

# AUSTRALIAN NUCLEAR SCIENCE AND TECHNOLOGY ORGANISATION

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# AUSTRALIAN NUCLEAR SCIENCE AND TECHNOLOGY ORGANISATION

## Section 1: Overview

The Australian Nuclear Science and Technology Organisation (ANSTO) is Australia's national nuclear organisation and the centre of Australian nuclear expertise. The role of ANSTO includes:

- to provide the Government with expert scientific and technical advice across the nuclear fuel cycle – including regarding international developments, radioactive waste management, reactor operations, and the safeguarding of nuclear material;
- to support Australia's national strategic and nuclear policy objectives, including promoting appropriate nuclear-related guidelines and practices nationally and internationally;
- to operate nuclear science and technology based facilities in Australia and overseas for the benefit of industry and the Australian research and development community, including higher education students and staff in higher education;
- to undertake research on specific topics to advance the understanding of nuclear science and the nuclear fuel cycle;
- to undertake focussed research and development and other scientific activities using its technologies and other relevant, unique capabilities;
- to apply nuclear science, techniques and expertise to address Australia's environmental challenges and increase the competitiveness of Australian industry; and
- to manufacture and advance the use of radiopharmaceuticals which will improve the health of Australians.

ANSTO has a rigorous process to identify opportunities where its expertise, services, research and capabilities can add value; to manage its activities; and to capture value through, most notably, commercialisation. This process involves working with customers and potential users from the earliest stages, and extensive collaboration with researchers in Australia and internationally.

## **1.1 SUMMARY OF AGENCY CONTRIBUTIONS TO OUTCOMES**

The products and services delivered by the agency (outputs, products and services) which contribute to achievement of outcomes for ANSTO are summarised in Table 1.1.

**Table 1.1: Contribution to outcomes**

<b>Outcome</b>	<b>Description</b>	<b>Output groups</b>
<p><b>Outcome 1</b> Nuclear-based Infrastructure</p>	<p>The Open Pool Australian Light-water research reactor is operational and providing improved core nuclear facilities for industrial and research and development applications during 2007.</p>	<p><b>Output Group 1.1</b> Effective management of the commissioning of the OPAL reactor.</p>
<p><b>Outcome 2</b> Disposition of Spent Fuel</p>	<p>Removal of spent fuel from the ANSTO site in line with stringent safety arrangements and community views.</p>	<p><b>Output Group 2.1</b> A programme of shipments for reprocessing of all HIFAR spent fuel in place.</p>
<p><b>Outcome 3</b> Science and Technology Solutions</p>	<p>Timely delivery of valued nuclear-related scientific and technical advice services and products to government and other stakeholders.</p>	<p><b>Output Group 3.1</b> Management of core nuclear facilities, providing Australia with nuclear capability and credibility from which socio-economic benefits flow to Australia, the research and development community and industry.</p> <p><b>Output Group 3.2</b> Expert scientific and technical services for, and on behalf of, Government in support of Australia's national and international strategic and nuclear policy objectives.</p> <p><b>Output Group 3.3</b> The acquisition of knowledge, through research, and its utilisation, through innovation, to advance the beneficial applications of nuclear science and technology to problems of environmental, medical, social and industrial importance.</p> <p><b>Output Group 3.4</b> Education and training provided to industry, universities and schools, including students undertaking studies related to nuclear science and technology and its applications.</p> <p><b>Output Group 3.5</b> Regular production and sale of radiopharmaceuticals and radioisotopes for medical and industrial applications and other services, through designated business units.</p> <p><b>Output Group 3.6</b> The exploitation of ANSTO's expertise, intellectual property and physical assets.</p>

## Section 2: Resources for 2007-08

### 2.1 APPROPRIATIONS AND OTHER RESOURCES

Table 2.1 shows the total resources from all origins for 2007-08, including appropriations. The table summarises how resources will be applied by outcome, and departmental classification. There are no administered appropriations for ANSTO.

The total appropriation for ANSTO in the 2007-08 Budget is \$151.668 million.

**Table 2.1: Appropriations and other resources 2007-08 ('000)**

Outcome	Appropriations			Receipts	Total
	Bill No. 1 \$'000	Bill No. 2 \$'000	Special \$'000	(a)	\$'000
<b>Outcome 1 Nuclear-based Infrastructure</b>					
Departmental					
<b>Outcome 2 Disposition of Spent Fuel</b>					
Departmental	252				252
<b>Outcome 3 Science and Technology Solutions</b>					
Departmental	151,416	32,400		43,569	227,385
<b>Total</b>	<b>151,668</b>	<b>32,400</b>		<b>43,569</b>	<b>227,637</b>

(a) Departmental and administered receipts from other sources (i.e. other than appropriation amounts) that are available to be used.

Notes:

- Under the appropriation structure, Bill No. 2 includes Specific Purpose Payments (SPPs), new administered expenses within new agency Outcomes (NAOs), administered capital and departmental capital via departmental injections and loans. "New administered expenses within new outcomes" does not include revisions to existing outcomes, for example following restructuring of outcomes; or revisions to outcomes following an AAO change where new administered items are not involved.
- Refer to Budgeted Income Statement for application of agency revenue.

## 2.2 2007-08 BUDGET MEASURES

Budget measures relating to ANSTO as explained in Budget Paper No. 2 are summarised in Table 2.2. The table also identifies the relevant outcomes and outputs associated with each measure.

**Table 2.2 Agency measures**

Measure	Output groups affected	Budget 2007-08 \$'000	Forward Estimate 2008-09 \$'000	Forward Estimate 2009-10 \$'000	Forward Estimate 2010-11 \$'000
<b>Expense Measure</b> <u>Outcome 3</u> Australian Nuclear Science and Technology Organisation – additional funding for the Open Pool Australian Lightwater reactor -	3.1	5,500	5,500	5,500	5,500
<b>Capital Measure</b> <u>Outcome 3</u> Australian Nuclear Science and Technology Organisation – additional funding for waste compaction –	3.1	2,400	1,600	0	0
<b>Capital Measure</b> <u>Outcome 3</u> Australian Radiopharmaceuticals and Industrials automation	3.5	30,000	5,000*	0	0

\* Note: \$5 million is funded internally

## 2.3 OTHER RESOURCES AVAILABLE TO BE USED

Table 2.3 provides details of resources obtained by ANSTO for provision of goods or services. These resources are approved for use by ANSTO and are included in Table 2.1.

