

**COMMONWEALTH  
SCIENTIFIC AND  
INDUSTRIAL RESEARCH  
ORGANISATION**



# COMMONWEALTH SCIENTIFIC AND INDUSTRIAL RESEARCH ORGANISATION

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# COMMONWEALTH SCIENTIFIC AND INDUSTRIAL RESEARCH ORGANISATION

## Section 1: Agency overview

The Commonwealth Scientific and Industrial Research Organisation's (CSIRO's) primary functions as identified in the *Science and Industry Research Act 1949*, Section 9 are:

- to carry out scientific research:
  - to assist Australian industry and to further the interests of the Australian community;
  - to contribute to national and international objectives and responsibilities of the Australian Government; and
- to encourage or facilitate the application and use of the results of its own or any other scientific research.

Secondary functions specified in the Act include international scientific liaison, training of research workers, publication of research results, and dissemination about science and technology.

**Table 1.1: Agency outcomes and output groups**

<b>Outcome</b>	<b>Description</b>	<b>Output groups</b>
<b>Outcome 1</b>	The Application or utilisation of the results of scientific research delivers	<i>Output 1</i> Information Technology, Manufacturing and Services
	- Innovative and competitive industries	<i>Output 2</i> Sustainable Minerals and Energy
	- Healthy environment and lifestyles	<i>Output 3</i> Environment and Natural Resources
	- A technologically advanced society	<i>Output 4</i> Agribusiness and Health

## Section 2: Agency resources for 2005-06

### **2.1: APPROPRIATIONS AND OTHER RESOURCES**

The total appropriation for CSIRO in the 2005-06 Budget is \$593.928 million. CSIRO receives no administered appropriations.

Table 2.1 shows the total resources from all origins for 2005-06, including appropriations. The table summarises how revenue will be applied by outcome, administered and departmental classification.

**Table 2.1: Appropriations and other revenue 2005-06<sup>1</sup> ('000)**

Outcome	Appropriations					Revenue from other sources <sup>5</sup>		Total resources <sup>7</sup>
	\$'000	\$'000	\$'000	\$'000	% <sup>6</sup>	\$'000	% <sup>6</sup>	\$'000
	Bill No. 1	Bill No. 2 <sup>2</sup>	Special approp <sup>3</sup>	Total approp <sup>4</sup>				
<b>Outcome 1</b>								
Departmental	593,928	-	-	593,928	61.70%	368,755	38.30%	962,683
<b>Total agency</b>	<b>593,928</b>	<b>-</b>	<b>-</b>	<b>593,928</b>	<b>61.70%</b>	<b>368,755</b>	<b>38.30%</b>	<b>962,683</b>
Departmental capital (equity injections) Previous year's outputs								
<b>Total resources</b>	<b>593,928</b>	<b>-</b>	<b>-</b>	<b>593,928</b>	<b>61.70%</b>	<b>368,755</b>	<b>38.30%</b>	<b>962,683</b>

- 1 This table has been redesigned to correspond with Budget Paper No. 4 'Agency Resourcing'. It now includes (where appropriate) administered revenue from other sources.
- 2 Under the appropriation structure, Bill No. 2 includes Specific Purpose Payments (SPPs), new agency Outcomes (NAOs), administered capital and departmental capital via departmental injections and loans.
- 3 Estimated expenses from individual Special Appropriations are shown at Section 3, Tables 3.1, etc.
- 4 Total appropriations = Bill No. 1 + Bill No. 2 + Special appropriations.
- 5 Revenue from other sources includes FMA s.31 revenues, CAC body revenues that are available to be expensed, special accounts (non-appropriation revenues) and resources received free of charge.
- 6 Percentage figures indicate the percentage contribution of Revenue from Government (Departmental Appropriations) to the total price of outputs, by outcome, and the percentage contribution of Revenue from other sources (Departmental) to the total price of outputs, by outcome.
- 7 Total resources = Total appropriations + Revenue from other sources.

Note: Refer to Budgeted statement of financial performance for application of agency revenue.

## 2.2: 2005-06 BUDGET MEASURES

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

**Table 2.2: Agency measures**

Measure	Outcome	Approp Budget 2005-06 \$'000	Approp Forward Estimate 2006-07 \$'000	Approp Forward Estimate 2007-08 \$'000	Approp Forward Estimate 2008-09 \$'000
Efficiency dividend – increase in the rate from 1 per cent to 1.25 per cent	1	-	-	-373	-373
Australia-United States Free Trade Agreement	1	979	1,000	1,022	1,045

1. Cross portfolio measures.

## 2.3: OTHER RESOURCES AVAILABLE TO BE USED

Table 2.3 provides details of other resources available to be used and include FMA s.31 receipts, CAC body receipts that are available to be spent, special accounts (non-appropriation receipts) and resources received free of charge.

