

**PORTFOLIO  
BUDGET STATEMENTS  
2008-09**

**RESOURCES, ENERGY AND TOURISM PORTFOLIO**

BUDGET INITIATIVES AND EXPLANATIONS OF  
APPROPRIATIONS SPECIFIED BY AGENCY, BY OUTCOME

**BUDGET RELATED PAPER NO. 1.16**



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**THE HON MARTIN FERGUSON AM MP**  
**MINISTER FOR RESOURCES AND ENERGY**  
**MINISTER FOR TOURISM**

**PARLIAMENT HOUSE**  
**CANBERRA 2600**

President of the Senate  
Australian Senate  
Parliament House  
CANBERRA ACT 2600

Speaker  
House of Representatives  
Parliament House  
CANBERRA ACT 2600

Dear Mr President  
Dear Mr Speaker

I hereby submit Portfolio Budget Statements in support of the 2008-09 Budget for the Resources, Energy and Tourism Portfolio.

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

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

Yours sincerely

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

Martin Ferguson

## Abbreviations and conventions

The following notation may be used:

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\$m	not for publication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

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

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

**USER GUIDE  
TO THE  
PORTFOLIO BUDGET  
STATEMENTS**





## USER GUIDE

The purpose of the 2008-09 Portfolio Budget Statements (PB Statements) is to inform Senators and Members of Parliament of the proposed allocation of resources to Government outcomes by agencies within the portfolio. Agencies receive resources from the annual appropriations acts, special appropriations (including standing appropriations and special accounts), and revenue from other sources.

A key role of the PB Statements is to facilitate the understanding of proposed annual appropriations in Appropriation Bills No. 1 and No. 2 2008-09. In this sense the PB Statements are Budget related papers and are declared by the Appropriation Acts to be 'relevant documents' to the interpretation of the Acts according to section 15AB of the *Acts Interpretation Act 1901*.

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

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

## STRUCTURE OF THE PORTFOLIO BUDGET STATEMENTS

The Portfolio Budget Statements have been revised for the 2008-09 Budget, with significant changes made to reduce the work load on agencies and to provide Parliament with more targeted and comprehensive information on government expenditure.

Included below is a brief outline of each section of the revised document.

### Portfolio overview

The portfolio overview is largely unchanged with portfolio departments required to briefly outline the responsibilities of the portfolio, list the relevant agencies and Ministers and the resources available.

### Agency Resources and Planned Performance

A statement (under the name of the agency) for each agency within the Portfolio.

#### **Section 1: Agency overview and resources**

- This section includes three components:
  - 1.1 Strategic Direction for 2008-09;
  - 1.2 Resource Statement; and
  - 1.3 Measures Table.
- The intention of section one is to provide readers with an overview of the functions and responsibilities of the agency, its contribution towards its outcomes for the budget year and the resources available.
- In the *Strategic Direction for 2008-09* agencies are to present a narrative approach rather than being restricted to a fixed number of headings. The key emphasis is on telling the agency 'story': the key strategies it is implementing to achieve its outcomes, what is involved and how success and progress are to be measured.
- The agency resource statement and measures table summarise resource information into two tables. Agencies are to use the new agency resource statement which details the source and nature of the all resources available to the agency. Budget Measures information is to reflect the information covered in Budget Paper 2, with the output group against which the measures are to be pursued included to improve cross-referencing.

<b>Agency Resources and Planned Performance (continued)</b>	
<b>Section 2: Outcomes and Planned Performance</b>	<ul style="list-style-type: none"> <li>• The outcomes section has undergone significant change to re-orientate agency reporting towards their results in contributing to outcomes and away from focusing on the activities and processes of agencies.</li> <li>• The outcome resource statement provides lower level resourcing information for general users at the results level, grouped by output group rather than appropriation type as has been the case previously.</li> <li>• Following the outcome resource statement agencies will use output groups for each outcome to group their intended contributions and the performance indicators used to assess the agency's effectiveness. By focusing on the results and impacts agencies are making towards outcomes, the revised PB Statements will be more focused on how agencies contribute to outcomes rather than detailing activities.</li> </ul>
<b>Section 3: Explanatory tables and budgeted financial statements</b>	<ul style="list-style-type: none"> <li>• This section has been reworked to increase the readability of technical financial information. The section now includes:               <ul style="list-style-type: none"> <li>– an explanation of any differences at agency level between the information included in the Budget Papers and the PB Statements arising from the use of the GFS and AAS accounting methodologies; and</li> <li>– explanatory tables to provide supplementary information on the reconciliation between total available appropriation and outcome attribution, the re-phasing and use of appropriations, special account flows and Australian Government Indigenous Expenditure.</li> </ul> </li> <li>• It should also be noted that the capital budget statement and the property, plant, equipment and intangibles statements are no longer mandatory in the financial statements. This change has been made because for the majority of agencies the information provided was of little value. Agencies with significant investment programs and/or balance sheets may continue using the statements to better explain their overall position.</li> </ul>
<b>Glossary</b>	Explains key terms relevant to the Portfolio.



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# **PORTFOLIO OVERVIEW**





# RESOURCES, ENERGY AND TOURISM

## PORTFOLIO OVERVIEW

### MINISTER AND PORTFOLIO RESPONSIBILITIES

The Portfolio was established through the Administrative Arrangements Order issued on 3 December 2007 with additional functions transferring through a further Administrative Arrangements Order issued on 25 January 2008. The portfolio comprises:

- The Department of Resources, Energy and Tourism;
- Geoscience Australia (a prescribed agency under the *Financial Management and Accountability Act 1997* (FMA Act));
- The National Offshore Petroleum Safety Authority (a statutory agency established under the provisions of the *Petroleum (Submerged Lands) Act 1967* and, for the purposes of governance arrangements, a prescribed agency under the FMA Act); and
- Tourism Australia (a statutory agency established under the *Tourism Australia Act 2004* and subject to the provisions of the *Commonwealth Authorities and Companies Act 1997* (CAC Act)).

The Department of Resources, Energy and Tourism (RET) was established through the Administrative Arrangements Order issued on 3 December 2007 and 25 January 2008. Functions transferred from the former departments of Industry, Tourism and Resources; Education, Science and Training; and Environment and Water Resources. Geoscience Australia, the National Offshore Petroleum Safety Authority (NOPSA) and Tourism Australia transferred from the former Industry, Tourism and Resources Portfolio.

The Department of Resources, Energy and Tourism plays an important role in assisting the Government to achieve its objectives by providing high quality advice and services to achieve improved competitiveness and sustainability of the resources, energy and tourism industries. Departmental priorities are based on the importance of enhancing Australia's economic prosperity to ensure that Australia maintains its international competitiveness and responds to the increasing globalisation and technology developments of the resources, energy and tourism industries. At the same time the Department is working to encourage small to medium players into these sectors and shared access to the benefits of economic growth. The Department liaises closely with the private sector, including major corporations and business associations.

### *Portfolio Overview*

Geoscience Australia is financially independent of the Department and exists within the portfolio structure as a prescribed agency. Geoscience Australia is Australia's national geoscience research and geospatial information agency. Geoscience Australia is a world leader in providing first class geoscientific information and knowledge that enables the Australian Government and community to make informed decisions about the exploitation of resources, the management of the environment, the safety of critical infrastructure, and the resultant wellbeing of all Australians. Geoscience Australia also encompasses the Office of Spatial Data Management which coordinates the implementation of the Australian Government's policy on spatial data access and pricing.

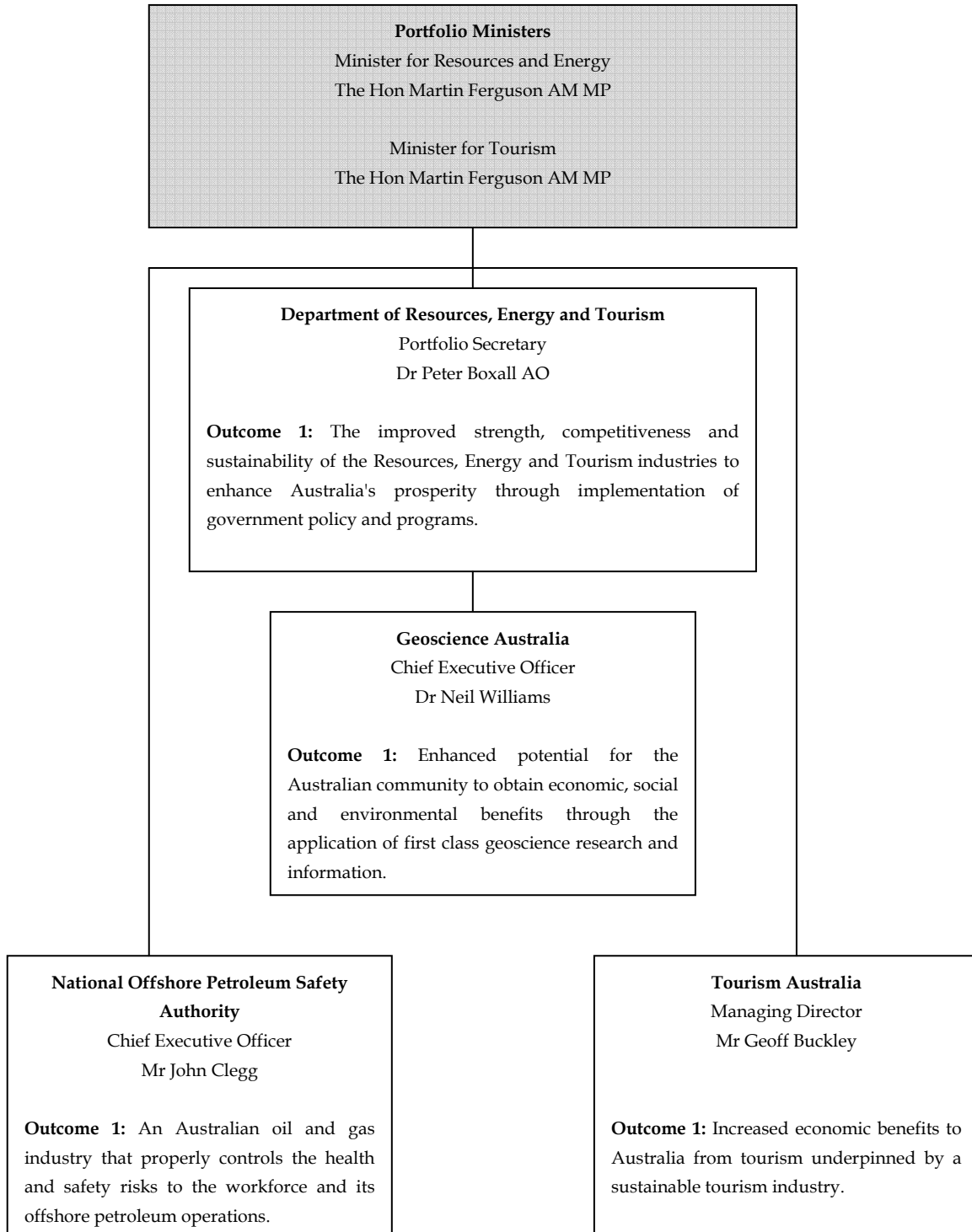
NOPSA is responsible for the delivery of world class health and safety regulation for the Australian offshore petroleum industry. In addition, NOPSA is responsible for the promotion of occupational health and safety of persons engaged in offshore petroleum operations in Australian Government, State and Territory coastal waters. The primary objectives for NOPSA include: improving safety outcomes across the Australian offshore petroleum industry; ensuring health and safety regulation of the offshore petroleum industry is provided to standards that are equal to the best in the world; and reducing the regulatory burden on the offshore petroleum industry, which operates across multiple jurisdictions, by delivering a consistent and comprehensive health and safety regime.

Tourism Australia is the Australian Government agency responsible for international and domestic tourism marketing, as well as the delivery of research and forecasts for the tourism sector. The main objectives of Tourism Australia is to: influence people to travel to Australia, including for events; influence people travelling to Australia to also travel throughout Australia; influence Australians to travel throughout Australia, including for events; help foster a sustainable tourism industry in Australia; and help increase the economic benefits to Australia from tourism.

More comprehensive information on activities undertaken by the Resources, Energy and Tourism portfolio is available from the following web sites:

- Department of Resources, Tourism and Resources  
<http://www.ret.gov.au>
- Geoscience Australia  
<http://www.ga.gov.au>
- National Offshore Petroleum Safety Authority  
<http://www.nopsa.gov.au>
- Tourism Australia  
<http://www.tourism.australia.com>

Figure 1: Resources, Energy and Tourism portfolio structure and outcome



**PORTFOLIO RESOURCES MADE AVAILABLE IN THE BUDGET YEAR**

**Table 1: Portfolio resources made available in the Budget year<sup>1</sup>**

	Appropriation			Receipts	Total
	Bill No. 1 \$m	Bill No. 2 \$m	Special \$m	\$m	\$m
<b>Department of Resources, Energy and Tourism</b>					
Administered appropriations	297.4	55.5	710.6	3.6	1,067.1
Departmental appropriations	69.2	2.9	-	6.2	78.3
<b>Total:</b>					<b>1,145.4</b>
<b>Geoscience Australia</b>					
Administered appropriations	-	-	-	0.7	0.7
Departmental appropriations	138.6	-	-	38.3	176.9
<b>Total:</b>					<b>177.6</b>
<b>National Offshore Petroleum Safety Authority</b>					
Departmental appropriations	-	-	-	12.0	12.0
<b>Total:</b>					<b>12.0</b>
<b>Tourism Australia</b>					
Departmental appropriations	135.6	-	-	35.7	171.3
<b>Total:</b>					<b>171.3</b>
Resources available within Portfolio:					<b>1,506.3</b>

1. These figures do not include any carry over from 2007-08





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# **Department of Resources, Energy and Tourism**

## **Agency resources and planned performance**



# DEPARTMENT OF RESOURCES, ENERGY AND TOURISM

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# DEPARTMENT OF RESOURCES, ENERGY AND TOURISM

## Section 1: Agency overview and resources

### 1.1 STRATEGIC DIRECTION

The Department is responsible for developing and maintaining Government policies and programs for the resources, energy and tourism industries. Key objectives of the Department include: achieving strong economic growth; resilient and secure energy systems; equitable distribution of the benefits of Australia's energy, resources and tourism industries; and actively participating in a whole of government approach to domestic and international environmental policy.

The Department of Resources, Energy and Tourism is the key advisor to Government on policy options for Australia's resources, energy and tourism industries. The key priorities for the Department include:

- To securing reliable and affordable energy supplies, including appropriate legislative and regulatory frameworks;
- To provide an integrated picture of supply and demand of electricity, gas and liquid fuels for the next five, ten and fifteen years, through the National Energy Security Assessment;
- To develop a National Energy White Paper that addresses the long term challenge of ensuring Australia's resources and energy security;
- To achieve a national energy market framework as part of the Energy Market Reform, including economic regulation; electricity transmission and distribution; gas markets and user participation;
- To finalise the introduction of the National Gas Law, which will establish a new national regime for gas access and other gas market development initiatives, to enhance the transparency of the gas market;
- To establish a National Transmission Planning function within the Australian Energy Market Operator;
- To support the Minister in representing the Commonwealth as a shareholder of Snowy Hydro Corporation;

*Department of Resources, Energy and Tourism Budget Statements*

- To implement the National Clean Coal Initiative, supported by a national clean coal fund, including: coordinating the development and deployment of clean coal technologies out to 2030 through a national research program; a national carbon mapping and infrastructure plan and support for the demonstration of low emission technologies;
- To implement and set clear policy and guidelines for the National Clean Coal Fund, the Renewable Energy Fund and the Energy Innovation Fund;
- To develop and implement a regulatory regime for CO2 Capture and Storage in offshore Australia;
- To build on current petroleum and minerals exploration and development activities to address the most effective ways to secure Australia's resource and energy security and the important role oil and gas will play in the future. In particular the stimulation of greater levels of frontier petroleum exploration investment to secure the next major oil discovery;
- To work with East Timor to develop oil and gas in the Joint Petroleum Development Area;
- To address the future permanent management and storage of Australia's radioactive waste through the Commonwealth Radioactive Waste Management facility;
- To examine issues surrounding long term gas supplies and facilitate domestic gas developments, whilst encouraging the continued development of Australian liquefied natural gas developments;
- To facilitate growth in domestic and international tourism, considering the environmental impacts of that growth; continue to promote Australia's tourism interests in international forums;
- To continue the Business Ready Program for Indigenous Tourism (BRPIT) and promote Indigenous tourism. BRPIT is the only Indigenous specific tourism program offered by the Commonwealth; and
- To create employment opportunities, development programs and training in industry sectors for neighbouring communities, particularly Australia's Indigenous people.



