANNED PERFORMANCE**



# AUSTRALIAN NUCLEAR SCIENCE AND TECHNOLOGY ORGANISATION

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# AUSTRALIAN NUCLEAR SCIENCE AND TECHNOLOGY ORGANISATION

## Section 1: Entity overview and resources

### 1.1 STRATEGIC DIRECTION STATEMENT

The Australian Nuclear Science and Technology Organisation (ANSTO) is Australia's national nuclear research and development organisation, and the custodian of Australia's nuclear capabilities and expertise. Consistent with the functions mandated by the *Australian Nuclear Science and Technology Organisation Act 1987*, ANSTO applies its capabilities and expertise to radiopharmaceutical production and supply, research into areas of national priority including human health, the environment and the nuclear fuel cycle, food security, national security and water resource management, and helping Australian industries solve complex problems in areas such as materials engineering. ANSTO also carries out its mandate by providing expert advice to Government and other stakeholders on all matters relating to nuclear science, technology and engineering.

ANSTO is the custodian of Australia's most significant landmark and national research infrastructure, including the OPAL research reactor, the Australian Synchrotron, the Australian Centre for Neutron Scattering and the Centre for Accelerator Science, and operates it for the benefit of industry, the Australian and international research communities and all Australians.

The ownership of the Australian Synchrotron transferred to ANSTO from 1 July 2016, with staff migrating to ANSTO from 1 September 2016. This announcement followed the Government's commitment of \$520 million in funding to operate the Australian Synchrotron over the next 10 years as part of the National Innovation and Science Agenda. The Australian Synchrotron is a world-class research facility that uses accelerator technology to produce a powerful source of light (a million times brighter than the sun) for a wide variety of research purposes, including human health, agriculture and manufacturing. The techniques used at the Australian Synchrotron are complementary to those used at ANSTO's neutron scattering and accelerator research facilities. Over 2016-17, ANSTO has been working to achieve the full integration of the Australian Synchrotron into ANSTO, delivering a national approach to Australian landmark research infrastructure.

ANSTO produces 10,000 potentially lifesaving doses of radioisotopes each week using the OPAL research reactor. These radioisotopes are used in nuclear medicine procedures across Australia for the diagnosis and treatment of heart disease and a range of cancers, and on average will be required by one in two Australians during their lifetime. Construction of the new export-scale ANSTO Nuclear Medicine (ANM) facility is well

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advanced and will position Australia as a global leader in the manufacture of nuclear medicine. The facility will enable ANSTO to triple its nuclear medicine production, guaranteeing ongoing access to these important nuclear medicines for all Australians and significantly increasing Australia's ability to help meet global demand.

ANSTO's strategic objectives, as set out in the current Corporate Plan, are:

- Putting people first: Equipping and empowering our people to respond to the growing nuclear science and technology needs of Australia and the world
- World class science and technology outcomes: Creating innovative solutions to complex problems and providing new insights into our world
- Strategic management of landmark and national infrastructure: Realising opportunities, serving users and creating value
- Nuclear expertise and advice: Providing expert, science and technology based advice and services to support Australia's nuclear policy
- Nuclear business and innovation: Providing services and products to our customers that benefit the broader community.

More information on ANSTO's strategic objectives and major activities can be found in ANSTO's Corporate Plan and website: [www.ansto.gov.au](http://www.ansto.gov.au).

## 1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to ANSTO for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the entity's operations) classification.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome 1' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

**Table 1.1: ANSTO resource statement — Budget estimates for 2017-18 as at Budget May 2017**

	<i>2016-17 Estimated actual \$'000</i>	2017-18 Estimate \$'000
<b>Opening balance/cash reserves at 1 July</b>	<b>4,349</b>	<b>4,349</b>
<b>Funds from Government</b>		
Annual appropriations - ordinary annual services (a)		
Outcome 1	183,334	198,119
Annual appropriations - other services (b)		
Equity injection	28,841	21,037
<i>Total annual appropriations</i>	<i>212,175</i>	<i>219,156</i>
<b>Total funds from Government</b>	<b>212,175</b>	<b>219,156</b>
<b>Funds from other sources</b>		
Interest	2,500	2,500
Sale of goods and services	82,491	87,078
Other	26,842	9,842
<b>Total funds from other sources</b>	<b>111,833</b>	<b>99,420</b>
<b>Total net resourcing for ANSTO</b>	<b>328,357</b>	<b>322,925</b>
	<i>2016-17</i>	<i>2017-18</i>
<b>Average staffing level (number)</b>	<b>1,277</b>	<b>1,303</b>

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

All figures are GST exclusive.

(a) Appropriation Bill (No. 1) 2017-18

(b) Appropriation Bill (No. 2) 2017-18

ANSTO is not directly appropriated as it is a corporate Commonwealth entity. Appropriations are made to the Department of Industry, Innovation and Science and are then paid to ANSTO and are considered departmental for all purposes.

### 1.3 BUDGET MEASURES

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

**Table 1.2: ANSTO 2017-18 Budget measures**

**Part 1: Measures announced since the 2016-17 Mid-Year Economic and Fiscal Outlook (MYEFO)**

	Program	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
<b>Expense measures</b>						
Standardisation of Overseas Allowances for Australian Government Employees - efficiencies (a)	1					
Departmental expenses		-	-	(12)	(16)	(16)
<b>Total</b>		-	-	<b>(12)</b>	<b>(16)</b>	<b>(16)</b>
<b>Total expense measures</b>						
Departmental		-	-	(12)	(16)	(16)
<b>Total</b>		-	-	<b>(12)</b>	<b>(16)</b>	<b>(16)</b>

Prepared on a Government Finance Statistics (fiscal) basis. Figures in brackets represent a decrease in funds.

(a) The lead entity for this measure is the Department of Foreign Affairs and Trade. The full measure description and package details appear in Budget Paper No. 2 under the Foreign Affairs and Trade portfolio.

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

ANSTO does not have any other measures not previously reported in a portfolio statement; therefore no table is presented.

## Section 2: Outcomes and planned performance

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

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

**Note:**

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide an entity's complete performance story.

The most recent corporate plan for ANSTO can be found at:

[www.ansto.gov.au/Resources/Publications/CorporatePlan/index.htm](http://www.ansto.gov.au/Resources/Publications/CorporatePlan/index.htm)

The most recent annual performance statement can be found at:

[www.ansto.gov.au/Resources/Publications/AnnualReports/index.htm](http://www.ansto.gov.au/Resources/Publications/AnnualReports/index.htm)

## 2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

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

### Linked programs

<b>Department of Industry, Innovation and Science</b>
<b>Programs</b> <ul style="list-style-type: none"><li>• Program 1: Supporting Science and Commercialisation</li><li>• Program 3: Program Support</li></ul>
<b>Contribution to Outcome 1 made by linked programs</b> <p>The Department of Industry, Innovation and Science contributes to Outcome 1 through its policies and programs supporting science and commercialisation and through the operation of the Office of the Chief Scientist and the Office of Innovation and Science Australia.</p>
<b>Department of Education and Training</b>
<b>Programs</b> <ul style="list-style-type: none"><li>• Program 2.6: Research Capacity</li></ul>
<b>Contribution to Outcome 1 made by linked programs</b> <p>The Department of Education and Training contributes to Outcome 1 through its policies and programs to invest in Australia's research capacity, including the National Collaborative Research Infrastructure Strategy.</p>

**Budgeted expenses for Outcome 1**

This table shows how much ANSTO intends to spend (on an accrual basis) on achieving the outcome, broken down by program.

**Table 2.1.1: Budgeted expenses for Outcome 1**

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

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>Program 1: Science and Technology Solutions</b>					
Revenue from Government					
Ordinary annual services (Appropriation Bill No. 1)	183,334	198,119	206,371	211,511	218,566
Revenues from industry sources	111,833	99,420	101,190	104,294	103,000
Expenses not requiring appropriation in the budget year (a)	75,745	48,121	39,551	38,010	45,315
<b>Total expenses for Program 1</b>	<b>370,912</b>	<b>345,660</b>	<b>347,112</b>	<b>353,815</b>	<b>366,881</b>
<b>Outcome 1 totals by resource type</b>					
Revenue from Government					
Ordinary annual services (Appropriation Bill No. 1)	183,334	198,119	206,371	211,511	218,566
Revenues from industry sources	111,833	99,420	101,190	104,294	103,000
Expenses not requiring appropriation in the budget year (a)	75,745	48,121	39,551	38,010	45,315
<b>Total expenses for Outcome 1</b>	<b>370,912</b>	<b>345,660</b>	<b>347,112</b>	<b>353,815</b>	<b>366,881</b>
	2016-17	2017-18			
<b>Average staffing level (number)</b>	1,277	1,303			

(a) Reflects the fair value of the Australian Synchrotron which was received free of charge, and approved operating losses due to accounting treatment of decommissioning costs and depreciation impact of asset revaluations and new facilities.

**Table 2.1.2: Program components of Outcome 2**

ANSTO has only one Program and Outcome; therefore Table 2.1.2 is not presented.

**Table 2.1.3: Performance criteria for Outcome 1**

Table 2.1.3 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2017-18 Budget measures have created new programs or materially changed existing programs.

<b>Outcome 1: Improved knowledge, innovative capacity and healthcare through nuclear-based facilities, research, training, products, services and advice to Government, industry, the education sector and the Australian population.</b>		
<b>Program 1: Science and Technology Solutions</b> This program contributes to the outcome through: the operation and strategic management of landmark and national research infrastructure; and the application of ANSTO's unique nuclear expertise for research, specialised nuclear advice, education and training, and the provision of products and services.		
<b>Delivery</b>	Engage in innovative research, through strategic partnerships and collaborations, which have scientific and commercial impact and align with Australia's Science and Research Priorities; manage landmark and national research infrastructure for the benefit of industry, the Australian and international research communities, and Australia; provide products and services, including radiopharmaceuticals, to the health sector and industry that benefit the broader community; provide expert trusted science and technology based advice and services to government, the education and academic communities, and the Australian public.	
<b>Performance information</b>		
<b>Year</b>	<b>Performance criteria (a)</b>	<b>Targets</b>
2016-17	<p><b>Full utilisation of our landmark infrastructure:</b></p> <ul style="list-style-type: none"> <li>Continue to achieve a high standard of operational efficiency and effectiveness for ANSTO's landmark and national research infrastructure.</li> </ul> <p><b>Human health products:</b></p> <ul style="list-style-type: none"> <li>Supply vital medicines and diagnostics that enhance human health.</li> </ul>	<p>OPAL Research Reactor: Total availability of OPAL as a percentage of days in the year. Target: 77%</p> <p>Planned availability of OPAL as a percentage of actual operating days scheduled. Target: 96%</p> <p>Accelerators: Total availability as a percentage of days in the year. Target: 65%</p> <p>Neutron beam instruments: average percentage of days operated per available time. Target: 85%</p> <p>Australian Synchrotron: machine availability based on 16 week rolling average. Target: 95%</p> <p>Radiopharmaceutical doses: potential doses target: 2,958,651</p>



Year	Performance criteria (a)	Targets
2017-18 and beyond	<p><b>Full utilisation of our landmark infrastructure:</b></p> <ul style="list-style-type: none"> <li>Continue to achieve a high standard of operational efficiency and effectiveness for ANSTO's landmark and national research infrastructure.</li> </ul>	<p>OPAL Research Reactor: days at power. Target: 300 days</p> <p>Australian Synchrotron facility utilisation. Target: 95%</p> <p>Neutron beam instruments: average utilisation. Target: 85%</p> <p>Accelerators: average instrument utilisation. Target: 65%</p>
2017-18	<p><b>Human health products</b></p> <ul style="list-style-type: none"> <li>Supply vital medicines and diagnostics that enhance human health.</li> </ul>	Radiopharmaceutical doses: potential doses target: 4,604,611
2018-19		Radiopharmaceutical doses: potential doses target: 5,733,561
2019-20		Radiopharmaceutical doses: potential doses target: 5,905,444
2019-21		Radiopharmaceutical doses: potential doses target: 6,082,607
<b>Purposes</b>	<p>ANSTO's purpose is set by the following core functions, as provided by the <i>Australian Nuclear Science and Technology Organisation Act 1987</i>.</p> <ul style="list-style-type: none"> <li>Conduct research and development in relation to nuclear science and technology</li> <li>Produce and use radioisotopes, isotopic techniques and nuclear radiation for medicine, science, industry, commerce and agriculture</li> <li>Encourage and facilitate the application and use of the results from research and development</li> <li>Manage radioactive materials and waste arising from various prescribed activities</li> <li>Provide goods and services related to core activities</li> <li>Provide advice to government and undertake international liaison in nuclear-related matters</li> <li>Make available (on a commercial basis where appropriate) facilities, equipment and expertise for research in nuclear science and technology</li> <li>Publish scientific and technical reports, periodicals and papers, and provide public information and advice</li> <li>Facilitate education and training in nuclear science and technology, including through granting scientific research studentships and fellowships, in cooperation with universities, professional bodies and other education and research institutions.</li> </ul>	

(a) Targets from the previous PBS and Corporate Plan have been streamlined in accordance with recommendations from the Department of Finance and revised to improve alignment between research facilities.

## Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2017-18 budget year, including the impact of budget measures and resourcing on financial statements.

### 3.1 BUDGETED FINANCIAL STATEMENTS

#### 3.1.1 Differences between entity resourcing and financial statements

There are no material differences between the entity resources table and the financial statements.

#### 3.1.2 Explanatory notes and analysis of budgeted financial statements

ANSTO's budgeted financial statements are presented on a consolidated basis in accordance with AASB 10 (Consolidated Financial Statements). The consolidated financial statements incorporate the assets and liabilities and the results of all entities controlled by ANSTO as defined in AASB 10.

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

#### Comprehensive Income Statement

The statement shows the estimated net cost of services for the organisation. Total expenses in 2017-18 are estimated at \$345.7 million compared to the estimate for 2016-17 of \$370.9 million. Total revenue in 2017-18 is estimated to be \$297.5 million (including appropriation) compared to the estimate of \$480.2 million for 2016-17, a decrease of \$182.7 million. The decrease is primarily a result of ANSTO receiving the Australian Synchrotron free of charge in 2016-17.

ANSTO has projected approved operating losses of \$48.1 million for 2017-18. The loss is largely due to the non-cash impact of ANSTO's accounting treatment entries for ANSTO's ongoing decommissioning programme and depreciation costs for new facilities and asset revaluations.

#### Budgeted Departmental Balance Sheet

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

Financial assets decreased from \$289.5 million in 2016-17 to \$283.8 million in 2017-18. The ANSTO Nuclear Medicine project is reflected in other investments.

**Budgeted Departmental Statement of Cash Flows**

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

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

### 3.2. BUDGETED FINANCIAL STATEMENTS TABLES

**Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>EXPENSES</b>					
Employee benefits	150,229	154,642	155,427	158,508	161,511
Suppliers	73,231	78,968	79,525	84,449	90,356
Grants	5,500	5,500	5,500	5,500	-
Depreciation and amortisation	86,594	86,421	86,091	86,189	84,365
Finance costs	20,358	20,129	20,569	19,169	30,649
Write-down and impairment of assets	35,000	-	-	-	-
<b>Total expenses</b>	<b>370,912</b>	<b>345,660</b>	<b>347,112</b>	<b>353,815</b>	<b>366,881</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Sale of goods and rendering of services	82,491	87,078	88,848	91,657	92,000
Interest	2,500	2,500	2,500	2,500	1,000
Other	26,842	9,842	9,842	10,137	10,000
<b>Total own-source revenue</b>	<b>111,833</b>	<b>99,420</b>	<b>101,190</b>	<b>104,294</b>	<b>103,000</b>
<b>Gains</b>					
Resources received free of charge	185,000	-	-	-	-
<b>Total gains</b>	<b>185,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total own-source income</b>	<b>296,833</b>	<b>99,420</b>	<b>101,190</b>	<b>104,294</b>	<b>103,000</b>
<b>Net (cost of)/contribution by services</b>	<b>(74,079)</b>	<b>(246,240)</b>	<b>(245,922)</b>	<b>(249,521)</b>	<b>(263,881)</b>
Revenue from Government	183,334	198,119	206,371	211,511	218,566
<b>Surplus/(deficit) attributable to the Australian Government</b>	<b>109,255</b>	<b>(48,121)</b>	<b>(39,551)</b>	<b>(38,010)</b>	<b>(45,315)</b>
<b>Total comprehensive income/(loss)</b>	<b>109,255</b>	<b>(48,121)</b>	<b>(39,551)</b>	<b>(38,010)</b>	<b>(45,315)</b>
<b>Total comprehensive income/(loss) attributable to the Australian Government</b>	<b>109,255</b>	<b>(48,121)</b>	<b>(39,551)</b>	<b>(38,010)</b>	<b>(45,315)</b>

Prepared on Australian Accounting Standards basis.

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	4,349	4,349	4,349	4,349	4,349
Trade and other receivables	15,644	15,644	15,644	15,644	15,644
Other investments	255,622	249,916	251,154	255,166	271,965
Other financial assets	13,857	13,857	13,857	13,857	13,857
<b>Total financial assets</b>	<b>289,472</b>	<b>283,766</b>	<b>285,004</b>	<b>289,016</b>	<b>305,815</b>
<b>Non-financial assets</b>					
Land and buildings	357,303	359,187	355,133	354,079	345,225
Property, plant and equipment	767,008	750,485	736,719	713,220	691,309
Intangibles	82,059	82,459	82,859	83,259	79,659
Inventories	22,945	25,745	28,745	30,045	32,945
<b>Total non-financial assets</b>	<b>1,229,315</b>	<b>1,217,876</b>	<b>1,203,456</b>	<b>1,180,603</b>	<b>1,149,138</b>
<b>Total assets</b>	<b>1,518,787</b>	<b>1,501,642</b>	<b>1,488,460</b>	<b>1,469,619</b>	<b>1,454,953</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	17,086	17,086	17,086	17,086	17,086
Grants	86	86	86	86	86
Other payables	2,693	2,693	2,693	2,693	2,693
<b>Total payables</b>	<b>19,865</b>	<b>19,865</b>	<b>19,865</b>	<b>19,865</b>	<b>19,865</b>
<b>Provisions</b>					
Employee provisions	43,111	43,111	43,111	43,111	43,111
Other provisions	373,418	383,357	381,265	400,434	431,083
<b>Total provisions</b>	<b>416,529</b>	<b>426,468</b>	<b>424,376</b>	<b>443,545</b>	<b>474,194</b>
<b>Total liabilities</b>	<b>436,394</b>	<b>446,333</b>	<b>444,241</b>	<b>463,410</b>	<b>494,059</b>
<b>Net assets</b>	<b>1,082,393</b>	<b>1,055,309</b>	<b>1,044,219</b>	<b>1,006,209</b>	<b>960,894</b>
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	770,177	791,214	819,675	819,675	819,675
Reserves	496,493	496,493	496,493	496,493	496,493
Retained surplus (accumulated deficit)	(184,277)	(232,398)	(271,949)	(309,959)	(355,274)
<b>Total parent entity interest</b>	<b>1,082,393</b>	<b>1,055,309</b>	<b>1,044,219</b>	<b>1,006,209</b>	<b>960,894</b>
<b>Total equity</b>	<b>1,082,393</b>	<b>1,055,309</b>	<b>1,044,219</b>	<b>1,006,209</b>	<b>960,894</b>

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

**Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2017-18)**

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2017</b>					
Balance carried forward from previous period	(184,277)	486,481	10,012	770,177	1,082,393
<b>Adjusted opening balance</b>	<b>(184,277)</b>	<b>486,481</b>	<b>10,012</b>	<b>770,177</b>	<b>1,082,393</b>
<b>Comprehensive income</b>					
Surplus/(deficit) for the period	(48,121)	-	-	-	(48,121)
<b>Total comprehensive income</b>	<b>(48,121)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(48,121)</b>
of which:					
Attributable to the Australian Government	(48,121)	-	-	-	(48,121)
<b>Transactions with owners</b>					
<b>Contributions by owners</b>					
Equity injection - Appropriation	-	-	-	21,037	21,037
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,037</b>	<b>21,037</b>
<b>Estimated closing balance as at 30 June 2018</b>	<b>(232,398)</b>	<b>486,481</b>	<b>10,012</b>	<b>791,214</b>	<b>1,055,309</b>
<b>Closing balance attributable to the Australian Government</b>	<b>(232,398)</b>	<b>486,481</b>	<b>10,012</b>	<b>791,214</b>	<b>1,055,309</b>

Prepared on Australian Accounting Standards basis.

**Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	183,334	198,119	206,371	211,511	218,566
Sale of goods and rendering of services	82,491	87,078	88,848	91,657	92,000
Interest	2,500	2,500	2,500	2,500	1,000
Other	26,842	9,842	9,842	10,137	10,000
<b>Total cash received</b>	<b>295,167</b>	<b>297,539</b>	<b>307,561</b>	<b>315,805</b>	<b>321,566</b>
<b>Cash used</b>					
Employees	150,229	159,642	155,427	158,508	161,511
Suppliers	95,381	82,860	103,944	85,749	93,256
Other	5,500	5,500	5,500	5,500	-
<b>Total cash used</b>	<b>251,110</b>	<b>248,002</b>	<b>264,871</b>	<b>249,757</b>	<b>254,767</b>
<b>Net cash from/(used by) operating activities</b>	<b>44,057</b>	<b>49,537</b>	<b>42,690</b>	<b>66,048</b>	<b>66,799</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Investments	580,000	500,000	500,000	450,000	400,000
<b>Total cash received</b>	<b>580,000</b>	<b>500,000</b>	<b>500,000</b>	<b>450,000</b>	<b>400,000</b>
<b>Cash used</b>					
Purchase of property, plant and equipment and intangibles	67,014	72,182	68,671	62,036	50,000
Investments	585,884	498,392	502,480	454,012	416,799
<b>Total cash used</b>	<b>652,898</b>	<b>570,574</b>	<b>571,151</b>	<b>516,048</b>	<b>466,799</b>
<b>Net cash from/(used by) investing activities</b>	<b>(72,898)</b>	<b>(70,574)</b>	<b>(71,151)</b>	<b>(66,048)</b>	<b>(66,799)</b>

**Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June) (continued)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Other	28,841	21,037	28,461	-	-
<b>Total cash received</b>	<b>28,841</b>	<b>21,037</b>	<b>28,461</b>	-	-
<b>Net cash from/(used by) financing activities</b>	<b>28,841</b>	<b>21,037</b>	<b>28,461</b>	-	-
<b>Net increase/(decrease) in cash held</b>	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	4,349	4,349	4,349	4,349	4,349
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>4,349</b>	<b>4,349</b>	<b>4,349</b>	<b>4,349</b>	<b>4,349</b>

Prepared on Australian Accounting Standards basis.



**Table 3.5: Departmental capital budget statement (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>NEW CAPITAL APPROPRIATIONS</b>					
Equity injections - Bill 2	28,841	21,037	28,461	-	-
<b>Total new capital appropriations</b>	<b>28,841</b>	<b>21,037</b>	<b>28,461</b>	-	-
<i>Provided for:</i>					
Purchase of non-financial assets	13,036	13,646	6,421	-	-
Other Items	15,805	7,391	22,040	-	-
<b>Total items</b>	<b>28,841</b>	<b>21,037</b>	<b>28,461</b>	-	-
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations (a)	10,739	12,182	8,171	3,536	-
Funded internally from departmental resources (b)	56,275	60,000	60,500	58,500	50,000
<b>TOTAL</b>	<b>67,014</b>	<b>72,182</b>	<b>68,671</b>	<b>62,036</b>	<b>50,000</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	67,014	72,182	68,671	62,036	50,000
<b>Total cash used to acquire assets</b>	<b>67,014</b>	<b>72,182</b>	<b>68,671</b>	<b>62,036</b>	<b>50,000</b>

(a) Includes both current Bill 2 and prior Act 2/4/6 appropriations and special capital appropriations.

(b) Includes the following sources of funding:

- current Bill 1 and prior year Act 1/3/5 appropriations (excluding amounts from the DCB)
- donations and contributions
- gifts
- internally developed assets
- s74 Retained revenue receipts
- proceeds from the sale of assets.

Prepared on Australian Accounting Standards basis.

**Table 3.6: Statement of asset movements (Budget year 2017-18)**

	Land	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2017</b>					
Gross book value	97,200	321,020	1,165,573	123,368	1,707,161
Accumulated depreciation/ amortisation and impairment	-	(60,917)	(398,565)	(41,309)	(500,791)
<b>Opening net book balance</b>	<b>97,200</b>	<b>260,103</b>	<b>767,008</b>	<b>82,059</b>	<b>1,206,370</b>
<b>Capital asset additions</b>					
<b>Estimated expenditure on new or replacement assets</b>					
By purchase - appropriation equity (a)	-	8,900	4,746	-	13,646
By purchase - appropriation ordinary annual services (b)	-	8,838	45,698	4,000	58,536
<b>Total additions</b>	<b>-</b>	<b>17,738</b>	<b>50,444</b>	<b>4,000</b>	<b>72,182</b>
<b>Other movements</b>					
Depreciation/amortisation expense	-	(15,854)	(66,967)	(3,600)	(86,421)
<b>Total other movements</b>	<b>-</b>	<b>(15,854)</b>	<b>(66,967)</b>	<b>(3,600)</b>	<b>(86,421)</b>
<b>As at 30 June 2018</b>					
Gross book value	97,200	338,758	1,216,017	127,368	1,779,343
Accumulated depreciation/ amortisation and impairment	-	(76,771)	(465,532)	(44,909)	(587,212)
<b>Closing net book balance</b>	<b>97,200</b>	<b>261,987</b>	<b>750,485</b>	<b>82,459</b>	<b>1,192,131</b>

(a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2017-18, including CDABs.

(b) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No.1) 2017-18 for depreciation/amortisation expenses, DCBs or other operational expenses.

Prepared on Australian Accounting Standards basis.

**Table 3.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)**

ANSTO has no budgeted income and expenses administered on behalf of Government; therefore Table 3.7 is not presented.

**Table 3.8: Schedule of Budgeted Assets and Liabilities Administered on Behalf of Government (as at 30 June)**

ANSTO has no budgeted assets and liabilities administered on behalf of Government; therefore Table 3.8 is not presented.

**Table 3.9: Schedule of Budgeted Administered Cash Flows (for the period ended 30 June)**

ANSTO has no budgeted administered cash flows; therefore Table 3.9 is not presented.

**Table 3.10: Schedule of Administered Capital Budget Statement**

ANSTO has no administered capital budget; therefore Table 3.10 is not presented.

**Table 3.11: Statement of Administered Asset Movements (Budget Year 2017-18)**

ANSTO has no administered asset movements; therefore Table 3.11 is not presented.



**COMMONWEALTH SCIENTIFIC AND  
INDUSTRIAL RESEARCH  
ORGANISATION**

**ENTITY RESOURCES AND PLANNED  
PERFORMANCE**



# COMMONWEALTH SCIENTIFIC AND INDUSTRIAL RESEARCH ORGANISATION

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# COMMONWEALTH SCIENTIFIC AND INDUSTRIAL RESEARCH ORGANISATION

## Section 1: Entity overview and resources

### 1.1 STRATEGIC DIRECTION STATEMENT

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

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

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

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

Consistent with its outcome statement, CSIRO aims to deliver great science and innovative solutions for industry, society and the environment, for its science to contribute to national benefit, knowledge and capabilities and to provide societal benefits.

In pursuing this outcome, CSIRO embraces its distinct role as a large-scale mission directed, multi-disciplinary science and technology organisation, and a preferred industry research and commercialisation collaboration partner and a trusted science adviser to government and industry on problems of national significance.

CSIRO's industry focussed and mission directed Business Units and commercial CSIRO Services are key mechanisms for delivering excellent science and achieving outcomes aligned with national issues, the Australian Government's Science and Research Priorities, and the Industry Knowledge Priorities identified by Industry Growth Centres.

CSIRO's Business Units concentrate on strategic research and knowledge and technology transfer with the potential to deliver major long term social, economic and

## *CSIRO Budget Statements*

environmental benefits to Australia. The Business Units do this by working with government, industry and others in the innovation system to support existing industries and to create new ones.

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

Fundamental to this is:

- strengthening existing industry alliances to actively encourage the application and adoption of CSIRO research, creating new industries and expanding collaborations with small and medium enterprises
- examining opportunities for increasing collaboration with other parts of the national innovation system, including other publicly funded research agencies, universities and other innovators, including industry
- maximising use of national research infrastructure by Australian and international researchers, including by encouraging industry access to relevant facilities and maintaining collections of national importance
- establishing stronger connections with top global research and technology peers
- maintaining science excellence in CSIRO research to deliver future impact
- promoting careers in science, investing in quality research training, and improving science, technology, engineering and maths (STEM) education to ensure that Australia has robust scientific education programs, career opportunities, research endeavours and school students and teachers who understand how STEM is applied in the real world
- providing the Government with independent scientific and technical advice as required, and informing the policy making process to assist the Government to decide how to best meet the challenges Australia faces
- delivering the CSIRO Innovation Fund (CIF), a National Innovation and Science Agenda initiative, to commercialise breakthroughs from CSIRO, universities and publicly funded research for the national interest. The CIF will invest in start-up and spin-off companies, existing SMEs engaged in translation of research, and company formation opportunities.

CSIRO research investment is divided into two programs: Research – Science, Services and Innovation Fund (Program 1) and National Research Infrastructure – Facilities and Collections (Program 2).

Program 3 is the Science and Industry Endowment Fund (SIEF), which is a separately constituted trust under the *Science and Industry Endowment Act 1926* and makes strategic investments in scientific research that address issues of national priority for Australia. The Chief Executive of CSIRO, as trustee of the fund, is assisted by the SIEF Advisory Council which provides independent advice and recommendations to the trustee in relation to the making of grants and funding of proposals out of the assets of the SIEF.

## 1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to CSIRO for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the entity's operations) classification.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome 1' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

**Table 1.1: CSIRO resource statement — Budget estimates for 2017-18 as at Budget May 2017**

	<i>2016-17 estimated actual \$'000</i>	2017-18 estimate \$'000
<b>Opening balance/cash reserves at 1 July</b>	<b>302,096</b>	<b>178,155</b>
<b>Funds from Government</b>		
Annual appropriations - ordinary annual services (a)		
Outcome 1	787,267	793,549
Annual appropriations - other services (b)		
Equity injection	10,000	10,000
<i>Total annual appropriations</i>	<i>797,267</i>	<i>803,549</i>
<b>Total funds from Government</b>	<b>797,267</b>	<b>803,549</b>
<b>Funds from other sources</b>		
Interest	8,468	7,600
Sale of goods and services	472,391	483,417
Other	29,940	65,124
<b>Total funds from other sources</b>	<b>510,799</b>	<b>556,141</b>
<b>Total net resourcing for CSIRO</b>	<b>1,610,162</b>	<b>1,537,845</b>
	<i>2016-17</i>	<i>2017-18</i>
<b>Average staffing level (number)</b>	<b>4,995</b>	<b>5,063</b>

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

All figures are GST exclusive.

(a) Appropriation Bill (No. 1) 2017-18

(b) Appropriation Bill (No. 2) 2017-18

CSIRO is not directly appropriated as it is a corporate Commonwealth entity. Appropriations are made to the Department of Industry, Innovation and Science and are then paid to CSIRO and are considered departmental for all purposes.

### 1.3 BUDGET MEASURES

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

**Table 1.2: CSIRO 2017-18 Budget measures**  
**Part 1: Measures announced since the 2016-17 Mid-Year Economic and Fiscal Outlook (MYEFO)**

	Program	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
<b>Expense measures</b>						
Public Service						
Modernisation						
Fund - transformation						
and innovation stream (a)	1					
Departmental expenses		-	-	-	-	-
<b>Total</b>		-	-	-	-	-
Standardisation of						
Overseas Allowances						
for Australian						
Government Employees -						
efficiencies (b)	1					
Departmental expenses		-	-	62	63	64
<b>Total</b>		-	-	<b>62</b>	<b>63</b>	<b>64</b>
<b>Total expense measures</b>						
Departmental		-	-	62	63	64
<b>Total</b>		-	-	<b>62</b>	<b>63</b>	<b>64</b>

Prepared on a Government Finance Statistics (fiscal) basis. Figures in brackets represent a decrease in funds.  
 (a) This measure will provide \$3.1 million in 2017-18, \$6.6 million in 2018-19 and \$6.1 million in 2019-20. Funding for this measure has already been provided for by the Government. The full measure description and package details appear in Budget Paper No. 2 under Cross Portfolio.

(b) The lead entity for this measure is the Department of Foreign Affairs and Trade. The full measure description and package details appear in Budget Paper No. 2 under the Foreign Affairs and Trade portfolio.

## Section 2: Outcomes and planned performance

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

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

**Note:**

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide an entity's complete performance story.

The most recent corporate plan for CSIRO can be found at:

[www.csiro.au/en/About/Strategy-structure/Corporate-plan](http://www.csiro.au/en/About/Strategy-structure/Corporate-plan).

The most recent annual performance statement can be found at:

[www.csiro.au/en/About/Our-impact/Reporting-our-impact](http://www.csiro.au/en/About/Our-impact/Reporting-our-impact).

## 2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

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

### Linked programs

<b>Department of Industry, Innovation and Science</b>
<p><b>Programs</b></p> <ul style="list-style-type: none"> <li>• Program 1: Supporting Science and Commercialisation</li> <li>• Program 3: Program Support</li> </ul>
<p><b>Contribution to Outcome 1 made by linked programs</b></p> <p>The Department of Industry, Innovation and Science contributes to Outcome 1 through its policies and programs supporting science and commercialisation and through the operation of the Office of the Chief Scientist and the Office of Innovation and Science Australia.</p>
<b>Department of Agriculture and Water Resources</b>
<p><b>Programs</b></p> <ul style="list-style-type: none"> <li>• Program 2.2: Plant and Animal Health</li> </ul>
<p><b>Contribution to Outcome 1 made by linked programs</b></p> <p>The Department of Agriculture and Water Resources contributes to Outcome 1 through contributions to the operating costs of the Australian Animal Health Laboratory.</p>
<b>Department of Education and Training</b>
<p><b>Programs</b></p> <ul style="list-style-type: none"> <li>• Program 2.6: Research Capacity</li> </ul>
<p><b>Contribution to Outcome 1 made by linked programs</b></p> <p>The Department of Education and Training contributes to Outcome 1 through its policies and programs to invest in Australia’s research capacity, and including the National Collaborative Research Infrastructure Strategy.</p>

<b>Department of the Environment and Energy</b>
<b>Programs</b> <ul style="list-style-type: none"><li>• Program 1.1: Sustainable Management of Natural Resources and the Environment</li><li>• Program 1.2: Environmental Information and Research</li><li>• Program 2.2: Adapting to Climate Change</li><li>• Program 3.1: Antarctica: Science, Policy and Presence</li></ul>
<b>Contribution to Outcome 1 made by linked programs</b> <p>The Department of the Environment and Energy contributes to Outcome 1 through the provision of funding to support science and research in the areas of marine science, climate science, ecology, hydrology, hydrogeology, informatics and risk analysis.</p> <p>The Department of the Environment and Energy also supports the Earth Systems and Climate Change Hub by providing funding through the National Environmental Science Program.</p>



### Budgeted expenses for Outcome 1

This table shows how much CSIRO intends to spend (on an accrual basis) on achieving the outcome, broken down by program.

**Table 2.1.1: Budgeted expenses for Outcome 1**

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

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>Program 1: Research - Science, Services and Innovation Fund</b>					
Revenue from Government					
Ordinary annual services (Appropriation Bill No. 1)	657,463	660,396	694,870	703,042	697,693
Expenses not requiring appropriation in the budget year (a)	13,443	15,749	21,744	21,598	21,372
Revenues from other independent sources	497,067	471,282	490,551	514,442	531,215
<b>Total expenses for Program 1</b>	<b>1,167,973</b>	<b>1,147,427</b>	<b>1,207,165</b>	<b>1,239,082</b>	<b>1,250,280</b>
<b>Program 2: National Research Infrastructure - National Facilities and Collections</b>					
Revenue from Government					
Ordinary annual services (Appropriation Bill No. 1)	129,804	133,153	133,139	131,686	131,742
Expenses not requiring appropriation in the budget year (a)	25,610	23,537	16,564	15,224	14,999
Revenues from other independent sources	21,664	45,330	46,671	47,323	47,999
<b>Total expenses for Program 2</b>	<b>177,078</b>	<b>202,020</b>	<b>196,374</b>	<b>194,233</b>	<b>194,740</b>
<b>Program 3: Science and Industry Endowment Fund</b>					
Expenses not requiring appropriation in the budget year (a)	19,979	24,049	18,080	11,060	3,924
Revenues from other independent sources	1,620	676	374	156	36
<b>Total expenses for Program 3</b>	<b>21,599</b>	<b>24,725</b>	<b>18,454</b>	<b>11,216</b>	<b>3,960</b>
<b>Outcome 1 totals by resource type</b>					
Revenue from Government					
Ordinary annual services (Appropriation Bill No. 1)	787,267	793,549	828,009	834,728	829,435
Expenses not requiring appropriation in the budget year (a)	59,032	63,335	56,388	47,882	40,295
Revenues from other independent sources	520,351	517,288	537,596	561,921	579,250
<b>Total expenses for Outcome 1</b>	<b>1,366,650</b>	<b>1,374,172</b>	<b>1,421,993</b>	<b>1,444,531</b>	<b>1,448,980</b>
<b>Average staffing level (number)</b>					
	2016-17	2017-18			
	4,995	5,063			

(a) Expenses not requiring appropriation in the Budget year consists of an approved operating loss.

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**Table 2.1.2: Program components of Outcome 1**

CSIRO's programs are not broken down by components; therefore Table 2.1.2 is not presented.

**Table 2.1.3: Performance criteria for Outcome 1**

Table 2.1.3 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2017-18 Budget measures have created new programs or materially changed existing programs.