**Table 2.3: Other resources available to be used**

	<b>Estimated Receipts 2006-07 \$'000</b>	<b>Budget Estimate 2007-08 \$'000</b>
<b>Departmental other resources</b>		
Sale of goods and services	40,000	<b>42,039</b>
Interest	2,500	<b>2,000</b>
Net gains – asset sales/foreign exchange	717	<b>717</b>
<b>Total departmental other resources available to be used</b>	<b>43,217</b>	<b>44,756</b>

Notes:

1. This table represents own source receipts available for spending on departmental purposes.
2. *Financial Management and Accountability Act 1997* (FMA Act) section 31 items are to be included as separate rows. Significant section 31 items are to be identified separately from other section 31 resources where appropriate.

## **2.4 MOVEMENT OF ADMINISTERED FUNDS**

### **Table 2.4: Movement of administered funds between years**

ANSTO has no administered funds therefore Table 2.4 is not presented.

## **2.5 SPECIAL APPROPRIATIONS**

### **Table 2.5: Estimates of expenses from special appropriations**

ANSTO has no special appropriations therefore Table 2.5 is not presented.

## **2.6 MOVEMENTS IN SPECIAL ACCOUNTS**

### **Table 2.6: Estimates of Special Account cash flows and balances**

ANSTO has no special accounts therefore Table 2.6 is not presented.

## Section 3: Outcomes

This section explains how the resources identified in Section 2 will be used to deliver outputs to contribute to the three outcomes for ANSTO.

### **3.1 SUMMARY OF OUTCOMES AND CONTRIBUTION TO OUTCOMES**

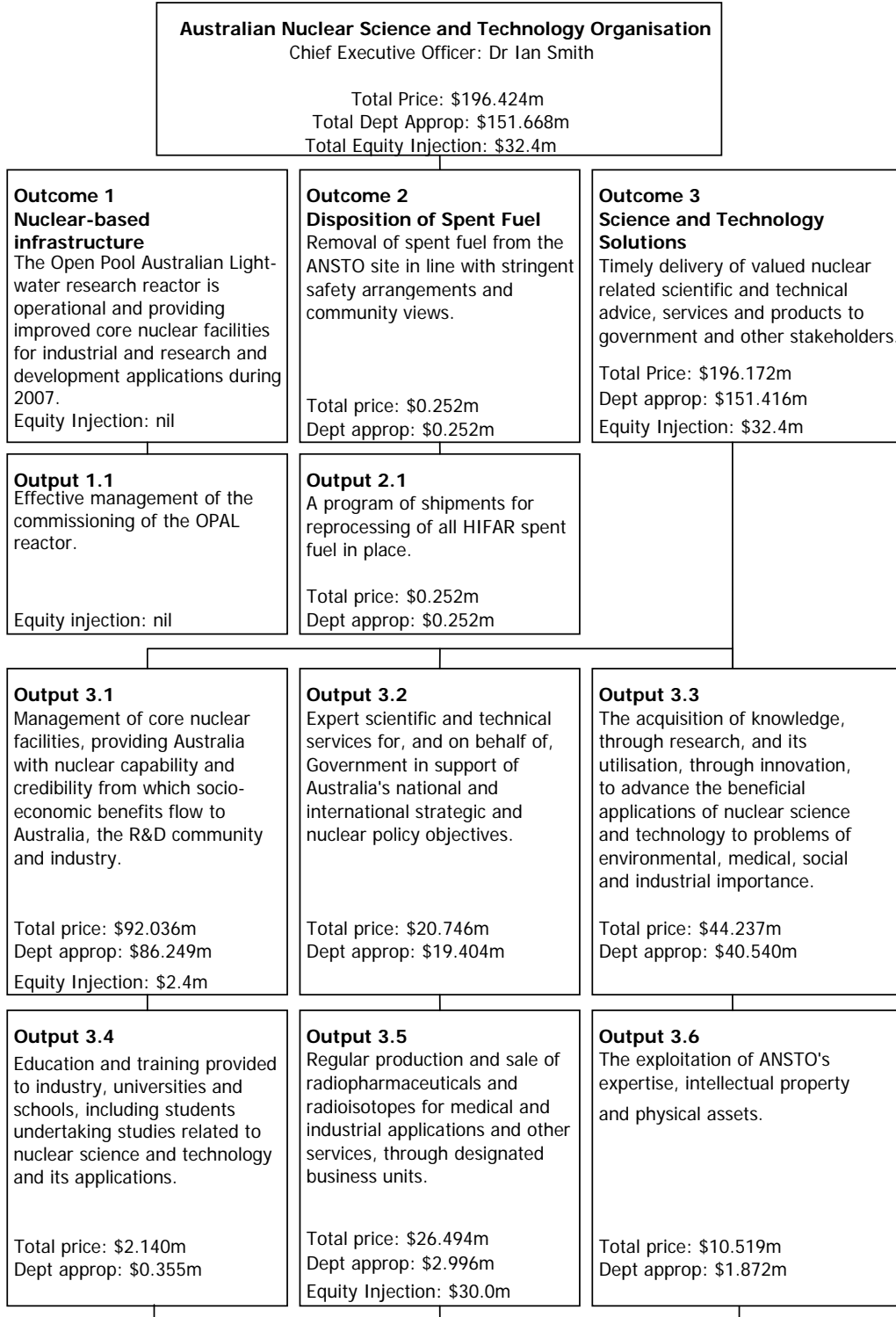
The Organisation's outputs are managed using well-developed project management systems, and an Enterprise Resource Planning (ERP) system-based model is used for the allocation of overheads and expenses.

The relationship between activities of ANSTO and the outcomes is summarised in Figure 2.

Since the publication of the 2006-07 Portfolio Budget Statements and 2006-07 Portfolio Additional Estimates Statements, there has been a change made to the description for Outcome 1. The description has been updated to take into account the fact that the OPAL reactor would be completed in 2007, not 2006. The outcome description has also been changed to include the name of the replacement reactor.

Otherwise, the agency's outcomes and output structure remains as specified on page 188 of the 2006-07 Portfolio Budget Statements.