## 1.2 AGENCY RESOURCE STATEMENT

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

**Table 1.1: Department of Resources, Energy and Tourism (RET) resource statement — Budget estimates for 2008-09 as at Budget May 2008**

	Estimate of prior year amounts available in 2008-09 <sup>3</sup> \$'000	+	Proposed at Budget 2008-09 \$'000	=	Total Estimate 2008-09 \$'000	Estimated Appropriation Available 2007-08 \$'000
<b>Ordinary Annual Services<sup>1</sup></b>						
<b>Departmental outputs</b>						
Departmental outputs	-		69,234		69,234	38,535
Other	-		190		190	190
<b>Total</b>	-		<b>69,424</b>		<b>69,424</b>	<b>38,725</b>
<b>Administered expenses</b>						
Outcome 1	-		297,382		297,382	184,619
<b>Total</b>	-		<b>297,382</b>		<b>297,382</b>	<b>184,619</b>
<b>Total ordinary annual services</b>	-	<b>A</b>	<b>366,806</b>		<b>366,806</b>	<b>223,344</b>
<b>Other services<sup>2</sup></b>						
<b>Administered expenses</b>						
<b>Specific payments to States, ACT, NT and local government</b>						
Outcome 1	-		55,486		55,486	28,169
<b>Total</b>	-		<b>55,486</b>		<b>55,486</b>	<b>28,169</b>
<b>Departmental non-operating</b>						
Equity injections	-		1,500		1,500	-
Previous years' outputs	-		1,425		1,425	-
<b>Total</b>	-		<b>2,925</b>		<b>2,925</b>	-
<b>Total other services</b>	-	<b>B</b>	<b>58,411</b>		<b>58,411</b>	<b>28,169</b>
<b>Total Available Annual Appropriations</b>	-		<b>425,217</b>		<b>425,217</b>	<b>251,513</b>



**Table 1.1: Department of Resources, Energy and Tourism (RET) resource statement — Budget estimates for 2008-09 as at Budget May 2008 (continued)**

	Estimate of prior year amounts available in 2008-09 <sup>3</sup> \$'000	+ Proposed at Budget 2008-09 \$'000	= Total Estimate 2008-09 \$'000	Estimated Appropriation Available 2007-08 \$'000
<b>Special Appropriations</b>				
<i>Petroleum (Submerged Land) Act 1967 - Ashmore and Cartier Islands Offshore Minerals Act 1994 - Offshore Minerals Act (Fees)</i>	-	1,500	1,500	601
<i>Petroleum (Submerged Land) Act 1967 - Offshore Petroleum Fees</i>	-	60	60	60
<i>Petroleum (Submerged Land) Act 1967 - Offshore Petroleum Royalties</i>	-	15,000	15,000	7,810
	-	694,000	694,000	418,853
<b>Total Special Appropriations</b>	<b>C</b> -	<b>710,560</b>	<b>710,560</b>	<b>427,324</b>
<b>Total Appropriations excluding Special Accounts</b>	-	<b>1,135,777</b>	<b>1,135,777</b>	<b>678,837</b>
<b>Special Accounts<sup>4</sup></b>				
Opening balance	53,180	-	53,180	52,932
Appropriation Receipts	-	4,250	4,250	-
Appropriation Receipts - other agencies <sup>5</sup>	-	900	900	-
Non-Appropriation receipts to Special Accounts	-	9,259	9,259	5,440
<b>Total Special Account</b>	<b>D</b> <b>53,180</b>	<b>14,409</b>	<b>67,589</b>	<b>58,372</b>
<b>Total resourcing (A+B+C+D)</b>	<b>53,180</b>	<b>1,150,186</b>	<b>1,203,366</b>	<b>737,209</b>
Less appropriations drawn from annual or special appropriations above and credited to special accounts	-	(4,250)	(4,250)	-
<b>Total net resourcing for RET</b>	<b>53,180</b>	<b>1,145,936</b>	<b>1,199,116</b>	<b>737,209</b>

1. Appropriation Bill (No.1) 2008-09.

2. Appropriation Bill (No.2) 2008-09.

3. Estimated adjusted balance carried from previous year for Annual Appropriations. It is anticipated that the annual appropriations will cover estimated expenditure in 2007-08.

4. Estimated opening balance for special accounts. For further detail on special accounts see Table 3.1.3.

5. Appropriation receipts from the Department of Environment, Water, Heritage and the Arts for their contribution to the Energy Special Account for 2008-09 included above.

### Third Party Drawdowns from and on behalf of other agencies

The Department of Resources, Energy and Tourism does not have any third party drawdowns from or on behalf of other agencies.

### 1.3 BUDGET MEASURES

Budget measures relating to the Department of Resources, Energy and Tourism are detailed in Budget Paper No. 2. Table 1.2 provides a summary of government measures and identifies the relevant output groups associated with each measure.

**Table 1.2: Agency 2008-09 Budget measures**

	Output Group	2008-09 \$'000	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000
<b>Expense measures</b>					
Tackling Climate Change - Energy Innovation Fund					
	1.2				
		38,586	49,794	34,872	20,334
		2,283	1,386	1,379	1,366
	<b>Total</b>	<b>40,869</b>	<b>51,180</b>	<b>36,251</b>	<b>21,700</b>
Tackling Climate Change - Renewable Energy Fund <sup>1</sup>					
	1.2				
		-	50,000	70,000	100,000
		-	5,500	962	992
	<b>Total</b>	<b>-</b>	<b>55,500</b>	<b>70,962</b>	<b>100,992</b>
Tackling Climate Change - National Clean Coal Fund <sup>2</sup>					
	1.1				
		31,450	104,900	121,600	94,900
		3,300	3,700	2,900	2,900
	<b>Total</b>	<b>34,750</b>	<b>108,600</b>	<b>124,500</b>	<b>97,800</b>
Australian Energy Market Operator - establishment					
	1.2				
		3,980	-	-	-
		2,650	-	-	-
	<b>Total</b>	<b>6,630</b>	<b>-</b>	<b>-</b>	<b>-</b>
Commonwealth Radioactive Waste Management Facility – environmental impact assessment					
	1.1				
		905	1,845	-	-
		510	518	-	-
	<b>Total</b>	<b>1,415</b>	<b>2,363</b>	<b>-</b>	<b>-</b>
Responsible Economic Management - Australian Tourism Development Program					
	1.3				
		(6,850)	(4,300)	(4,300)	-
	<b>Total</b>	<b>(6,850)</b>	<b>(4,300)</b>	<b>(4,300)</b>	<b>-</b>

Department of Resources, Energy and Tourism Budget Statements

**Table 1.2: Agency 2008-09 Budget measures (continued)**

	Output Group	2008-09 \$'000	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000
Closing the gap - extension of the Business Ready Program for Indigenous Tourism	1.3				
Administered expenses		1,250	-	-	-
Departmental outputs		531	-	-	-
<b>Total</b>		<b>1,781</b>	<b>-</b>	<b>-</b>	<b>-</b>
Management of Australia's uranium resources	1.1				
Departmental outputs		1,500	2,100	3,000	4,000
<b>Total</b>		<b>1,500</b>	<b>2,100</b>	<b>3,000</b>	<b>4,000</b>
Department of Resources, Energy and Tourism - supplementary funding for establishment and management <sup>3</sup>	All				
Departmental outputs		2,972	3,000	3,024	3,047
<b>Total</b>		<b>2,972</b>	<b>3,000</b>	<b>3,024</b>	<b>3,047</b>
Supporting Regional Tourism – project funding <sup>4</sup>	1.3				
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
United Nations World Tourism Organisation – continuation of membership <sup>5</sup>	1.3				
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total expense measures</b>	Administered	69,321	202,239	222,172	215,234
	Departmental	13,746	16,204	11,265	12,305
	<b>Total</b>	<b>83,067</b>	<b>218,443</b>	<b>233,437</b>	<b>227,539</b>

1. Additional funding of \$272.5 million has been approved in 2012-13 to 2014-15.
2. This measure has a \$15.0 million impact in 2007-08 and additional funding of \$119.3 million has been approved in 2012-13 to 2014-15.
3. This measure has a \$2.9 million impact in 2007-08 (\$1.4 million in operational funding and \$1.5 million in capital funding).
4. Supporting Regional Tourism – project funding valued at \$2.4 million is to be funded out of the Australian Tourism Development Program.
5. This measure is to be absorbed within existing resources.

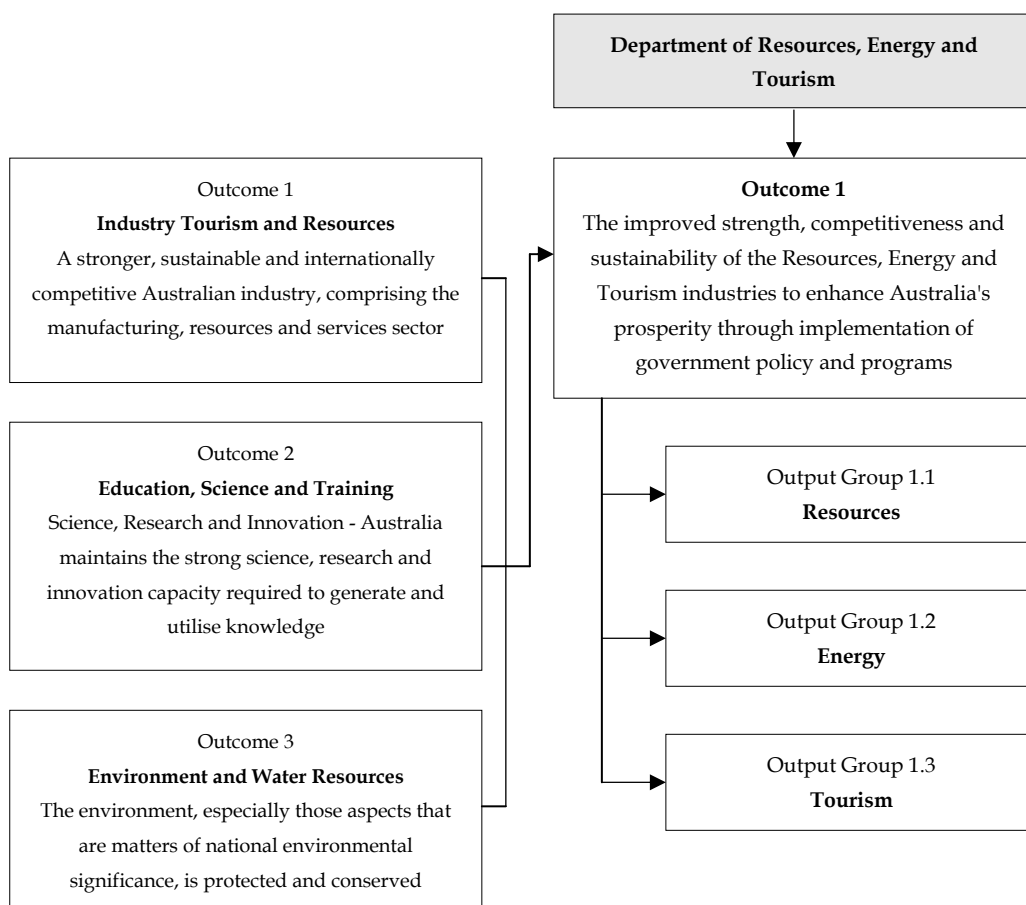
## Section 2: Outcomes and planned performance

### 2.1 OUTCOMES AND PERFORMANCE INFORMATION

The Australian Government requires agencies to measure their intended and actual performance in terms of outcomes. Government outcomes are the results, impacts or consequences of actions by the Government on the Australian community. Agencies are required to identify the output groups which demonstrate their contribution to Government outcomes over the coming year.

RET assumed responsibilities, under three outcomes, from the former departments of Industry, Tourism and Resources; Education, Science and Training; and Environment and Water Resources as part of the Administrative Arrangements Order issued on 3 December 2007 and 25 January 2008. RET has subsequently combined these outcomes into one. Refer to figure 1.1.

**Figure 1.1: New outcome and output structure for RET**



RET's outcome is described below by output groups, specifying the performance indicators and targets used to assess and monitor the performance of the Department of Resources, Energy and Tourism in achieving government outcomes.

**2.1.1 Outcome 1: The improved strength, competitiveness and sustainability of the Resources, Energy and Tourism industries to enhance Australia's prosperity through implementation of government policy and programs.**

**Outcome 1 Strategy**

The priority for the Department of Resources, Energy and Tourism is enhancing Australia's economic prosperity. To achieve this priority, the department will successfully implement the Government's 2007 election commitments; ensuring portfolio agencies can deliver Government policy.

The department has three flagship new policy proposals for the 2008-09 Budget - the Energy Innovation Fund, the Renewable Energy Fund and the National Clean Coal Initiative (NCCI). The Energy Innovation Fund will invest in critical clean energy research. It will accelerate the development of new and innovative clean energy technologies that will lead to medium to long-term reductions in emissions from energy production and use. The Fund will also aim to secure Australia's place as a global leader in clean energy technology research and development. The Renewable Energy Fund will accelerate the commercialisation of new renewable energy technologies in Australia by demonstrating these technologies on a large, commercial scale. The Fund will aim to support a portfolio of new renewable energy technologies across a range of geographic areas. The NCCI will support the accelerated development and deployment of clean coal technology in Australia through a range of initiatives.

These new measures supplement a broad range of activities being delivered by the department in relation to:

- Energy Security;
- Energy Market Reform;
- Clean Energy Technologies;
- Petroleum and Minerals Exploration and Development;
- Radioactive Waste Management;
- Infrastructure;
- National Tourism Strategy;
- Timor Sea Oil and Gas;
- Domestic Gas Supply; and
- Indigenous Participation.

**Outcome 1 Resource statement**

Table 2.1 provides additional detail of Budget appropriations and the total resourcing for outcome 1.

**Table 2.1: Total resources for Outcome 1**

<b>Outcome 1:</b> The improved strength, competitiveness and sustainability of the Resources, Energy and Tourism industries to enhance Australia's prosperity through implementation of government policy and programs.		2008-09	2007-08
		Total estimate of available resources \$'000	Estimated Actual <sup>2/3</sup> \$'000
<b>Output Group 1.1: Resources</b>			
Administered Items:			
Biofuels Capital Grants	B1	7,175	7,200
Ethanol Production Subsidy	B1	63,400	30,795
Strategic Investment Incentive Grant - Hlsmelt	B1	-	20,000
Clean Coal Initiatives	B1	31,450	-
Radioactive Waste Management	B1	4,022	5,212
Other Administered	B1/B2	12,741	25,552
Special Appropriations:			
<i>Petroleum (Submerged Land) Act 1967 - Ashmore and Cartier Islands</i>		1,500	601
<i>Offshore Minerals Act 1994 - Offshore Minerals Act (Fees)</i>		60	60
<i>Petroleum (Submerged Land) Act 1967 - Offshore Petroleum Fees</i>		15,000	7,810
<i>Petroleum (Submerged Land) Act 1967 - Offshore Petroleum Royalties</i>		694,000	418,853
Departmental Outputs			
Departmental Outputs		26,809	12,989
Other resources		74	64
Special Accounts			
Ranger Rehabilitation			
Opening balance		49,865	47,531
Non-Appropriation receipts to Special Accounts		3,609	2,334
<b>Subtotal for Output Group 1.1</b>		<b>909,705</b>	<b>579,001</b>

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**Table 2.1: Total resources for Outcome 1 (continued)**

		2008-09	2007-08
<b>Outcome 1:</b>			
The improved strength, competitiveness and sustainability of the Resources, Energy and Tourism industries to enhance Australia's prosperity through implementation of government policy and programs.		Total estimate of available resources	Estimated actual <sup>2/3</sup>
		\$'000	\$'000
<b>Output Group 1.2: Energy</b>			
Administered Items:			
Asia Pacific Partnership 6	B1	33,000	32,817
Energy Innovation Fund	B1	38,586	-
Low Emission Technology Demonstration Fund	B1	95,999	15,000
Advanced Electricity Storage Technology	B1	8,130	5,020
Snowy Hydro Ltd - Company Tax Compensation	B2	46,685	24,290
Other Administered	B1	3,980	1,500
Departmental Outputs			
Departmental Outputs		31,919	18,788
Other Resources		87	93
Special Accounts			
Energy Special Account			
Opening balance		3,315	5,401
Appropriation receipts <sup>1</sup>		4,250	-
Non-Appropriation receipts to Special Accounts		6,550	3,106
<b>Subtotal for Output Group 1.2</b>		<b>272,501</b>	<b>106,015</b>
<b>Output Group 1.3: Tourism</b>			
Administered Items:			
World Youth Day 2008	B1	-	35,000
Other Administered	B1/B2	7,700	10,402
Departmental Outputs			
Departmental Outputs		10,506	6,758
Other Resources		29	33
<b>Subtotal for Output Group 1.3</b>		<b>18,235</b>	<b>52,193</b>
<b>Total resources for Outcome 1</b>		<b>1,200,441</b>	<b>737,209</b>
		2008-09	2007-08
<b>Average staffing level (number)</b>		348	310

(B1) Annual Appropriation Bill 1 (Ordinary Annual Services).

(B2) Annual Appropriation Bill 2 (Other Services).