<p><b>Outcome 1: Innovative scientific and technology solutions to national challenges and opportunities to benefit industry, the environment and the community, through scientific research and capability development, services and advice.</b></p>	
<p><b>Program 1: Research – Science, Services and Innovation Fund</b></p> <p>CSIRO's Research – Science, Services and Innovation Fund activities deliver economic, social and environmental impact to the nation through the provision of advice, information and solutions, including the delivery of new and improved technologies, management systems, and products, services for business, advice relevant to policy development, new knowledge and skills, and investment in early stage ventures founded in Australian research.</p> <p>This program includes:</p> <ul style="list-style-type: none"> <li>• Research units that aim to increase economic, social and environmental wellbeing in areas of complex challenges through the provision of scientific solutions, information, and advice. The areas of focus include agriculture, food, biosecurity, health, digital technologies and data, climate, environment, energy, manufacturing and mining. These units operate on a large scale and with long timeframes, and have a strong focus on identifying a clear path to adoption to deliver real benefits in partnerships with Australian universities and publicly funded research institutions, the private sector and selected international organisations</li> <li>• Education and outreach activities to develop increased knowledge of science and its application to students, parents, teachers and the Australian community. This work contributes to the maintenance of Australia's science capacity, which helps Australia to remain innovative and competitive in science</li> <li>• The provision of technical and advisory services to industry and government. This includes supporting Australian small and medium enterprises (SMEs) through CSIRO's SME Engagement Centre connecting enterprises to technical expertise and resources, defining technical issues, developing research projects for industry and providing guidance around access to funding for research and innovation</li> <li>• Support for undergraduates, post-graduates and post-doctoral researchers to boost the calibre of researchers working in the Australian community. CSIRO gives early-career researchers experience in technology transfer and uptake, which is important for Australia's future innovation capacity</li> <li>• CSIRO Publishing, which operates as an independent science and technology publisher with a global reputation for quality products and services covering a wide range of scientific disciplines</li> <li>• The Innovation Fund initiative that will invest in start-up and spin off companies, existing SMEs engaged in translation of research, and company formation opportunities to support business growth and support a culture of innovation and entrepreneurship in Australia.</li> </ul>	
<p><b>Delivery</b></p>	<ul style="list-style-type: none"> <li>• Mission directed R&amp;D with specific goals and impact objectives to focus scientific resources and efforts, including multidisciplinary teams established around key national challenges. Our capability is the integrated combination of people (disciplinary skills, entrepreneurship, experience and know-how), assets (such as research equipment) and relationships, with leadership providing a focus on building innovation capacity</li> <li>• The provision of timely advice, information and specific solutions that inform and protect society and the environment and help industry be more competitive and improve the quality of goods/services for industry and consumers</li> <li>• Products, technical and advisory services to industry and government including professional consulting and testing facilities</li> <li>• Engagement with large, medium and small enterprises, including Australian and international private and public sector organisations and collaboration with other publicly funded research agencies (PFRAs), universities and schools to undertake research, fund eligible investment proposals and deliver education programs</li> </ul>

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	<ul style="list-style-type: none"> <li>Focused investments in opportunities that bring forward the commercialisation of research based solutions aligned with Government's Science and Research Priorities, and priority industry sectors as currently articulated via Growth Centres. Investment proposals may arise from universities, PFRAs and their partners, including SMEs</li> </ul>			
<b>Performance information</b>				
Intended Results Linked to PBS Outcome	Performance Metric	Targets		
		2016-17	2017-18	2018-19 and beyond
Impact	Assessment of the quality of impact from independent Business Unit Reviews	-	80% either benchmark or strong	80% either benchmark or strong
Investment in Innovation	The CSIRO Innovation Fund has a strong pipeline of investable propositions across deep science based technology from the catchment of publically funded research institutions from each of the eligible participant stakeholder groups	-	At least 5 investable propositions being pursued	Investments made in 20 to 25 opportunities by 2020-21
Capability Development	Increase our direct science investment including future science platforms, capability development and central competitive funds	\$3.5m	\$10m	\$18m
	Utilisation of science outreach programs as measured through participation	-	5% increase over 2015-16	10% increase over 2015-16
Technical Services & Advice	Customer and user satisfaction as measured through satisfaction and willingness to recommend surveys and other feedback mechanisms – captured as Customer Net Promoter Score (NPS)	+11	+14	+16
<b>Purposes</b>	To collaboratively address national economic, environmental and social priorities by: <ul style="list-style-type: none"> <li>conducting, and encouraging the uptake of, world-class scientific research, and</li> <li>mobilising and developing the best talent, for the benefit of Australia.</li> </ul>			
<b>Note:</b> The following 2016-17 performance measures were replaced with updated key performance metrics: <ul style="list-style-type: none"> <li>Evidence of (economic, social and environmental) impacts through validated uptake and adoption of research outputs and science excellence</li> <li>Maintain or grow proportion of external revenue, particularly from industry and internationally</li> <li>Improve the innovation capacity, diversity and inclusion of staff with a focus on leadership</li> </ul>				

<b>Program 2: National Research Infrastructure - National Facilities and Collections</b>				
<p>CSIRO hosts National Research Infrastructure on behalf of the scientific community to assist with the delivery of research. These facilities and collections are available for use by the Australian and international research communities and increasingly are also publicly accessible. There are two types of National Research Infrastructure:</p> <ul style="list-style-type: none"> <li>National Facilities are owned and/or operated by CSIRO. These facilities can be accessed by the Australian research community and international users for the purposes of science without the support of CSIRO's science. Facilities are resourced with CSIRO staff to run and be 'science ready' to support the facility's operations. These facilities include the Australian Animal Health Laboratory, Australia Telescope National Facility, Marine National Facility (MNF) and Pawsey Centre</li> <li>The Australian National Research Collections are those amenities where CSIRO is the custodian of the national collections of specimens and samples that are of Australian and international scientific significance. The collections are supported with CSIRO staff to curate and maintain them. CSIRO will continue to steward collections in a manner which utilises the power of digital and genomics technologies to provide rapid access to comprehensive, reliable and validated data coupled with expert knowledge. The collections include the Australian National Fish Collection, Australian National Insect Collection, Australian National Herbarium, Australian National Wildlife Collection, National Tree Seed Collection and National Algae Culture Collection. The Atlas of Living Australia is the portal to the collections, which provides free, online access to a vast repository of information about Australia's amazing biodiversity. It supports research, environmental monitoring, and conservation planning, education and biosecurity activities.</li> </ul>				
<b>Delivery</b>	<ul style="list-style-type: none"> <li>The identification and development of collections which are vital platforms to enable research, collections of unique Australian heritage, or both</li> <li>The identification of facility need, design and creation of new facilities</li> <li>The day-to-day management, operation and enhancement of the National Facilities and Collections</li> <li>Ensuring access, both nationally and internationally, to the National Facilities and Collections</li> </ul>			
<b>Performance information</b>				
<b>Intended Results Linked to PBS Outcome</b>	<b>Performance Metric</b>	<b>Targets</b>		
		<b>2016-17</b>	<b>2017-18</b>	<b>2018-19 and beyond</b>
Provide world class scientific research facilities and collections	Facilities and collections maintained and operated to appropriate standards	Target not established	Maintain compliance with Australian legislation and regulations and ISO accreditations	Maintain compliance with Australian legislation and regulations and ISO accreditations
Provide national facilities and collections to various stakeholders	Utilisation of the facilities and collections as measured through: successful observations (a), time lost during observations and operations, core hour used, outward loans and successful research days delivered (b).	Target not established	Minimum of 70% successful astronomy observations	Minimum of 70% successful astronomy observations
			Maximum 5% time lost during scheduled observation	Maximum 5% time lost during scheduled observation
			90% core hours on Magnus supercomputer	90% core hours on Magnus supercomputer

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			70% outward loans (over 5 years)	70% outward loans (over 5 years)
			Minimum of 90% successful research days delivered on MNF	Minimum of 90% successful research days delivered on MNF
			Maximum of 10% time lost during scheduled MNF operations	Maximum of 10% time lost during scheduled MNF operations
<b>Purposes</b>	To collaboratively address national economic, environmental and social priorities by: <ul style="list-style-type: none"> <li>managing research infrastructure on behalf of the nation.</li> </ul>			

(a) Success measures that observations were able to be completed.

(b) Success means the science was able to be completed consistent with the voyage objectives.

<b>Program 3: Science and Industry Endowment Fund</b>				
<p>The Science and Industry Endowment Fund (SIEF) is established by Commonwealth legislation, the <i>Science and Industry Endowment Act 1926</i>, for the purpose of supporting scientific and industrial research for the benefit of Australia and its people. Currently SIEF expenditure is almost totally funded from the Gift of \$150 million received from CSIRO in 2010. Using the Gift, SIEF makes strategic investments in scientific research that addresses issues of national priority for Australia.</p> <p>SIEF invests in science that contributes to Australia's sustainable future such as:</p> <ul style="list-style-type: none"> <li>• fundamental research for sustainable resource use, environmental protection and community health</li> <li>• tactical research addressing solutions to national challenges</li> <li>• collaborative research that brings together organisations capable of working together on solutions to national challenges, and scholarships that create and sustain young researchers capable of addressing national challenges.</li> </ul> <p>SIEF funds the Experimental Development Program (launched in 2016), which is designed to address a gap in existing funding options available for progressing experimental research and technology development to a stage where it attracts commercial investment and market uptake.</p> <p>The STEM + Business Fellowship program aims to build deeper connections and collaborations between researchers and SMEs, accelerating the adoption of new ideas and technologies and giving early career researchers practical, on-ground experience with industry.</p> <p>The Research Infrastructure Program invests in major facilities and equipment to increase the capacity for nationally significant and collaborative research. The Medium Equipment Program (launched in 2017) aims to facilitate ground breaking scientific research and to build scientific capability by investing in specialised medium-scale instruments.</p> <p>SIEF Programs winding up during the forward reporting period include the Research Projects Program, Special Research Program and Promotions of Science, requiring a change in the performance information to assess SIEF outcomes.</p>				
<b>Delivery</b>	<p>Funding for SIEF programs is awarded by the Trustee of the Fund under these programs with advice from Australian and international experts. Some of the programs are operated on a competitive basis, and others are operated by invitation on the basis of identified needs of the Australian innovation and science community. The SIEF delivers funding via:</p> <ul style="list-style-type: none"> <li>• Research project funding</li> <li>• Research infrastructure funding</li> <li>• Research fellowships/scholarships</li> <li>• Experimental development funding</li> </ul>			
<b>Performance information</b>				
<b>Intended Results Linked to PBS Outcome</b>	<b>Performance Metric</b>	<b>Targets</b>		
		<b>2016-17</b>	<b>2017-18</b>	<b>2018-19 and beyond</b>
Deliver economic, social and environmental benefit to Australia against national challenges and opportunities	Evidence of outcomes and impacts of funded projects as demonstrated by case study impact narratives and evaluations	Target not established	Minimum of 1 case study	Minimum of 2 case studies
Build strong, innovative research partnerships	Proportion of research projects involving more than one organisation	Target not established	>93%	>94%
Accessibility of facilities to various stakeholders	Utilisation of the research infrastructure as measured through time allocations	Target not established	>60% operational time used, 20% usage in collaborative projects	>60% operational time used, 20% usage in collaborative projects

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Invest in strategic aligned innovation and capability	Technologies receiving ongoing commercialisation support from their Vice Chancellor or industry sources after one year of completing the Experimental Development Program	-	-	Minimum of 1 case study
Build strong, innovative research partnerships	Number of projects where additional STEM+ business funds are spent on research between the company and the STEM + Fellow's host research team or with others	-	-	12
<b>Purposes</b>	To collaboratively address national economic, environmental and social priorities by: <ul style="list-style-type: none"> <li>• conducting, and encouraging the uptake of, world-class scientific research, and</li> <li>• mobilising and developing the best talent, for the benefit of Australia.</li> </ul>			
<p><b>Note:</b> The following 2016-17 performance measures were replaced with updated key performance metrics due to the completion of two SIEF Programs:</p> <ul style="list-style-type: none"> <li>• Proportion of newly funded projects that align with the Government's Science and Research Priorities</li> <li>• Financial contributions of partners</li> <li>• Number of publications from SIEF projects</li> <li>• Number of Early Career Researchers funded through SIEF projects</li> </ul>				



## Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2017-18 budget year, including the impact of budget measures and resourcing on financial statements.

### **3.1 BUDGETED FINANCIAL STATEMENTS**

#### **3.1.1 Differences between entity resourcing and financial statements**

There are no material differences between the entity resources table and the financial statements.

#### **3.1.2 Explanatory notes and analysis of budgeted financial statements**

CSIRO's budgeted financial statements are presented on a consolidated basis in accordance with AASB 10 (Consolidated Financial Statements). The consolidated financial statements incorporate the assets and liabilities and the results of all entities controlled by CSIRO as defined by AASB 10 (being the Science and Industry Endowment Fund, WLAN Services Pty Ltd, National ICT Australia Ltd and the Fundación CSIRO Chile Research).

#### **Budgeted comprehensive income statement**

CSIRO is expecting an operating loss in 2017-18 and the forward estimates predominantly due to the distribution of funds by the Science and Industry Endowment Fund and unfunded depreciation expenses relating to assets for which capital was previously provided by Government through the Education Investment Fund and the National Collaborative Research Infrastructure Strategy.

#### **Budgeted balance sheet**

Financial assets from 2016-17 and beyond reflect the investment in Uniseed Management Pty Ltd and the investment in the CSIRO Innovation Fund, which may start to reduce across the forward estimates dependent on investments made through the Fund that are not known at the time of developing the budget.

Equity is expected to decrease across the forward estimates, reflecting the change in the accumulated deficit in relation to the approved operating loss.

#### **Budgeted statement of cash flows**

The budgeted cash flows largely mirror the trends and impacts reported above for the income statement and balance sheet.

**Budgeted capital budget statement**

The budgeted internally funded capital expenditure relates to construction of new and refurbishment of existing buildings and purchase of plant and equipment, including scientific equipment and information technology related assets.

### 3.2. BUDGETED FINANCIAL STATEMENTS TABLES

**Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>EXPENSES</b>					
Employee benefits	721,613	731,009	756,347	778,504	786,213
Suppliers	474,594	470,541	495,102	495,210	491,664
Depreciation and amortisation	167,331	170,236	167,826	167,937	168,088
Finance costs	3,112	2,386	2,718	2,880	3,015
<b>Total expenses</b>	<b>1,366,650</b>	<b>1,374,172</b>	<b>1,421,993</b>	<b>1,444,531</b>	<b>1,448,980</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Sale of goods and rendering of services	434,834	441,448	465,488	484,981	489,830
Interest	8,411	7,373	7,476	7,258	7,138
Royalties and licence fees	43,788	43,643	46,492	51,542	64,142
Other	31,580	18,824	18,140	18,140	18,140
<b>Total own-source revenue</b>	<b>518,613</b>	<b>511,288</b>	<b>537,596</b>	<b>561,921</b>	<b>579,250</b>
<b>Gains</b>					
Sale of assets	1,750	6,000	-	-	-
Other gains	(12)	-	-	-	-
<b>Total gains</b>	<b>1,738</b>	<b>6,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total own-source income</b>	<b>520,351</b>	<b>517,288</b>	<b>537,596</b>	<b>561,921</b>	<b>579,250</b>
<b>Net (cost of)/contribution by services</b>	<b>(846,299)</b>	<b>(856,884)</b>	<b>(884,397)</b>	<b>(882,610)</b>	<b>(869,730)</b>
Revenue from Government	787,267	793,549	828,009	834,728	829,435
<b>Surplus/(deficit) attributable to the Australian Government</b>	<b>(59,032)</b>	<b>(63,335)</b>	<b>(56,388)</b>	<b>(47,882)</b>	<b>(40,295)</b>
<b>Total comprehensive income/(loss)</b>	<b>(59,032)</b>	<b>(63,335)</b>	<b>(56,388)</b>	<b>(47,882)</b>	<b>(40,295)</b>
<b>Total comprehensive income/(loss) attributable to the Australian Government</b>	<b>(59,032)</b>	<b>(63,335)</b>	<b>(56,388)</b>	<b>(47,882)</b>	<b>(40,295)</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2: Budgeted departmental balance sheet (as at 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and equivalents	178,155	199,320	200,629	179,484	226,011
Trade and other receivables	58,633	60,815	65,592	67,135	66,956
Other investments	63,486	73,486	83,486	93,486	103,486
<b>Total financial assets</b>	<b>300,274</b>	<b>333,621</b>	<b>349,707</b>	<b>340,105</b>	<b>396,453</b>
<b>Non-financial assets</b>					
Land and buildings	1,591,537	1,522,268	1,488,390	1,490,798	1,427,020
Property, plant and equipment	575,241	560,001	541,676	523,990	505,904
Heritage and cultural assets	4,206	4,206	4,206	4,206	4,206
Investment property	50,222	50,222	50,222	50,222	50,222
Intangibles	15,293	12,069	8,846	5,622	2,398
Inventories	1,384	1,384	1,384	1,384	1,384
Other non-financial assets	47,619	48,902	50,249	51,633	51,633
<b>Total non-financial assets</b>	<b>2,285,502</b>	<b>2,199,052</b>	<b>2,144,973</b>	<b>2,127,855</b>	<b>2,042,767</b>
<b>Total assets</b>	<b>2,585,776</b>	<b>2,532,673</b>	<b>2,494,680</b>	<b>2,467,960</b>	<b>2,439,220</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	21,523	23,464	26,955	26,673	26,673
Other payables	150,834	151,514	151,514	151,456	151,306
<b>Total payables</b>	<b>172,357</b>	<b>174,978</b>	<b>178,469</b>	<b>178,129</b>	<b>177,979</b>
<b>Interest bearing liabilities</b>					
Leases	37,754	33,919	29,785	25,300	20,435
Deposits	5,872	5,872	5,872	5,872	5,872
<b>Total interest bearing liabilities</b>	<b>43,626</b>	<b>39,791</b>	<b>35,657</b>	<b>31,172</b>	<b>26,307</b>
<b>Provisions</b>					
Employee provisions	203,615	206,682	215,522	231,237	237,807
Other provisions	25,652	25,154	25,154	25,154	25,154
<b>Total provisions</b>	<b>229,267</b>	<b>231,836</b>	<b>240,676</b>	<b>256,391</b>	<b>262,961</b>
<b>Total liabilities</b>	<b>445,250</b>	<b>446,605</b>	<b>454,802</b>	<b>465,692</b>	<b>467,247</b>
<b>Net assets</b>	<b>2,140,526</b>	<b>2,086,068</b>	<b>2,039,878</b>	<b>2,002,268</b>	<b>1,971,973</b>

**Table 3.2: Budgeted departmental balance sheet (as at 30 June) (continued)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	279,007	287,623	297,376	307,115	317,115
Reserves	1,385,846	1,384,753	1,404,523	1,404,524	1,404,524
Retained surplus (accumulated deficit)	475,673	413,692	337,979	290,629	250,334
<b>Total parent entity interest</b>	<b>2,140,526</b>	<b>2,086,068</b>	<b>2,039,878</b>	<b>2,002,268</b>	<b>1,971,973</b>
<b>Total equity</b>	<b>2,140,526</b>	<b>2,086,068</b>	<b>2,039,878</b>	<b>2,002,268</b>	<b>1,971,973</b>

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

Prepared on Australian Accounting Standards basis.