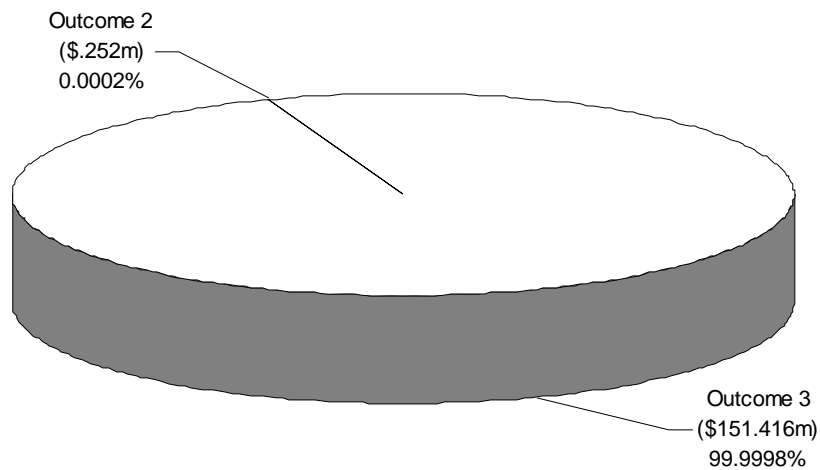
Figure 4: Contributions to outcomes



## Outcomes – departmental and administered

### Departmental appropriations by output

Figure 5 shows Departmental Appropriations of \$151.668m by Outcome for 2007-08. ANSTO has no administered appropriations.



**Figure 5: Departmental appropriations by outcome, 2007-08**

Note: Outcome 1 is has been funded by equity injection and is therefore excluded from the above graph and following table.

### 3.2 OUTCOME RESOURCES AND PERFORMANCE INFORMATION

#### Outcome 1 resourcing

Outcome 1 : Nuclear-based Infrastructure

Through ANSTO, the Government is providing access to nuclear-based facilities in Australia and overseas for the benefit of industry and the Australian research and development community. The major such facility is a nuclear research reactor (OPAL) for strategic, industrial, environmental and research purposes, and manufacture of nuclear medicines and other forms of radioisotopes.

Appropriations for Outcome 1 cover the acquisition of the OPAL reactor in order to provide strategic nuclear expertise, accommodate a range of advanced scientific and industrial applications and secure a sufficient supply of radioisotopes for health care and industrial applications over the next 40 to 50 years. It also covers funding for ANSTO's contract management component for the project.

Table 3.1.1 shows how the 2007-08 Budget appropriations translate to total resourcing for Outcome 1, including revenue from government (appropriation), revenue from other sources, and the total price of outputs.

**Table 3.1.1: Total resources for Outcome 1 (\$'000)**

	Estimated Actual 2006-07 \$'000	Budget Estimate 2007-08 \$'000
<b>Departmental appropriations</b>		
Output Group 1.1 – Effective management of the commissioning of the OPAL reactor		
<b>Total revenue from government (appropriations) contributing to price of departmental outputs</b>	0	0
<b>Total revenue from other sources</b>	0	0
<b>Total resources</b> (Total revenue from government and from other sources)	0	0
<b>Total estimated resourcing for Outcome 1</b> (Total price of outputs)	0	0
	2006-07	2007-08
<b>Average staffing level (number)<sup>1</sup></b>	11	11

Note 1: Staff allocated to Outcome 1 are responsible for commissioning and final works on the OPAL reactor funded from departmental appropriations.

*ANSTO Budget Statement: Outcomes*

Appropriations under Outcome 1 have been fully drawn.

**Measures affecting Outcome 1**

There are no measures affecting Outcome 1.

**Contributions to achievement of Outcome 1**

Contributions to the achievement of Outcome 1 are detailed in the Outcome Statement shown at Figure 2, and Performance Information for Outcome 1, shown in Table 3.2.1.

**Administered activities**

ANSTO does not undertake any administered activities within Outcome 1.

**Departmental outputs**

ANSTO has one departmental output under Outcome 1, which is:

- Effective management for the design, construction and commissioning of the OPAL reactor.

**Performance information for Outcome 1**

A detailed project management schedule has been developed that embraces external factors in relation to Government and contractor interaction as well as internal factors in relation to the management procedure.

Performance information for individual outputs and output groups relating to Outcome 1 are summarised in Table 3.1.2.

**Table 3.1.2: Performance information for Outcome 1**

Title	Performance indicator
<b>Performance indicators for individual outputs</b>	
Output	Performance indicator
<b>The Open Pool Australian Light-water research reactor is operational and providing improved core nuclear facilities for industrial and research and development applications during 2007</b>	Level of compliance with project plan and achievement of specific milestones: -On time, to the extent within ANSTO's control -Within budget, to the extent within ANSTO's control
<b>Output group 1.1:</b>	
Effective management of the commissioning of the OPAL reactor	-Complete performance demonstration (January 2008) -Complete Contract (April 2008)

## Outcome 2 resourcing

### Outcome 2 : Disposition of Spent Fuel

Spent fuel from the High Flux Australian Reactor (HIFAR) research reactor has been stored in a safe, interim storage facility at Lucas Heights. Disposition of the inventory of spent fuel arising over the lifetime of HIFAR has been made possible through allocated Government funding for this purpose.

Appropriations for Outcome 2 cover removal of spent fuel from the ANSTO site in line with stringent safety arrangements and community views.

Table 3.2.1 shows how the 2007-08 Budget appropriations translate to total resourcing for Outcome 2, including revenue from government (appropriation), revenue from other sources, and the total price of outputs.

**Table 3.2.1: Total resources for Outcome 2 (\$'000)**

	Estimated Actual 2006-07 \$'000	<b>Budget Estimate 2007-08 \$'000</b>
<b>Departmental appropriations</b>		
Output Group 2.1 – A programme of shipments for reprocessing of all HIFAR spent fuel in place.	11,846	<b>252</b>
<b>Total revenue from government (appropriations) contributing to price of departmental outputs</b>	11,846	<b>252</b>
<b>Total revenue from other sources</b>	0.0	<b>0.0</b>
<b>Total resources</b> (Total revenue from government and from other sources)	11,846	<b>252</b>
<b>Total estimated resourcing for Outcome 2</b> (Total price of outputs)	11,846	<b>252</b>
	2006-07	<b>2007-08</b>
<b>Average staffing level (number)</b>	6	<b>6</b>

## **Measures affecting Outcome 2**

There are no measures affecting Outcome 2.