1. Appropriation item receipted into the Energy Special Account.

2. 2007-08 figures are for the period 3 December 2007 to 30 June 2008.

3. 2007-08 resources have been shown against the new 2008-09 Outcome for comparative purposes.

The resources would be shown as Outcome 1 – \$704.9 million, Outcome 2 – \$5.7 million and Outcome 3 – \$26.6 million in the old Outcome structure.

Note: Departmental Appropriation splits and totals, by outcome and output, are indicative estimates and may change in the course of the budget year as government priorities change.

**Contributions to Outcome 1**

**Output Group 1.1: Resources**

<b>Output Group 1.1: Resources</b>	
<ul style="list-style-type: none"> <li>• <b>Facilitate exploration and the sustainable development of petroleum and mineral resources (including uranium and coal).</b></li> <li>• <b>Facilitate a competitive downstream fuels market.</b></li> <li>• <b>Develop and implement effective legal and regulatory regimes for the resources sector.</b></li> <li>• <b>Optimise revenue returns from petroleum and mineral resources.</b></li> </ul>	
Key Performance Indicators	2008-09 Target
Exploration and the sustainable development of mineral and petroleum resources issues are reflected in the development of Government policy.	Increased economic activity in the resources sector measured by investment and exports.
Downstream fuels market issues are considered and reflected in the development of Government policy.	Minister and other stakeholders are satisfied that downstream fuels issues are being progressed.
Legal and regulatory regimes for the resources sector are developed and implemented.	Regulatory framework is streamlined and appropriate regimes developed to cover new activity.
Efficient and effective delivery of policies and programs (including revenue collection) relates to the resources sector.	Minister and other stakeholders satisfied. No adverse findings of significance raised by independent assessors.



**Output Group 1.2: Energy**

<b>Output Group 1.2: Energy</b>	
<ul style="list-style-type: none"> <li>• <b>Promote more competitive and efficient energy markets.</b></li> <li>• <b>Improve resilience and security of energy systems.</b></li> <li>• <b>Develop National Energy and Resource white paper.</b></li> <li>• <b>Foster clean energy technologies and improve industry energy efficiency.</b></li> <li>• <b>Improved environmental sustainability of energy sector.</b></li> <li>• <b>Further Australia's interests in international forums and markets.</b></li> </ul>	
Key Performance Indicators	2008-09 Target
Progress on Energy Market Reform agenda as set by COAG and MCE.	Milestone achieved to Minister's satisfaction.
Satisfaction of stakeholders with reform outcomes and policy program implementation.	80% or above.
National Energy Security Assessment informs stakeholders of capacity needs to achieve higher energy security.	Improved energy security.
Increase energy sector awareness of critical infrastructure protection issues.	Better protected critical infrastructure.
Business expenditure on Research, Development & Demonstration in energy technologies.	Increase in business expenditure on research and development.
Energy efficiency opportunities achieved in accordance with provisions of <i>Energy Efficiency Opportunities Act 2006</i> (EEO Act).	Additional energy efficiency opportunities identified.
Input to domestic and international environment, water and climate change policies, mechanisms and programs to the satisfaction of the Minister.	Satisfactory or above.
Australian Government policy priorities reflected in outcomes of key international energy reforms to the satisfaction of the Minister.	Satisfactory or above.
Progress in implementing Ministerial and leader instructions to the satisfaction of partner Governments.	Overall positive feedback.

**Output Group 1.3: Tourism**

<b>Output Group 1.3: Tourism</b>	
<ul style="list-style-type: none"> <li>• <b>Facilitate development of a competitive and sustainable tourism industry.</b></li> <li>• <b>Facilitate growth in international tourism to Australia.</b></li> </ul>	
Key Performance Indicators	2008-09 Target
Effective delivery of the China (Approved Destination Status) Scheme.	Program delivered within budget; efficient application of vetting processes; operator compliance with the China (Approved Destination Status) Scheme Code of Conduct.
Improved quality of services delivered by tourism operators.	Progress towards establishment and implementation of a national tourism accreditation system to satisfaction of Minister.
Research and statistical advice effectively informs policy development.	Research objectives met; effective management of arrangements with ABS for production of tourism statistical releases.
Effective secretariat support for Australian Standing Committee on Tourism and Tourism Minister's Council.	Coordination of meeting arrangements and follow up action to satisfaction of Chair/s.
Delivery of Australian Government commitments to provide funding for World Youth Day 2008.	Contracts executed and funds delivered in accordance with agreed contractual milestones.
Effective participation in air services negotiations.	Influence beneficial outcomes for the Australian tourism industry to satisfaction of Minister.
Effective participation in multilateral and bilateral forums.	Influence beneficial outcomes for the Australian tourism industry to satisfaction of Minister.
Deliver National Tourism Strategy	Develop the National Tourism Strategy in consultation with the tourism industry.

## Section 3: Explanatory tables and budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of the Department of Resources, Energy and Tourism's finances for the budget year 2008-09. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between the agency and outcome resource statements, movements in administered funds, special accounts and government indigenous expenditure.

### 3.1 EXPLANATORY TABLES

#### 3.1.1 Reconciliation of total available appropriation and outcomes

The Agency Resource Statement (Table 1.1) details the total available appropriation available to an agency from all sources. For departmental operating appropriations (outputs) this includes carry-forward amounts as well as amounts appropriated at Budget. As agencies incur and are funded for future liabilities, generally depreciation and employee entitlements, the total amount of departmental operating appropriation available to an agency is unlikely to be fully utilised in the Budget year. Outcome resource statements include details of the expected use of available resources in contributing towards outcomes in the Budget year. The difference between the agency level resource statement and the sum of all outcome resource statements is the expected carry-forward amount of resources for the 2009-10 Budget year, including amounts related to meeting future obligations to maintain the agency's asset base and to meet employee entitlement liabilities. The department has attributed the full amount in the resourcing table to accurately reflect costs by output group. These include \$9.3 million for employee entitlements and \$0.2 million of depreciation which will be available to meet future commitments. Table 3.1.1 reconciles the total available appropriation and amounts attributable to all outcomes.

**Table 3.1.1: Reconciliation of total available appropriation and outcomes**

	\$'000
<b>Total available departmental operating appropriation (outputs)</b>	75,974
Less total attributed in outcome resource statements	(75,974)
<b>Estimated departmental operating appropriation carry-forward for 2009-10 (outputs)</b>	-

### 3.1.2 Movement of administered funds between years

Administered funds can be provided for a specified period, for example under annual Appropriation Acts. Funds not used in the specified period are subject to review by the Minister for Finance and Deregulation, and may be moved to a future period, in accordance with provisions in legislation. Table 3.1.2 shows the movement of administered funds approved since the 2007-08 Additional Estimates.

**Table 3.1.2: Movement of administered funds between years**

	2007-08	2008-09	2009-10	2010-11
Movements of funding between years	\$'000	\$'000	\$'000	\$'000
Low Emission Technology Demonstration Fund	(36,000)	-	29,400	6,600
<b>Total Movement</b>	<b>(36,000)</b>	<b>-</b>	<b>29,400</b>	<b>6,600</b>

**Note 1:** As part of the 2007-08 Additional Estimates Biofuels Capital grants of \$7.125 million was rephrased from 2007-08 to 2008-09 and a reduction in the estimates of \$5.850 million.

### 3.1.3 Special Accounts

Special accounts provide a means to set aside and record amounts used for specified purposes. Special Accounts are created by a Finance Minister's Determination under the *Financial Management and Accountability Act 1997* or under separate enabling legislation. Table 3.1.3 shows the expected additions (receipts) and reductions (payments) for each account managed by the Department of Resources, Energy and Tourism.

**Table 3.1.3: Estimates of Special Account<sup>1</sup> cash flows and balances – Outcome 1**

	Opening balance	Receipts	Payments	Adjustments	Closing balance
	<b>2008-09</b>	<b>2008-09</b>	<b>2008-09</b>	<b>2008-09</b>	<b>2008-09</b>
	<i>2007-08<sup>1</sup></i>	<i>2007-08</i>	<i>2007-08</i>	<i>2007-08</i>	<i>2007-08</i>
	\$'000	\$'000	\$'000	\$'000	\$'000
Ranger Rehabilitation (A)	<b>49,865</b>	<b>3,609</b>	-	-	<b>53,474</b>
	<i>47,531</i>	<i>2,334</i>	-	-	<i>49,865</i>
Energy Special Account (D)	<b>3,315</b>	<b>10,800</b>	<b>10,800</b>	-	<b>3,315</b>
	<i>5,401</i>	<i>3,106</i>	<i>5,192</i>	-	<i>3,315</i>
<b>Total special accounts</b>					
<b>2008-09 Budget estimate</b>	<b>53,180</b>	<b>14,409</b>	<b>10,800</b>	-	<b>56,789</b>
Total special accounts					
2007-08 estimate actual	<i>52,932</i>	<i>5,440</i>	<i>5,192</i>	-	<i>53,180</i>

(A) = Administered

(D) = Departmental

1. Opening Balances for 2007-08 are as at 3 December 2007.

A third special account is currently being created.

### 3.1.4 Australian Government Indigenous Expenditure

**Table 3.1.4: Australian Government Indigenous Expenditure**

Outcome	Appropriations				Total \$'000	Output Group
	Bill No. 1 \$'000	Bill No. 2 \$'000	Special Approp \$'000	Total Approp \$'000		
<b>Department of Resources, Energy and Tourism Outcome 1</b>						
<b>Indigenous Tourism Business Ready Program</b>						
						1.3
Administered 2008-09	1,250	-	-	1,250	1,250	
<i>Administered 2007-08</i>	621	-	-	621	621	
Departmental 2008-09	531	-	-	531	531	
<i>Departmental 2007-08</i>	263	-	-	263	263	
<b>Indigenous Communities / Mining Industry Working in Partnership Program</b>						
						1.3
Departmental 2008-09	500	-	-	500	500	
<i>Departmental 2007-08</i>	517	-	-	517	517	
Total Outcome 2008-09	2,281	-	-	2,281	2,281	
<i>Total Outcome 2007-08</i>	1,138	-	-	1,138	1,138	
Total Administered 2008-09	1,250	-	-	1,250	1,250	
<i>Total Administered 2007-08</i>	621	-	-	621	621	
Total Departmental 2008-09	1,031	-	-	1,031	1,031	
<i>Total Departmental 2007-08</i>	780	-	-	780	780	
<b>Total AGIE 2008-09</b>	<b>2,281</b>	<b>-</b>	<b>-</b>	<b>2,281</b>	<b>2,281</b>	
<i>Total AGIE 2007-08</i>	<i>1,401</i>	<i>-</i>	<i>-</i>	<i>1,401</i>	<i>1,401</i>	

## **3.2 BUDGETED FINANCIAL STATEMENTS**

### **3.2.1 Differences in agency resourcing and financial statements**

There are no significant differences between the Department of Resources, Energy and Tourism's resourcing table and the financial statements.

### **3.2.2 Analysis of budgeted financial statements**

The Department of Resources, Energy and Tourism was established through the Administrative Arrangement Order issued on 3 December 2007. As such, the 2007-08 figures reported in the budgeted departmental income statement and the schedule of budgeted income and expenditure on behalf of Government represent the estimated revenues and expenditure for the period 3 December 2007 to 30 June 2008. The figures reported in financial years 2008-09 to 2011-12 represent the estimated revenue and expenditure for the period 1 July to 30 June.

The 2007-08 Portfolio Additional Estimates Statements were published in early February 2008 prior to finalisation of the funding levels for the department. As a consequence there are a number of differences between the 2007-08 Portfolio Additional Estimates Statements and the 2008-09 Portfolio Budget Statements, these primarily relate to:

- the finalisation of the outstanding section 32 transfers from the former Department of Industry, Tourism and Resources, the former Department of Education, Science and Training and the former Department of Environment and Water Resources resulting in increased revenues and expenditure estimates in 2008-09 and the provision of departmental estimates for the period 2009-10 to 2011-12 ; and
- the inclusion of new policy proposals with a 2007-08 impact.

The department also has a number of major new policy proposals commencing in 2008-09 and 2009-10, these proposals (refer Table 1.2) will increase the expected expenditure from 2008-09.

### 3.2.3 Budgeted financial statements tables

**Table 3.2.1: Budgeted departmental income statement  
(for the period ended 30 June)**

	Estimated actual 2007-08* \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
<b>INCOME</b>					
<b>Revenue</b>					
Revenues from Government	38,535	69,234	66,196	55,645	55,227
Goods and services	3,106	6,550	6,550	6,550	6,550
<b>Total revenue</b>	<b>41,641</b>	<b>75,784</b>	<b>72,746</b>	<b>62,195</b>	<b>61,777</b>
<b>Gains</b>					
Other	190	190	190	190	190
<b>Total gains</b>	<b>190</b>	<b>190</b>	<b>190</b>	<b>190</b>	<b>190</b>
<b>Total income</b>	<b>41,831</b>	<b>75,974</b>	<b>72,936</b>	<b>62,385</b>	<b>61,967</b>
<b>EXPENSE</b>					
Employees	20,071	35,742	35,286	29,955	29,148
Suppliers	20,740	39,062	36,480	31,260	31,649
Grants	1,000	1,000	1,000	1,000	1,000
Depreciation and amortisation	20	170	170	170	170
<b>Total expenses</b>	<b>41,831</b>	<b>75,974</b>	<b>72,936</b>	<b>62,385</b>	<b>61,967</b>
<b>Surplus (deficit) attributable to the Australian Government</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Prepared on Australian Accounting Standards basis.

\* The estimated actual 2007-08 represents the period 3 December 2007 to 30 June 2008.

**Table 3.2.2: Budgeted departmental balance sheet  
(as at 30 June)**

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and equivalents	(1,120)	305	305	305	305
Trade and other Receivables	10,321	12,716	12,886	13,056	13,226
Other	250	-	-	-	-
<b>Total financial assets</b>	<b>9,451</b>	<b>13,021</b>	<b>13,191</b>	<b>13,361</b>	<b>13,531</b>
<b>Non-financial assets</b>					
Land and buildings	-	-	-	-	-
Infrastructure, plant and equipment	1,775	1,605	1,435	1,265	1,095
<b>Total non-financial assets</b>	<b>1,775</b>	<b>1,605</b>	<b>1,435</b>	<b>1,265</b>	<b>1,095</b>
<b>Total assets</b>	<b>11,226</b>	<b>14,626</b>	<b>14,626</b>	<b>14,626</b>	<b>14,626</b>
<b>LIABILITIES</b>					
<b>Provisions</b>					
Employees	8,631	9,331	9,331	9,331	9,331
<b>Total provisions</b>	<b>8,631</b>	<b>9,331</b>	<b>9,331</b>	<b>9,331</b>	<b>9,331</b>
<b>Payables</b>					
Suppliers	2,300	3,500	3,500	3,500	3,500
<b>Total payables</b>	<b>2,300</b>	<b>3,500</b>	<b>3,500</b>	<b>3,500</b>	<b>3,500</b>
<b>Total liabilities</b>	<b>10,931</b>	<b>12,831</b>	<b>12,831</b>	<b>12,831</b>	<b>12,831</b>
<b>Net assets</b>	<b>295</b>	<b>1,795</b>	<b>1,795</b>	<b>1,795</b>	<b>1,795</b>
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	295	295	295	295	295
Contributed equity - Equity Injection	-	1,500	1,500	1,500	1,500
Retained surpluses or accumulated deficits	-	-	-	-	-
<b>Total parent entity interest</b>	<b>295</b>	<b>1,795</b>	<b>1,795</b>	<b>1,795</b>	<b>1,795</b>
<b>Total equity</b>	<b>295</b>	<b>1,795</b>	<b>1,795</b>	<b>1,795</b>	<b>1,795</b>
<b>Current assets</b>	<b>9,451</b>	<b>13,021</b>	<b>13,191</b>	<b>13,361</b>	<b>13,531</b>
<b>Non-current assets</b>	<b>1,775</b>	<b>1,605</b>	<b>1,435</b>	<b>1,265</b>	<b>1,095</b>
<b>Current liabilities</b>	<b>10,931</b>	<b>12,831</b>	<b>12,831</b>	<b>12,831</b>	<b>12,831</b>
<b>Non-current liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

Prepared on Australian Accounting Standards basis.