**Table 3.3: Departmental statement of changes in equity — summary of movement  
(Budget year 2017-18)**

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2017</b>					
Balance carried forward from previous period	475,673	1,387,550	(1,704)	279,007	2,140,526
<b>Adjusted opening balance</b>	<b>475,673</b>	<b>1,387,550</b>	<b>(1,704)</b>	<b>279,007</b>	<b>2,140,526</b>
<b>Comprehensive income</b>					
Surplus/(deficit) for the period	(63,335)	-	-	-	(63,335)
<b>Total comprehensive income</b>	<b>(63,335)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(63,335)</b>
of which:					
Attributable to the Australian Government	(63,335)	-	-	-	(63,335)
<b>Transactions with owners</b>					
<b>Contributions by owners</b>					
Equity Injection - Appropriations	-	-	-	10,000	10,000
Other	1,354	(1,093)	-	(1,384)	(1,123)
<b>Sub-total transactions with owners</b>	<b>1,354</b>	<b>(1,093)</b>	<b>-</b>	<b>8,616</b>	<b>8,877</b>
<b>Estimated closing balance as at 30 June 2018</b>	<b>413,692</b>	<b>1,386,457</b>	<b>(1,704)</b>	<b>287,623</b>	<b>2,086,068</b>
<b>Closing balance attributable to the Australian Government</b>	<b>413,692</b>	<b>1,386,457</b>	<b>(1,704)</b>	<b>287,623</b>	<b>2,086,068</b>

Prepared on Australian Accounting Standards basis.

**Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	787,267	793,549	828,009	834,728	829,435
Sale of goods and rendering of services	472,391	483,417	507,246	534,937	553,972
Interest	8,468	7,600	7,551	7,313	7,168
Net GST received	326	(19)	(118)	(11)	149
Other	29,940	18,824	18,140	18,140	18,140
<b>Total cash received</b>	<b>1,298,392</b>	<b>1,303,371</b>	<b>1,360,828</b>	<b>1,395,107</b>	<b>1,408,864</b>
<b>Cash used</b>					
Employees	755,674	729,065	747,309	762,518	779,643
Suppliers	484,098	468,600	491,611	495,602	491,814
Borrowing costs	3,112	2,386	2,718	2,880	3,015
Other	3,494	1,817	1,347	1,332	-
<b>Total cash used</b>	<b>1,246,378</b>	<b>1,201,868</b>	<b>1,242,985</b>	<b>1,262,332</b>	<b>1,274,472</b>
<b>Net cash from/(used by) operating activities</b>	<b>52,014</b>	<b>101,503</b>	<b>117,843</b>	<b>132,775</b>	<b>134,392</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	1,750	46,300	-	-	-
<b>Total cash received</b>	<b>1,750</b>	<b>46,300</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Purchase of property, plant and equipment and intangibles	141,337	122,803	112,400	149,435	83,000
Investments	42,100	10,000	10,000	10,000	10,000
<b>Total cash used</b>	<b>183,437</b>	<b>132,803</b>	<b>122,400</b>	<b>159,435</b>	<b>93,000</b>
<b>Net cash from/(used by) investing activities</b>	<b>(181,687)</b>	<b>(86,503)</b>	<b>(122,400)</b>	<b>(159,435)</b>	<b>(93,000)</b>

**Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)(continued)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity	10,000	10,000	10,000	10,000	10,000
<b>Total cash received</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>
<b>Cash used</b>					
Repayments of borrowing	4,268	3,835	4,134	4,485	4,865
<b>Total cash used</b>	<b>4,268</b>	<b>3,835</b>	<b>4,134</b>	<b>4,485</b>	<b>4,865</b>
<b>Net cash from/(used by) financing activities</b>	<b>5,732</b>	<b>6,165</b>	<b>5,866</b>	<b>5,515</b>	<b>5,135</b>
<b>Net increase/(decrease) in cash held</b>	<b>(123,941)</b>	<b>21,165</b>	<b>1,309</b>	<b>(21,145)</b>	<b>46,527</b>
Cash and cash equivalents at the beginning of the reporting period	302,096	178,155	199,320	200,629	179,484
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>178,155</b>	<b>199,320</b>	<b>200,629</b>	<b>179,484</b>	<b>226,011</b>

Prepared on Australian Accounting Standards basis.



**Table 3.5: Departmental capital budget statement (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>NEW CAPITAL APPROPRIATIONS</b>					
Equity injections - Bill 2	10,000	10,000	10,000	10,000	10,000
<b>Total new capital appropriations</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>
<i>Provided for:</i>					
Other Items	10,000	10,000	10,000	10,000	10,000
<b>Total Items</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded internally from departmental resources (a)	141,337	122,803	112,400	149,435	83,000
<b>TOTAL</b>	<b>141,337</b>	<b>122,803</b>	<b>112,400</b>	<b>149,435</b>	<b>83,000</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	141,337	122,803	112,400	149,435	83,000
<b>Total cash used to acquire assets</b>	<b>141,337</b>	<b>122,803</b>	<b>112,400</b>	<b>149,435</b>	<b>83,000</b>

(a) Includes the following sources of funding:

- current Bill 1 and prior year Act 1/3/5 appropriations;
- donations and contributions;
- internally developed assets;
- own source revenue receipts;
- proceeds from the sale of assets.

Prepared on Australian Accounting Standards basis.

**Table 3.6: Schedule of departmental asset movements (Budget year 2017-18)**

	Land	Buildings	Other property, plant and equipment	Heritage and cultural	Investment property	Computer software and intangibles	L&B, IP&E held for sale	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2017</b>								
Gross book value	384,674	2,754,109	1,194,415	11,947	50,222	58,893	2,995	4,457,255
Accumulated depreciation/amortisation and impairment	-	(1,547,246)	(619,174)	(7,741)	-	(43,600)	(2,995)	(2,220,756)
<b>Opening net book balance</b>	<b>384,674</b>	<b>1,206,863</b>	<b>575,241</b>	<b>4,206</b>	<b>50,222</b>	<b>15,293</b>	<b>-</b>	<b>2,236,499</b>
<b>Capital asset additions</b>								
<b>Estimated expenditure on new or replacement assets</b>								
By purchase - other	-	59,803	63,000	-	-	-	-	122,803
<b>Total additions</b>	<b>-</b>	<b>59,803</b>	<b>63,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>122,803</b>
<b>Other movements</b>								
Depreciation/amortisation expense	-	(88,772)	(78,240)	-	-	(3,224)	-	(170,236)
Disposals	(35,100)	(5,200)	-	-	-	-	-	(40,300)
Total other movements	<b>(35,100)</b>	<b>(93,972)</b>	<b>(78,240)</b>	<b>-</b>	<b>-</b>	<b>(3,224)</b>	<b>-</b>	<b>(210,536)</b>
<b>As at 30 June 2018</b>								
Gross book value	349,574	2,808,712	1,257,415	11,947	50,222	58,893	2,995	4,539,758
Accumulated depreciation/amortisation and impairment	-	(1,636,018)	(697,414)	(7,741)	-	(46,824)	(2,995)	(2,390,992)
<b>Closing net book balance</b>	<b>349,574</b>	<b>1,172,694</b>	<b>560,001</b>	<b>4,206</b>	<b>50,222</b>	<b>12,069</b>	<b>-</b>	<b>2,148,766</b>

Prepared on Australian Accounting Standards basis.

**Table 3.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)**

CSIRO has no budgeted income and expenses administered on behalf of Government; therefore Table 3.7 is not presented.

**Table 3.8: Schedule of Budgeted Assets and Liabilities Administered on Behalf of Government (as at 30 June)**

CSIRO has no budgeted assets and liabilities administered on behalf of Government; therefore Table 3.8 is not presented.

**Table 3.9: Schedule of Budgeted Administered Cash Flows (for the period ended 30 June)**

CSIRO has no budgeted administered cash flows; therefore Table 3.9 is not presented.

**Table 3.10: Schedule of Administered Capital Budget Statement**

CSIRO has no administered capital budget; therefore Table 3.10 is not presented.

**Table 3.11: Statement of Administered Asset Movements (Budget Year 2017-18)**

CSIRO has no administered asset movements; therefore Table 3.11 is not presented.



# **GEOSCIENCE AUSTRALIA**

## **ENTITY RESOURCES AND PLANNED PERFORMANCE**



# GEOSCIENCE AUSTRALIA

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# GEOSCIENCE AUSTRALIA

## Section 1: Entity overview and resources

### 1.1 STRATEGIC DIRECTION STATEMENT

Geoscience Australia is Australia's national public sector geoscience organisation and the nation's trusted adviser on the geology and geography of Australia. It applies science and technology to describe and understand the Earth for the benefit of Australia.

Geoscience Australia delivers a wide range of products that address important national issues to assist government and the community to make informed decisions about the use of natural resources, the management of the environment, and community safety.

Geoscience Australia contributes to Australian Government priorities through six key strategic priorities:

- **Building Australia's Resource Wealth:** to maximise the benefits from Australia's minerals and energy resources, now and into the future
- **Ensuring Australia's Community Safety:** so that Australian communities are more resilient to natural hazards
- **Securing Australia's Water Resources:** to help drive optimal and sustainable use of Australia's water resources
- **Managing Australia's Marine Jurisdictions:** to maximise benefits from the sustainable use of Australia's marine jurisdiction
- **Providing Fundamental Geographic Information:** to understand the location and timing of processes, activities and changes across Australia to inform decision-making for both natural and built environments
- **Maintaining Geoscience Knowledge and Capability:** to maintain an enduring and accessible knowledge base and capability to enable evidence-based policy and decision-making by government, industry and the community.

These strategic priorities and their objectives drive the annual work program of Geoscience Australia.

In 2017-18, there will be a particular focus on progressing the work relating to resource exploration in northern Australia to improve the understanding of potential mineral, energy and groundwater resources; the continued development of Digital Earth Australia to unlock vast amounts of satellite data and to apply this information to

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important national issues; and building the National Positioning Infrastructure Capability to provide reliable and accurate satellite positioning across Australia that will support industry innovation and productivity, and the development of new technology for the benefit of the Australian community.

## 1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to Geoscience Australia for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the entity's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome 1' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

**Table 1.1: Geoscience Australia resource statement — Budget estimates for 2017-18 as at Budget May 2017**

	2016-17 <i>Estimated actual</i> \$'000	2017-18 Estimate \$'000
<b>Departmental</b>		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available	68,084	50,679
Departmental appropriation (b)	142,619	151,108
s74 retained revenue receipts (c)	43,800	43,643
Departmental capital budget (d)	4,539	4,662
Annual appropriations - other services - non-operating (e)		
Equity injection	3,700	-
<i>Total departmental annual appropriations</i>	<i>262,742</i>	<i>250,092</i>
<b>Total departmental resourcing</b>	<b>262,742</b>	<b>250,092</b>
<b>Administered</b>		
Annual appropriations - ordinary annual services (a)		
UN Grant in Aid	20	20
<i>Total administered annual appropriations</i>	<i>20</i>	<i>20</i>
<b>Total administered resourcing</b>	<b>20</b>	<b>20</b>
<b>Total resourcing for Geoscience Australia</b>	<b>262,762</b>	<b>250,112</b>
	2016-17	2017-18
<b>Average staffing level (number)</b>	<b>590</b>	<b>600</b>

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

All figures are GST exclusive.

(a) Appropriation Bill (No. 1) 2017-18.

(b) Excludes departmental capital budget (DCB).

(c) Estimated retained revenue receipts under section 74 of the *Public Governance, Performance and Accountability Act 2013*.

(d) Departmental capital budgets are not separately identified in Appropriation Bill (No.1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.

(e) Appropriation Bill (No. 2) 2017-18.

### 1.3 BUDGET MEASURES

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

**Table 1.2: Geoscience Australia 2017-18 Budget measures**  
**Part 1: Measures announced since the 2016-17 Mid-Year Economic and Fiscal Outlook (MYEFO)**

	Program	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
<b>Expense measures</b>						
Public Service Modernisation						
Fund - transformation and innovation stream (a)	1					
Administered expenses		-	-	-	-	-
Departmental expenses		-	-	-	-	-
<b>Total</b>		-	-	-	-	-
<b>Total expense measures</b>						
Administered		-	-	-	-	-
Departmental		-	-	-	-	-
<b>Total</b>		-	-	-	-	-

Prepared on a Government Finance Statistics (fiscal) basis. Figures in brackets represent a decrease in funds.  
(a) This measure will provide \$6.0 million in 2017-18 and \$9.3 million in 2018-19. Funding for this measure has already been provided for by the Government. The full measure description and package details appear in Budget Paper No. 2 under Cross Portfolio.

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

Geoscience Australia does not have any other measures not previously reported in a portfolio statement; therefore no table is presented.

## Section 2: Outcomes and planned performance

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

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

**Note:**

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide an entity's complete performance story.

The most recent corporate plan for Geoscience Australia can be found at:  
[www.ga.gov.au/about/corporate-plan](http://www.ga.gov.au/about/corporate-plan).

The most recent annual performance statement can be found at:  
[www.ga.gov.au/about/corporate-documents/annual-report](http://www.ga.gov.au/about/corporate-documents/annual-report).

## 2.1 BUDGETED EXPENSES AND PERFORMANCE 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.**

### Linked programs

<b>Department of Industry, Innovation and Science</b>
<b>Programs</b> <ul style="list-style-type: none"><li>• Program 1: Supporting Science and Commercialisation</li><li>• Program 2: Growing Business Investment and Improving Business Capability</li><li>• Program 3: Program Support</li></ul>
<b>Contribution to Outcome 1 made by linked programs</b> <p>The Department of Industry, Innovation and Science contributes to Outcome 1 through its policies and programs supporting science and commercialisation, the sustainable development of the resources sector, and encouraging innovative technologies.</p>

**Budgeted expenses for Outcome 1**

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

**Table 2.1.1: Budgeted expenses for Outcome 1**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>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.</b>					
<b>Program 1: Geoscientific and spatial information services</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	20	20	19	19	19
<b>Administered total</b>	<b>20</b>	<b>20</b>	<b>19</b>	<b>19</b>	<b>19</b>
Departmental expenses					
Departmental appropriation	142,619	151,108	156,926	140,967	117,874
s74 Retained revenue receipts (a)	43,800	43,643	39,900	39,900	39,900
Expenses not requiring appropriation in the Budget year (b)	12,037	11,370	11,356	10,868	9,587
<b>Departmental total</b>	<b>198,456</b>	<b>206,121</b>	<b>208,182</b>	<b>191,735</b>	<b>167,361</b>
<b>Total expenses for program 1</b>	<b>198,476</b>	<b>206,141</b>	<b>208,201</b>	<b>191,754</b>	<b>167,380</b>
<b>Outcome 1 Totals by appropriation type</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	20	20	19	19	19
<b>Administered total</b>	<b>20</b>	<b>20</b>	<b>19</b>	<b>19</b>	<b>19</b>
Departmental expenses					
Departmental appropriation	142,619	151,108	156,926	140,967	117,874
s74 Retained revenue receipts (a)	43,800	43,643	39,900	39,900	39,900
Expenses not requiring appropriation in the Budget year (b)	12,037	11,370	11,356	10,868	9,587
<b>Departmental total</b>	<b>198,456</b>	<b>206,121</b>	<b>208,182</b>	<b>191,735</b>	<b>167,361</b>
<b>Total expenses for Outcome 1</b>	<b>198,476</b>	<b>206,141</b>	<b>208,201</b>	<b>191,754</b>	<b>167,380</b>
<b>Average staffing level (number)</b>					
	2016-17 590	2017-18 600			

(a) Estimated expenses incurred in relation to receipts retained under section 74 of the Public Governance, Performance and Accountability Act 2013.

(b) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, make good expenses, audit fees and accounting treatment of accommodation lease expenses.

**Table 2.1.2: Program components of Outcome 1**

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



**Table 2.1.3: Performance criteria for Outcome 1**

Table 2.1.3 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2017-18 Budget measures have created new programs or materially changed existing programs.

<p><b>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.</b></p>	
<p><b>Program 1: Geoscientific and Spatial Information Services</b>                  Geoscience Australia's Geoscientific and Spatial Information Services program, includes work to:</p> <ul style="list-style-type: none"> <li>• Attract exploration investment to Australia by building a prospectus of minerals and energy resource potential</li> <li>• Support Australia's capability to manage the impact of natural hazards</li> <li>• Inform the understanding of the location, quantity, quality and sustainable use of Australia's groundwater and surface water systems</li> <li>• Contribute to the sustainable development of marine resources and conservation of key ecosystems</li> <li>• Provide reliable national fundamental information about the geographies of the nation</li> <li>• Ensure geoscientific and geospatial data, information and collections are gathered managed and made accessible for the use of all Australians both now and into the future.</li> </ul>	
<p><b>Delivery</b></p>	<p>Geoscience Australia delivers a wide range of products and services through a number of work activities. This work enables the Government and the community to make informed decisions about the use of natural resources, the management of the environment, and community safety.</p> <p><b>Building Australia's Resource Wealth</b></p> <ul style="list-style-type: none"> <li>• Energy Pre-Competitive Information</li> <li>• Minerals Pre-Competitive Information</li> <li>• Resources Advice and Promotion</li> </ul> <p><b>Ensuring Australia's Community Safety</b></p> <ul style="list-style-type: none"> <li>• Community Safety</li> <li>• Seismology</li> <li>• Situational Awareness Information Framework</li> </ul> <p><b>Securing Australia's Water Resources</b></p> <ul style="list-style-type: none"> <li>• Groundwater and Surface Water Innovation</li> <li>• Evaluating Australia's Groundwater Systems</li> </ul> <p><b>Managing Australia's Marine Jurisdictions</b></p> <ul style="list-style-type: none"> <li>• Marine Jurisdiction and Coastal Zone</li> </ul> <p><b>Providing Fundamental Geographic Information</b></p> <ul style="list-style-type: none"> <li>• Positioning</li> <li>• Digital Earth Australia</li> <li>• National Location Information Framework</li> </ul> <p><b>Maintaining Geoscience Knowledge and Capability</b></p> <ul style="list-style-type: none"> <li>• Observatories</li> <li>• Science Support</li> <li>• Petroleum Data Repository</li> <li>• Geoscience Promotion, Education and Awareness</li> </ul>

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Performance information		
Year	Performance criteria (a)	Targets
2016-17	<p><b>Overall Entity</b></p> <ul style="list-style-type: none"> <li>Overall level of stakeholder satisfaction with Geoscience Australia</li> <li>Stakeholder satisfaction with the quality of Geoscience Australia's products and services</li> <li>Stakeholder satisfaction with the timeliness of Geoscience Australia in delivering its products and services</li> </ul> <p><b>Program Performance</b></p> <ul style="list-style-type: none"> <li>Geoscience Australia is using the most appropriate science and techniques to develop products that are fit-for-purpose</li> <li>Geoscience Australia maintains and develops appropriate capability based on strategic priorities</li> <li>Geoscience Australia develops partnerships and collaborations to ensure access to required capability and capacity to deliver appropriate science</li> <li>Geoscience Australia's science principles are being applied</li> </ul>	<p>91% - Overall level of stakeholder satisfaction with Geoscience Australia.</p> <p>The science evaluation process assessed the quality of Geoscience Australia's work program against specific performance criteria, through reference to 11 different external review panels and referee consultations. This independent review determined that Geoscience Australia's science is effective and well-regarded by the diverse range of stakeholders it serves, with scientific quality, capability and culture particular strengths of its scientific activities.</p> <p>The science evaluation review also delivered a number of recommendations to improve future performance and relevance on individual work programs</p>
2017-18	<p><b>Program Performance</b></p> <ul style="list-style-type: none"> <li>Geoscience Australia's products and services are fit-for-purpose, meet stakeholder needs and are underpinned by quality science</li> </ul> <p><b>Products and Services - Stakeholder Satisfaction</b></p> <ul style="list-style-type: none"> <li>Overall level of stakeholder satisfaction with Geoscience Australia</li> <li>The level of stakeholder satisfaction with the quality of Geoscience Australia's products and services</li> <li>The level of stakeholder satisfaction with the timeliness of Geoscience Australia in delivering its products and services</li> </ul>	<p>Products and services adhere to Geoscience Australia's science principles and are delivered on schedule</p> <p>&gt;80% stakeholder satisfaction rating</p>
2018-19 and beyond	As per 2017-18	As per 2017-18

<b>Purposes</b>	<p>Geoscience Australia's purpose aligns to six key strategic priority areas:</p> <ul style="list-style-type: none"><li>• Building Australia's Resource Wealth – to maximise benefits from Australia's minerals and energy resources, now and into the future</li><li>• Ensuring Australia's Community Safety – so that Australian communities are more resilient to natural hazards</li><li>• Securing Australia's Water Resources – to optimise and sustain the use of Australia's water resources</li><li>• Managing Australia's Marine Jurisdictions – to maximise benefits from the sustainable use of Australia's marine jurisdiction</li><li>• Providing Fundamental Geographic Information – to understand the location and timing of processes, activities and changes across Australia to inform decision making for both natural and built environments</li><li>• Maintaining Geoscience Knowledge and Capability – to maintain an enduring and accessible knowledge base and capability to enable evidence-based policy and decision making by government, industry and the community.</li></ul> <p>In achieving its purpose, Geoscience Australia provides applied research and information. It delivers a wide range of products to assist government and the community to make informed decisions about the use of natural resources, the management of the environment, and community safety.</p>
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## Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2017-18 budget year, including the impact of budget measures and resourcing on financial statements.