## **Contributions to achievement of Outcome 2**

Contributions to the achievement of Outcome 2 are detailed in the Outcome Statement shown at Figure 2, and Performance Information for Outcome 2, shown in Table 3.2.2.

### **Administered activities**

ANSTO does not undertake any administered activities under Outcome 2.

### **Departmental outputs**

ANSTO has one departmental output under Outcome 2, which is:

- A program of shipments for reprocessing of all HIFAR spent fuel in place.

## **Performance information for Outcome 2**

Performance information for individual outputs and output groups relating to ANSTO are summarised in Table 3.2.2.

**Table 3.2.2: Performance information for Outcome 2**

<b>Performance indicators for individual outputs</b>	
Output	Performance indicator
<b>Removal of spent fuel from the ANSTO site in line with stringent safety arrangements and community views</b>	Safety procedures adhered to fully and shipments on time and within budget
<b>Output group 2.1:</b>	
A programme of shipments for reprocessing of all HIFAR spent fuel in place.	Planning for the ninth and final shipment to take place in 2009

## **Evaluations for Outcome 2**

The removal of spent fuel from the ANSTO site in accordance with agreed schedules and stringent safety arrangements.

### **Outcome 3 resourcing**

#### **Outcome 3 : Science and Technology Solutions**

ANSTO develops and provides science and technology solutions that encourage innovation in Australia, support national interests, and meet community and industrial needs for medical, environmental and industrial radioisotopes.

To deliver the Outcome, ANSTO will:

- provide timely delivery of valued scientific advice for and on behalf of Government and to other customers and stakeholders;
- fulfil Australia's national and international nuclear obligations and advance Australia's international interests through the application of nuclear science and technology;
- operate, maintain and enhance national nuclear science and technology based facilities and associated infrastructure to produce high quality research, products and services, and to make these facilities available to the Australian research and development community;
- generate and apply new knowledge in selected research areas in nuclear science, the nuclear fuel cycle and related technologies, utilising ANSTO's unique nuclear-based capabilities;
- focus on business opportunities where innovative solutions or technologies can generate economic, environmental or social benefits;
- seek and foster collaborations that will contribute to the generation of knowledge, commercialisation and Australia's strategic interests;
- empower and motivate staff to be at the cutting edge of their disciplines, pursue research excellence, and be able to adjust to new ideas and information in an evolving internal and external environment; and
- embrace continuous improvement and efficiency in business management.

Table 3.3.1 shows how the 2007-08 Budget appropriations translate to total resourcing for Outcome 3, including revenue from government (appropriation), revenue from other sources, and the total price of outputs.

ANSTO Budget Statement: Outcomes

**Table 3.3.1: Total resources for Outcome 3**

	Estimated Actual 2006-07 \$'000	Budget Estimate 2007-08 \$'000
<b>Departmental appropriations</b>		
Output 3.1 – Management of core nuclear facilities, providing Australia with nuclear capability and credibility from which socio-economic benefits flow to Australia, the research and development community and industry.	73,827	<b>86,249</b>
Output 3.2 – Expert scientific and technical services for and on behalf of, Government in support of Australia's national and international strategic and nuclear policy objectives.	16,625	<b>19,404</b>
Output 3.3 – The acquisition of knowledge, through research, and its utilisation, through innovation, to advance the beneficial applications of nuclear science and technology to problems of environmental, medical, social and industrial importance.	34,734	<b>40,540</b>
Output 3.4 – Education and training provided to industry, universities and schools, including students undertaking studies related to Nuclear science and technology and its applications.	1,447	<b>355</b>
Output 3.5 – Regular production and sale of radiopharmaceuticals and radioisotopes for medical and industrial applications and other services, through designated business units.	2,626	<b>2,996</b>
Output 3.6 – The exploitation of ANSTO's expertise, intellectual property and physical assets.	473	<b>1,872</b>
<b>Total revenue from government (appropriations) contributing to price of departmental outputs</b>	<b>129,732</b>	<b>151,416</b>
<b>Other resources available to be used</b>		
Output 3.1 –	5,594	<b>5,787</b>
Output 3.2 –	1,296	<b>1,342</b>
Output 3.3 –	3,570	<b>3,697</b>
Output 3.4 –	8,168	<b>1,785</b>
Output 3.5 –	22,680	<b>23,498</b>
Output 3.6 –	1,909	<b>8,647</b>
<b>Total revenue from other sources</b>	<b>43,217</b>	<b>44,756</b>
<b>Total resources</b> (Total revenue from government and from other sources)	<b>172,949</b>	<b>196,172</b>
<b>Total estimated resourcing for Outcome 3</b> (Total price of outputs)	<b>172,949</b>	<b>196,172</b>
	2006-07	2007-08
<b>Average staffing level (number)</b>	<b>880</b>	<b>893</b>

### Measures affecting Outcome 3

#### Australian Nuclear Science and Technology Organisation – additional funding for the Open Pool Australian Light-water reactor

Expense (\$m)	2007-08	2008-09	2009-10	2009-10
Australian Nuclear Science and Technology Organisation	5.500	5.500	5.500	5.500

#### Australian Nuclear Science and Technology Organisation – additional funding for waste compaction

Capital (\$m)	2007-08	2008-09	2009-10	2009-10
Australian Nuclear Science and Technology Organisation	2.400	1.600	0	0

#### Australian Radiopharmaceuticals and Industrials - automation

Capital (\$m)	2007-08	2008-09	2009-10	2009-10
Australian Nuclear Science and Technology Organisation	30.000	5,000*	0	0

\* Note: \$5 million is funded internally

### Contributions to achievement of Outcome 3

Contributions to the achievement of Outcome 3 are detailed in the Outcome Statement shown at Figure 2, and Performance Information for Outcome 3, shown in Table 3.3.2

#### Administered activities

ANSTO does not undertake any administered activities under Outcome 3.