**Table 3.2.3: Budgeted departmental statement of cash flows  
(for the period ended 30 June)**

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	2,554	6,150	6,550	6,550	6,550
Appropriations	28,766	67,239	66,026	55,475	55,057
<b>Total cash received</b>	<b>31,320</b>	<b>73,389</b>	<b>72,576</b>	<b>62,025</b>	<b>61,607</b>
<b>Cash used</b>					
Employees	11,440	35,042	35,286	29,955	29,148
Suppliers	18,500	37,422	36,290	31,070	31,459
Grants	1,000	1,000	1,000	1,000	1,000
<b>Total cash used</b>	<b>30,940</b>	<b>73,464</b>	<b>72,576</b>	<b>62,025</b>	<b>61,607</b>
<b>Net cash from or (used by) operating activities</b>	<b>380</b>	<b>(75)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
<b>Total cash received</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	1,500	-	-	-	-
<b>Total cash used</b>	<b>1,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from or (used by) investing activities</b>	<b>(1,500)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations - contributed equity	-	1,500	-	-	-
<b>Total cash received</b>	<b>-</b>	<b>1,500</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
<b>Total cash used</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from or (used by) financing activities</b>	<b>-</b>	<b>1,500</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase or (decrease) in cash held</b>	<b>(1,120)</b>	<b>1,425</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash at the beginning of the reporting period	-	(1,120)	305	305	305
<b>Cash at the end of the reporting period</b>	<b>-</b>	<b>305</b>	<b>305</b>	<b>305</b>	<b>305</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.4: Departmental statement of changes in equity — summary of movement (Budget year 2007-08)**

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2008</b>					
Balance carried forward from previous period	-	-	-	295	295
<b>Adjusted opening balance</b>	-	-	-	<b>295</b>	<b>295</b>
<b>Transactions with owners</b>					
<i>Contribution by owners</i>					
Appropriation (equity injection)	-	-	-	1,500	1,500
<b>Sub-total transactions with owners</b>	-	-	-	<b>1,500</b>	<b>1,500</b>
<b>Estimated closing balance as at 30 June 2009</b>	-	-	-	<b>1,795</b>	<b>1,795</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.5: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)**

	Estimated actual 2007-08* \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
<b>INCOME ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Revenue</b>					
<b>Taxation</b>					
Other taxes, fees and fines	160	160	160	160	160
<b>Total taxation</b>	<b>160</b>	<b>160</b>	<b>160</b>	<b>160</b>	<b>160</b>
<b>Non-taxation</b>					
Interest and Dividends	1,780	16,252	16,467	16,695	16,939
Other sources of non-taxation revenues	1,652	1,600	1,600	1,600	1,600
Royalties	760,174	1,327,575	1,336,461	1,323,416	1,253,012
<b>Total non-taxation</b>	<b>763,606</b>	<b>1,345,427</b>	<b>1,354,528</b>	<b>1,341,711</b>	<b>1,271,551</b>
<b>Total revenues administered on behalf of Government</b>	<b>763,766</b>	<b>1,345,587</b>	<b>1,354,688</b>	<b>1,341,871</b>	<b>1,271,711</b>
<b>Total income administered on behalf of Government</b>	<b>763,766</b>	<b>1,345,587</b>	<b>1,354,688</b>	<b>1,341,871</b>	<b>1,271,711</b>
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Grants, Royalties and Fees	634,139	1,054,665	1,206,695	1,093,675	983,074
Suppliers	4,973	7,763	2,685	844	858
Depreciation and amortisation	1,000	1,000	1,000	1,000	1,000
<b>Total expenses administered on behalf of Government</b>	<b>640,112</b>	<b>1,063,428</b>	<b>1,210,380</b>	<b>1,095,519</b>	<b>984,932</b>

\* The estimated actual 2007-08 represents the period 3 December 2007 to 30 June 2008.

Prepared on Australian Accounting Standards basis.

**Table 3.2.6: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)**

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
<b>ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Financial assets</b>					
Receivables	48,008	51,260	54,727	58,422	62,361
Investments	196,999	196,999	196,999	196,999	196,999
Other financial assets	100,615	100,615	100,615	100,615	100,615
<b>Total financial assets</b>	<b>345,622</b>	<b>348,874</b>	<b>352,341</b>	<b>356,036</b>	<b>359,975</b>
<b>Non-financial assets</b>					
Land and buildings	154	154	154	154	154
Infrastructure, plant and equipment	139	139	139	139	139
Intangibles	7,083	6,083	5,083	4,083	3,083
<b>Total non-financial assets</b>	<b>7,376</b>	<b>6,376</b>	<b>5,376</b>	<b>4,376</b>	<b>3,376</b>
<b>Total assets administered on behalf of Government</b>	<b>352,998</b>	<b>355,250</b>	<b>357,717</b>	<b>360,412</b>	<b>363,351</b>
<b>LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Payables</b>					
Grants, Royalties and Fees	46,216	47,820	49,624	49,732	48,902
<b>Total payables</b>	<b>46,216</b>	<b>47,820</b>	<b>49,624</b>	<b>49,732</b>	<b>48,902</b>
<b>Total liabilities administered on behalf of Government</b>	<b>46,216</b>	<b>47,820</b>	<b>49,624</b>	<b>49,732</b>	<b>48,902</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.7: Schedule of budgeted administered cash flows  
(for the period ended 30 June)**

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Taxes	623	160	160	160	160
Grants, Royalties and Fees	755,909	1,327,575	1,336,461	1,323,416	1,253,012
Interest and Dividends	-	13,000	13,000	13,000	13,000
Net GST received	52,819	78,338	115,055	92,069	79,448
Other	1,652	1,600	1,600	1,600	1,600
<b>Total cash received</b>	<b>811,003</b>	<b>1,420,673</b>	<b>1,466,276</b>	<b>1,430,245</b>	<b>1,347,220</b>
<b>Cash used</b>					
Grants, Royalties and Fees payments	650,677	1,053,061	1,204,891	1,093,567	983,904
Suppliers	4,973	7,763	2,685	844	858
Net GST paid	52,819	78,338	115,055	92,069	79,448
<b>Total cash used</b>	<b>708,469</b>	<b>1,139,162</b>	<b>1,322,631</b>	<b>1,186,480</b>	<b>1,064,210</b>
<b>Net cash from or (used by) operating activities</b>	<b>102,534</b>	<b>281,511</b>	<b>143,645</b>	<b>243,765</b>	<b>283,010</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Cash from Official Public Account	655,650	1,060,824	1,207,576	1,094,411	984,762
<b>Total cash received</b>	<b>655,650</b>	<b>1,060,824</b>	<b>1,207,576</b>	<b>1,094,411</b>	<b>984,762</b>
<b>Cash used</b>					
Cash to Official Public Account	758,184	1,342,335	1,351,221	1,338,176	1,267,772
<b>Total cash used</b>	<b>758,184</b>	<b>1,342,335</b>	<b>1,351,221</b>	<b>1,338,176</b>	<b>1,267,772</b>
<b>Net cash from or (used by) financing activities</b>	<b>(102,534)</b>	<b>(281,511)</b>	<b>(143,645)</b>	<b>(243,765)</b>	<b>(283,010)</b>
<b>Net increase or (decrease) in cash held</b>					
Cash at beginning of reporting period	-	-	-	-	-
<b>Cash at end of reporting period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Prepared on Australian Accounting Standards basis.

### **3.2.4 Notes to the financial statements**

#### **Basis of Accounting**

##### **Accounting Policy**

The agency budget statements have been prepared on an accrual accounting basis in accordance with:

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







# **Geoscience Australia**

## **Agency resources and planned performance**



# GEOSCIENCE AUSTRALIA

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# GEOSCIENCE AUSTRALIA

## Section 1: Agency overview and resources

### 1.1 STRATEGIC DIRECTION

Geoscience Australia is part of the Resources, Energy and Tourism portfolio. The agency applies geoscience to Australia's most important challenges. Geoscience Australia assists the Australian Government and the community to make informed decisions about the discovery and development of mineral and energy resources; management of the environment; community safety and protection of critical infrastructure. Geoscience Australia also encompasses the Office of Spatial Data Management which is responsible for coordinating the implementation of the Australian Government's policy on spatial data access and pricing.

Geoscience Australia's activities cover three broad areas: onshore, offshore and spatial information.

- *Onshore* activities focus on enhancing mineral exploration and environmental land-use planning. This will be met through the production of geoscience maps, databases and information systems, and conducting regional geological and mineral systems research. Activities undertaken also include contributing to safer communities and critical infrastructure and the maintenance of fundamental gravity, geomagnetic and seismic networks.
- *Offshore* activities focus on providing pre-competitive data and information to assist in identifying new prospective basins for petroleum exploration, and the geological storage of carbon dioxide, in Australia's offshore jurisdiction. Activities undertaken also include mapping and documentation of Australia's maritime boundaries, including supporting Australia's submission under the UN Convention on the Law of the Sea. It also importantly includes studies of the marine environment using seabed mapping techniques and determining estuarine water quality and health. These studies assist natural resource management.
- *Spatial information* activities focus on providing key spatial information of Australia with an emphasis on response to rapid and slow onset hazards, the detection of change, the requirements for emergency management, natural risk assessment and marine zone management. Activities undertaken also include coordination of the implementation of the Australian Government's policy on spatial data access and pricing.

Key priorities for Geoscience Australia in 2008-09 will be to:

- Deliver the geoscience component of the Australian Tsunami Warning System;
- Promote the petroleum prospectivity of Australia. In particular, provide scientific and technical support to Government for the 2009 offshore petroleum acreage release;
- As part of the Offshore Energy Security Program, acquire geophysical and other data to assess the hydrocarbon potential of the Mentelle and Perth basins in south-west Western Australia;
- As part of the Offshore Energy Security Program, assess the petroleum potential of remote eastern frontier basins;
- Under the Onshore Energy Security Program, provide technical advice to Government in relation to uranium, thorium, petroleum and geothermal energy;
- Provide marine and coastal geoscience inputs for the Department of the Environment, Water, Heritage and the Arts for the development of regional marine plans and to assist in the management of Australia's estuaries and offshore marine environment;
- Develop and promote a carbon dioxide capture and geological storage (CCS) program, including offshore acreage release and assessment;
- Deliver the third year of the five year Onshore Energy Security Program, including acquisition and interpretation of geophysical datasets, regional geology investigations and integrated commodity studies;
- In support of the Attorney-General's Department, deliver the first year of the new four-year Critical Infrastructure Modelling and Analysis Program to move from a pilot program to operational status;
- Promote the minerals prospectivity of Australia. In particular, present scientific and technical information at key international and domestic exploration and mining conventions;
- Complete large-scale topographic mapping to support emergency management mitigation through collaboration with state emergency services organisations and land information agencies, local government and Australian Government agencies;

*Geoscience Australia Budget Statements*

- As part of the Offshore Energy Security Program, complete Phase 2 of a new Petroleum Data Access Facility for the petroleum industry;
- Deploy the Geoscience Australia component and coordinate the deployment of complementary state and territory components of the Global navigation Satellite System part of the AuScope National Collaborative Research Infrastructure Strategy program; and
- Provide data from the IRS-P6 (Indian Space Research Organisation's satellite) to Australian Government agencies and partners, according to the Landsat Contingency Plan.

## **1.2 AGENCY RESOURCE STATEMENT**

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

The total appropriation for the agency in the 2008-09 Budget is \$138.6 million.

**Table 1.1: Geoscience Australia resource statement — Budget estimates for 2008-09 as at Budget May 2008**

	Estimate of prior year amounts available in 2008-09 <sup>3</sup> \$'000	+ Proposed at Budget 2008-09 \$'000	= Total Estimate 2008-09 \$'000	Estimated Appropriation Available 2007-08 \$'000
<b>Ordinary Annual Services<sup>1</sup></b>				
<b>Departmental outputs</b>				
Departmental outputs <sup>4</sup>	6,945	138,611	145,556	144,994
s31 Relevant agency receipts <sup>2</sup>	-	38,292	38,292	40,478
<b>Total</b>	<b>6,945</b>	<b>176,903</b>	<b>183,848</b>	<b>185,473</b>
<b>Administered expenses</b>				
UN Grants-in-aid	-	20	20	20
<b>Total</b>	<b>-</b>	<b>20</b>	<b>20</b>	<b>20</b>
<b>Total ordinary annual services</b>	<b>A 6,945</b>	<b>176,923</b>	<b>183,868</b>	<b>185,493</b>
<b>Total Available Annual Appropriations</b>	<b>6,945</b>	<b>176,923</b>	<b>183,868</b>	<b>185,493</b>
<b>Total Appropriations excluding Special Accounts</b>	<b>6,945</b>	<b>176,923</b>	<b>183,868</b>	<b>185,493</b>
<b>Special Accounts<sup>5</sup></b>				
Opening balance	-	641	641	641
Appropriation Receipts	-	20	20	20
<b>Total Special Account</b>	<b>B -</b>	<b>661</b>	<b>661</b>	<b>661</b>
<b>Total resourcing</b>	<b>6,945</b>	<b>177,584</b>	<b>184,529</b>	<b>186,154</b>
A+B				
Less appropriations drawn from annual or special appropriations above and credited to special accounts	-	(20)	(20)	(20)
<b>Total net resourcing for Geoscience Australia</b>	<b>6,945</b>	<b>177,564</b>	<b>184,509</b>	<b>186,134</b>

1. Appropriation Bill (No.1) 2008-09.
2. s31 Relevant Agency receipts – estimate.
3. Estimated adjusted balance carried from previous year for Annual Appropriations.
4. The total available departmental operating appropriation (outputs) will not equal the total of all outputs in the Outcome Budgets, for the reconciliation see Table 3.1.1 Reconciliation of Total Available Appropriation and Outcome Budgets.
5. Estimated opening balance for special accounts. For further information on special accounts see Table 3. 1.3, Section 3.



**Third Party Drawdowns from and on behalf of other agencies**

Geoscience Australia has no third party drawdowns from or on behalf of other agencies.

**1.3 BUDGET MEASURES**

Geoscience Australia has no new budget measures in 2008-09.

## Section 2: Outcomes and planned performance

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

The Australian Government requires agencies to measure their intended and actual performance in terms of outcomes. Government outcomes are the results, impacts or consequences of actions by the Government on the Australian community. Agencies are required to identify the output groups which demonstrate their contribution to Government outcomes over the coming year.

Each outcome is described below by output groups, specifying the performance indicators and targets used to assess and monitor the performance of Geoscience Australia in achieving government outcomes.

#### **2.1.1 Outcome 1: Enhanced potential for the Australian community to obtain economic, social and environmental benefits through the application of first class geoscientific research and information**

##### **Outcome 1 Strategy**

Geoscience Australia assists the Government and the community it serves to make appropriate and informed decisions about the use of resources, and also the management of the environment, community safety and protection of critical infrastructure. This is done by undertaking geoscientific research and maintaining, developing and allowing, and encouraging access to our fundamental geoscientific data.

##### **Outcome 1 Resource statement**

Table 2.1 provides additional detail of Budget appropriations and the total resourcing for Outcome 1.

**Table 2.1: Total resources for Outcome 1**

	2008-09	2007-08
<b>Outcome 1:</b>		
Enhanced potential for the Australian community to obtain economic, social and environmental benefits through the application of first class geoscientific research and information	Total estimate of available resources \$'000	Estimated actual \$'000
<b>Output Group 1.1:</b>		
Administered Items:		
UN Grants-in-aid	B1 20	20
Departmental Outputs		
Output 1 - Geoscientific information and knowledge	138,611	144,994
Revenues from other sources (s.31) for sale of goods and services	27,803	31,555
<b>Subtotal for Output Group 1.1</b>	<b>166,414</b>	<b>176,549</b>
<b>Total resources for Outcome 1</b>	<b>166,414</b>	<b>176,549</b>
	2008-09	2007-08
<b>Average staffing level (number)</b>	740	723
(B1) - Annual Appropriation Bill 1 (Ordinary Annual Services)		

Note: Departmental Appropriation splits and totals, by outcome and output, are indicative estimates and may change in the course of the budget year as government priorities change.

**Contributions to Outcome 1**

**Output Group 1.1: Geoscientific information and knowledge**

<b>Output Group 1.1: Geoscientific information and knowledge</b>	
<p>Geoscience Australia assists the Government and the community it serves to make appropriate and informed decisions about the use of resources, and also the management of the environment, community safety and protection of critical infrastructure. This is done by undertaking geoscientific research and maintaining, developing and allowing, and encouraging access to our fundamental geoscientific data.</p>	
Key Performance Indicators	2008-09 Target
<p>Exploration companies' behaviour influenced by Geoscience Australia's research and information products.</p>	<p>Evidence of exploration companies' decisions being influenced.</p>
<p>Geoscience Australia's information used by the Department of the Environment, Water, Heritage and the Arts and other government agencies to determine candidates for Marine Protected Areas.</p>	<p>Level of satisfaction of agencies and other stakeholders with the information supplied.</p>
<p>Organisations concerned with land use, regional development and the environment use Geoscience Australia's spatial information products.</p>	<p>Organisations integrate information from Geoscience Australia into portfolio business and decision-making. Geoscience Australia invited to forums on land use, regional development and the environment.</p>
<p>Government agencies use Geoscience Australia's advice and information products to support national interest activities such as defence, border protection and emergency response.</p>	<p>Feedback that shows Geoscience Australia meets defence requirements and meets standards when contributing to the national geographic information infrastructure that underpins management of our environment, natural resources and safety of Australians.</p>

## Section 3: Explanatory tables and budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of Geoscience Australia's finances for the budget year 2008-09. It explains how budget plans are incorporated into the financial statements and provides further details of movements in administered funds, special accounts and government indigenous expenditure.