### **3.1 BUDGETED FINANCIAL STATEMENTS**

#### **3.1.1 Differences between entity resourcing and financial statements**

There are no material differences between the entity resources table and the financial statements.

#### **3.1.2 Explanatory notes and analysis of budgeted financial statements**

##### **Departmental**

##### **Budgeted income and expenses**

Total revenues for 2017-18 are budgeted at \$194.8 million, an increase of \$8.3 million from estimated actual revenue from 2016-17, comprising \$8.5 million appropriation revenue from government (which includes the new Digital Earth Australia budget measure), offset by \$0.2 million reduction from externally funded projects. Total expenses for 2017-18 are budgeted at \$206.1 million, including \$7.2 million depreciation and amortisation expenses.

The total budgeted deficit for 2017-18 is \$11.3 million. This amount represents depreciation and amortisation expenditure of \$7.2 million, which is no longer funded following the implementation of the Commonwealth's net cash appropriation framework, and \$4.0 million of rent straight-lining.

##### **Budgeted assets and liabilities**

Geoscience Australia's budgeted total asset position of \$102.1 million and total liabilities of \$97.6 million are a change of \$2.8 million and \$3.8 million respectively from 2016-17. This decrease reflects an expected decrease in externally funded projects affecting the underlying cash balance, and unearned revenue liability.

**Budgeted capital expenditure**

Planned capital expenditure for Geoscience Australia for 2017-18 is \$17.0 million. This comprises capital expenditure funded from the departmental capital budget of \$4.6 million and internal funding of \$12.3 million.

**Administered**

**Budgeted income and expenses**

Geoscience Australia will make one payment on behalf of government in 2017-18, being a grant of \$0.02 million to the International Geological Correlation Program.

**Budgeted assets and liabilities**

Geoscience Australia does not expect to hold any administered assets or liabilities in 2016-17 and 2017-18.

### 3.2. BUDGETED FINANCIAL STATEMENTS TABLES

**Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>EXPENSES</b>					
Employee benefits	74,653	77,160	78,123	78,138	78,152
Suppliers	116,538	121,693	122,114	105,428	81,588
Depreciation and amortisation	7,245	7,248	7,925	8,149	7,601
Other expenses	20	20	20	20	20
<b>Total expenses</b>	<b>198,456</b>	<b>206,121</b>	<b>208,182</b>	<b>191,735</b>	<b>167,361</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Sale of goods and rendering of services	43,800	43,643	39,900	39,900	39,900
Other	92	95	97	99	101
<b>Total own-source revenue</b>	<b>43,892</b>	<b>43,738</b>	<b>39,997</b>	<b>39,999</b>	<b>40,001</b>
<b>Total own-source income</b>	<b>43,892</b>	<b>43,738</b>	<b>39,997</b>	<b>39,999</b>	<b>40,001</b>
<b>Net (cost of)/contribution by services</b>	<b>(154,564)</b>	<b>(162,383)</b>	<b>(168,185)</b>	<b>(151,736)</b>	<b>(127,360)</b>
Revenue from Government	142,619	151,108	156,926	140,967	117,874
<b>Surplus/(deficit) attributable to the Australian Government</b>	<b>(11,945)</b>	<b>(11,275)</b>	<b>(11,259)</b>	<b>(10,769)</b>	<b>(9,486)</b>
<b>Total comprehensive income/(loss)</b>	<b>(11,945)</b>	<b>(11,275)</b>	<b>(11,259)</b>	<b>(10,769)</b>	<b>(9,486)</b>
<b>Total comprehensive income/(loss) attributable to the Australian Government</b>	<b>(11,945)</b>	<b>(11,275)</b>	<b>(11,259)</b>	<b>(10,769)</b>	<b>(9,486)</b>

**Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June (continued)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations (a)</b>	<b>(4,700)</b>	<b>(4,027)</b>	<b>(3,334)</b>	<b>(2,620)</b>	<b>(1,885)</b>
less					
depreciation/amortisation expenses previously funded through revenue appropriations (b)	7,245	7,248	7,925	8,149	7,601
<b>Total comprehensive income/(loss) - as per the statement of comprehensive income</b>	<b>(11,945)</b>	<b>(11,275)</b>	<b>(11,259)</b>	<b>(10,769)</b>	<b>(9,486)</b>

(a) This approved loss relates to the straight lining of the Geoscience Australia Symonston building lease in accordance with Australian Accounting Standards.

(b) From 2010-11, the Government introduced net cash appropriation arrangements where Bill 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations. For information regarding DCBs, please refer to Table 3.5 Departmental Capital Budget Statement. Prepared on Australian Accounting Standards basis.

**Table 3.2: Budgeted departmental balance sheet (as at 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	2,500	2,500	2,500	2,500	2,500
Trade and other receivables	58,489	45,913	42,192	41,972	41,753
Other financial assets	1,441	1,441	1,441	1,441	1,441
<b>Total financial assets</b>	<b>62,430</b>	<b>49,854</b>	<b>46,133</b>	<b>45,913</b>	<b>45,694</b>
<b>Non-financial assets</b>					
Land and buildings	7,387	18,289	19,920	17,798	15,676
Property, plant and equipment	28,226	26,575	24,971	23,685	23,151
Heritage and cultural assets	2,254	2,254	2,254	2,254	2,254
Intangibles	552	1,065	1,258	1,175	920
Other non-financial assets	4,017	4,017	4,017	4,017	4,017
<b>Total non-financial assets</b>	<b>42,436</b>	<b>52,200</b>	<b>52,420</b>	<b>48,929</b>	<b>46,018</b>
<b>Total assets</b>	<b>104,866</b>	<b>102,054</b>	<b>98,553</b>	<b>94,842</b>	<b>91,712</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	7,579	7,579	7,579	7,579	7,579
Other payables	57,969	60,940	63,216	64,777	65,600
<b>Total payables</b>	<b>65,548</b>	<b>68,519</b>	<b>70,795</b>	<b>72,356</b>	<b>73,179</b>
<b>Provisions</b>					
Employee provisions	27,523	28,333	29,150	29,969	30,792
Other provisions	748	768	788	808	828
<b>Total provisions</b>	<b>28,271</b>	<b>29,101</b>	<b>29,938</b>	<b>30,777</b>	<b>31,620</b>
<b>Total liabilities</b>	<b>93,819</b>	<b>97,620</b>	<b>100,733</b>	<b>103,133</b>	<b>104,799</b>
<b>Net assets</b>	<b>11,047</b>	<b>4,434</b>	<b>(2,180)</b>	<b>(8,291)</b>	<b>(13,087)</b>
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	45,731	50,393	55,038	59,696	64,386
Reserves	7,813	7,813	7,813	7,813	7,813
Retained surplus (accumulated deficit)	(42,497)	(53,772)	(65,031)	(75,800)	(85,286)
<b>Total parent entity interest</b>	<b>11,047</b>	<b>4,434</b>	<b>(2,180)</b>	<b>(8,291)</b>	<b>(13,087)</b>
<b>Total equity</b>	<b>11,047</b>	<b>4,434</b>	<b>(2,180)</b>	<b>(8,291)</b>	<b>(13,087)</b>

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



**Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2017-18)**

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2017</b>					
Balance carried forward from previous period	(42,497)	7,813	-	45,731	11,047
<b>Adjusted opening balance</b>	<b>(42,497)</b>	<b>7,813</b>	<b>-</b>	<b>45,731</b>	<b>11,047</b>
<b>Comprehensive income</b>					
Surplus/(deficit) for the period	(11,275)	-	-	-	(11,275)
<b>Total comprehensive income</b>	<b>(11,275)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(11,275)</b>
of which:					
Attributable to the Australian Government	(11,275)	-	-	-	(11,275)
<b>Transactions with owners</b>					
<b>Contributions by owners</b>					
Departmental capital budget (DCB)	-	-	-	4,662	4,662
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,662</b>	<b>4,662</b>
<b>Estimated closing balance as at 30 June 2018</b>	<b>(53,772)</b>	<b>7,813</b>	<b>-</b>	<b>50,393</b>	<b>4,434</b>
<b>Closing balance attributable to the Australian Government</b>	<b>(53,772)</b>	<b>7,813</b>	<b>-</b>	<b>50,393</b>	<b>4,434</b>

Prepared on Australian Accounting Standards basis.

**Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	193,102	208,201	201,347	181,885	158,792
Sale of goods and rendering of services	33,077	44,516	40,699	40,698	40,699
Net GST received	9,295	9,226	9,046	8,403	6,322
<b>Total cash received</b>	<b>235,474</b>	<b>261,943</b>	<b>251,092</b>	<b>230,986</b>	<b>205,813</b>
<b>Cash used</b>					
Employees	75,284	76,350	77,308	77,319	77,331
Suppliers	123,861	128,727	129,585	112,969	87,784
s74 Retained revenue receipts transferred to OPA	33,077	44,516	40,699	40,698	40,698
<b>Total cash used</b>	<b>232,222</b>	<b>249,593</b>	<b>247,592</b>	<b>230,986</b>	<b>205,813</b>
<b>Net cash from/(used by) operating activities</b>	<b>3,252</b>	<b>12,350</b>	<b>3,500</b>	<b>-</b>	<b>-</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment and intangibles	11,438	17,012	8,145	4,658	4,690
<b>Total cash used</b>	<b>11,438</b>	<b>17,012</b>	<b>8,145</b>	<b>4,658</b>	<b>4,690</b>
<b>Net cash from/(used by) investing activities</b>	<b>(11,438)</b>	<b>(17,012)</b>	<b>(8,145)</b>	<b>(4,658)</b>	<b>(4,690)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity	8,239	4,662	4,645	4,658	4,690
<b>Total cash received</b>	<b>8,239</b>	<b>4,662</b>	<b>4,645</b>	<b>4,658</b>	<b>4,690</b>
<b>Net cash from/(used by) financing activities</b>	<b>8,239</b>	<b>4,662</b>	<b>4,645</b>	<b>4,658</b>	<b>4,690</b>
<b>Net increase/(decrease) in cash held</b>	<b>53</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	2,447	2,500	2,500	2,500	2,500
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>

Prepared on Australian Accounting Standards basis.

**Table 3.5: Departmental capital budget statement (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>NEW CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 (DCB)	4,539	4,662	4,645	4,658	4,690
Equity injections - Bill 2	3,700	-	-	-	-
<b>Total new capital appropriations</b>	<b>8,239</b>	<b>4,662</b>	<b>4,645</b>	<b>4,658</b>	<b>4,690</b>
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	8,239	4,662	4,645	4,658	4,690
<b>Total items</b>	<b>8,239</b>	<b>4,662</b>	<b>4,645</b>	<b>4,658</b>	<b>4,690</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations (a)	3,700	-	-	-	-
Funded by capital appropriation - DCB (b)	4,539	4,662	4,645	4,658	4,690
Funded internally from departmental resources (c)	3,200	12,350	3,500	-	-
<b>TOTAL</b>	<b>11,439</b>	<b>17,012</b>	<b>8,145</b>	<b>4,658</b>	<b>4,690</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	11,439	17,012	8,145	4,658	4,690
<b>Total cash used to acquire assets</b>	<b>11,439</b>	<b>17,012</b>	<b>8,145</b>	<b>4,658</b>	<b>4,690</b>

(a) Includes both current Bill 2 and prior Act 2/4/6 appropriations and special capital appropriations.

(b) Does not include annual finance lease costs. Include purchases from current and previous years' Departmental Capital Budgets (DCBs).

(c) Includes the following sources of funding:

- current Bill 1 and prior year Act 1/3/5 appropriations (excluding amounts from the DCB)
- donations and contributions
- gifts
- internally developed assets
- s74 Retained revenue receipts
- proceeds from the sale of assets.

Prepared on Australian Accounting Standards basis.

**Table 3.6: Statement of asset movements (Budget year 2017-18)**

	Land	Buildings	Other property, plant and equipment	Heritage and cultural	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2017</b>						
Gross book value	1,240	7,601	43,875	2,254	7,737	62,707
Accumulated depreciation/ amortisation and impairment	-	(1,454)	(15,649)	-	(7,185)	(24,288)
<b>Opening net book balance</b>	<b>1,240</b>	<b>6,147</b>	<b>28,226</b>	<b>2,254</b>	<b>552</b>	<b>38,419</b>
<b>Capital asset additions</b>						
<b>Estimated expenditure on new or replacement assets</b>						
By purchase - appropriation ordinary annual services (a)	-	12,350	3,625	-	1,037	17,012
<b>Total additions</b>	<b>-</b>	<b>12,350</b>	<b>3,625</b>	<b>-</b>	<b>1,037</b>	<b>17,012</b>
<b>Other movements</b>						
Depreciation/amortisation expense	-	(1,448)	(5,276)	-	(524)	(7,248)
<b>Total other movements</b>	<b>-</b>	<b>(1,448)</b>	<b>(5,276)</b>	<b>-</b>	<b>(524)</b>	<b>(7,248)</b>
<b>As at 30 June 2018</b>						
Gross book value	1,240	19,951	47,500	2,254	8,774	79,719
Accumulated depreciation/ amortisation and impairment	-	(2,902)	(20,925)	-	(7,709)	(31,536)
<b>Closing net book balance</b>	<b>1,240</b>	<b>17,049</b>	<b>26,575</b>	<b>2,254</b>	<b>1,065</b>	<b>48,183</b>

**Estimated operating expenditure in income statement for heritage and cultural assets**

Operations and Maintenance	128
Preservation and Conservation	-
<b>Total operating expenditure on heritage and cultural assets</b>	<b>128</b>

(a) Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No.1) 2017-18 for depreciation/amortisation expenses, DCBs or other operational expenses.

Prepared on Australian Accounting Standards basis.

**Table 3.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>EXPENSES</b>					
Grants	20	20	19	19	19
<b>Total expenses administered on behalf of Government</b>	<b>20</b>	<b>20</b>	<b>19</b>	<b>19</b>	<b>19</b>
<b>Net (cost of)/contribution by services</b>	<b>20</b>	<b>20</b>	<b>19</b>	<b>19</b>	<b>19</b>
<b>Surplus/(deficit) before income tax</b>	<b>20</b>	<b>20</b>	<b>19</b>	<b>19</b>	<b>19</b>
Income tax expense	-	-	-	-	-
<b>Surplus/(deficit) after income tax</b>	<b>20</b>	<b>20</b>	<b>19</b>	<b>19</b>	<b>19</b>
<b>Total comprehensive income/(loss)</b>	<b>20</b>	<b>20</b>	<b>19</b>	<b>19</b>	<b>19</b>

Prepared on Australian Accounting Standards basis.

**Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)**

Geoscience Australia has no administered assets and liabilities administered on behalf of the Government; therefore Table 3.8 is not presented.

**Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Other	20	20	19	19	19
<b>Total cash received</b>	<b>20</b>	<b>20</b>	<b>19</b>	<b>19</b>	<b>19</b>
<b>Cash used</b>					
Grant	20	20	19	19	19
<b>Total cash used</b>	<b>20</b>	<b>20</b>	<b>19</b>	<b>19</b>	<b>19</b>
<b>Net cash from/(used by) operating activities</b>	-	-	-	-	-
<b>Net increase/(decrease) in cash held</b>	-	-	-	-	-
Cash and cash equivalents at beginning of reporting period	-	-	-	-	-
<b>Cash and cash equivalents at end of reporting period</b>	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

**Table 3.10: Administered capital budget statement (for the period ended 30 June)**

Geoscience Australia has no budgeted administered capital; therefore Table 3.10 is not presented.

**Table 3.11: Statement of administered asset movements (Budget year 2017-18)**

Geoscience Australia has no budgeted administered asset movements; therefore Table 3.11 is not presented.

# **IP AUSTRALIA**

## **ENTITY RESOURCES AND PLANNED PERFORMANCE**





# IP AUSTRALIA

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# IP AUSTRALIA

## Section 1: Entity overview and resources

### 1.1 STRATEGIC DIRECTION STATEMENT

IP Australia is the entity responsible for administering Australia's intellectual property (IP) rights system, specifically trade marks, patents, designs and plant breeder's rights. It operates as a listed entity within the portfolio and recovers almost all of its costs by charging fees for its IP rights services.

To achieve its outcome, IP Australia grants exclusive IP rights for a period of time. This fosters innovation, investment and international competitiveness by:

- Providing an effective legal framework for protection of innovative products and brands, which creates a secure environment for investment
- Providing incentives for undertaking research and development
- Promoting the disclosure of discoveries and follow-on generation of ideas
- Enabling firms to build brand value and business reputation which in turn contributes to improved consumer confidence.

IP Australia also promotes awareness of IP, provides advice to Government on the development of IP policy and contributes to bilateral and multilateral negotiations and development cooperation programs to support the global IP system. From time to time, this system will require adjustment to meet new demands or to keep up with economic, legal and business developments. IP Australia's role is to seek to ensure that these changes are in Australia's best interests.

The IP Australia Corporate Plan guides the organisation's future direction in pursuit of its goal to deliver a world leading IP system building prosperity for Australia. This plan provides an overview of IP Australia's priorities for the next four years and the key strategies used to deliver them.

The priority areas can be summarised as follows:

- Deliver improved IP rights administration and professional registration
- Increase awareness of the IP system
- Shape the IP system domestically and internationally to serve Australian innovation and business
- Build the capability of our people and our organisation.