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

Outcome	Estimated Receipts 2004-05 \$'000	Budget Estimate 2005-06 \$'000
<b>Departmental other resources</b>		
Revenue from sales of goods and services	319,123	<b>354,327</b>
Interest	8,077	<b>9,428</b>
Proceeds from sale of assets	5,000	<b>5,000</b>
<b>Total departmental other resources available to be used</b>	<b>332,200</b>	<b>368,755</b>

1. This table replaces the former table 'Receipts from independent sources'. It represents own source receipts available for spending on departmental purposes.

## **2.4: MOVEMENT OF ADMINISTERED FUNDS FROM 2004-05 TO 2005-06**

### **Table 2.4: Movement of administered funds from 2004-05 to 2005-06**

CSIRO does not have any movement of administered funds from 2004-05 to 2005-06.

## **2.5: SPECIAL APPROPRIATIONS**

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

CSIRO does not receive special appropriations.

## **2.6: SPECIAL ACCOUNTS**

### **Table 2.6: Estimates of special account flows and balances**

CSIRO does not have any special accounts.

## **2.7: ADMINISTERED CAPITAL AND DEPARTMENTAL EQUITY INJECTIONS AND LOANS**

CSIRO does not receive an appropriation for an equity injection or loan or an appropriation for administered capital.

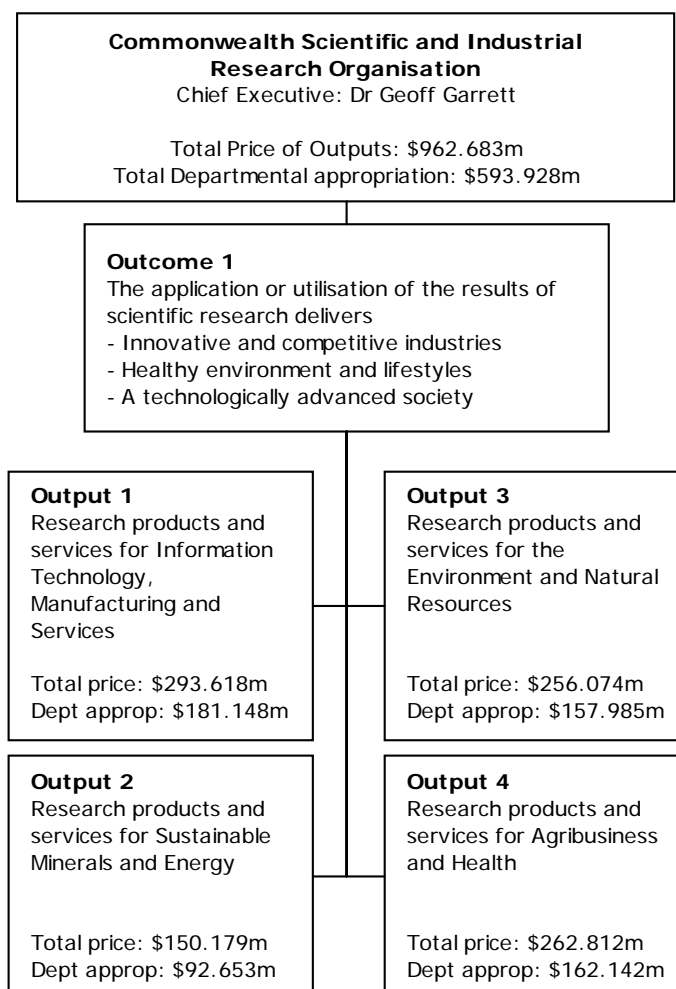
## Section 3: Agency outcomes

This section explains how the resources identified in Section 2 will be used to deliver outputs and administered items to contribute to the outcome for CSIRO.

### 3.1: SUMMARY OF OUTCOMES, OUTPUTS AND ADMINISTERED ITEMS

The relationship between activities of CSIRO and its outcome is summarised in Figure 4. There has been no change in structure from 2004-05 Portfolio Budget Statements.

**Figure 4: Outcomes and output groups and administered items**



### **Output Cost Attribution**

CSIRO pricing of outputs is derived from the cost of operation of its research Divisions. Divisional overheads are allocated to research projects on the basis of the most appropriate cost driver (staffing, floor space, etc). The cost and revenues of corporate support activities and shared CSIRO wide infrastructure are allocated to outputs based on various cost drivers.