### 3.1 EXPLANATORY TABLES

#### 3.1.1 Reconciliation of total available appropriation and outcomes

The Agency Resource Statement (Table 1.1) details the total available appropriation available to an agency from all sources. For departmental operating appropriations (outputs) this includes carry-forward amounts as well as amounts appropriated at Budget. As agencies incur and are funded for future liabilities, generally depreciation and employee entitlements, the total amount of departmental operating appropriation available to an agency is unlikely to be fully utilised in the Budget year. Outcome resource statements include details of the expected use of available resources in contributing towards outcomes in the Budget year. The difference between the agency level resource statement and the sum of all outcome resource statements is the expected carry-forward amount of resources for the 2009-10 Budget year, including amounts related to meeting future obligations to maintain the agency's asset base and to meet employee entitlement liabilities. Geoscience Australia has attributed the full amount in the resourcing table to accurately reflect costs by output group. These include \$19.5 million for employee entitlements and \$7.7 million of depreciation which will be available to meet future commitments. Table 3.1.1 reconciles the total available appropriation and amounts attributable to all outcomes.

**Table 3.1.1: Reconciliation of total available appropriation and outcomes**

	\$'000
<b>Total available departmental operating appropriation (outputs)</b>	138,611
Less total attributed in outcome resource statements	(138,611)
<b>Estimated departmental operating appropriation carry-forward for 2009-10 (outputs)</b>	-

#### 3.1.2 Movement of administered funds between years

Administered funds can be provided for a specified period, for example under annual Appropriation Acts. Funds not used in the specified period are subject to review by the Minister for Finance and Deregulation, and may be moved to a future period, in

accordance with provisions in legislation. Table 3.1.2 shows the movement of administered funds approved since the 2007-08 Additional Estimates.

**Table 3.1.2: Movement of administered funds between years**

There were no movements in administered funding from 2007-08 to 2008-09 as \$20,000 is expected to continue to be received in relation to UN grant-in-aid.

**3.1.3 Special Accounts**

Special accounts provide a means to set aside and record amounts used for specified purposes. Special Accounts are created by a Finance Minister's Determination under the *Financial Management and Accountability Act 1997* or under separate enabling legislation. Table 3.1.3 shows the expected additions (receipts) and reductions (payments) for each account managed by Geoscience Australia.

**Table 3.1.3: Estimates of Special Account cash flows and balances**

		Opening balance <b>2008-09</b> 2007-08	Receipts <b>2008-09</b> 2007-08	Payments <b>2008-09</b> 2007-08	Adjustments <b>2008-09</b> 2007-08	Closing balance <b>2008-09</b> 2007-08
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Australian Geological Survey Organisation - s20 FMA Act (A)	1	306	140	140	-	306
		306	140	140	-	306
Australia New Zealand Land Information - s20 FMA Act (A)	1	335	750	750	-	335
		335	750	750	-	335
<b>Total special accounts</b>						
<b>2008-09 Budget estimate</b>		<b>641</b>	<b>890</b>	<b>890</b>	<b>-</b>	<b>641</b>
Total special accounts						
2007-08 estimate actual		641	890	890	-	641

(A) = Administered

**3.1.4 Australian Government Indigenous Expenditure**

Geoscience Australia has no specific indigenous expenditure for 2008-09.

## **3.2 BUDGETED FINANCIAL STATEMENTS**

### **3.2.1 Differences in agency resourcing and financial statements**

No significant differences exist between Geoscience Australia's Budget Papers and Portfolio Budget Statements.

### **3.2.2 Analysis of budgeted financial statements**

Geoscience Australia has a deficit budget for 2008-09, after an estimated actual result for 2007-08 of a \$7.0 million surplus. The surplus is the result of moving expenditure from the Precompetitive Data and Petroleum Promotion Measure and Carbon Capture and Storage Measure into 2008-09 from 2007-08.

Total revenues for 2008-09 are budgeted to decrease \$10.1 million to \$166.4 million. The major factors contributing to the change are:

- decreased funding from prior year Budget Measures:
  - Precompetitive Data & Petroleum Promotion (\$3.1 million);
  - Carbon Capture and Storage (\$0.4 million).
- decreased Section 31 receipts of \$3.8 million.

Total expenses for 2008-09 are budgeted to increase \$3.8 million to \$173.4 million.

The highest category of expenditure is suppliers, budgeted to be \$97.5 million, an increase of \$2.1 million over the estimated actual result for 2007-08. Expenditure on employees will increase by \$3.1 million to \$68.2 million.

### **Balance Sheet**

Geoscience Australia's budgeted total asset position for 2008-09 is \$73.6 million, a decrease of \$7.1m from the estimated actual position for 2007-08. The decrease is a result of the approved operating loss of \$7.0 million in 2008-09.

Budgeted total liabilities for 2008-09 are \$36.1 million, a decrease of \$0.1 million over the estimated actual position for 2007-08.

Employee provisions continue to be Geoscience Australia's primary liability, increasing by \$0.2 million to \$19.5 million, which can be met from current cash holdings (cash and appropriation receivable).

### **Capital Expenditure**

Planned capital expenditure for Geoscience Australia for 2008-09 is \$7.2 million.

All capital expenditure is for asset replacement and renewal.

### **Administered**

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

Geoscience Australia will make one payment on behalf of government in 2008-09, being a grant of \$0.02 million to the International Geological Correlation Program.

In addition, Geoscience Australia administers two Special Accounts:

- Australian Geological Survey Organisation Account (AGSO); and
- Australia New Zealand Land Information Account (ANZLIC).

The balance of income and expenses administered by Geoscience Australia is for these two accounts. The estimated actual position for 2007-08 and the budgeted position for 2008-09 for income and expenses will be equal.

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

The budgeted total administered asset position for 2008-09 of \$0.6 million is unchanged from the estimated actual position for 2007-08, and represents the cash holdings of the AGSO and ANZLIC special accounts.

The budgeted total administered liabilities for 2008-09 of \$0.6 million is unchanged from the estimated actual position for 2007-08, and represents the cash held on behalf of the parties to the Special Accounts.



### 3.2.3 Budgeted financial statements tables

Table 3.2.1: Budgeted departmental income statement (for the period ended 30 June)

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
<b>INCOME</b>					
<b>Revenue</b>					
Revenues from Government	144,994	138,611	129,506	122,796	100,178
Goods and services	31,555	27,803	27,290	25,392	21,514
<b>Total revenue</b>	<b>176,549</b>	<b>166,414</b>	<b>156,796</b>	<b>148,188</b>	<b>121,692</b>
<b>Gains</b>					
Sale of assets	-	80	83	87	90
<b>Total gains</b>	<b>-</b>	<b>80</b>	<b>83</b>	<b>87</b>	<b>90</b>
<b>Total income</b>	<b>176,549</b>	<b>166,494</b>	<b>156,879</b>	<b>148,275</b>	<b>121,782</b>
<b>EXPENSE</b>					
Employees	65,062	68,162	70,492	72,909	75,420
Suppliers	95,472	97,540	78,171	67,360	35,897
Depreciation and amortisation	9,070	7,737	8,216	8,006	10,465
<b>Total expenses</b>	<b>169,604</b>	<b>173,439</b>	<b>156,879</b>	<b>148,275</b>	<b>121,782</b>
<b>Surplus (deficit) attributable to the Australian Government</b>	<b>6,945</b>	<b>(6,945)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Surplus (Deficit) before income tax</b>	<b>6,945</b>	<b>(6,945)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Surplus/(Deficit)</b>					
<b>Surplus (deficit) attributable to the Australian Government</b>	<b>6,945</b>	<b>(6,945)</b>	<b>-</b>	<b>-</b>	<b>-</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.2: Budgeted departmental balance sheet  
(as at 30 June)**

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and equivalents	7,896	1,996	988	951	1,129
Trade and other Receivables	32,183	31,736	31,675	31,449	30,987
Other	2,117	1,865	1,831	1,704	1,444
<b>Total financial assets</b>	<b>42,196</b>	<b>35,597</b>	<b>34,494</b>	<b>34,104</b>	<b>33,560</b>
<b>Non-financial assets</b>					
Land and buildings	7,041	6,569	6,057	5,545	5,034
Infrastructure, plant and equipment	23,865	23,926	23,605	22,980	19,222
Inventories	320	320	320	320	320
Intangibles	1,500	1,384	639	288	573
Other	5,709	5,767	5,828	5,891	5,957
<b>Total non-financial assets</b>	<b>38,435</b>	<b>37,966</b>	<b>36,449</b>	<b>35,024</b>	<b>31,105</b>
<b>Total assets</b>	<b>80,631</b>	<b>73,563</b>	<b>70,943</b>	<b>69,128</b>	<b>64,665</b>
<b>LIABILITIES</b>					
<b>Provisions</b>					
Employees	19,338	19,525	19,597	19,573	19,860
Other	6,034	5,479	5,361	5,054	4,429
<b>Total provisions</b>	<b>25,372</b>	<b>25,004</b>	<b>24,958</b>	<b>24,627</b>	<b>24,289</b>
<b>Payables</b>					
Suppliers	10,868	11,113	8,539	7,055	2,930
<b>Total payables</b>	<b>10,868</b>	<b>11,113</b>	<b>8,539</b>	<b>7,055</b>	<b>2,930</b>
<b>Total liabilities</b>	<b>36,240</b>	<b>36,117</b>	<b>33,497</b>	<b>31,682</b>	<b>27,219</b>
<b>Net assets</b>	<b>44,391</b>	<b>37,446</b>	<b>37,446</b>	<b>37,446</b>	<b>37,446</b>
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
<b>Contributed equity</b>	11,734	11,734	11,734	11,734	11,734
<b>Reserves</b>	26	26	26	26	26
<b>Retained surpluses or accumulated deficits</b>	32,631	25,686	25,686	25,686	25,686
<b>Total parent entity interest</b>	<b>44,391</b>	<b>37,446</b>	<b>37,446</b>	<b>37,446</b>	<b>37,446</b>
<b>Total equity</b>	<b>44,391</b>	<b>37,446</b>	<b>37,446</b>	<b>37,446</b>	<b>37,446</b>
<b>Current assets</b>	48,225	41,684	40,642	40,315	39,837
<b>Non-current assets</b>	32,406	31,879	30,301	28,813	24,828
<b>Current liabilities</b>	23,208	22,811	22,867	22,745	22,359
<b>Non-current liabilities</b>	13,032	13,306	10,630	8,937	4,860

\*Note: 'equity' is the residual interest in assets after deduction of liabilities.

Prepared on Australian Accounting Standards basis.

**Table 3.2.3: Budgeted departmental statement of cash flows  
(for the period ended 30 June)**

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	40,478	38,292	35,714	32,683	26,321
Appropriations	144,994	138,611	129,506	122,796	100,178
<b>Total cash received</b>	<b>185,473</b>	<b>176,903</b>	<b>165,220</b>	<b>155,479</b>	<b>126,499</b>
<b>Cash used</b>					
Employees	65,133	67,901	70,124	72,654	75,172
Suppliers	100,963	106,971	88,802	75,690	44,023
Other	3,570	-	-	-	-
<b>Total cash used</b>	<b>169,666</b>	<b>174,872</b>	<b>158,926</b>	<b>148,345</b>	<b>119,195</b>
<b>Net cash from or (used by) operating activities</b>	<b>15,807</b>	<b>2,030</b>	<b>6,294</b>	<b>7,135</b>	<b>7,304</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment	13,076	7,931	7,302	7,170	7,127
<b>Total cash used</b>	<b>13,076</b>	<b>7,931</b>	<b>7,302</b>	<b>7,170</b>	<b>7,127</b>
<b>Net cash from or (used by) investing activities</b>	<b>(13,076)</b>	<b>(7,931)</b>	<b>(7,302)</b>	<b>(7,170)</b>	<b>(7,127)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations - contributed equity	2,656	-	-	-	-
<b>Total cash received</b>	<b>2,656</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
<b>Net cash from or (used by) financing activities</b>	<b>2,656</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase or (decrease) in cash held</b>	<b>5,387</b>	<b>(5,900)</b>	<b>(1,008)</b>	<b>(36)</b>	<b>177</b>
Cash at the beginning of the reporting period	2,508	7,895	1,995	986	950
<b>Cash at the end of the reporting period</b>	<b>7,895</b>	<b>1,995</b>	<b>986</b>	<b>950</b>	<b>1,128</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.4: Departmental statement of changes in equity — summary of movement (Budget year 2007-08)**

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2008</b>					
Balance carried forward from previous period	32,631	26	-	11,734	44,391
<b>Adjusted opening balance</b>	32,631	26	-	11,734	44,391
Surplus (deficit) for the period	(6,945)	-	-	-	(6,945)
<b>Total income and expenses recognised directly in equity</b>	(6,945)	-	-	-	(6,945)
<b>Estimated closing balance as at 30 June 2009</b>	25,686	26	-	11,734	37,446

Prepared on Australian Accounting Standards basis.

**Table 3.2.5: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)**

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
<b>INCOME ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Revenue</b>					
<b>Non-taxation</b>					
Other sources of non-taxation revenues	890	700	700	700	700
<b>Total non-taxation</b>	890	700	700	700	700
<b>Total revenues administered on behalf of Government</b>	890	700	700	700	700
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Grants	20	20	20	20	20
Other	890	700	700	700	700
<b>Total expenses administered on behalf of Government</b>	910	720	720	720	720

Prepared on Australian Accounting Standards basis.

**Table 3.2.6: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)**

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
<b>ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Financial assets</b>					
Cash and cash equivalents	641	641	641	641	641
<b>Total financial assets</b>	641	641	641	641	641
<b>Total assets administered on behalf of Government</b>	641	641	641	641	641
<b>LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Other payables	641	641	641	641	641
<b>Total payables</b>	641	641	641	641	641
<b>Total liabilities administered on behalf of Government</b>	641	641	641	641	641

Prepared on Australian Accounting Standards basis.

**Table 3.2.7: Schedule of budgeted administered cash flows  
(for the period ended 30 June)**

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Other	912	722	722	722	722
<b>Total cash received</b>	912	722	722	722	722
<b>Cash used</b>					
Other	912	722	722	722	722
<b>Total cash used</b>	912	722	722	722	722
<b>Net cash from or (used by) operating activities</b>	-	-	-	-	-
<b>Net increase or (decrease) in cash held</b>					
Cash at beginning of reporting period	641	641	641	641	641
<b>Cash at end of reporting period</b>	641	641	641	641	641

Prepared on Australian Accounting Standards basis.

### 3.2.4 Notes to the financial statements

The Analysis of Budgeted Financial Statements at pages 57-58 provides an overview of the key elements of Geoscience Australia's financial statements, including variations in major aggregates from 2007-08 to 2008-09.







# **National Offshore Petroleum Safety Authority**

**Agency resources and planned  
performance**



# NATIONAL OFFSHORE PETROLEUM SAFETY AUTHORITY

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# NATIONAL OFFSHORE PETROLEUM SAFETY AUTHORITY

## Section 1: Agency overview and resources

### 1.1 STRATEGIC DIRECTION

The National Offshore Petroleum Safety Authority (NOPSA) regulates the health and safety of the Australian national offshore petroleum industry through the *Petroleum (Submerged Lands) Act 1967* (PSLA).

NOPSA's legislated functions include:

- To promote the occupational health and safety of persons engaged in offshore petroleum operations;
- To develop and implement effective monitoring and enforcement strategies to secure compliance by persons with their occupational health and safety obligations;
- To investigate accidents, occurrences and circumstances that affect, or have the potential to affect, the occupational health and safety of persons engaged in offshore petroleum operations;
- To advise persons on occupational health and safety matters relating to offshore petroleum operations;
- To make reports and recommendations to Ministers; and
- To cooperate with a whole of government approach.

In order to achieve its mission of delivering world-class health and safety regulation for the Australian offshore petroleum industry, NOPSA will continue to work closely in the year ahead with stakeholders including offshore industry operators, the offshore workforce and other key organisations to further strengthen the focus on health and safety.

NOPSA will focus on its primary functions of ensuring compliance and promotion of health and safety within the offshore petroleum industry. Compliance will be achieved through safety case assessment and focused inspections, supported by investigations and where appropriate, enforcement action. Promotion of occupational health and safety will be achieved by encouraging industry safety leaders, sharing good practice,

### *NOPSA Budget Statements*

highlighting lessons learned, and supporting the industry's health and safety representatives.

National Programs focusing industry attention on safety issues surrounding facility integrity (preventing major accident events) and lifting operations (preventing personal injury) will be completed in 2008-09 before new topics are selected for industry focus. Reviews of the effectiveness of operator's audit systems will be undertaken. NOPSA will implement selected elements of the Australian Safety and Compensation Council's Occupational Health and Safety Strategy - particularly those related to workforce exposure to noise and to hazardous substances.

NOPSA is committed to communicating and working closely with key stakeholders. NOPSA will continue to hold workshops with industry to share best practice on topics including fatigue, and training and competence through the year.