#### Departmental outputs

ANSTO has six departmental outputs under Outcome 3, which are –

- Output 3.1: Management of core nuclear facilities, providing Australia with nuclear capability and credibility from which socio-economic benefits flow to Australia, the research and development community and industry.
- Output 3.2: Expert scientific and technical services for, and on behalf of, Government in support of Australia's national and international strategic and nuclear policy objectives.

*ANSTO Budget Statement: Outcomes*

- Output 3.3: The acquisition of knowledge, through research, and its utilisation, through innovation, to advance the beneficial applications of nuclear science and technology to problems of environmental, medical, social and industrial importance.
- Output 3.4: Education and training provided to industry, universities and schools, including students undertaking studies related to nuclear science and technology and its applications.
- Output 3.5: Regular production and sale of radiopharmaceuticals and radioisotopes for medical and industrial applications and other services, through designated business units.
- Output 3.6: The exploitation of ANSTO's expertise, intellectual property and physical assets.

**Performance information for Outcome 3**

ANSTO has developed a value-driven framework to ensure that delivery of specified outputs meets or exceeds anticipated requirements of customers, and opens up opportunities for the further generation of new knowledge, and the growth of knowledge-based enterprises and industries in Australia. Activities are classified as recurrent activities, such as reactor operation and meeting regulatory requirements, or as projects, most notably research and capital investment projects that operate for a limited period. Each activity has defined performance indicators relevant to its objectives, and these indicators are aggregated into output categories.

ANSTO operates within a set of performance indicators agreed with Government to provide an insight into its overall effectiveness and success in achieving the science and technology solutions outcome. Performance indicators are defined as part of the Funding Agreement that ANSTO has with the Minister for Education, Science and Training, and the Minister for Finance and Administration. ANSTO reports against those indicators in its Annual Report.

ANSTO also reports on its implementation of National Research Priorities and commercialisation.

Performance information for individual outputs and output groups relating to Outcome 3 are summarised in Table 3.3.2.

**Table 3.3.2: Performance information for Outcome 3**

<b>Performance indicators for administered items including third party outputs</b>	
Title	Performance indicator
<b>Performance indicators for individual outputs</b>	
Output	Performance indicator
<b>Timely delivery of valued nuclear-related scientific and technical advice, services and products to government and other stakeholders</b>	
<b>Output group 3.1:</b>	
Management of core nuclear facilities, providing Australia with nuclear capability and credibility from which socio-economic benefits flow to Australia, the research and development community and industry.	<ul style="list-style-type: none"> <li>-Research reactor availability</li> <li>-Reactor beamline usage</li> <li>-Accelerator usage</li> </ul>
<b>Output group 3.2:</b>	
Expert scientific and technical services for, and on behalf of Government in support of Australia's national and international strategic and nuclear policy objectives.	<ul style="list-style-type: none"> <li>-Leadership role in national and international fora</li> <li>-Person-years by staff on projects that have as a primary objective providing advice to government</li> </ul>
<b>Output group 3.3:</b>	
The acquisition of knowledge, through research, and its utilisation through innovation, to advance the beneficial applications of nuclear science and technology to problems of environmental, medical, social and industrial importance.	<ul style="list-style-type: none"> <li>-Publication and conference papers – quantity</li> <li>-Number of collaborations in research projects</li> <li>-New inventions per year</li> </ul>
<b>Output group 3.4:</b>	
Education and training provided to industry, universities and schools, including students undertaking studies related to nuclear science and technology and its applications.	<ul style="list-style-type: none"> <li>-Number of postgraduates and undergraduates supervised</li> <li>-External earnings from training courses</li> </ul>
<b>Output group 3.5:</b>	
Regular production and sale of radiopharmaceuticals and radioisotopes for medical and industrial applications and other services, through designated business units.	<ul style="list-style-type: none"> <li>-Radioisotope sales</li> <li>-Radiopharmaceutical doses</li> <li>-Export sales</li> </ul>
<b>Output group 3.6:</b>	
The exploitation of ANSTO's expertise, intellectual property and physical assets.	<ul style="list-style-type: none"> <li>-Intellectual property being commercialised</li> <li>-External earnings from land management, CSIRO site support</li> <li>-External earnings from services and contract research</li> </ul>

### *ANSTO Budget Statement: Outcomes*

ANSTO employs rigorous business planning and activity approval processes when deciding what activities it will undertake in any given year. The underpinning processes are certified under the ISO 9001-2000 standard. Factors considered when assessing the proposal for a new activity, typically a research project or capital investment project, include ANSTO's functions as defined in the *Australian Nuclear Science and Technology Organisation Act 1987*; its vision and mission; its strategic directions; and resources required to deliver the activity's objectives.

ANSTO is advised on the relevance, quality and commercial potential of its research by an external Technical Advisory Committee that reports to its Board and by external expert committees that review its four research institutes. These committees draw on science and technology leaders from the academic, industrial and scientific communities in Australia and overseas. This external advice, combined with ANSTO's research planning process, ensures a balanced portfolio of research projects through which ANSTO believes it can maximise its potential to deliver socio-economic benefits to Australia with the resources it has available.

Performance in terms of producing outputs by specified target dates for each activity and the achievement of outputs is monitored through monthly monitoring, quarterly reporting and annual reviews.

ANSTO has a customer satisfaction process that has been developed to meet requirements of regulators such as the Therapeutic Goods Administration, as well as ANSTO customers and end-users, and the requirements of ISO 9001.

### **Evaluations for Outcome 3**

The effectiveness of ANSTO in delivering Government outcomes is illustrated in the ANSTO Annual Report, which includes performance against its indicators in the Funding Agreement. These indicators supplement reports of the achievements of specific research projects, which represent the most direct outcomes of ANSTO's scientific and technological activities.

## Section 4: Other reporting requirements

### **4.1 PURCHASER-PROVIDER ARRANGEMENTS**

ANSTO has no purchaser-provider arrangements with any other agency.

### **4.2 COST RECOVERY ARRANGEMENTS**

ANSTO has some small cost recovery activities mainly relating to management of access to major infrastructure at ANSTO and overseas, to services for international organisations and technical assistance to regional countries. These services are done on a cost recovery basis with estimated revenue of \$6.8 million in 2006-07. In relation to the cost recovery activities the method of recovery is fee for service. Direct labour and materials costs, identified by activity and charges, also incorporate the costs of ANSTO direct and indirect overheads. However its major commercial activities are more appropriately covered by competitive neutrality (CN) considerations.