## **3.2: OUTCOMES — DEPARTMENTAL AND ADMINISTERED**

### **Departmental appropriations by outcome**

CSIRO's Outcome Statement remains unchanged from last year.

CSIRO's four outputs that contribute to the CSIRO outcome are:

- Research products and services for Information Technology, Manufacturing and Services;
- Research products and services for Sustainable Minerals and Energy;
- Research products and services for the Environment and Natural Resources; and
- Research products and services for Agribusiness and Health.

Revenue from Government through appropriations contributes to 61.7 per cent of the total output price for this outcome for 2005-06. The total price includes an estimate of CSIRO's external earnings. These are subject to factors outside CSIRO's control, including industry policy settings and economic conditions in particular industry sectors. Variations in external earnings will impact on the quantity and quality of outputs delivered.

Figure 5 shows the allocation of Departmental appropriation resources across CSIRO's outcome by outputs, in 2005-06.

**Figure 5: Departmental appropriations by output, 2005-06**

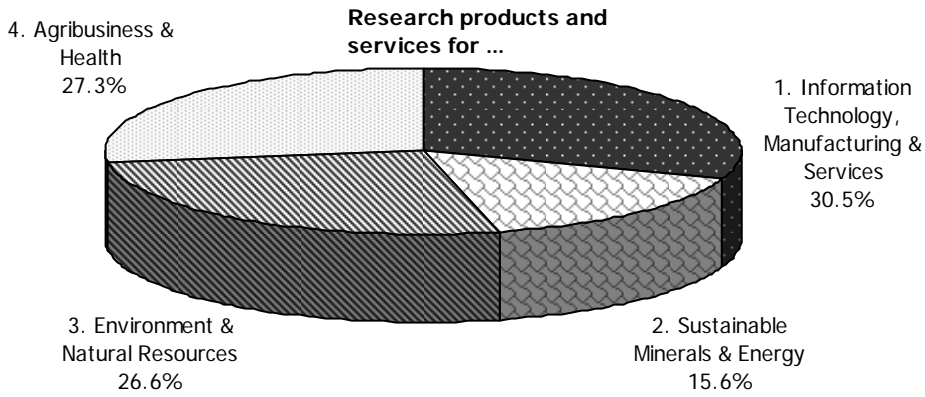
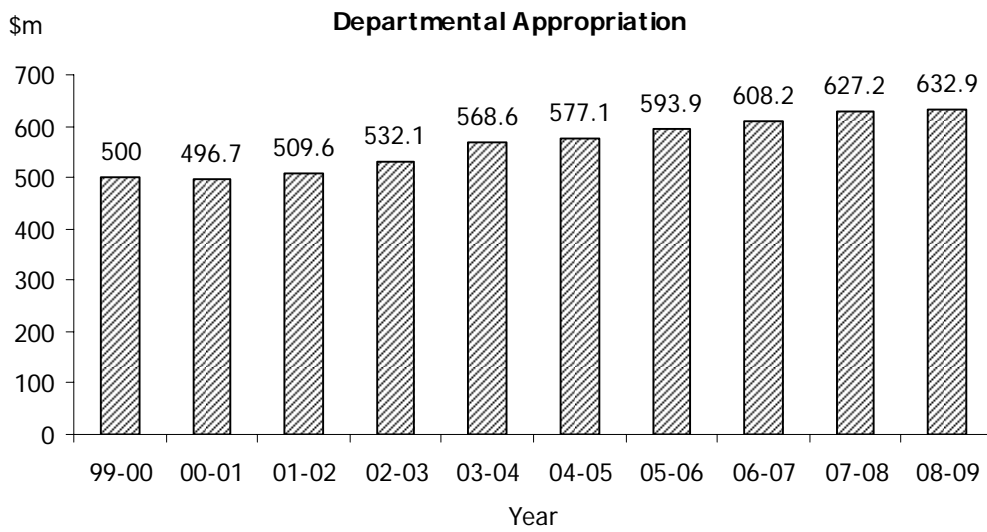


Figure 6 shows the trend in resourcing CSIRO's outcome since 1999-00.

**Figure 6: Trends in Appropriation for Outcome**



N.B Capital Use Charge (CUC) was abolished from 1 July 2003. Therefore, for comparative reasons the CUC amounts for the financial years before 03-04 have been removed from the Departmental Appropriation amounts above.