Another key activity in the year ahead will be implementing the recommendations of the first three-year review of NOPSA which is required under Section 150Z of the PSLA. This review occurred in early 2008. A separate review into the industry levy scheme which funds NOPSA activities will also be conducted and final recommendations implemented in 2008-09.

Sharing information and demonstrating leadership in identifying and dealing with safety risks in the offshore environment is vital. In this respect NOPSA supports initiatives such as the CEO Safety Leadership Forum. The sharing of information in the global upstream petroleum safety network is also important to NOPSA's activities. This is assisted by ongoing membership of the International Regulator's Forum with its annual meeting to be hosted by NOPSA in Sydney in October 2008.

Australia's offshore oil and gas industry currently faces a range of challenges which have the potential to impact on safety. These include rapid growth in the industry coupled with skills and labour shortages, lower experience levels and a growing number of new entrants to the industry. In the year ahead, NOPSA will continue to work closely with industry and the workforce to ensure robust safety management systems and compliance with safety procedures which will benefit all in the industry and the Australian community as a whole.

The Australian offshore petroleum industry generally manages the hazards associated with handling large quantities of volatile hydrocarbons in the marine environment very successfully. However, NOPSA recognises that in an industry where a major accident has the potential to cause a significant loss of life, damage to plant and equipment and affect security of supply - there is no room for complacency.

## 1.2 AGENCY RESOURCE STATEMENT

Table 1.1 shows the total resources from all origins. NOPSA receives no appropriation from the Australian Government. It operates on a full cost recovery basis generating sufficient revenue to recover its annual operating expenses. NOPSA's total resources are applied to the delivery of one outcome: An Australian oil and gas industry that properly controls the health and safety risks to the workforce at its offshore petroleum operations.

Whilst Table 1.1 shows funds of \$19.4 million available to NOPSA in 2008-09, it is estimated that \$11.5 million will be used to fund operating expenditure with \$7.9 million carried forward to 2009-10, refer table 3.1.1.

**Table 1.1: National Offshore Petroleum Safety Authority resource statement — Budget estimates for 2008-09 as at Budget May 2008**

	Estimate of prior <sup>+</sup> year amounts available in 2008-09 \$'000	Proposed at Budget <sup>=</sup> 2008-09 \$'000	Total Estimate 2008-09 \$'000	Estimated Appropriation Available 2007-08 \$'000
<b>Special Accounts<sup>1</sup></b>				
Opening balance	7,389	-	7,389	7,232
Non-Appropriation receipts to Special Accounts	-	11,962	11,962	11,004
<b>Total Special Account</b>	<b>7,389</b>	<b>11,962</b>	<b>19,351</b>	<b>18,236</b>
<b>Total resourcing</b>	<b>7,389</b>	<b>11,962</b>	<b>19,351</b>	<b>18,236</b>
Less appropriations drawn from annual or special appropriations above and credited to special accounts	-	-	-	-
<b>Total net resourcing for National Offshore Petroleum Safety Authority</b>	<b>7,389</b>	<b>11,962</b>	<b>19,351</b>	<b>18,236</b>

1. Estimated opening balance for special accounts. For further detail on special accounts see Table 3.1.3.

### Third Party Drawdowns from and on behalf of other agencies

NOPSA has no third party drawdowns from and on behalf of other government agencies.

## 1.3 BUDGET MEASURES

NOPSA has no new budget measures in the 2008-09.

## Section 2: Outcomes and planned performance

### 2.1 OUTCOMES AND PERFORMANCE INFORMATION

The Australian Government requires agencies to measure their intended and actual performance in terms of outcomes. Government outcomes are the results, impacts or consequences of actions by the Government on the Australian community. Agencies are required to identify the output groups which demonstrate their contribution to Government outcomes over the coming year.

Each outcome is described below by output groups, specifying the performance indicators and targets used to assess and monitor the performance of NOPSA in achieving government outcomes.

#### **2.1.1 Outcome 1: An Australian oil and gas industry that properly controls the health and safety risks to the workforce at its offshore petroleum operations.**

##### **Outcome 1 Strategy**

NOPSA's key strategy towards achieving its outcome is supported by NOPSA's corporate objectives. These have been revised to reflect the progress since the Authority's establishment phase (NOPSA began operating in 2005) to deliver a greater focus on NOPSA's core processes. The two objectives are:

- Objective 1 - Regulate the Australian offshore petroleum industry to assist it to reduce the health and safety risks to an acceptable level.
- Objective 2 - Achieve excellence in the agency's performance to provide quality services to the Australian offshore petroleum industry.

In support of Objective 1, NOPSA will concentrate on progressing core competency training for its regulatory staff, including measuring the number of regulatory activities undertaken and ensuring the activities are in accordance with regulated timeframes and adding value to activities undertaken.

In support of Objective 2, NOPSA will concentrate on implementing a training and performance rating for business staff and achieving targets for all processes and procedures which reflect better practice.



**Outcome 1 Resource statement**

Table 2.1 provides additional detail of Budget appropriations and the total resourcing for outcome 1.

**Table 2.1: Total resources for Outcome 1**

<b>Outcome 1: An Australian oil and gas industry that properly controls the health and safety risks to the workforce at its offshore petroleum operations</b>	2008-09 Total estimate of available resources \$'000	2007-08 Estimated actual \$'000
<b>Output 1: Regulatory oversight of Operators' Safety Cases, safety management systems and operational practices coupled with effective monitoring, investigation and enforcement.</b>		
Departmental Output		
Revenues from other sources (s.31)	12,289	11,004
<b>Subtotal for Output 1</b>	<b>12,289</b>	<b>11,004</b>
<b>Total resources for Outcome 1</b>	<b>12,289</b>	<b>11,004</b>

	2008-09	2007-08
<b>Average staffing level (number)</b>	50	49

**Contributions to Outcome 1**

<b>Output Group 1: Regulatory oversight of Operators' Safety Cases, safety management systems and operational practices coupled with effective monitoring, investigation and enforcement.</b>	
<ul style="list-style-type: none"> <li>• <b>Work with the industry, workforce and other authorities to ensure all health and safety risks in the offshore petroleum industry are properly controlled.</b></li> <li>• <b>Administer offshore petroleum health and safety legislation.</b></li> <li>• <b>Promote continuous improvement in the management of health and safety in the offshore petroleum industry.</b></li> <li>• <b>Provide a strategic management framework which ensures staff can deliver government initiatives in a professional manner.</b></li> </ul>	
Key Performance Indicators	2008-09 Target
Safety cases, pipeline safety management plan and diving safety management systems are assessed to a consistent standard within regulatory timescales.	70% are assessed within regulatory timescales.
Every permanently attended fixed facility, FPSO and FSO is inspected each year.	100% of permanently attended facilities are inspected each year.
Accidents, dangerous occurrences and complaints are investigated to Australian Government Inspection Standards (AGIS).	100% response with the more significant being investigated.
Achievement of budget targets.	Meet budget targets within 10%.

In addition to the above key performance indicators, NOPSA seeks to contribute to a favourable industry benchmark for the occupational health and safety of Australian operations when compared to operations in other countries. NOPSA's influence in this area is through education, monitoring, investigations, and enforcement. As such its contribution is just one component towards the attainment of improvements in this area.

## Section 3: Explanatory tables and budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of NOPSA's finances for the budget year 2008-09. It explains how budget plans are incorporated into the financial statements and provides further details of movements in administered funds, special accounts and government indigenous expenditure.

### 3.1 EXPLANATORY TABLES

#### 3.1.1 Reconciliation of total available appropriation and outcomes

The Agency Resource Statement (Table 1.1) details the total available appropriation available to an agency from all sources. For departmental operating appropriations (outputs) this includes carry-forward amounts as well as amounts appropriated at Budget. As agencies incur and are funded for future liabilities, generally depreciation and employee entitlements, the total amount of departmental operating appropriation available to an agency is unlikely to be fully utilised in the Budget year. Outcome resource statements include details of the expected use of available resources in contributing towards outcomes in the Budget year. The difference between the agency level resource statement and the sum of all outcome resource statements is the expected carry-forward amount of resources for the 2009-10 Budget year, including amounts related to meeting future obligations to maintain the agency's asset base and to meet employee entitlement liabilities. Table 3.1.1 reconciles the total available appropriation and amounts attributable to all outcomes.

**Table 3.1.1: Reconciliation of total available appropriation and outcomes**

	\$'000
<b>Total available departmental operating appropriation (outputs)</b>	19,351
Less total attributed in outcome resource statements	(11,506)
<b>Estimated departmental operating appropriation carry-forward for 2009-10 (outputs)</b>	7,845

#### 3.1.2 Movement of administered funds between years

NOPSA has no movement of Administered funds between years.

### 3.1.3 Special Accounts

Special accounts provide a means to set aside and record amounts used for specified purposes. Special Accounts are created by a Finance Minister's Determination under the *Financial Management and Accountability Act 1997* or under separate enabling legislation. Table 3.1.3 shows the expected additions (receipts) and reductions (payments) for the account managed by NOPSA.

**Table 3.1.3: Estimates of Special Account cash flows and balances**

		Opening balance <b>2008-09</b> 2007-08	Receipts <b>2008-09</b> 2007-08	Payments <b>2008-09</b> 2007-08	Adjustments <b>2008-09</b> 2007-08	Closing balance <b>2008-09</b> 2007-08
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
National Offshore Petroleum Safety Account - S150YN <i>Petroleum (Submerged Lands) Act 1967</i>	1	<b>7,389</b> 7,232	<b>11,962</b> 11,004	<b>11,506</b> 10,847	- -	<b>7,845</b> 7,389
<b>Total special accounts 2008-09 Budget estimate</b>		<b>7,389</b>	<b>11,962</b>	<b>11,506</b>	-	<b>7,845</b>
Total special accounts 2007-08 estimate actual		7,232	11,004	10,847	-	7,389

NOPSA operates a special account established under Section 21 of the *Financial Management and Accountability Act 1997* to spend the revenue it receives from industry levies. Section 150YN of the *Petroleum (Submerged Lands) Act 1967* establishes the special account and Section 150YP outlines the purpose of the special account as follows:

- (a) to pay or discharge the costs, expenses and other obligations incurred by the Authority in the performance of its function or the exercise of its powers;
- (b) to pay any remuneration or allowances payable to Board members, the Chief Executive Officer and the staff of the Authority; and
- (c) to make any other payments that the Safety Authority is authorised to make by or under any law of a State or the Northern Territory that confers powers on the Authority or on the staff of the Safety Authority in the area and under circumstances described in section 150XI.

### 3.1.4 Australian Government Indigenous Expenditure

NOPSA does not have any specific Indigenous expenditure.

## **3.2 BUDGETED FINANCIAL STATEMENTS**

### **3.2.1 Differences in agency resourcing and financial statements**

NOPSA has no significant differences between the resource information presented in the Budget Papers and Portfolio Budget Statements as a result of differences between Australian Accounting Standards (AAS) and Government Finance Statistics (GFS).

### **3.2.2 Analysis of budgeted financial statements**

NOPSA's income statement shows increases in revenue based on continued increases in industry activity. This was based on a review of existing, proposed and estimated facilities of individual operators. It is an area which is subject to many variables outside the scope of NOPSA's influence and these may impact on the accuracy of the estimations. Individual levy charges have not been increased since NOPSA's inception in 2005 despite significant industry driven increases in expenditure. These levies are currently under review. NOPSA's surplus has trended down and it is anticipated that this will continue and that no surplus will be achieved following the 2008-09 budget year.

### 3.2.3 Budgeted financial statements tables

**Table 3.2.1: Budgeted departmental income statement  
(for the period ended 30 June)**

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forw ard estimate 2009-10 \$'000	Forw ard estimate 2010-11 \$'000	Forw ard estimate 2011-12 \$'000
<b>INCOME</b>					
<b>Revenue</b>					
Revenues from Government	-		-	-	-
Goods and services	10,523	12,039	12,730	12,661	13,384
Fees and fines	172	80	80	80	80
Interest	309	170	170	160	160
<b>Total revenue</b>	<b>11,004</b>	<b>12,289</b>	<b>12,980</b>	<b>12,901</b>	<b>13,624</b>
<b>Total income</b>	<b>11,004</b>	<b>12,289</b>	<b>12,980</b>	<b>12,901</b>	<b>13,624</b>
<b>EXPENSE</b>					
Employees	6,942	7,918	8,304	8,788	9,465
Suppliers	2,892	3,943	4,249	3,672	3,680
Depreciation and amortisation	336	383	427	441	479
<b>Total expenses</b>	<b>10,170</b>	<b>12,244</b>	<b>12,980</b>	<b>12,901</b>	<b>13,624</b>
Share of operating results of associates and joint ventures accounted for using the equity method	-		-	-	-
<b>Surplus (Deficit) before income tax</b>	<b>834</b>	<b>45</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Income tax expense</b>					
<b>Surplus/(Deficit)</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>
Minority interest in surplus (deficit)	-		-	-	-
<b>Surplus (deficit) attributable to the Australian Government</b>	<b>834</b>	<b>45</b>	<b>-</b>	<b>-</b>	<b>-</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.2: Budgeted departmental balance sheet  
(as at 30 June)**

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forw ard estimate 2009-10 \$'000	Forw ard estimate 2010-11 \$'000	Forw ard estimate 2011-12 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and equivalents	7,389	7,845	8,536	9,192	9,192
Trade and other Receivables	1,379	1,379	1,379	1,216	1,216
<b>Total financial assets</b>	<b>8,768</b>	<b>9,224</b>	<b>9,915</b>	<b>10,408</b>	<b>10,408</b>
<b>Non-financial assets</b>					
Infrastructure, plant and equipment	652	903	818	731	987
<b>Total non-financial assets</b>	<b>652</b>	<b>903</b>	<b>818</b>	<b>731</b>	<b>987</b>
Assets held for sale					
<b>Total assets</b>	<b>9,420</b>	<b>10,127</b>	<b>10,733</b>	<b>11,139</b>	<b>11,395</b>
<b>LIABILITIES</b>					
<b>Provisions</b>					
Employees	718	838	942	1,240	1,240
Other	80	80	80	80	80
<b>Total provisions</b>	<b>798</b>	<b>918</b>	<b>1,022</b>	<b>1,320</b>	<b>1,320</b>
<b>Payables</b>					
Suppliers	251	793	1,045	1,051	1,118
Other	1,692	1,692	1,942	2,044	2,233
<b>Total payables</b>	<b>1,943</b>	<b>2,485</b>	<b>2,987</b>	<b>3,095</b>	<b>3,351</b>
<b>Total liabilities</b>	<b>2,741</b>	<b>3,403</b>	<b>4,009</b>	<b>4,415</b>	<b>4,671</b>
<b>Net assets</b>	<b>6,679</b>	<b>6,724</b>	<b>6,724</b>	<b>6,724</b>	<b>6,724</b>
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	896	896	896	896	896
Reserves	3	3	3	3	3
Retained surpluses or accumulated deficits	5,780	5,825	5,825	5,825	5,825
<b>Total parent entity interest</b>	<b>6,679</b>	<b>6,724</b>	<b>6,724</b>	<b>6,724</b>	<b>6,724</b>
<b>Total equity</b>	<b>6,679</b>	<b>6,724</b>	<b>6,724</b>	<b>6,724</b>	<b>6,724</b>
<b>Current assets</b>	<b>8,768</b>	<b>9,224</b>	<b>9,915</b>	<b>10,408</b>	<b>10,408</b>
<b>Non-current assets</b>	<b>652</b>	<b>903</b>	<b>818</b>	<b>731</b>	<b>987</b>
<b>Current liabilities</b>	<b>1,943</b>	<b>2,485</b>	<b>2,987</b>	<b>3,095</b>	<b>3,351</b>
<b>Non-current liabilities</b>	<b>798</b>	<b>918</b>	<b>1,022</b>	<b>1,320</b>	<b>1,320</b>

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

Prepared on Australian Accounting Standards basis.

**Table 3.2.3: Budgeted departmental statement of cash flows  
(for the period ended 30 June)**

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forw ard estimate 2009-10 \$'000	Forw ard estimate 2010-11 \$'000	Forw ard estimate 2011-12 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	10,523	11,712	12,130	12,661	13,384
Interest	309	170	170	160	160
Other	172	80	80	80	80
<b>Total cash received</b>	<b>11,004</b>	<b>11,962</b>	<b>12,380</b>	<b>12,901</b>	<b>13,624</b>
<b>Cash used</b>					
Employees	6,824	7,798	8,200	8,490	9,466
Suppliers	3,627	3,340	3,421	3,683	3,791
<b>Total cash used</b>	<b>10,451</b>	<b>11,138</b>	<b>11,621</b>	<b>12,173</b>	<b>13,257</b>
<b>Net cash from or (used by) operating activities</b>	<b>553</b>	<b>824</b>	<b>759</b>	<b>728</b>	<b>367</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	396	368	68	72	367
<b>Total cash used</b>	<b>396</b>	<b>368</b>	<b>68</b>	<b>72</b>	<b>367</b>
<b>Net cash from or (used by) investing activities</b>	<b>(396)</b>	<b>(368)</b>	<b>(68)</b>	<b>(72)</b>	<b>(367)</b>
<b>Net increase or (decrease) in cash held</b>	<b>157</b>	<b>456</b>	<b>691</b>	<b>656</b>	<b>-</b>
Cash at the beginning of the reporting period	7,232	7,389	7,845	8,536	9,192
<b>Cash at the end of the reporting period</b>	<b>7,389</b>	<b>7,845</b>	<b>8,536</b>	<b>9,192</b>	<b>9,192</b>

Prepared on Australian Accounting Standards basis.