In light of these priorities, IP Australia's key initiatives and challenges for 2017-18 are to:

- Contribute to the implementation of the Government's response to the Productivity Commission's inquiry into Australia's intellectual property arrangements
- Following commencement of the trans-Tasman patent attorney regime, review and update the Code of Conduct for Patent and Trade Marks Attorneys
- Further promote global harmonisation, cooperation and work sharing initiatives with international counterparts, in particular through the work of the World Intellectual Property Organization (WIPO) and Group B+
- Assist Australian businesses operating in the China market through the work of the IP Counsellor to China
- Assist with ongoing capacity building in our region through delivery of the Regional Patent Examiner Training Program and development of on-line training modules on the Madrid system
- Undertake research and analysis to support development of potential Free Trade Agreements with the EU, Hong Kong and the UK. Continue providing support on IP related matters in the Regional Comprehensive Economic Partnership negotiations
- Further develop and promote initiatives that deliver value-added services for customers that align with the Government's National Innovation and Science Agenda, including Source IP, an enhanced IP Toolkit, IP Nova and patent analytics
- Develop and invest in ICT systems to improve internal business processes and administrative arrangements while enhancing the user experience for our customers, in particular develop a replacement administrative system for Trade Marks
- Undertake public education and awareness activities, focusing in particular on the needs of start-ups and SMEs
- Commence accommodation and related upgrades that will deliver a contemporary working environment to improve operational efficiency and better meet the needs of IPA staff.

## 1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to IP Australia for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the entity's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (i.e. appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome 1' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

**Table 1.1: IP Australia resource statement — Budget estimates for 2017-18 as at Budget May 2017**

	<i>2016-17 Estimated actual \$'000</i>	<i>2017-18 Estimate \$'000</i>
<b>Departmental</b>		
Annual appropriations - ordinary annual services		
Departmental appropriation (a)	1,792	375
Annual appropriations - other services - non-operating		
Equity injection (b)	300	-
<i>Total departmental annual appropriations</i>	<i>2,092</i>	<i>375</i>
Special accounts (c)		
Opening balance	100,292	100,294
Appropriation receipts	1,792	375
Non-appropriation receipts	222,229	211,071
<i>Total special accounts</i>	<i>324,313</i>	<i>311,740</i>
<i>less departmental appropriations drawn from annual/special appropriations and credited to special accounts</i>	<i>(1,792)</i>	<i>(375)</i>
<b>Total departmental resourcing</b>	<b>322,521</b>	<b>311,365</b>
<b>Total resourcing for IP Australia</b>	<b>322,521</b>	<b>311,365</b>
	<i>2016-17</i>	<i>2017-18</i>
<b>Average staffing level (number)</b>	<b>1,063</b>	<b>1,054</b>

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

All figures are GST exclusive.

(a) Appropriation Bill (No. 1) 2017-18.

(b) Appropriation Bill (No. 2) 2016-17.

(c) Excludes 'Special Public Money' held in accounts like Other Trust Monies accounts (OTM), Services for Other Government and Non-agency Bodies accounts (SOG) or Services for Other Entities and Trust Monies accounts (SOETM). For further information on special appropriations and special accounts, please refer to Budget Paper No. 4 - Agency Resourcing. Please also see Table 2.1 for further information on outcome and program expenses broken down by various funding sources, e.g. annual appropriations, special appropriations and special accounts.

### 1.3 BUDGET MEASURES

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

**Table 1.2: IP Australia 2017-18 Budget measures  
Part 1: Measures announced since the 2016-17 Mid-Year Economic and Fiscal Outlook (MYEFO)**

	Program	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
<b>Expense measures</b>						
IP Australia - funding for corporate activities	3					
Administered expenses		-	-	-	-	-
Departmental expenses		-	375	368	362	359
<b>Total</b>		-	<b>375</b>	<b>368</b>	362	359
<b>Total expense measures</b>						
Administered		-	-	-	-	-
Departmental		-	375	368	362	359
<b>Total</b>		-	<b>375</b>	<b>368</b>	362	359

Prepared on a Government Finance Statistics (fiscal) basis. Figures in brackets represent a decrease in funds.

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

IP Australia does not have any other measures not previously reported in a portfolio statement; therefore no table is presented.

## Section 2: Outcomes and planned performance

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

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

**Note:**

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide an entity's complete performance story.

The most recent corporate plan for IP Australia can be found at:  
[www.ipaustralia.gov.au/about-us/agency-overview](http://www.ipaustralia.gov.au/about-us/agency-overview).

The most recent annual performance statement can be found at:  
[www.ipaustralia.gov.au/files/annual-report-2015-16pdf](http://www.ipaustralia.gov.au/files/annual-report-2015-16pdf).

## 2.1 BUDGETED EXPENSES AND PERFORMANCE 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.**

### Linked programs

<b>Department of Industry, Innovation and Science</b>
<b>Programs</b> <ul style="list-style-type: none"><li>• Program 1: Supporting Science and Commercialisation</li><li>• Program 3: Program Support</li></ul>
<b>Contribution to Outcome 1 made by linked programs</b> <p>The Department of Industry, Innovation and Science contributes to Outcome 1 through its policies and programs supporting science and commercialisation and through the operation of the Office of the Chief Scientist and the Office of Innovation and Science Australia.</p>



### Budgeted expenses for Outcome 1

This table shows how much IP Australia intends to spend (on an accrual basis) on achieving the outcome, broken down by program.

**Table 2.1.1: Budgeted expenses for Outcome 1**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>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.</b>					
<b>Program 1: IP Rights Administration and Professional Registration</b>					
Departmental expenses					
Special accounts	196,912	193,497	193,258	193,887	201,731
Expenses not requiring appropriation in the Budget year (a)	150	155	160	165	170
<b>Departmental total</b>	<b>197,062</b>	<b>193,652</b>	<b>193,418</b>	<b>194,052</b>	<b>201,901</b>
<b>Total expenses for program 1</b>	<b>197,062</b>	<b>193,652</b>	<b>193,418</b>	<b>194,052</b>	<b>201,901</b>
<b>Program 2: Education, Awareness and International Engagement</b>					
Departmental expenses					
Special accounts	7,904	7,543	7,534	7,559	7,864
<b>Departmental total</b>	<b>7,904</b>	<b>7,543</b>	<b>7,534</b>	<b>7,559</b>	<b>7,864</b>
<b>Total expenses for program 2</b>	<b>7,904</b>	<b>7,543</b>	<b>7,534</b>	<b>7,559</b>	<b>7,864</b>
<b>Program 3: Advice to Government</b>					
Departmental expenses					
Departmental appropriation	1,792	375	368	362	359
Special accounts	5,728	6,433	6,432	6,460	6,739
<b>Departmental total</b>	<b>7,520</b>	<b>6,808</b>	<b>6,800</b>	<b>6,822</b>	<b>7,098</b>
<b>Total expenses for program 3</b>	<b>7,520</b>	<b>6,808</b>	<b>6,800</b>	<b>6,822</b>	<b>7,098</b>
<b>Outcome 1 Totals by appropriation type</b>					
Departmental expenses					
Departmental appropriation	1,792	375	368	362	359
Special accounts	210,544	207,473	207,224	207,906	216,334
Expenses not requiring appropriation in the Budget year (a)	150	155	160	165	170
<b>Departmental total</b>	<b>212,486</b>	<b>208,003</b>	<b>207,752</b>	<b>208,433</b>	<b>216,863</b>
<b>Total expenses for Outcome 1</b>	<b>212,486</b>	<b>208,003</b>	<b>207,752</b>	<b>208,433</b>	<b>216,863</b>
	2016-17	2017-18			
<b>Average staffing level (number)</b>	1,063	1,054			

(a) Expenses not requiring appropriation in the Budget year are made up of audit fees.

**Table 2.1.2: Program components of Outcome 1**

IP Australia's programs are not broken down by components; therefore Table 2.1.2 is not presented.

**Table 2.2: Performance criteria for Outcome 1**

Table 2.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2017-18 Budget measures have created new programs or materially changed existing programs.

<b>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.</b>		
<b>Program 1: IP Rights Administration and Professional Registration</b>		
Intellectual property rights: IP Australia will deliver robust IP rights and satisfy its customers in terms of timeliness and value for money. IP Australia will be recognised as one of the leading IP offices in the world for the quality (including accuracy and consistency) of the IP rights it grants.		
Professional registration: IP Australia will successfully undertake its functions associated with persons wishing to qualify for registration as Patents and/or Trade Marks Attorneys and will provide effective secretariat support to the Trans-Tasman IP Attorney's Board.		
<b>Delivery</b>	IP Administration and Professional Registration encompasses the administration of patent, trade mark, design and plant breeder's IP rights legislation. This program also includes the administration of the Trans-Tasman IP Attorneys Board for Patent and Trade Marks Attorneys and the Patent Attorneys Disciplinary Tribunal.  Customers pay fees to IP Australia for all of the deliverables listed below and also under legislation for the retention of rights once granted (renewal fees).	
<b>Performance information</b>		
<b>Year</b>	<b>Performance criteria</b>	<b>Targets</b>
2016-17	Timely processing of IP Rights applications  Processing of IP Rights applications is conducted in accordance with IP Australia's quality s	All IP Rights applications are processed within the undertakings set out in the Customer Service Charter which is reviewed and set in consultation with stakeholders  All IP Rights applications are processed in accordance with the Acceptable Quality Levels and Standards which are reviewed and set in consultation with stakeholders.
2017-18	As per 2016-17	As per 2016-17
2018-19 and beyond	As per 2017-18	As per 2017-18
<b>Purposes</b>	Deliver improved IP rights administration and professional registration	

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<p><b>Program 2: Education, Awareness and International Engagement</b></p> <p>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.</p> <p>International engagement: IP Australia will influence the development of effective intellectual property systems in line with Australia's interests.</p>		
<p><b>Delivery</b></p>	<p>Education, Awareness and International Engagement represents IP Australia's role in raising awareness and educating customers about intellectual property, and engaging with key international stakeholders and IP bodies.</p> <p>Under the education and awareness objective of this program, IP Australia will deliver public education and awareness programs, which promote the importance of IP and provide Australians with the tools they require to make informed decisions regarding IP.</p> <p>Under the international engagement objective of this program, IP Australia will proactively manage international engagement activities to support our customers and further Australia's interests and contribute to capacity building activities focused on our regions.</p>	
<p><b>Performance information</b></p>		
<p><b>Year</b></p>	<p><b>Performance criteria</b></p>	<p><b>Targets</b></p>
<p>2016-17</p>	<p>Report on KPIs developed through baseline study of our stakeholder and customers on education, awareness and satisfaction of IP Australia services</p> <p>Work with regional IP partners to strengthen patent examination competence of participating IP offices</p>	<p>Compliance with the identified KPIs</p> <p>90% of participating patent examiners achieve within the program timeline a standard of competence necessary to produce a quality search and examination using Patent Cooperation Treaty (PCT) examination guidelines.</p>
<p>2017-18</p>	<p>Customer satisfaction with IP Australia's education and awareness services</p> <p>Work with regional IP partners to strengthen patent examination competence of participating IP offices</p>	<p>90% of customers were satisfied with IP Australia's education and awareness services</p> <p>90% of participating patent examiners achieve within the program timeline a standard of competence necessary to produce a quality search and examination using Patent Cooperation Treaty (PCT) examination guidelines.</p>
<p>2018-19 and beyond</p>	<p>As per 2017-18</p>	<p>As per 2017-18</p>
<p><b>Purposes</b></p>	<p>Increase awareness of the IP system</p> <p>Shape the IP system domestically and internationally to serve Australian innovation and business</p>	

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<b>Program 3: Advice to Government</b>		
Policy and legislation: IP Australia's program of policy and legislative change will foster Australian innovation by shaping the development of the IP system both domestically and abroad.		
<b>Delivery</b>	Advice to Government relates to IP Australia's role in providing advice on intellectual property matters and supporting research into the current and future use of IP rights.  Under the policy and legislative objective of this program, IP Australia will provide policy advice across government and internationally.	
<b>Performance information</b>		
<b>Year</b>	<b>Performance criteria</b>	<b>Targets</b>
2016-17	Advice to the Government on policy, legislation, ministerial correspondence, briefs and speeches.	Provision of high-quality, timely and strategic policy advice to the Minister
2017-18	As per 2016-17	As per 2016-17
2018-19 and beyond	As per 2017-18	As per 2017-18
<b>Purposes</b>	Shape the IP system domestically and internationally to serve Australian innovation and business	

## Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2017-18 budget year, including the impact of budget measures and resourcing on financial statements.

### 3.1 BUDGETED FINANCIAL STATEMENTS

#### 3.1.1 Differences between entity resourcing and financial statements

There are no material differences between the entity resources table and the financial statements.

#### 3.1.2 Explanatory notes and analysis of budgeted financial statements

IP Australia is budgeting for an operating loss of \$4.9 million for 2017-18, which is \$1.4 million higher than the loss reported in the 2016-17 Portfolio Budget Statements. Small operating losses are projected over 2018-19 and 2019-20 with a return to surplus forecast in 2020-21.

#### Income statement

Changes impacting the income statement since the 2016-17 Portfolio Budget Statements are summarised as follows:

- The estimate for revenue from goods and services for 2017-18 has increased by \$1.9 million, predominantly from an increase in sales volumes, with an average growth of less than three per cent forecast across forward estimate years.
- Revenue from Government reflects new funding arrangements for corporate activities under the establishment of IP Australia's new Special Account.
- The estimated employee expense for 2017-18 has decreased by \$2.2 million as a result of the timing of IP Australia's Enterprise Agreement negotiations.
- The supplier expense forecast for 2017-18 has increased by \$4.7 million in line with the planned delivery of a number of ICT projects.
- Estimated depreciation and amortisation expense for 2017-18 has decreased by \$0.5 million, with increases forecast over the forward year estimates period. This increase is the result of increased levels of capital investments in ICT systems, property, plant and equipment, and planned fit-out and upgrade of IP Australia's head office.

### **Balance sheet**

Budget changes impacting on the balance sheet since the 2016-17 Portfolio Budget Statements are summarised as follows:

- The financial asset estimate for 2017-18 has increased by \$7.3 million, reflecting the increase on the Official Public Account receivable at the end of the 2015-16 financial year.
- The non-financial asset estimate for 2017-18 has increased to reflect the activity reported in Table 3.6 - Statement of asset movements, with future investment activity outlined in Table 3.5 - Departmental capital budget statement. The variation to the information presented in the 2016-17 Portfolio Budget Statements reflects the investment in upgrading IP Australia's head office.
- The other payables estimate represents the unearned income attributable to unexamined IP rights. This estimate has increased as a result of a growth in the patent stockpile.

### **Cash flow statement**

The movements in the cash flow are consistent with movements in the income statement and the balance sheet.

### 3.2. BUDGETED FINANCIAL STATEMENTS TABLES

**Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>EXPENSES</b>					
Employee benefits	125,848	128,844	133,024	135,287	139,141
Suppliers	68,890	60,922	56,950	54,719	57,092
Depreciation and amortisation	17,748	18,237	17,778	18,427	20,630
<b>Total expenses</b>	<b>212,486</b>	<b>208,003</b>	<b>207,752</b>	<b>208,433</b>	<b>216,863</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Sale of goods and rendering of services	214,853	202,573	203,224	204,006	217,334
<b>Total own-source revenue</b>	<b>214,853</b>	<b>202,573</b>	<b>203,224</b>	<b>204,006</b>	<b>217,334</b>
<b>Gains</b>					
Other	150	155	160	165	170
<b>Total gains</b>	<b>150</b>	<b>155</b>	<b>160</b>	<b>165</b>	<b>170</b>
<b>Total own-source income</b>	<b>215,003</b>	<b>202,728</b>	<b>203,384</b>	<b>204,171</b>	<b>217,504</b>
<b>Net (cost of)/contribution by services</b>	<b>2,517</b>	<b>(5,275)</b>	<b>(4,368)</b>	<b>(4,262)</b>	<b>641</b>
Revenue from Government	1,792	375	368	362	359
<b>Surplus/(deficit) attributable to the Australian Government</b>	<b>4,309</b>	<b>(4,900)</b>	<b>(4,000)</b>	<b>(3,900)</b>	<b>1,000</b>
<b>Total comprehensive income/(loss) attributable to the Australian Government</b>	<b>4,309</b>	<b>(4,900)</b>	<b>(4,000)</b>	<b>(3,900)</b>	<b>1,000</b>

Prepared on Australian Accounting Standards basis.



**Table 3.2: Budgeted departmental balance sheet (as at 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	1,500	1,500	1,500	1,500	1,500
Trade and other receivables	100,946	93,443	83,290	74,689	73,281
<b>Total financial assets</b>	<b>102,446</b>	<b>94,943</b>	<b>84,790</b>	<b>76,189</b>	<b>74,781</b>
<b>Non-financial assets</b>					
Land and buildings	11,297	11,254	13,245	14,860	16,032
Property, plant and equipment	7,815	6,133	6,959	8,066	9,817
Intangibles	75,828	82,816	87,221	91,072	92,519
Other non-financial assets	5,690	5,032	4,704	4,520	4,716
<b>Total non-financial assets</b>	<b>100,630</b>	<b>105,235</b>	<b>112,129</b>	<b>118,518</b>	<b>123,084</b>
<b>Total assets</b>	<b>203,076</b>	<b>200,178</b>	<b>196,919</b>	<b>194,707</b>	<b>197,865</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	22,951	20,383	18,314	16,241	14,745
Other payables	18,349	20,309	20,605	21,425	21,955
<b>Total payables</b>	<b>41,300</b>	<b>40,692</b>	<b>38,919</b>	<b>37,666</b>	<b>36,700</b>
<b>Provisions</b>					
Employee provisions	41,792	44,398	47,166	50,107	53,231
Other provisions	250	254	-	-	-
<b>Total provisions</b>	<b>42,042</b>	<b>44,652</b>	<b>47,166</b>	<b>50,107</b>	<b>53,231</b>
<b>Total liabilities</b>	<b>83,342</b>	<b>85,344</b>	<b>86,085</b>	<b>87,773</b>	<b>89,931</b>
<b>Net assets</b>	<b>119,734</b>	<b>114,834</b>	<b>110,834</b>	<b>106,934</b>	<b>107,934</b>
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	5,908	5,908	5,908	5,908	5,908
Reserves	9,099	9,099	9,099	9,099	9,099
Retained surplus (accumulated deficit)	104,727	99,827	95,827	91,927	92,927
<b>Total parent entity interest</b>	<b>119,734</b>	<b>114,834</b>	<b>110,834</b>	<b>106,934</b>	<b>107,934</b>
<b>Total equity</b>	<b>119,734</b>	<b>114,834</b>	<b>110,834</b>	<b>106,934</b>	<b>107,934</b>

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

Prepared on Australian Accounting Standards basis.

**Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2017-18)**

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2017</b>					
Balance carried forward from previous period	104,727	9,099	-	5,908	119,734
<b>Adjusted opening balance</b>	<b>104,727</b>	<b>9,099</b>	<b>-</b>	<b>5,908</b>	<b>119,734</b>
<b>Comprehensive income</b>					
Surplus/(deficit) for the period	(4,900)				(4,900)
<b>Total comprehensive income</b>	<b>(4,900)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,900)</b>
of which:					
Attributable to the Australian Government	(4,900)	-	-	-	(4,900)
<b>Estimated closing balance as at 30 June 2018</b>	<b>99,827</b>	<b>9,099</b>	<b>-</b>	<b>5,908</b>	<b>114,834</b>
<b>Closing balance attributable to the Australian Government</b>	<b>99,827</b>	<b>9,099</b>	<b>-</b>	<b>5,908</b>	<b>114,834</b>

Prepared on Australian Accounting Standards basis.

**Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	1,792	375	368	362	359
Sale of goods and rendering of services	214,581	204,569	203,485	204,281	217,741
Net GST received	7,313	6,467	6,045	5,808	6,060
Cash from Official Public Account	181	7,282	10,062	8,545	1,499
<b>Total cash received</b>	<b>223,867</b>	<b>218,693</b>	<b>219,960</b>	<b>218,996</b>	<b>225,659</b>
<b>Cash used</b>					
Employees	124,989	126,238	130,256	132,346	136,017
Suppliers	69,194	62,676	58,753	55,900	58,525
Net GST paid	7,536	6,314	5,986	5,785	6,152
<b>Total cash used</b>	<b>201,719</b>	<b>195,228</b>	<b>194,995</b>	<b>194,031</b>	<b>200,694</b>
<b>Net cash from/(used by) operating activities</b>	<b>22,148</b>	<b>23,465</b>	<b>24,965</b>	<b>24,965</b>	<b>24,965</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	35	35	35	35	35
<b>Total cash received</b>	<b>35</b>	<b>35</b>	<b>35</b>	<b>35</b>	<b>35</b>
<b>Cash used</b>					
Purchase of property, plant and equipment and intangibles	22,300	23,500	25,000	25,000	25,000
<b>Total cash used</b>	<b>22,300</b>	<b>23,500</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>
<b>Net cash from/(used by) investing activities</b>	<b>(22,265)</b>	<b>(23,465)</b>	<b>(24,965)</b>	<b>(24,965)</b>	<b>(24,965)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity	300	-	-	-	-
<b>Total cash received</b>	<b>300</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from/(used by) financing activities</b>	<b>300</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash held</b>	<b>183</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	1,317	1,500	1,500	1,500	1,500
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>1,500</b>	<b>1,500</b>	<b>1,500</b>	<b>1,500</b>	<b>1,500</b>

Prepared on Australian Accounting Standards basis.

**Table 3.5: Departmental capital budget statement (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>NEW CAPITAL APPROPRIATIONS</b>					
Equity injections - Bill 2	300	-	-	-	-
<b>Total new capital appropriations</b>	<b>300</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	300	-	-	-	-
<b>Total items</b>	<b>300</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations (a)	300	-	-	-	-
Funded internally from departmental resources (b)	22,000	23,500	25,000	25,000	25,000
<b>TOTAL</b>	<b>22,300</b>	<b>23,500</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	22,300	23,500	25,000	25,000	25,000
<b>Total cash used to acquire assets</b>	<b>22,300</b>	<b>23,500</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>

(a) Includes both current Bill 2 and prior Act 2/4/6 appropriations and special capital appropriations.

(b) Includes the following sources of funding:

- current Bill 1 and prior year departmental appropriations
- own-source revenue
- proceeds from the sale of assets.

Prepared on Australian Accounting Standards basis.

**Table 3.6: Statement of asset movements (Budget year 2017-18)**

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	L&B, IP&E held for sale \$'000	Total \$'000
<b>As at 1 July 2017</b>					
Gross book value	20,012	19,068	156,937	917	196,934
Accumulated depreciation/ amortisation and impairment	(8,715)	(11,253)	(81,109)	(917)	(101,994)
<b>Opening net book balance</b>	<b>11,297</b>	<b>7,815</b>	<b>75,828</b>	<b>-</b>	<b>94,940</b>
<b>Capital asset additions</b>					
<b>Estimated expenditure on new or replacement assets</b>					
By purchase - other	2,300	2,050	19,150	-	23,500
<b>Total additions</b>	<b>2,300</b>	<b>2,050</b>	<b>19,150</b>	<b>-</b>	<b>23,500</b>
<b>Other movements</b>					
Depreciation/amortisation expense	(2,343)	(3,732)	(12,162)	-	(18,237)
<b>Total other movements</b>	<b>(2,343)</b>	<b>(3,732)</b>	<b>(12,162)</b>	<b>-</b>	<b>(18,237)</b>
<b>As at 30 June 2018</b>					
Gross book value	22,312	21,118	176,087	917	220,434
Accumulated depreciation/ amortisation and impairment	(11,058)	(14,985)	(93,271)	(917)	(120,231)
<b>Closing net book balance</b>	<b>11,254</b>	<b>6,133</b>	<b>82,816</b>	<b>-</b>	<b>100,203</b>

Prepared on Australian Accounting Standards basis.

**Table 3.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)**

IP Australia has no budgeted income and expenses administered on behalf of Government; therefore Table 3.7 is not presented.

**Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)**

IP Australia has no budgeted assets and liabilities administered on behalf of Government; therefore Table 3.8 is not presented.

**Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June)**

IP Australia has no budgeted administered cash flows on behalf of Government; therefore Table 3.9 is not presented.

**Table 3.10: Administered capital budget statement (for the period ended 30 June)**

IP Australia has no budgeted administered capital; therefore Table 3.10 is not presented.

**Table 3.11: Statement of administered asset movements (Budget year 2017-18)**

IP Australia has no administered asset movements; therefore Table 3.11 is not presented.

**NATIONAL OFFSHORE PETROLEUM  
SAFETY AND ENVIRONMENTAL  
MANAGEMENT AUTHORITY**

**ENTITY RESOURCES AND PLANNED  
PERFORMANCE**





# NATIONAL OFFSHORE PETROLEUM SAFETY AND ENVIRONMENTAL MANAGEMENT AUTHORITY

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# NATIONAL OFFSHORE PETROLEUM SAFETY AND ENVIRONMENTAL MANAGEMENT AUTHORITY

## Section 1: Entity overview and resources

### 1.1 STRATEGIC DIRECTION STATEMENT

The National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) is responsible for regulating the workplace health and safety (WHS), well integrity and environmental management of petroleum and greenhouse gas storage operations in Commonwealth waters (from three nautical miles from the low tide mark, to the boundary of Australia's exclusive economic zone) under the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (OPGGs Act).

It achieves this through delivery of its core functions: assessment, inspection, investigation, and enforcement.

Low oil and gas prices since 2014 have resulted in a reduction in offshore oil and gas exploration activity. The impact on development and production activity has been less noticeable given the long-term nature of oil and gas projects. However, some previously planned projects have been deferred and a number of existing projects have entered a non-operational or decommissioning phase following the end of production operations. During 2015 and 2016, there was a substantial reduction in environment plan submissions, while other key regulatory submissions, including safety cases and well operations management plans, remained relatively steady.

In the current climate of lower oil and gas prices, there is the potential for increased risk so a significant body of compliance work must be undertaken to ensure that cost constraints do not adversely affect safety and environmental performance and outcomes. For example, the number of inspections conducted annually by NOPSEMA has increased since establishment of the agency in 2012. While not as many as 2015, during 2016, 143 inspections were conducted by NOPSEMA across its safety, integrity and environmental management responsibilities.

NOPSEMA will continue to focus on its core functions to promote improvement in industry performance and to secure duty holder compliance. This will be achieved through monitoring and enforcement activities and proactive engagement with key stakeholders.

In particular, NOPSEMA's key priorities will include:

- providing expert, consistent, and independent regulatory decisions in accordance with the legislation

### *NOPSEMA Budget Statements*

- communicating information and regulatory perspectives to stakeholders to drive forward improvements in industry performance while maintaining safety and environmental safeguards in the face of lower oil and gas prices
- further developing effective working relationships with stakeholders to aid understanding of relevant regulatory requirements
- progressing transparency and stakeholder engagement initiatives with a view to enhancing the community's level of trust in NOPSEMA as a robust, fair, and transparent regulator
- providing a basis for conferral of powers and functions for coastal waters from states/territories and further regulatory streamlining opportunities within Commonwealth waters
- working with industry and other stakeholders to reduce regulatory burden and unnecessary compliance costs
- collaborating with international regulatory counterparts on joint program initiatives and information sharing.

NOPSEMA will continue to pursue improvements to its operations following a 2015 independent statutory review of its first three years of operation. It found that NOPSEMA is an effective regulator that has made positive contributions to improving safety and well integrity, and managing Australia's offshore environment. Some areas for improvement were also identified.

NOPSEMA's Corporate Plan 2016-21 provides further details on the direction for the organisation. The Corporate Plan 2016-2021 is prepared under the OPGGS Act and in compliance with the *Public Governance, Performance and Accountability Act 2013*. It can be accessed at [www.nopsema.gov.au](http://www.nopsema.gov.au), together with information about the history of NOPSEMA.

## 1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the entity for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the entity's operations) classification.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome 1' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

**Table 1.1: NOPSEMA resource statement — Budget estimates for 2017-18 as at Budget May 2017**

	<i>2016-17 estimated actual \$'000</i>	<i>2017-18 estimate \$'000</i>
<b>Opening balance/cash reserves at 1 July (a)</b>	<b>9,205</b>	<b>8,480</b>
<b>Funds from Government</b>		
Amounts received from related entities		
Amounts from portfolio department (a)	35,256	32,273
<i>Total amounts received from related entities</i>	<i>35,256</i>	<i>32,273</i>
<b>Total funds from Government</b>	<b>35,256</b>	<b>32,273</b>
<b>Funds from other sources</b>		
Interest	150	100
<b>Total funds from other sources</b>	<b>150</b>	<b>100</b>
<b>Total net resourcing for NOPSEMA</b>	<b>44,611</b>	<b>40,853</b>
	<i>2016-17</i>	<i>2017-18</i>
<b>Average staffing level (number)</b>	<b>104</b>	<b>115</b>

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

All figures GST exclusive.

(a) NOPSEMA became a Corporate Commonwealth Entity on 1 July 2014 and now receives its funding through a special appropriation which is administered through the Department of Industry, Innovation and Science. This funding is equal in value to the levies NOPSEMA collects from the oil and gas industries.

### **1.3 BUDGET MEASURES**

There are no Budget measures relating to NOPSEMA detailed in Budget Paper No. 2; therefore Table 1.2 is not presented.

## Section 2: Outcomes and planned performance

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

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

**Note:**

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide an entity's complete performance story.

The most recent corporate plan and annual performance for NOPSEMA can be found at: [www.nopsema.gov.au/about/people-planning-and-performance](http://www.nopsema.gov.au/about/people-planning-and-performance).

## 2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

**Outcome 1: Promote and enforce the effective management of risks to the workforce, the environment and the structural integrity of facilities, wells and the well-related equipment of the Australian offshore petroleum and greenhouse gas storage industries through regulatory oversight.**

### Linked programs

**Department of Industry, Innovation and Science**

**Programs**

- Program 3: Program Support

**Contribution to Outcome 1 made by linked programs**

The Department of Industry, Innovation and Science contributes to Outcome 1 through its policies and program relating to the management and administration of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* and associated regulations.



**Budgeted expenses for Outcome 1**

This table shows how much NOPSEMA intends to spend (on an accrual basis) on achieving the outcome, broken down by program.

**Table 2.1.1: Budgeted expenses for Outcome 1**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>Outcome 1: Promote and enforce the effective management of risks to the workforce, the environment and the structural integrity of facilities, wells and well-related equipment of the Australian offshore petroleum and greenhouse gas storage industries through regulatory oversight.</b>					
<b>Program 1: Regulatory oversight of Safety Cases, Well Operations Management Plans and Environment Plans coupled with effective monitoring, investigation and enforcement</b>					
Revenue from Government					
Payment from related entities	35,256	32,273	37,691	37,696	37,696
Revenues from other independent sources	1,735	100	129	129	129
<b>Total expenses for Program 1</b>	<b>36,991</b>	<b>32,373</b>	<b>37,820</b>	<b>37,825</b>	<b>37,825</b>
<b>Outcome 1 totals by resource type</b>					
Revenue from Government					
Payment from related entities	35,256	32,273	37,691	37,696	37,696
Revenues from other independent sources	1,735	100	129	129	129
<b>Total expenses for Outcome 1</b>	<b>36,991</b>	<b>32,373</b>	<b>37,820</b>	<b>37,825</b>	<b>37,825</b>
<b>Average staffing level (number)</b>	2016-17	2017-18			
	104	115			

**Table 2.1.2: Program components of Outcome 1**

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

**Table 2.1.3: Performance criteria for Outcome 1**

Table 2.1.3 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2017-18 Budget measures have created new programs or materially changed existing programs.

<b>Outcome 1: Promote and enforce the effective management of risks to the workforce, the environment and the structural integrity of facilities, wells and well-related equipment of the Australian offshore petroleum and greenhouse gas storage industries through regulatory oversight.</b>		
<b>Program 1: Regulatory oversight of Safety Cases, Well Operations Management Plans and Environment Plans coupled with effective monitoring, investigation and enforcement.</b>		
<b>Delivery</b>	<b>Delivery strategies:</b> <ul style="list-style-type: none"> <li>• Implement risk-based assessment procedures for all legislated submissions.</li> <li>• Implement risk-based inspection programs for all offshore petroleum activities.</li> <li>• Take proportionate enforcement actions that facilitate compliance.</li> <li>• Undertake investigations in response to potential non-compliances.</li> </ul> <b>Target group:</b> <ul style="list-style-type: none"> <li>• Duty holders in the offshore petroleum industry.</li> </ul>	
<b>Performance information</b>		
<b>Year</b>	<b>Performance criteria (a)</b>	<b>Targets</b>
2016-17	<ul style="list-style-type: none"> <li>• Legislated assessment timeframes are published and meet policy targets</li> <li>• Inspections are conducted to meet policy targets</li> <li>• Enforcement actions are undertaken in accordance with the Enforcement Management Model (EMM)</li> <li>• Incidents are investigated in accordance with investigation policies</li> </ul>	92%  90%  100%  100%
2017-18	As per 2016-17	
2018-19 and beyond	As per 2017-18	
<b>Purposes</b>	To independently and professionally regulate offshore safety, integrity and environmental management.	

## **Section 3: Budgeted financial statements**

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2017-18 budget year, including the impact of budget measures and resourcing on financial statements.

### **3.1 BUDGETED FINANCIAL STATEMENTS**

#### **3.1.1 Differences between entity resourcing and financial statements**

There are no material differences between the entity resources table and the financial statements.

#### **3.1.2 Explanatory notes and analysis of budgeted financial statements**

NOPSEMA's revenues are regulated under the OPGGS Act and associated legislation and regulations. The mechanism for setting levies is through the preparation of a Cost Recovery Implementation Statement (CRIS) that meets the requirements of the Australian Government Cost Recovery Guidelines.

Levies are collected from duty holders planning for and undertaking offshore oil and gas and greenhouse gas storage operations. These levies allow NOPSEMA to recover its expenditure related to effectively discharging its regulatory responsibilities and achieving the outcome stated in Section 2.1. The CRIS is maintained to reflect changes to the cost recovery model and is updated regularly with financial and non-financial performance information.

The budgeted revenue of \$32.4 million for 2017-18 has decreased by \$5.5 million since the 2016-17 Portfolio Budget Statements. The international commodity price for oil and gas remains low and as a result, there has been a reduction in the number of regulatory submissions for activities, compared to previous years.

Budgeted expenditure of \$32.4 million for 2017-18 has decreased by \$5.4 million since the 2016-17 Portfolio Budget Statements due to the reduction in the global oil price and offshore petroleum and greenhouse gas storage operations.

NOPSEMA presents a Financial Report on Cost Effectiveness to stakeholders on an annual basis.

### 3.2. BUDGETED FINANCIAL STATEMENTS TABLES

**Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>EXPENSES</b>					
Employee benefits	26,500	25,342	29,292	29,297	29,297
Suppliers	8,630	6,257	7,508	7,508	7,508
Depreciation and amortisation	1,861	774	1,020	1,020	1,020
<b>Total expenses</b>	<b>36,991</b>	<b>32,373</b>	<b>37,820</b>	<b>37,825</b>	<b>37,825</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Interest	150	100	150	150	150
<b>Total own-source revenue</b>	<b>150</b>	<b>100</b>	<b>150</b>	<b>150</b>	<b>150</b>
<b>Total own-source income</b>	<b>150</b>	<b>100</b>	<b>150</b>	<b>150</b>	<b>150</b>
<b>Net (cost of)/contribution by services</b>	<b>(36,841)</b>	<b>(32,273)</b>	<b>(37,670)</b>	<b>(37,675)</b>	<b>(37,675)</b>
Revenue from Government (a)	35,256	32,273	37,691	37,696	37,696
<b>Surplus/(deficit) attributable to the Australian Government</b>	<b>(1,585)</b>	<b>-</b>	<b>21</b>	<b>21</b>	<b>21</b>
<b>Total comprehensive income/(loss)</b>	<b>(1,585)</b>	<b>-</b>	<b>21</b>	<b>21</b>	<b>21</b>
<b>Total comprehensive income/(loss) attributable to the Australian Government</b>	<b>(1,585)</b>	<b>-</b>	<b>21</b>	<b>21</b>	<b>21</b>

(a) NOPSEMA became a Corporate Commonwealth Entity on 1 July 2014 and now receives its funding through a special appropriation which is administered through the Department of Industry, Innovation and Science. This funding is equal in value to the levies NOPSEMA collects from the oil and gas industries.

Prepared on Australian Accounting Standards Basis.

**Table 3.2: Budgeted departmental balance sheet (as at 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	8,480	8,520	8,560	8,600	8,600
Trade and other receivables	5,117	5,117	5,117	5,117	5,117
Other financial assets	1,493	1,493	1,493	1,493	1,493
<b>Total financial assets</b>	<b>15,090</b>	<b>15,130</b>	<b>15,170</b>	<b>15,210</b>	<b>15,210</b>
<b>Non-financial assets</b>					
Property, plant and equipment	2,760	2,660	2,560	2,560	2,560
Intangibles	218	298	378	358	358
Other non-financial assets	88	88	88	88	88
<b>Total non-financial assets</b>	<b>3,066</b>	<b>3,046</b>	<b>3,026</b>	<b>3,006</b>	<b>3,006</b>
<b>Total assets</b>	<b>18,156</b>	<b>18,176</b>	<b>18,196</b>	<b>18,216</b>	<b>18,216</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	457	457	457	457	457
Other payables	1,008	1,008	1,008	1,008	1,008
<b>Total payables</b>	<b>1,465</b>	<b>1,465</b>	<b>1,465</b>	<b>1,465</b>	<b>1,465</b>
<b>Interest bearing liabilities</b>					
Leases	2,230	2,230	2,230	2,230	2,230
<b>Total interest bearing liabilities</b>	<b>2,230</b>	<b>2,230</b>	<b>2,230</b>	<b>2,230</b>	<b>2,230</b>
<b>Provisions</b>					
Employee provisions	4,952	4,951	4,950	4,949	4,949
Other provisions	487	487	487	487	487
<b>Total provisions</b>	<b>5,439</b>	<b>5,438</b>	<b>5,437</b>	<b>5,436</b>	<b>5,436</b>
<b>Total liabilities</b>	<b>9,134</b>	<b>9,133</b>	<b>9,132</b>	<b>9,131</b>	<b>9,131</b>
<b>Net assets</b>	<b>9,022</b>	<b>9,043</b>	<b>9,064</b>	<b>9,085</b>	<b>9,085</b>
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	896	896	896	896	896
Retained surplus (accumulated deficit)	8,126	8,147	8,168	8,189	8,189
<b>Total parent entity interest</b>	<b>9,022</b>	<b>9,043</b>	<b>9,064</b>	<b>9,085</b>	<b>9,085</b>
<b>Total equity</b>	<b>9,022</b>	<b>9,043</b>	<b>9,064</b>	<b>9,085</b>	<b>9,085</b>

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

Prepared on Australian Accounting Standards basis.

**Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2017-18)**

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2017</b>					
Balance carried forward from previous period	8,126	-	-	896	9,022
<b>Adjusted opening balance</b>	<b>8,126</b>	<b>-</b>	<b>-</b>	<b>896</b>	<b>9,022</b>
<b>Comprehensive income</b>					
Surplus/(deficit) for the period	-	-	-	-	-
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
of which:					
Attributable to the Australian Government	-	-	-	-	-
<b>Transactions with owners</b>					
<b>Contributions by owners</b>					
Other	21	-	-	-	21
<b>Sub-total transactions with owners</b>	<b>21</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21</b>
<b>Estimated closing balance as at 30 June 2018</b>	<b>8,147</b>	<b>-</b>	<b>-</b>	<b>896</b>	<b>9,043</b>
<b>Closing balance attributable to the Australian Government</b>	<b>8,147</b>	<b>-</b>	<b>-</b>	<b>896</b>	<b>9,043</b>

Prepared on Australian Accounting Standards basis.

**Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Receipts from Government	35,256	32,273	37,691	37,696	37,696
Interest	150	100	150	150	150
Other	-	267	-	-	-
<b>Total cash received</b>	<b>35,406</b>	<b>32,640</b>	<b>37,841</b>	<b>37,846</b>	<b>37,846</b>
<b>Cash used</b>					
Employees	26,500	25,342	29,292	29,297	29,297
Suppliers	8,631	6,258	7,509	7,509	7,509
<b>Total cash used</b>	<b>35,131</b>	<b>31,600</b>	<b>36,801</b>	<b>36,806</b>	<b>36,806</b>
<b>Net cash from/(used by) operating activities</b>	<b>275</b>	<b>1,040</b>	<b>1,040</b>	<b>1,040</b>	<b>1,040</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment and intangibles	1,000	1,000	1,000	1,000	1,000
<b>Total cash used</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>
<b>Net cash from/(used by) investing activities</b>	<b>(1,000)</b>	<b>(1,000)</b>	<b>(1,000)</b>	<b>(1,000)</b>	<b>(1,000)</b>
<b>Net increase/(decrease) in cash held</b>	<b>(725)</b>	<b>40</b>	<b>40</b>	<b>40</b>	<b>40</b>
Cash and cash equivalents at the beginning of the reporting period	9,205	8,480	8,520	8,560	8,600
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>8,480</b>	<b>8,520</b>	<b>8,560</b>	<b>8,600</b>	<b>8,640</b>

Prepared on Australian Accounting Standards basis.

**Table 3.5: Departmental capital budget statement (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded internally from departmental resources (a)	1,000	1,000	1,000	1,000	1,000
<b>TOTAL</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	1,000	1,000	1,000	1,000	1,000
<b>Total cash used to acquire assets</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>

(a) Includes the following sources of funding:

- current Bill 1 and prior year Act 1/3/5 appropriations (excluding amounts from the DCB);
- donations and contributions
- gifts
- internally developed assets
- s74 Retained revenue receipts
- proceeds from the sale of assets.

Prepared on Australian Accounting Standards basis.



**Table 3.6: Statement of asset movements (Budget year 2017-18)**

	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
<b>As at 1 July 2017</b>			
Gross book value	6,981	6,442	13,423
Accumulated depreciation/ amortisation and impairment	(4,196)	(6,495)	(10,691)
<b>Opening net book balance</b>	<b>2,785</b>	<b>(53)</b>	<b>2,732</b>
<b>Capital asset additions</b>			
<b>Estimated expenditure on new or replacement assets</b>			
By purchase - other	500	500	1,000
<b>Total additions</b>	<b>500</b>	<b>500</b>	<b>1,000</b>
<b>Other movements</b>			
Depreciation/amortisation expense	(625)	(149)	(774)
<b>Total other movements</b>	<b>(625)</b>	<b>(149)</b>	<b>(774)</b>
<b>As at 30 June 2018</b>			
Gross book value	7,481	6,942	14,423
Accumulated depreciation/ amortisation and impairment	(4,821)	(6,644)	(11,465)
<b>Closing net book balance</b>	<b>2,660</b>	<b>298</b>	<b>2,958</b>

Prepared on Australian Accounting Standards basis.

**Table 3.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)**

NOPSEMA does not administer any income or expenses on behalf of Government; therefore Table 3.7 is not presented.

**Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)**

NOPSEMA does not administer any assets or liabilities on behalf of Government; therefore Table 3.8 is not presented.

**Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June)**

NOPSEMA does not administer any cash flows on behalf of Government; therefore Table 3.9 is not presented.

**Table 3.10: Administered capital budget statement (for the period ended 30 June)**

NOPSEMA does not administer any capital budgets on behalf of Government; therefore Table 3.10 is not presented.

**Table 3.11: Statement of administered asset movements (Budget year 2017-18)**

NOPSEMA does not administer any asset movements on behalf of Government; therefore Table 3.11 is not presented.

# **NORTHERN AUSTRALIA INFRASTRUCTURE FACILITY**

## **ENTITY RESOURCES AND PLANNED PERFORMANCE**



# NORTHERN AUSTRALIA INFRASTRUCTURE FACILITY

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# NORTHERN AUSTRALIA INFRASTRUCTURE FACILITY

## Section 1: Entity overview and resources

### 1.1 STRATEGIC DIRECTION STATEMENT

The Northern Australia Infrastructure Facility (NAIF) was established on 1 July 2016 as a corporate Commonwealth entity under the *Northern Australia Infrastructure Facility Act 2016* (NAIF Act). A commercially focused independent Board oversees the NAIF and is responsible for making investment decisions to deploy finance.

The NAIF offers up to \$5 billion in debt or alternative financing mechanisms, which may be on concessional terms, to benefit northern Australia. It is designed to be a key catalyst for longer term transformation of the northern Australian economy and population through the construction of infrastructure in northern Australia. This may include developments in airports, communications, energy, pipelines, ports, roads, rail and water. NAIF investments may support growth in sectors across the north, such as food and agribusiness, international education, medical research, tourism, energy and resources.

NAIF will build its project investment proposal pipeline through proponent-led projects with strong prospects and through using industry specialist capability to facilitate strategic projects.

The NAIF aims to open new market opportunities and assist development of new, more resilient and reliable supply chains. It also aims to reduce cost for business through improving productivity, creating jobs and encouraging a larger population base by helping to attract and retain workers. An objective will be to make better use of existing infrastructure (for example, by improving reliability, capacity, safety and usability to overcome seasonal and other supply chain constraints). In addition, the construction of new infrastructure is aimed at overcoming diseconomies of scale and the first mover disadvantage including by facilitating co-sharing and multi-user access to infrastructure.

NAIF is designed to fill gaps in the infrastructure financing market for northern Australia. NAIF may assume a high risk tolerance in relation to factors that are unique to investing in northern Australian infrastructure including distance, remoteness and climate. There is an opportunity for NAIF to create over time greater risk awareness and appetite and through that develop the Australia infrastructure financing market to better support infrastructure construction in northern Australia.

*NAIF Budget Statements*

The NAIF is a major long term initiative of the Australian Government's *White Paper on Developing Northern Australia, Our North, Our Future*. The Office of Northern Australia in the Department of Industry, Innovation and Science has policy responsibility for the NAIF, along with an overall coordination role for northern Australia policy and the *White Paper on Developing Northern Australia*.

More information about NAIF, including its Investment Mandate, is available at [www.naif.gov.au](http://www.naif.gov.au).



## 1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the NAIF for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the entity's operations) classification.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome 1' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

**Table 1.1: Northern Australia Infrastructure Facility resource statement — Budget estimates for 2017-18 as at Budget May 2017**

	<i>2016-17 estimated actual \$'000</i>	2017-18 estimate \$'000
<b>Opening balance/cash reserves at 1 July (a)</b>	-	3,016
Annual appropriations - ordinary annual services (a) Outcome 1	8,111	8,504
<i>Total annual appropriations</i>	<i>8,111</i>	<i>8,504</i>
<b>Total funds from Government</b>	<b>8,111</b>	<b>8,504</b>
<b>Total net resourcing for NAIF</b>	<b>8,111</b>	<b>11,520</b>
<b>Average staffing level (number)</b>	<i>1 (b)</i>	<i>1 (b)</i>

Prepared on a resourcing (i.e. appropriations available) basis.  
All figures are GST exclusive.

(a) Appropriation Bill (No. 1) 2017-18

(b) The 2017-18 ASL estimate represents the Chief Executive Officer of the NAIF. Total staffing for the NAIF is 8.6 full time equivalents as at Budget May 2017. The additional staff supporting the NAIF include specialist staff engaged under contract as well as staff from the Export Finance and Insurance Corporation, in their capacity as NAIF's service provider. Refer to Section 3.1.2 for further information.

NAIF is not directly appropriated as it is a corporate Commonwealth entity. Appropriations are made to the Department of Industry, Innovation and Science, which are then paid to NAIF and are considered departmental for all purposes.

## 1.3 BUDGET MEASURES

There are no Budget measures relating to NAIF detailed in Budget Paper No 2, therefore Table 1.2 is not presented.

## Section 2: Outcomes and planned performance

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

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

**Note:**

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide an entity's complete performance story.

The NAIF was established 1 July 2016. The interim corporate plan for the Northern Australia Infrastructure Facility will be available at [www.naif.gov.au](http://www.naif.gov.au).

The NAIF will publish its first annual performance statement in Quarter 4 2017, which will also be available at [www.naif.gov.au](http://www.naif.gov.au).

## 2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

**Outcome 1: Enable economic growth in northern Australia, by facilitating private sector investment in economic infrastructure through the provision of concessional financing delivered through the state and territory governments.**

### Linked programs

<b>Department of Industry, Innovation and Science</b>
<b>Programs</b>
<ul style="list-style-type: none"> <li>• Program 2.6: Northern Australia Development</li> </ul>
<b>Contribution to Outcome 1 made by linked programs</b>
The Department of Industry, Innovation and Science contributes through its policies to increase economic growth and investment in northern Australia.
<b>Department of Agriculture and Water Resources</b>
<b>Programs</b>
<ul style="list-style-type: none"> <li>• Program 3.1: Water Reform</li> </ul>
<b>Contribution to Outcome 1 made by linked programs</b>
The Department of Agriculture and Water Resources contributes to Outcome 1 through its policies and programs to enhance northern Australia's water security and agricultural productivity, including through synergies with the implementation of the National Water Infrastructure Development Fund with NAIF.
<b>Austrade</b>
<b>Programs</b>
<ul style="list-style-type: none"> <li>• Program 1.1: Promotion of Australia's export and other international economic interests</li> <li>• Program 1.2: Programs to promote Australia's export and other international economic interests</li> </ul>
<b>Contribution to Outcome 1 made by linked programs</b>
Austrade contributes to Outcome 1 through its programs to promote Australian export, inwards investment attraction and other international economic interests aligned with infrastructure investment in northern Australia.

**Budgeted expenses for Outcome 1**

This table shows how much NAIF intends to spend (on an accrual basis) on achieving the outcome, broken down by program.

**Table 2.1.1: Budgeted expenses for Outcome 1**

**Outcome 1:** Enable economic growth in northern Australia, by facilitating private sector investment in economic infrastructure through the provision of concessional financing delivered through the state and territory governments.

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>Program 1: Northern Australia Infrastructure Facility</b>					
Revenue from Government					
Ordinary annual services (Appropriation Bill No. 1)	6,111	8,504	9,495	10,329	10,865
<b>Total expenses for Program 1</b>	<b>6,111</b>	<b>8,504</b>	<b>9,495</b>	<b>10,329</b>	<b>10,865</b>
<b>Outcome 1 totals by resource type</b>					
Revenue from Government					
Ordinary annual services (Appropriation Bill No. 1)	6,111	8,504	9,495	10,329	10,865
<b>Total expenses for Outcome 1</b>	<b>6,111</b>	<b>8,504</b>	<b>9,495</b>	<b>10,329</b>	<b>10,865</b>

	2016-17	2017-18
<b>Average staffing level (number)</b>	1 (a)	1 (a)

(a) The 2017-18 ASL estimate represents the Chief Executive Officer of the NAIF. Total staffing for the NAIF is 8.6 full time equivalents as at Budget May 2017. The additional staff supporting the NAIF include specialist staff engaged under contract as well as staff from the Export Finance and Insurance Corporation, in their capacity as NAIF's service provider. Refer to Section 3.1.2 for further information.

**Table 2.1.3: Performance criteria for Outcome 1**

Table 2.1.3 below details the performance criteria for each program associated with Outcome 1. It also summarises how the program is delivered and where 2017-18 Budget measures have created new programs or materially changed existing programs.

<b>Outcome 1: Enable economic growth in northern Australia, by facilitating private sector investment in economic infrastructure through the provision of concessional financing delivered through the state and territory governments.</b>		
<b>Program 1: Northern Australia Infrastructure Facility</b>		
<b>Delivery</b>	Provision of debt or alternative financing mechanisms to the Queensland, Northern Territory and Western Australian Governments to on-lend to proponents, which may be on concessional terms for the construction of infrastructure to enable long term economic and population growth to benefit northern Australia.	
<b>Performance information</b>		
<b>Year</b>	<b>Performance criteria (a)</b>	<b>Targets</b>
2016-17	<i>Establishment of sound governance framework</i>	<i>Governance framework established</i>
	<i>Development of potential investment proposal pipeline having regard to a preference for diversification including by industry and geographic spread</i>	<i>Development of potential investment proposal pipeline</i>
2017-18	<i>Public benefit forecast to be generated from NAIF investments</i>	<i>To be confirmed in 2017-18 Corporate Plan</i>
2018-19 and beyond	<i>As per 2017-18</i>	<i>As per 2017-18</i>
<b>Purposes</b>	The NAIF's purpose is to support the construction of infrastructure that provides a basis for the longer term expansion of the economy and population in northern Australia.	

(a) New or modified performance criteria that reflect new or materially changed programs are shown in *italics*.

## **Section 3: Budgeted financial statements**

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2016-17 budget year, including the impact of budget measures and resourcing on financial statements.

### **3.1 BUDGETED FINANCIAL STATEMENTS**

#### **3.1.1 Differences between entity resourcing and financial statements**

There are no material differences between the entity resources table and the financial statements.

#### **3.1.2 Explanatory notes and analysis of budgeted financial statements**

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

Total budgeted expenses for the NAIF in 2017-18 is \$8.5 million, represented by \$0.4 million in employee benefits and \$8.1 million in suppliers. Suppliers include expenses relating to the Export Finance Insurance Corporation, which provides services including transaction due diligence, credit, loan management, and corporate and administrative services; specialist staff engaged under contract; and Board, travel and overhead costs.

### 3.2. BUDGETED FINANCIAL STATEMENTS TABLES

**Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>EXPENSES</b>					
Employee benefits	274	411	411	411	411
Suppliers	5,837	8,093	9,084	9,918	10,454
<b>Total expenses</b>	<b>6,111</b>	<b>8,504</b>	<b>9,495</b>	<b>10,329</b>	<b>10,865</b>
<b>Net (cost of)/contribution by services</b>	<b>(6,111)</b>	<b>(8,504)</b>	<b>(9,495)</b>	<b>(10,329)</b>	<b>(10,865)</b>
Revenue from Government	8,111	8,504	9,495	10,329	10,865
<b>Surplus/(deficit) attributable to the Australian Government</b>	<b>2,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income/(loss)</b>	<b>2,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income/(loss) attributable to the Australian Government</b>	<b>2,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2: Budgeted departmental balance sheet (as at 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	3,016	3,016	3,016	3,016	3,016
<b>Total financial assets</b>	<b>3,016</b>	<b>3,016</b>	<b>3,016</b>	<b>3,016</b>	<b>3,016</b>
<b>Total assets</b>	<b>3,016</b>	<b>3,016</b>	<b>3,016</b>	<b>3,016</b>	<b>3,016</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	1,000	1,000	1,000	1,000	1,000
<b>Total payables</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>
<b>Provisions</b>					
Employee provisions	16	16	16	16	16
<b>Total provisions</b>	<b>16</b>	<b>16</b>	<b>16</b>	<b>16</b>	<b>16</b>
<b>Total liabilities</b>	<b>1,016</b>	<b>1,016</b>	<b>1,016</b>	<b>1,016</b>	<b>1,016</b>
<b>Net assets</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Retained surplus (accumulated deficit)	2,000	2,000	2,000	2,000	2,000
<b>Total parent entity interest</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>
<b>Total equity</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>

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



**Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2017-18)**

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2017</b>					
Balance carried forward from previous period	2,000	-	-	-	2,000
<b>Adjusted opening balance</b>	<b>2,000</b>	-	-	-	<b>2,000</b>
<b>Comprehensive income</b>					
Surplus/(deficit) for the period	-	-	-	-	-
<b>Total comprehensive income</b>	<b>-</b>	-	-	-	-
of which:					
Attributable to the Australian Government	-	-	-	-	-
<b>Estimated closing balance as at 30 June 2018</b>	<b>2,000</b>	-	-	-	<b>2,000</b>
<b>Closing balance attributable to the Australian Government</b>	<b>2,000</b>	-	-	-	<b>2,000</b>

Prepared on Australian Accounting Standards basis.

**Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	8,111	8,504	9,495	10,329	10,865
<b>Total cash received</b>	<b>8,111</b>	<b>8,504</b>	<b>9,495</b>	<b>10,329</b>	<b>10,865</b>
<b>Cash used</b>					
Employees	258	411	411	411	411
Suppliers	4,837	8,093	9,084	9,918	10,454
<b>Total cash used</b>	<b>5,095</b>	<b>8,504</b>	<b>9,495</b>	<b>10,329</b>	<b>10,865</b>
<b>Net cash from/(used by) operating activities</b>	<b>3,016</b>	-	-	-	-
<b>Net increase/(decrease) in cash held</b>	<b>3,016</b>	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	-	3,016	3,016	3,016	3,016
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>3,016</b>	<b>3,016</b>	<b>3,016</b>	<b>3,016</b>	<b>3,016</b>

Prepared on Australian Accounting Standards basis.

**Table 3.5: Departmental capital budget statement (for the period ended 30 June)**

NAIF has no departmental capital budget; therefore Table 3.5 is not presented.

**Table 3.6: Statement of asset movements (Budget year 2017-18)**

NAIF has no departmental assets; therefore Table 3.6 is not presented.

**Table 3.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)**

NAIF has no budgeted income and expenses administered on behalf of Government; therefore Table 3.7 is not presented.

**Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)**

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

**Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June)**

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

**Table 3.10: Administered capital budget statement (for the period ended 30 June)**

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

**Table 3.11: Statement of administered asset movements (Budget year 2017-18)**

NAIF has no administered assets; therefore Table 3.11 is not presented.