## **External Revenues**

In accordance with accounting standards, external revenues earned by CSIRO and recorded in the financial statements do not include CSIRO's share of external revenues earned through two joint venture entities:

- Food Science Australia Joint Venture – a joint venture with the Victorian Department of Primary Industries.
- Forestry and Forestry Products Joint Venture – a joint venture with New Zealand Forest Research.

The CSIRO share of revenue from the two joint ventures in 2005-06 is estimated at \$27.5 million. If this amount is added to CSIRO external revenue, it gives a group total of \$381.8 million in revenue from goods and services.

### 3.3: OUTCOMES RESOURCING

#### Outcome 1 resourcing

Table 3.1 shows how the 2005-06 Budget appropriations translate to total resourcing for Outcome 1, including administered expenses, revenue from government (appropriation), revenue from other sources (Departmental) and the total price of outputs.

**Table 3.1: Total resources for Outcome 1 (\$'000)**

	<b>Estimated Actual 2004-05 \$'000</b>	<b>Budget Estimate 2005-06 \$'000</b>
<b>Departmental appropriations</b>		
Output Group 1 - Research products and services for Information Technology, Manufacturing and Services	190,456	<b>181,148</b>
Output Group 2 - Research products and services for Sustainable Minerals and Energy	75,028	<b>92,653</b>
Output Group 3 - Research products and services for the Environment and Natural Resources	144,284	<b>157,985</b>
Output Group 4 - Research products and services for Agribusiness and Health	167,370	<b>162,142</b>
<b>Total revenue from government (appropriations) contributing to price of departmental outputs</b>	577,138	<b>593,928</b>
<b>Total revenue from other sources</b>	332,200	<b>368,755</b>
<b>Total price from departmental outputs (Total revenue from government and from other sources)</b>	909,338	<b>962,683</b>

	<b>2004-05</b>	<b>2005-06</b>
Average staffing level (number)	6,016	<b>6,030</b>

- 1 Flows into Special Accounts are also shown in the receipts column of the Special Accounts table in Table 2.6.
- 2 Special Account outflows are shown in the payments column of the Special Account table in Table 2.6. The estimated payments from special account balances are provided by way of note only and do not form part of the total estimated resourcing.
- 3 Where names of Acts have been abbreviated, the full name of the Act can be found in the Acts Glossary at the end of Table 2.6.

## Measures affecting Outcome 1<sup>1</sup>

### Australia-United States Free Trade Agreement

Expense (\$m)	2005-06	2006-07	2007-08	2008-09
Commonwealth Scientific and Industrial Research Organisation	1.0	1.0	1.0	1.0

### Efficiency dividend – increase in the rate from 1 per cent to 1.25 per cent

Expense (\$m)	2005-06	2006-07	2007-08	2008-09
Commonwealth Scientific and Industrial Research Organisation	0.0	0.0	-0.4	-0.4

## Internally Funded Capital Works Projects

### Commonwealth Scientific and Industrial Research Organisation (CSIRO) Additions and Alterations to Existing Minerals Laboratory Facility, Waterford, Western Australia

The Commonwealth Scientific and Industrial Research Organisation (CSIRO) will spend \$12.0 million over three years from 2005-06 on additions and alterations to the existing CSIRO Minerals complex at Waterford, Western Australia.

### Commonwealth Scientific and Industrial Research Organisation (CSIRO) Atmospheric Research Division's relocation from the Aspendale site to Clayton, Victoria

The Commonwealth Scientific and Industrial Research Organisation (CSIRO) will spend \$16.0 million over three years from 2005-06 relocating its Atmospheric Research Division from the Aspendale site to Clayton, Victoria.

### Commonwealth Scientific and Industrial Research Organisation (CSIRO) Manufacturing and Infrastructure Technology Division's relocation from Highett to Clayton, Victoria

The Commonwealth Scientific and Industrial Research Organisation (CSIRO) will spend \$26.0 million over three years from 2005-06 relocating its Manufacturing and Infrastructure Technology Division from the Highett site to Clayton, Victoria.

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<sup>1</sup> Further details of measures are published in Budget Paper No. 2.

**Commonwealth Scientific and Industrial Research Organisation (CSIRO)  
New Bioscience Laboratory, Black Mountain, Canberra**

The Commonwealth Scientific and Industrial Research Organisation (CSIRO) will spend \$14.5 million over 2005-06 and 2006-07 to construct a new bioscience laboratory at Black Mountain, Canberra.