**Table 3.2.4: Departmental statement of changes in equity — summary of movement (Budget year 2007-08)**

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2008</b>					
Balance carried forward from previous period	5,780	3	-	896	6,679
Adjustment for changes in accounting policies	-	-	-	-	-
<b>Adjusted opening balance</b>	<b>5,780</b>	<b>3</b>	<b>-</b>	<b>896</b>	<b>6,679</b>
<b>Income and expense</b>					
Income and expenses recognised directly in equity:					
Gain/loss on revaluation of property	-	-	-	-	-
<b>Sub-total income and expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Surplus (deficit) for the period	45	-	-	-	45
<b>Total income and expenses recognised directly in equity</b>	<b>5,825</b>	<b>3</b>	<b>-</b>	<b>896</b>	<b>6,724</b>
Transfers between equity components	-	-	-	-	-
<b>Estimated closing balance as at 30 June 2009</b>	<b>5,825</b>	<b>3</b>	<b>-</b>	<b>896</b>	<b>6,724</b>

Prepared on Australian Accounting Standards basis.

### **3.2.4 Notes to the financial statements**

The Analysis of Financial Statements at Section 3.2.2 provides an overview to the key elements to NOPSA's financial statement.

NOPSA's budget statements are prepared by management in compliance with Australian Accounting Standards and the Australian Equivalents to International Financial Reporting Standards (AEIFRS) using its best knowledge of expected standards, interpretations and accounting policies.

There are no tables 3.2.5 to 3.2.7 as NOPSA has no administered funds.





# **Tourism Australia**

## **Agency resources and planned performance**



# TOURISM AUSTRALIA

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# TOURISM AUSTRALIA

## Section 1: Agency overview and resources

### 1.1 STRATEGIC DIRECTION

Tourism Australia was established on 1 July 2004 and is the Australian Government Agency responsible for the international and domestic promotion of Australia as a travel destination, as well as for the delivery of research and forecasts for the sector. Tourism Australia describes its primary purpose as: To maximise sustainable economic, environmental and social benefits of tourism for Australia.

The main functions of Tourism Australia under the *Tourism Australia Act 2004* are to:

- Increase the awareness of potential international travellers to Australia of Australia as a destination;
- Increase the awareness of potential domestic travellers of Australia as a place to travel;
- Increase the knowledge of potential travellers, both international and domestic, of Australia;
- Increase the desire of potential international travellers to travel to Australia;
- Increase the desire of potential travellers, both international and domestic, to travel throughout Australia;
- Conduct research into, and analysis of, international travel;
- Communicate effectively with the Australian tourism industry on issues that may affect it; and
- Increase awareness throughout Australia of the contribution of tourism to Australia's economy, society and environment.

To meet these objectives Tourism Australia operates three core marketing platforms for the development, promotion and distribution of Australian tourism product:

- Consumer Marketing (inspire people to travel to and throughout Australia);
- Trade Development (build Australia's presence and strength in all relevant distribution channels); and

### *Tourism Australia Budget Statements*

- Australian Experiences (increase the consumer appeal of Australian travel products).

In 2008-09 Tourism Australia will be active in 24 markets around the globe. Principal focus will be placed on those markets that are considered to provide the best opportunities for Tourism Australia to achieve its objectives. They are: the United Kingdom; the United States; China; Germany; Japan; South Korea; New Zealand; and Australia. Increased focus will also be placed on emerging markets such as Russia, Spain, South Africa, Indonesia and Vietnam.

Tourism Australia's policy of operating in a broad portfolio of markets delivering differing rates of visitor numbers, spend and dispersal, is designed to safeguard the Australian industry from the impact of individual market shifts and shocks.

The greatest challenge to tourism growth over the coming twelve months will come from economic uncertainty in key markets and fluctuating foreign exchange rates. The continued growth of aviation capacity to and within Australia is also vital to the continuing growth of visitor arrivals and dispersal.

The core international marketing challenge for Tourism Australia is to convert the current high levels of desire to visit Australia into actual consumer demand for Australia. The key domestic challenge is to lift Australians' interest in travelling through their own country in the face of more accessible overseas travel options.

In 2008-09 Tourism Australia will build on the impact of the most recent global destination campaign whilst developing new and innovative techniques to reach its target audience – identified from extensive research as 'Experience Seekers' (the market identified as providing strong yield and dispersal for Australia).

Tourism Australia will make its primary focus those Experience Seekers who have not yet visited Australia. With repeat visitation high from most markets, Tourism Australia believes that the sustainability of long-term growth in international arrivals depends on building the pool of 'new' visitors each year.

Consumer marketing activities will include above and below the line promotions across a range of media including television, cinema, outdoor, radio, online and direct mail. Information and public relations activities will include proactive media engagement through events and story placement, a visiting journalists program, and consumer events.

Consumer marketing will be built around a communications strategy which will use different components of Brand Australia to talk to different markets and different target audience segments. This will allow Tourism Australia to more effectively reach its audiences with more individually tailored messages.

Trade marketing activities will include the on-going development and support of a global network of Aussie Specialist retail travel agents trained to sell Australia, the Aussie Enthusiast Trade Support program (delivered with AusTrade in those smaller

tourism markets where Tourism Australia is not directly represented), trade road-shows and trade events.

In addition to its core focus on leisure travel, in 2008-09 Tourism Australia will strengthen its investment in the Business Tourism segment through fully integrated strategies to increase Australia's share of this high-yielding travel market.

Other major projects will include the incorporation of activities to develop and promote Indigenous tourism experiences through Tourism Australia's broader programs. This is designed to result in a higher profile for Australian Indigenous culture and ways to experience it, as well as greater representation for Indigenous tourism businesses and product in international and domestic distribution channels.

Tourism Australia will promote Australia's Tourism credentials as a green destination to assist in the industry's response to global concerns about climate change.

Much of Tourism Australia's marketing activity is delivered in conjunction with government, industry and private external partners. It is a policy of Tourism Australia to leverage wherever possible the investment of co-operative partners to maximise the promotional impact for Australia. The Tourism Australia Act provides a clear legislative basis for Tourism Australia pursuing cost recovery and working closely with other government agencies and the private sector in co-operative marketing delivery of its core objectives.

Cost recovery in Tourism Australia is focussed on:

1. Tourism Australia managed trade events; and
2. Tourism statistics and analysis from Tourism Research Australia (TRA).

The total 2007-08 revenue subject to Cost Recovery Guidelines is estimated to be \$4.5 million.

## 1.2 AGENCY RESOURCE STATEMENT

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

**Table 1.1: Tourism Australia resource statement — Budget estimates for 2008-09 as at Budget May 2008**

Tourism Australia Resource Statement - Budget estimates for 2008-09 as at Budget May 2008

Source	Estimate of prior year amounts available in 2008-09 \$'000	Proposed at Budget = 2008-09 \$'000	Total Estimate 2008-09 \$'000	Estimated Available Appropriation 2007-08 \$'000
<b>Opening Balance/Reserves at Bank</b>	<b>18,379</b>	<b>-</b>	<b>18,379</b>	16,787
<b>REVENUE FROM GOVERNMENT</b>				
<b>Ordinary Annual Services<sup>1</sup></b>				
Outcome 1- Increased economic benefits to Australia from tourism underpinned by a sustainable tourism industry	-	135,559	135,559	135,771
<b>Total ordinary annual services</b>	<b>-</b>	<b>135,559</b>	<b>135,559</b>	<b>135,771</b>
<b>Total Annual Appropriations</b>	<b>-</b>	<b>135,559</b>	<b>135,559</b>	<b>135,771</b>
<b>Total Funds from Government</b>	<b>-</b>	<b>135,559</b>	<b>135,559</b>	
<b>FUNDS FROM OTHER SOURCES</b>				
Interest	-	1,000	1,000	2,245
Other	-	34,744	34,744	26,214
<b>Total</b>	<b>-</b>	<b>35,744</b>	<b>35,744</b>	<b>28,459</b>
<b>Total net resourcing for Tourism Australia</b>	<b>18,379</b>	<b>171,303</b>	<b>189,682</b>	<b>181,017</b>

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

<sup>1</sup> Appropriation Bill (No.1) 2008-09

### 1.3 BUDGET MEASURES

Budget measures relating to Tourism Australia are detailed in Budget Paper No. 2. Table 1.2 provides a summary of government measures and identifies the relevant output groups associated with each measure.

**Table 1.2 Agency 2008-09 Budget Measures**

	Output Group	2008-09 \$'000	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000
<b>Expense measures</b>					
Responsible Economic Management - Tourism Australia	1.3				
Departmental resources		(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>Total expense measures</b>					
	Administered	-	-	-	-
	Departmental	(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>

Prepared on a Government Financial Statistics basis

## Section 2: Outcomes and planned performance

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

The Australian Government requires agencies to measure their intended and actual performance in terms of outcomes. Government outcomes are the results, impacts or consequences of actions by the Government on the Australian community. Agencies are required to identify the output groups which demonstrate their contribution to Government outcomes over the coming year.

Each outcome is described below by output groups, specifying the performance indicators and targets used to assess and monitor the performance of Tourism Australia in achieving government outcomes.

#### **2.1.1 Outcome 1: Increased economic benefits to Australia from tourism underpinned by a sustainable tourism industry**

##### **Outcome 1 Strategy**

A number of key strategies will be employed to collectively and in association with industry, deliver increased economic benefits to Australia and a sustainable tourism industry.

These include:

##### Output 1.1 Strategies

- Develop and implement an engagement strategy for Australian inbound tourism operators and national product;
- Focus activity on providing measurement of key performance indicators;
- Encourage knowledge sharing and insight to drive decision making;
- Deliver market and customer insights that are relevant and timely; and
- Provide the core data sets on international and domestic travel to and within Australia for use by internal and external stakeholders.

#### Output 1.2 Strategies

- Increase airline partnership activities to take advantage of capacity and route development opportunities (including low cost carriers);
- Increase joint marketing activity (cooperative) with trade in all markets, especially in smaller markets with lower funding levels;
- Continue to train and motivate trade to sell the Australian experience through the Aussie Specialist Program;
- Develop and implement an engagement strategy for Australian inbound tourism operators and National Product;
- Continue Indigenous Tourism Australia focus on incorporating indigenous product;
- Provide effective content, Business to Business marketplace forums and training platforms for suppliers to engage with distributors;
- Deliver Trade Events (including Australian Tourism Exchange) to provide Business to Business marketplace (32 events globally) for trade and suppliers to engage;
- Deliver Aussie Specialist Program for selected retail travel agents located in key source markets to provide training, education and consumer referral
- Making Australian experiences more accessible in a digital format and showcasing the best of the best in Australian product;
- Working with partners to build a coordinated proposition around National Landscapes;
- Use Indigenous Tourism Australia to provide leadership in marketing and product development for the sector; and
- Promote Australia's Tourism credentials as a green destination.

#### Output 1.3 Strategies

- Focus promotional activity on the First Time Experience Seeker (Experience Seekers who have not been to Australia), while providing support for repeat visitors (through digital and Australia.com);
- Increase focus on emerging markets, especially Russia, Spain, South Africa, Indonesia, Vietnam, and Argentina;

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- Use storytelling as the key means for communication, leading to increased use of digital, PR and events and less reliance on traditional advertising;
- Utilise the Australian Experience Resources Portal to deliver experience and destination based content online on a global scale;
- Identify and promote Australia's best natural and cultural landscapes - our National Landscapes;
- Focus Business Events activity on developing dedicated incentive and corporate meetings brand; and
- Utilise high profile media communications opportunities such as Baz Lurhmann's 'Australia'.



**Outcome 1 Resource statement**

Table 2.1 provides additional detail of Budget appropriations and the total resourcing for outcome 1.

**Table 2.1 Total resources available for Outcome 1**

<b>Outcome 1:</b>	2008-09	2007-08
Increased economic benefits to Australia from tourism underpinned by a sustainable tourism industry.	Total	Estimated
	estimate of	actual
	available	resources
	resources	\$'000
	\$'000	\$'000
<b>Output Group 1.1:</b>		
Departmental Outputs		
Revenues from other sources	2,350	2,649
Special Accounts		
Appropriation receipts (B1)	12,613	12,944
<b>Subtotal for Output Group 1.1</b>	<b>14,963</b>	<b>15,593</b>
<b>Output Group 1.2:</b>		
Departmental Outputs		
Revenues from other sources	9,357	8,919
Special Accounts		
Appropriation receipts (B1)	15,298	15,058
<b>Subtotal for Output Group 1.2</b>	<b>24,655</b>	<b>23,977</b>
<b>Output Group 1.3:</b>		
Departmental Outputs		
Revenues from other sources	18,863	16,891
Special Accounts		
Appropriation receipts (B1)	107,648	107,769
<b>Subtotal for Output Group 1.3</b>	<b>126,511</b>	<b>124,660</b>
<b>Total resources for Outcome 1</b>	<b>166,129</b>	<b>164,230</b>
	2008-09	2007-08
<b>Average staffing level (number)</b>	215	235

(B1) - Annual Appropriation Bill 1 (Ordinary Annual Services)

(B2) - Annual Appropriation Bill 2 (Other Services)

Note: Departmental Appropriation splits and totals, by outcome and output, are indicative estimates and may change in the course of the budget year as government priorities change.

**Contributions to Outcome 1**

<b>Output Group 1.1: Industry and market development through strategic insights</b>	
<p>To ensure the tourism industry and other key stakeholders have the information/insight they need to plan, invest, develop, manage and measure the individual and collective operation of the tourism industry to achieve sustainable growth. Insights delivered come from a number of agencies under Tourism Australia's control including Tourism Research Australia which delivers base line destination/consumer behaviour, Consumer and market insights which deliver specialised consumer and marketing performance information and Tourism and Aviation economics which delivers insight on economic and aviation conditions. The combined output of these three teams delivers the insight necessary to optimise the performance of the tourism industry.</p>	
Key Performance Indicators	2008-09 Target
High level of stakeholder and client satisfaction (based on strategic insights. relevance, accuracy, quality, presentation, accessibility and timeliness) measured through stakeholder surveys.	At least 75% of stakeholder respondents agree that overall quality of research people, processes and services is good or better.
Increased stakeholder understanding of key analysis conclusions of Tourism Australia through stakeholder surveys.	At least 75% of respondents to the stakeholder survey agree that the value of information provided for their business is good or better.
Timeliness of publication of the expanded major national surveys: the International Visitors Survey, National Visitors Survey and tourism forecasts.	Major surveys delivered as per timetable.
Number of responses to stakeholder inquiries and use of dedicated research website.	10% increase on previous year activity.
Satisfaction of briefings and total industry attendance at briefings on market research and insights.	10% increase in satisfaction levels on previous year activity.

<b>Output Group 1.2: Increased distribution of Australian tourism product and facilitation of niche, events and regional tourism growth.</b>	
<p>Engagement with the travel distribution system is vital for ensuring Australian travel product is available to potential travellers and that intermediaries such as travel agents are knowledgeable and committed sellers of that product. The ongoing development and presentation of product/experiences to market is critical for meeting changing consumer needs and presenting new Australian offers to the market. Consumer events are a proven driver of tourist visitation and add more depth to the Australian offer.</p> <p>Development, presentation and incorporation of regionally based tourism product into industry programs is an important element of promoting visitation to regional Australia and thereby delivering sustainable economic and social growth.</p>	
Key Performance Indicators	2008-09 Target
Satisfaction with Tourism Australia organised trade events by both tourism suppliers and buyers.	At least 80% of respondents are satisfied with Tourism Australia organised trade events.
Industry partners agree that Tourism Australia's programs are valuable for their business.	At least 75 per cent of respondents rate the value of Tourism Australia's trade programs to their business as good or better.
Key agents are knowledgeable about selling Australia.	At least 75% of agents agree that participation in ASP training increase their knowledge of Australia.
Participation of trade in key distribution channels, including the Aussie Specialist Program.	Global number of qualified Aussie Specialists increases to 11,000.
Number of international business events arrivals.	Number of business arrivals increase to 200,000.
Number of Australian products & experiences being sold in key target markets.	Australian content in inbound programs increases by 5%.
Number of regional products/experiences introduced into all trade development activities.	Regional products/experience introduced into trade development activities increases by at least 5%

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<b>Output Group 1.3: Consumer travel demand stimulation</b>	
<p>The identification of an appropriate target market as the focus of leisure based communication provides for a stronger fit between our yield, dispersal, arrival and sustainability objectives and the type of visitor we attract. An integrated and compelling communication package is which presents the Australian experience is critical for engaging and stimulating our target market/s. The opportunity to leverage communication which is a good fit with our brand magnifies our marketing effort and exposure in key inbound markets.</p>	
Key Performance Indicators	2008-09 Target
Number of international leisure arrivals to Australia.	Tourism Forecasting Council target met.
Number of dispersed internal leisure visitor nights.	Tourism Forecasting Council target met.
Real inbound economic value derived from international visitors in priority markets.	Tourism Forecasting Council target met.
Average time spent on <a href="http://www.australia.com">http://www.australia.com</a> .	Unique visitors to Aus.com increase to 14 million.
Number of unique visitors to <a href="http://www.australia.com">http://www.australia.com</a> .	1% increased measured in private sector tourism marketing expenditure.
Private sector tourism marketing overseas and domestically, as measured in periodic ABS conducted surveys.	Maintain current 8/10 scaled rating.
Knowledge of Australia as a destination.	Increase number of prospective visitors by 110,000.
Increase in the number of prospective international leisure visitors to Australia.	Maintain current levels.
Increase in the number of prospective domestic leisure visitors within Australia.	Tourism Forecasting Council target met.