#### **Summary of cost recovery impact statement**

ANSTO is funded through both budget appropriation and external earnings. Appropriation under Outcome 3 is through a Funding Agreement that is agreed with the Minister for Education, Science and Training and the Minister for Finance and Administration. The Funding Agreement also sets out the Government's main expectations of ANSTO and a set of performance indicators for ANSTO.

ANSTO's total revenue for 2007-08 is estimated to be \$196.4million, \$151.7 million from appropriation and an estimated \$44.8 million from other sources (as shown in Table 2.3)

ANSTO derives non-appropriation revenues from:

- Other Government agencies (at all three tiers of government);
- International bodies, most notably the International Atomic Energy Agency (IAEA);
- Business and industry; and
- Government-industry sector partnerships such as Cooperative Research Centres (CRCs).

Paragraph 8(g) of that Funding Agreement explicitly provides that ANSTO will retain all external earnings without any related adjustment to direct appropriations. This

*ANSTO Budget Statement: Other reporting requirements*

became Government policy in 1989, to encourage organisations such as ANSTO to commercialise their research and work more closely with research users.

### **4.3 AUSTRALIAN GOVERNMENT INDIGENOUS EXPENDITURE (AGIE)**

#### **Table 4.1: Australian Government Indigenous Expenditure**

There is no planned Australian Government Indigenous Expenditure for ANSTO in 2007-08 therefore Table 4.1 is not presented.

## Section 5: Budgeted financial statements

The budgeted financial statements for the Australian Nuclear Science and Technology Organisation are presented in this section. The budgeted financial statements will form the basis of the financial statements that will appear in the Australian Nuclear Science and Technology Organisation 2007-08 Annual Report and form the basis for the input into the Whole of Government Accounts.

### **5.1: ANALYSIS OF BUDGETED FINANCIAL STATEMENTS**

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

This statement provides a picture of the expected financial results for the Organisation by identifying full accrual expenses and revenues which highlight whether the Agency is operating at a sustainable level.

Total revenue in 2007-08 is estimated to be \$196.4 million, an increase of \$11.6 million from 2006-07.

ANSTO has projected an operating loss of \$18.4million for the 2006-07 year and \$18.5 million for the 2007-08 year. ANSTO has applied to the Minister for Finance for permission to run an operating loss in 2006-07 and future years. This loss has arisen as a result of the recognition of future decommissioning costs, required under the new Australian Equivalents to International Financial Reporting Standards (AEIFRS) accounting standards.

Total expenses in 2007-08 are estimated to increase by \$10.6 million to \$205.7 million (2006-07 \$195.1million). The increase is due to \$3.3 million for employee expenses, \$13.8 million for depreciation, and a decrease of \$6.4 million in supplier expenses.

The increase in depreciation expenses is attributable to 2007-08 being the first full year of operation for the OPAL reactor. Additional funding to offset these expenses was granted to ANSTO at Additional Estimates 2006-07, and is detailed at page 71-72 of the Department of Education Science and Training Portfolio Additional Estimates 2006-07.

The decrease in suppliers expenses relates to the pattern of spent fuel shipments in Outcome 2. As these shipments do not occur every year, fluctuations in the total suppliers expenses may occur. The total decrease of \$6.4 million is represented by an increase of \$4.9 million for expenses under Outcome 3, and a decrease of \$11.3 million in suppliers expenses under Outcome 2.

### **Budgeted Departmental Balance Sheet**

This statement shows the financial position of the Organisation. It helps decision-makers track the management of the Agency's assets and liabilities.

In relation to the primary assets for 2007-08 total financial assets are projected to increase by \$20.6 million to \$116.8 million due primarily to the investment of funds received for the depreciation on the new OPAL reactor (\$24.9 million), maturity of other investments (\$6.9 million) and increase to cash at end of year (\$2.0 million).

### **Budgeted Departmental Statement of Cash flows**

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

### **Departmental statement of changes in equity – summary of movement (Budget year 2007-08)**

This statement summarises expected changes in equity arising from gains/losses, revaluations and transactions with owners during the budget year.

### **Departmental capital budget statement**

Shows all planned Organisation capital expenditure (capital expenditure on non-financial assets), whether funded either through capital appropriations for additional equity or borrowings, or from funds from internal sources.

### **Departmental Property Plant, Equipment and intangibles – Summary of Movement**

Shows budgeted acquisitions and disposals of non-financial assets during the budget year.

## 5.2: BUDGETED FINANCIAL STATEMENTS TABLES

**Table 5.1: Budgeted departmental income statement for the period ended 30 June**

	Estimated actual 2006-07 \$'000	<b>Budget estimate 2007-08 \$'000</b>	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
<b>INCOME</b>					
<b>Revenue</b>					
Revenues from Government	141,578	<b>151,668</b>	163,793	155,856	156,748
Goods and services	40,000	<b>42,039</b>	44,106	45,684	46,884
Fees and fines					
Interest	2,500	<b>2,000</b>	2,000	1,500	1,500
<b>Total revenue</b>	<b>184,078</b>	<b>195,707</b>	<b>209,899</b>	<b>203,040</b>	<b>205,132</b>
<b>Gains</b>					
Foreign exchange gains	30	<b>30</b>	30	30	30
Sale of assets	687	<b>687</b>	687	687	687
<b>Total gains</b>	<b>717</b>	<b>717</b>	<b>717</b>	<b>717</b>	<b>717</b>
<b>Total income</b>	<b>184,795</b>	<b>196,424</b>	<b>210,616</b>	<b>203,757</b>	<b>205,849</b>
<b>EXPENSE</b>					
Employees	71,075	<b>74,317</b>	78,283	78,830	80,460
Suppliers	68,475	<b>61,998</b>	72,212	64,794	65,246
Grants	1,000	<b>1,000</b>	1,000	1,000	1,000
Depreciation and amortisation	55,464	<b>69,233</b>	68,030	67,739	67,523
Finance costs	7,022	<b>8,237</b>	8,359	8,687	9,034
Losses from sale of assets	120	<b>120</b>	120	120	120
<b>Total expenses</b>	<b>203,156</b>	<b>214,905</b>	<b>228,004</b>	<b>221,170</b>	<b>223,383</b>
<b>Surplus (deficit) attributable</b>					
<b>to the Australian Government</b>	<b>(18,361)</b>	<b>(18,481)</b>	<b>(17,388)</b>	<b>(17,413)</b>	<b>(17,534)</b>