## Section 3: Explanatory tables and budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of Tourism Australia's finances for the budget year 2008-09. It explains how budget plans are incorporated into the financial statements and provides further details of movements in administered funds, special accounts and government indigenous expenditure.

### 3.1 EXPLANATORY TABLES

#### 3.1.1 Reconciliation of total available appropriation and outcomes

The Agency Resource Statement (Table 1.1) details the total available appropriation available to an agency from all sources. For departmental operating appropriations (outputs) this includes carry-forward amounts as well as amounts appropriated at Budget. As agencies incur and are funded for future liabilities, generally depreciation and employee entitlements, the total amount of departmental operating appropriation available to an agency is unlikely to be fully utilised in the Budget year. Outcome resource statements include details of the expected use of available resources in contributing towards outcomes in the Budget year. The difference between the agency level resource statement and the sum of all outcome resource statements is the expected carry-forward amount of resources for the 2009-10 Budget year, including amounts related to meeting future obligations to maintain the agency's asset base and to meet employee entitlement liabilities. Table 3.1.1 reconciles the total available appropriation and amounts attributable to all outcomes.

**Table 3.1.1: Reconciliation of total available appropriation and outcomes**

	\$'000
<b>Total available departmental operating appropriation (outputs)</b>	135,559
Less total attributed in outcome resource statements	(135,559)
<b>Estimated departmental operating appropriation carry-forward for 2009-10 (outputs)</b>	-

#### 3.1.2 Movement of administered funds between years

Tourism Australia does not manage any administered appropriations.

### **3.1.3 Special Accounts**

Tourism Australia does not have any special appropriations for 2008-09.

### **3.1.4 Australian Government Indigenous Expenditure**

Tourism Australia's proposed Indigenous expenditure in 2008-09 is estimated to be \$0.4 million. Tourism Australia facilitates consultation with the emerging tourism sector on existing and potential policies and programs and encourages Indigenous tourism ventures. Other expenditure includes the sponsorship of the annual Australian Aboriginal Tourism Conference, marketing and promotional activities such as Aboriginal Roadshow and showcasing Indigenous tourism experiences at trade events.

## **3.2 BUDGETED FINANCIAL STATEMENTS**

### **3.2.1 Analysis of budgeted financial statements**

#### **Departmental - Income Statement**

The total operating revenue for 2008-09 is estimated at \$166.1 million and is made up of government appropriations of \$135.6 million and revenue from other resources of \$30.6 million. The total revenue increases by \$1.9 million from the 2007-08 estimated actual of \$164.2 million. The change includes:

- an increase in revenue from other sources of \$2.1 million; and
- offset by a decrease in appropriation revenue of \$0.2 million.

Total expenses are estimated to be \$166.1 million, an increase of \$1.9 million from the 2007-08 estimated actual. The increase reflects:

- an increase in depreciation costs of \$0.7 million relating to intangible assets;
- an increase in payment to suppliers of \$2.5 million mainly for cooperative marketing activities;
- a net increase of \$0.7 million associated with miscellaneous operating expenses including technology, finance and risk management; and
- a decrease in employee costs of \$2.0 million resulting from a projected reduction in staffing levels.

#### **Departmental - Balance Sheet**

Tourism Australia is budgeting net asset position of \$16.8 million which remains unchanged from 2007-08. Net asset is projected to remain the same beyond 2008-09.

A total asset position of \$36.4 million for 2008-09 represents a marginal increase of \$0.05 million from the 2007-08 estimated actual. The increase is attributed to increases in non-financial assets (\$0.4 million), offset by decrease in cash, receivables and other assets (\$0.4 million). Total assets are projected to vary marginally by under 1% in forward years mainly resulting from depreciation and amortisation of major assets.

### 3.2.2 Budgeted financial statements tables

Table 3.2.1: Budgeted departmental income statement (for the period ended 30 June)

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
<b>INCOME</b>					
<b>Revenue</b>					
Revenues from Government	135,771	135,559	136,827	137,687	139,262
Goods and services	415	417	421	424	429
Interest	2,245	1,000	1,000	1,000	1,000
Other	25,799	29,153	29,423	29,607	29,943
<b>Total revenue</b>	<b>164,230</b>	<b>166,129</b>	<b>167,671</b>	<b>168,718</b>	<b>170,634</b>
<b>Gains</b>					
<b>Total income</b>	<b>164,230</b>	<b>166,129</b>	<b>167,671</b>	<b>168,718</b>	<b>170,634</b>
<b>EXPENSE</b>					
Employees	29,305	27,280	28,371	29,506	30,686
Suppliers	125,221	127,713	128,139	127,547	128,581
Depreciation and amortisation	3,883	4,575	4,544	5,010	4,633
Finance costs	47	36	32	29	33
Other	5,774	6,525	6,585	6,626	6,701
<b>Total expenses</b>	<b>164,230</b>	<b>166,129</b>	<b>167,671</b>	<b>168,718</b>	<b>170,634</b>
<b>Surplus (Deficit) before income tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Surplus (deficit) attributable to the Australian Government</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Prepared on Australian Accounting Standards basis



Table 3.2.2: Budgeted departmental balance sheet (as at 30 June)

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and equivalents	18,379	18,055	17,310	17,784	18,043
Trade and other Receivables	4,497	4,438	4,472	4,505	4,556
Accrued revenue	153	153	153	153	153
Other financial assets	508	500	504	508	514
<b>Total financial assets</b>	<b>23,537</b>	<b>23,146</b>	<b>22,439</b>	<b>22,950</b>	<b>23,266</b>
<b>Non-financial assets</b>					
Land and buildings	1,887	2,299	2,155	2,022	1,889
Infrastructure, plant and equipment	771	1,371	1,571	1,271	1,171
Intangibles	8,806	8,219	8,819	8,642	8,842
Prepayments	1,311	1,326	1,330	1,324	1,333
<b>Total non-financial assets</b>	<b>12,775</b>	<b>13,215</b>	<b>13,875</b>	<b>13,259</b>	<b>13,235</b>
<b>Total assets</b>	<b>36,312</b>	<b>36,361</b>	<b>36,314</b>	<b>36,209</b>	<b>36,501</b>
<b>LIABILITIES</b>					
<b>Provisions</b>					
Employees	3,759	3,500	3,440	3,377	3,512
Other	626	497	459	488	520
<b>Total provisions</b>	<b>4,385</b>	<b>3,997</b>	<b>3,899</b>	<b>3,865</b>	<b>4,032</b>
<b>Payables</b>					
Suppliers	14,509	14,929	14,978	14,910	15,030
Other	625	642	644	641	646
<b>Total payables</b>	<b>15,134</b>	<b>15,571</b>	<b>15,622</b>	<b>15,551</b>	<b>15,676</b>
<b>Total liabilities</b>	<b>19,519</b>	<b>19,568</b>	<b>19,521</b>	<b>19,416</b>	<b>19,708</b>
<b>Net assets</b>	<b>16,793</b>	<b>16,793</b>	<b>16,793</b>	<b>16,793</b>	<b>16,793</b>
<b>EQUITY</b>					
Contributed equity	827	827	827	827	827
Reserves	1,050	1,050	1,050	1,050	1,050
Retained surpluses	14,916	14,916	14,916	14,916	14,916
<b>Total equity</b>	<b>16,793</b>	<b>16,793</b>	<b>16,793</b>	<b>16,793</b>	<b>16,793</b>
<b>Current assets</b>	<b>24,848</b>	<b>24,472</b>	<b>23,769</b>	<b>24,274</b>	<b>24,599</b>
<b>Non-current assets</b>	<b>11,464</b>	<b>11,889</b>	<b>12,545</b>	<b>11,935</b>	<b>11,902</b>
<b>Current liabilities</b>	<b>16,460</b>	<b>16,501</b>	<b>16,462</b>	<b>16,373</b>	<b>16,619</b>
<b>Non-current liabilities</b>	<b>3,059</b>	<b>3,067</b>	<b>3,059</b>	<b>3,043</b>	<b>3,089</b>

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

Prepared on Australian Accounting Standards basis.

**Table 3.2.3: Budgeted departmental statement of cash flows (as at 30 June)**

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	25,238	29,489	29,737	29,992	30,319
Appropriations	135,771	135,559	136,827	137,687	139,262
Interest	2,245	1,000	1,000	1,000	1,000
GST receipts	5,256	5,255	5,256	5,233	5,270
<b>Total cash received</b>	<b>168,510</b>	<b>171,303</b>	<b>172,820</b>	<b>173,912</b>	<b>175,851</b>
<b>Cash used</b>					
Employees	29,231	27,539	28,431	29,571	30,551
Suppliers	126,940	133,833	134,678	134,234	135,171
GST payments	5,256	5,255	5,256	5,233	5,270
<b>Total cash used</b>	<b>161,427</b>	<b>166,627</b>	<b>168,365</b>	<b>169,038</b>	<b>170,992</b>
<b>Net cash from or (used by) operating activities</b>	<b>7,083</b>	<b>4,676</b>	<b>4,455</b>	<b>4,874</b>	<b>4,859</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment	772	2,000	1,400	900	1,100
Purchase of intangibles	4,719	3,000	3,800	3,500	3,500
<b>Total cash used</b>	<b>5,491</b>	<b>5,000</b>	<b>5,200</b>	<b>4,400</b>	<b>4,600</b>
<b>Net cash from or (used by) investing activities</b>	<b>(5,491)</b>	<b>(5,000)</b>	<b>(5,200)</b>	<b>(4,400)</b>	<b>(4,600)</b>
<b>Net increase or (decrease) in cash held</b>	<b>1,592</b>	<b>(324)</b>	<b>(745)</b>	<b>474</b>	<b>259</b>
Cash at the beginning of the reporting period	16,787	18,379	18,055	17,310	17,784
<b>Cash at the end of the reporting period</b>	<b>18,379</b>	<b>18,055</b>	<b>17,310</b>	<b>17,784</b>	<b>18,043</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.4: Departmental statement of changes in equity — summary of movement  
(Budget year 2008-09)**

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2008</b>					
Balance carried forward from previous period	14,916	1,050	-	827	16,793
<b>Adjusted opening balance</b>	14,916	1,050	-	827	16,793
Surplus (deficit) for the period	-	-	-	-	-
<b>Estimated closing balance as at 30 June 2009</b>	14,916	1,050	-	827	16,793

Prepared on Australian Accounting Standards basis.

### **3.2.4 Notes to the financial statements**

The financial statements have been prepared in accordance with:

- Finance Minister's Orders;
- Australian Accounting Standards and Accounting Interpretations issued by the Australian Accounting Board; and
- Consensus Views of the Urgent Issues Group.

Assets and liabilities are recognised in the Balance Sheet when and only when it is probable that future economic benefits will flow and the amounts of the assets or liabilities can be reliably measured.

Revenues and expenses are recognised in the Income Statement when and only when the flow or consumption or loss of economic benefits has occurred and can be reliably measured.

The Analysis of Budgeted Financial Statements provides an overview of the key elements of Tourism Australia's financial statements, including variations in major aggregates from 2007-08 to 2008-09.





## PORTFOLIO GLOSSARY

Term	Meaning
Accrual Accounting	System of accounting where items are brought to account and included in the financial statements as they are earned or incurred, rather than as they are received or paid.
Accumulated Depreciation	The aggregate depreciation recorded for a particular depreciating asset.
Administrative Arrangements Order (AAOs)	The functions and activities of the Government are administered in accordance with AAOs, issued from time to time by the Government and signed by the Governor-General. The AAOs establish the principal matters or government outcomes to be dealt with by each Department of State, and the Acts of Parliament to be administered by each Minister.
Administered Items	Expenses, revenues, assets or liabilities managed by agencies on behalf of the Commonwealth. Agencies do not control administered items. Administered expenses include grants, subsidies and benefits. In many cases, administered expenses fund the delivery of third party outputs.
Additional estimates	Where amounts appropriated at Budget time are insufficient, Parliament may appropriate more funds to portfolios through the Additional Estimates Acts.
Appropriation	An authorisation by Parliament to spend moneys from the Consolidated Revenue Fund for a particular purpose.
Annual Appropriation	Acts of Parliament, which provide appropriation for the government's activities during a specific financial year. Three appropriation Bills are introduced into Parliament in May and comprise the Budget. Further supplementary Bills are introduced later in the financial year as part of the Additional Estimates process. The Parliamentary

*Glossary*

	Departments have their own appropriation Bills.
Capital expenditure	Expenditure by an agency on capital projects, for example purchasing a building.
Consolidated Revenue Fund	Section 81 of the Constitution stipulates that all revenue raised or money received by the Commonwealth forms the one consolidated revenue fund (CRF). The CRF is not a bank account. The Official Public Account reflects most of the operations of the CRF.
Departmental items	Assets, liabilities, revenues and expenses that are controlled by the agency to produce outputs. Departmental items would generally include computers, plant and equipment assets used by agencies in providing goods and services and most employee expenses, supplier costs and other administrative expenses incurred.
Depreciation	Apportionment of an asset's capital value as an expense over its estimated useful life to take account of normal usage, obsolescence, or the passage of time.
Equity or net assets	Residual interest in the assets of an entity after deduction of its liabilities.
Expense	Expenses represent the full costs of an activity, that is, the total value of all the resources consumed in producing goods and services or the loss of future economic benefits in the form of reductions in assets or increases in liabilities of the entity. Expenses include cash items such as salary payments as well as expenses that have been incurred, such as accruing employee entitlements that will be paid in the future.
Fair value	Valuation methodology: The amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction.
Measure	A new policy or savings decision of the Government with financial impacts. Such proposals are normally



	made in the context of the annual Budget process.
Operating result	Equals revenue less expenses.
Outcomes	The Government's objectives in each portfolio area. Outcomes are desired results, impacts or consequences for the Australian community as influenced by the actions of the Australian Government. Actual outcomes are assessments of the end-results or impacts actually achieved.
Output Groups	A logical aggregation of agency outputs, where useful, and based either on homogeneity, type of product, business line or beneficiary target group. Aggregation of outputs may also be needed for the provision of adequate information for performance monitoring, or based on a materiality test.
Outputs	The goods and services produced by agencies on behalf of government for external organisations or individuals. Outputs also include goods and services for other areas of government external to the agency.
Portfolio	A Minister's area of responsibility as a member of Cabinet. A portfolio consists of a Department of State (a.k.a the Portfolio Department) and a number of agencies with similar general objectives and outcomes.
Price	One of the three key efficiency indicators. The amount the government or the community pays for the delivery of agreed outputs.
Quality	One of the three key efficiency indicators. Relates to the characteristics by which customers or stakeholders judge an organisation, product or service. Assessment of quality involves use of information gathered from interested parties to identify differences between user's expectations and experiences.
Quantity	One of the three key efficiency indicators. Examples include: the size of an output; count or volume measures; how many or how much.

*Glossary*

Revenue	Total value of resources earned or received to cover the production of goods and services.
Special Accounts	Balances existing within the Consolidated Revenue Fund (CRF) that are supported by standing appropriations (Financial Management and Accountability (FMA) Act 1997, ss.20 and 21). Special accounts allow money in the CRF to be acknowledged as set-aside (hypothecated) for a particular purpose. Amounts credited to a Special Account may only be spent for the purposes of the Special Account. Special Accounts can only be established by a written determination of the Finance Minister (s.20 FMA Act) or through an Act of Parliament (referred to in s.21 of the FMA Act).
Special Appropriations (including Standing Appropriations)	<p>An amount of money appropriated by a particular Act of Parliament for a specific purpose and number of years. For special appropriations the authority to withdraw funds from the Consolidated Revenue Fund does not generally cease at the end of the financial year.</p> <p>Standing appropriations are a sub-category consisting of ongoing special appropriations – the amount appropriated will depend on circumstances specified in the legislation.</p>