ANSTO Budget Statement: Budgeted financial statements

**Table 5.2: Budgeted departmental balance sheet as at 30 June**

	Estimated actual 2006-07 \$'000	Budget estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and equivalents	7,606	<b>9,660</b>	6,600	6,947	6,999
Trade and other Receivables	10,035	<b>10,543</b>	10,523	11,523	11,523
Investments	73,570	<b>91,590</b>	112,991	131,596	154,555
Other investments	5,000	<b>5,000</b>	5,000	5,000	5,000
<b>Total financial assets</b>	<b>96,211</b>	<b>116,793</b>	<b>135,114</b>	<b>155,066</b>	<b>178,077</b>
<b>Non-financial assets</b>					
Land and buildings	184,094	<b>182,894</b>	180,394	178,394	176,394
Infrastructure, plant and equipment	686,383	<b>696,228</b>	674,072	645,097	616,338
Inventories	8,587	<b>6,787</b>	7,387	9,787	9,787
Intangibles	449	<b>449</b>	449	449	449
Other	500	<b>500</b>	500	500	500
<b>Total non-financial assets</b>	<b>880,013</b>	<b>886,858</b>	<b>862,802</b>	<b>834,227</b>	<b>803,468</b>
Assets held for sale	2,213	<b>2,213</b>	2,713	4,213	4,213
<b>Total assets</b>	<b>978,437</b>	<b>1,005,864</b>	<b>1,000,629</b>	<b>993,506</b>	<b>985,758</b>
<b>LIABILITIES</b>					
<b>Interest bearing liabilities</b>					
Leases	2,936	<b>3,112</b>	3,300	3,500	3,710
<b>Total interest bearing liabilities</b>	<b>2,936</b>	<b>3,112</b>	<b>3,300</b>	<b>3,500</b>	<b>3,710</b>
<b>Provisions</b>					
Employees	28,479	<b>29,562</b>	30,650	31,000	32,000
Other	174,600	<b>182,661</b>	190,832	199,319	208,143
<b>Total provisions</b>	<b>203,079</b>	<b>212,223</b>	<b>221,482</b>	<b>230,319</b>	<b>240,143</b>
<b>Payables</b>					
Suppliers	9,045	<b>8,525</b>	9,831	11,084	10,836
Other	4,087	<b>8,795</b>	8,595	8,595	8,595
<b>Total payables</b>	<b>13,132</b>	<b>17,320</b>	<b>18,426</b>	<b>19,679</b>	<b>19,431</b>
<b>Total liabilities</b>	<b>219,147</b>	<b>232,655</b>	<b>243,208</b>	<b>253,498</b>	<b>263,284</b>
<b>Net assets</b>	<b>759,290</b>	<b>743,209</b>	<b>727,421</b>	<b>710,008</b>	<b>692,474</b>
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	413,856	<b>446,256</b>	447,856	447,856	447,856
Reserves	304,642	<b>304,642</b>	304,642	304,642	304,642
Retained surpluses or accumulated deficits	40,792	<b>22,311</b>	4,923	(12,490)	(30,024)
<b>Total parent entity interest</b>	<b>759,290</b>	<b>773,209</b>	<b>757,421</b>	<b>740,008</b>	<b>722,474</b>

*ANSTO Budget Statement: Budgeted financial statements*

**Table 5.2: Budgeted departmental balance sheet as at 30 June (cont)**

	Estimated actual 2006-07 \$'000	<b>Budget estimate 2007-08 \$'000</b>	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
<b>Total equity</b>	<b>759,290</b>	<b>773,209</b>	<b>757,421</b>	<b>740,008</b>	<b>722,474</b>
<b>Current assets</b>	96,211	<b>116,793</b>	135,114	155,066	178,077
<b>Non-current assets</b>	882,226	<b>889,071</b>	865,515	838,440	807,681
<b>Current liabilities</b>	28,368	<b>29,511</b>	30,670	31,183	32,286
<b>Non-current liabilities</b>	190,779	<b>203,144</b>	212,538	222,315	230,998

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

**Table 5.3: Budgeted departmental statement of cash flows for the period ended 30 June**

	Estimated actual 2006-07 \$'000	Budget estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	38,020	<b>41,569</b>	44,136	44,714	46,914
Appropriations	141,578	<b>151,668</b>	163,793	155,856	156,748
Interest	2,504	<b>2,000</b>	2,000	1,500	1,500
Other	9,286	<b>9,947</b>	9,737	9,573	9,901
<b>Total cash received</b>	<b>191,388</b>	<b>205,184</b>	<b>219,666</b>	<b>211,643</b>	<b>215,063</b>
<b>Cash used</b>					
Employees	65,842	<b>73,234</b>	77,195	78,480	79,460
Suppliers	70,875	<b>55,842</b>	71,998	67,241	65,284
Other	10,478	<b>11,123</b>	10,925	10,773	11,111
<b>Total cash used</b>	<b>147,195</b>	<b>140,199</b>	<b>160,118</b>	<b>156,494</b>	<b>155,855</b>
<b>Net cash from or (used by) operating activities</b>	<b>44,193</b>	<b>64,985</b>	<b>59,548</b>	<b>55,149</b>	<b>59,208</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	687	<b>687</b>	687	687	687
Investments	8,570				
<b>Total cash received</b>	<b>9,257</b>	<b>687</b>	<b>687</b>	<b>687</b>	<b>687</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	57,182	<b>77,998</b>	43,494	36,884	36,884
Investments		<b>18,020</b>	21,401	18,605	22,959
<b>Total cash used</b>	<b>57,182</b>	<b>96,018</b>	<b>64,895</b>	<b>55,489</b>	<b>59,843</b>
<b>Net cash from or (used by) investing activities</b>	<b>(47,925)</b>	<b>(95,331)</b>	<b>(64,208)</b>	<b>(54,802)</b>	<b>(59,156)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations - contributed equity		<b>32,400</b>	1,600		
<b>Total cash received</b>	<b>0</b>	<b>32,400</b>	<b>1,600</b>	<b>0</b>	<b>0</b>
<b>Cash used</b>					
<b>Total cash used</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net cash from or (used by) financing activities</b>	<b>0</b>	<b>32,400</b>	<b>1,600</b>	<b>0</b>	<b>0</b>
<b>Net increase or (decrease) in cash held</b>	<b>(3,732)</b>	<b>2,054</b>	<b>(3,060)</b>	<b>347</b>	<b>52</b>
Cash at the beginning of the reporting period	11,338	<b>7,606</b>	9,660	6,600	6,947
<b>Cash at the end of the reporting period</b>	<b>7,606</b>	<b>9,660</b>	<b>6,600</b>	<b>6,947</b>	<b>6,999</b>

**Table 5.4: 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 2007</b>					
Balance carried forward from previous period	40,792	286,532	18,110	413,856	759,290
<b>Adjusted opening balance</b>	<b>40,792</b>	<b>286,532</b>	<b>18,110</b>	<b>413,856</b>	<b>759,290</b>
<b>Income and expense</b>					
<b>Sub-total income and expense</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Surplus (deficit) for the period	(18,481)				
<b>Total income and expenses recognised directly in equity</b>	<b>(18,481)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(18,481)</b>
<b>Transactions with owners</b>					
<i>Contribution by owners</i>					
Appropriation (equity injection)				32,400	32,400
<b>Sub-total transactions with owners</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>32,400</b>	<b>32,400</b>
<b>Estimated closing balance as at 30 June 2008</b>	<b>22,311</b>	<b>286,532</b>	<b>18,110</b>	<b>446,256</b>	<b>773,209</b>

ANSTO Budget Statement: Budgeted financial statements

**Table 5.5: Departmental capital budget statement**

	Estimated Actual 2006-07 \$'000	<b>Budget Estimate 2007-08 \$'000</b>	Forward Estimate 2008-09 \$'000	Forward Estimate 2009-10 \$'000	Forward Estimate 2010-11 \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Total equity injections		<b>32,400</b>	1,600		
<b>Total capital appropriations</b>	<b>0</b>	<b>32,400</b>	<b>1,600</b>	<b>0</b>	<b>0</b>
<b>Represented by:</b>					
Purchase of non-financial assets	57,182	<b>77,998</b>	43,494	36,884	36,884
<b>Total represented by</b>	<b>57,182</b>	<b>77,998</b>	<b>43,494</b>	<b>36,884</b>	<b>36,884</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriation		<b>32,400</b>	1,600		
Funded internally by					
Departmental resources	57,182	<b>45,598</b>	41,894	36,884	36,884
<b>Total</b>	<b>57,182</b>	<b>77,998</b>	<b>43,494</b>	<b>36,884</b>	<b>36,884</b>

**Table 5.6: Departmental property, plant, equipment and intangibles — summary of movement  
(Budget year 2007-08)**

	Land \$'000	Buildings \$'000	Other infrastruct ure plant and equipment \$'000	Computer software \$'000	Other intangibles \$'000	Total \$'000
<b>As at 1 July 2007</b>						
Gross book value	82,027	127,233	808,816	10,425	1,089	<b>1,029,590</b>
Accumulated depreciation		(25,166)	(122,433)	(9,985)	(1,080)	<b>(158,664)</b>
<b>Opening net book value</b>	<b>82,027</b>	<b>102,067</b>	<b>686,383</b>	<b>440</b>	<b>9</b>	<b>870,926</b>
Additions:						
by purchase		4,800	43,198			<b>77,998</b>
Depreciation/amortisation expense		(6,000)	(63,233)			<b>(69,233)</b>
Disposals:						
from disposal of entities or operations (including restructuring)			(817)			<b>(817)</b>
other disposals			697			<b>697</b>
<b>As at 30 June 2008</b>						
Gross book value	82,027	132,033	881,197	10,425	1,089	<b>1,106,771</b>
Accumulated depreciation	0	(31,166)	(184,969)	(9,985)	(1,080)	<b>(227,200)</b>
<b>Estimated closing net book value</b>	<b>82,027</b>	<b>100,867</b>	<b>696,228</b>	<b>440</b>	<b>9</b>	<b>879,571</b>

**Table 5.7: Schedule of budgeted income and expenses administered on behalf of government (for the period ended 30 June)**

ANSTO has no administered income and expenses therefore Table 5.7 is not presented.

**Table 5.8: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June)**

ANSTO has no administered assets and liabilities therefore Table 5.8 is not presented.

**Table 5.9: Schedule of budgeted administered cash flows (for the period ended 30 June)**

ANSTO has no administered cash flows therefore Table 5.9 is not presented.

**Table 5.10: Schedule of administered capital budget**

ANSTO has no administered capital therefore Table 5.10 is not presented.

**Table 5.11: Schedule of administered property, plant, equipment and intangibles — summary of movement (Budget Year 2007-08)**

ANSTO has no administered property, plant, equipment or intangibles therefore Table 5.11 is not presented.

## **5.3 NOTES TO THE FINANCIAL STATEMENTS**

### **Note 1: Revenues from Government**

Variation in the funding trends for the forward years is due to the disposition of spent reactor fuel from the ANSTO site. Because of planned schedules, appropriation for shipments is not always required each budget year.

### **Note 2: Employee Expenses**

Employee expenses are based on projected staffing levels and include anticipated salary increases.

### **Note 3: Supplier Expenses**

The movement in supplier costs for the forward years is due to shipment schedules for disposition of spent reactor fuel.

### **Note 4: Finance Cost Expense**

This item reflects interest expense payable on a prepaid lease deposit, and interest related to the unwinding of the discount on the provision for decommissioning.

### **Note 5: Inventories**

This item includes consumable stores and reactor fuel elements.

### **Note 6: Interest Bearing Liabilities**

Represents a prepaid lease arrangement.

### **Note 7: Other Payables**

Includes GST payable and revenue received in advance.

### **Note 8: Other Provisions**

Includes a provision for the decommissioning of infrastructure, plant and equipment at ANSTO's Lucas Heights and Camperdown sites.