**Performance information for Outcome 1**

**Table 3.2: Performance information for Outcome 1**

Table 3.2 is not applicable for CSIRO. In accordance with the *Science and Industry Research Act 1949*, CSIRO will prepare its Operational Plan for 2005-06 by 30th June 2005. This plan will include details of performance indicators and targets for 2005-06. The results will be reported in due course in CSIRO's Annual Report.

**Effectiveness (Achievement of Outcome)**

CSIRO's effectiveness will be demonstrated with evidence of the following types of economic, social and environmental benefits that are achieved through the adoption and impact of CSIRO's outputs:

**Innovative and Competitive Industries**

- Lower/more competitive production costs
- Improved quality of goods and services
- New products, services and businesses

**Healthy Environment and Lifestyles**

- Improved human health, safety and wellbeing
- Reduced pollution
- Improved environmental health

**A Technologically Advanced Society**

- Reduced risk (economic, environmental or social)
- Development of skills (enhanced human capital)
- Informing policy (cost-effective public programmes)

**Efficiency (Output Quantity, Quality and Price)**

The CSIRO Strategic Plan for 2003-2007 identifies a set of six strategic goals with associated objectives, measures and targets that reflect CSIRO's performance with respect to quantity, quality and price of outputs, supplemented by overarching indicators of customer and staff satisfaction.

Annual targets (as appropriate) are published in CSIRO's annual Operational Plan. In accordance with the triennium funding agreement CSIRO will report against these indicators in its Annual Report.

The following indicators are relevant to each of CSIRO's four Outputs:

**1. Focusing CSIRO's Science Investment:** These indicators measure CSIRO's allocation of resources to align with National Research Priorities and progress in establishing the Flagships Initiative.

**2. Delivering World Class Research:** These indicators measure CSIRO's contribution to published science and to developing Australia's science skills base.

**3. Partnering for Community Impact:** These indicators measure CSIRO's ability to partner with other publicly funded research organisations to collaborate on R&D issues and leverage R&D investment.

**4. Serving as a Catalyst for Industry Innovation:** These indicators measure CSIRO's ability to partner with commercial entities to leverage appropriation funding and earn revenue from the private sector.

**5. Building one-CSIRO Capabilities and Commitment:** These indicators measure changes in the efficiency and productivity of CSIRO's business model in terms of people and project management.

**6. Securing a Financial Foundation for Growth:** These indicators measure the effectiveness and efficiency of CSIRO's business model from a cost reduction and revenue generation perspective.

**7. Employee Satisfaction:** These indicators measure CSIRO's responsiveness to the needs of its staff, providing an indication of general morale and staff satisfaction.

**8. Customer Satisfaction:** These indicators measure CSIRO's responsiveness to the needs of clients/customers with which CSIRO has a contractual arrangement.

### **Evaluations for Outcome 1**

Ongoing, systematic evaluation in CSIRO includes:

- Research performance assessments agreed in the context of the 2004-05 to 2006-07 Triennium Funding Agreement;
- Periodic review of major areas of activity;
- The submission of scientific findings to regular critical appraisal by internal and external peers;
- The critical assessment of patent applications;
- The cycle of Staff Annual Performance Agreements (APAs); and
- Divisional reviews.

## Section 4: Other reporting requirements

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

CSIRO does not have any purchaser-provider arrangements.

### **4.2: COST RECOVERY ARRANGEMENTS**

CSIRO does not have any cost recovery arrangements.

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

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

There is no planned Australian Government Indigenous Expenditure for CSIRO in 2005-06.

## Section 5: Budgeted financial statements

The budgeted financial statements for the Commonwealth Scientific and Industrial Research Organisation are presented in this section. The budgeted financial statements form the basis of the financial statements that appear in the Commonwealth Scientific and Industrial Research Organisation 2005-06 Annual Report, and form the basis for input into the Whole of Government Accounts.

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

Analysis of the CSIRO's budgeted financial statements, as reflected in the Budgeted Agency Financial Statements for 2005-06 is provided below.

Revenue from government (departmental appropriation) is estimated to be \$593.928 million. This Departmental appropriation includes an increase due to supplementation for the Australian-United States Free Trade Agreement (\$0.979 million).

#### **Budgeted Departmental Statement of Financial Performance**

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

#### **Budgeted Departmental Statement of Financial Position**

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

#### **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 Capital Budget Statement**

Shows all planned Agency departmental 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 Non-Financial Assets — 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 Statement of Financial Performance for the period ended 30 June**

	Estimated Actual 2004-05 \$'000	Budget Estimate 2005-06 \$'000	Forward Estimate 2006-07 \$'000	Forward Estimate 2007-08 \$'000	Forward Estimate 2008-09 \$'000
<b>REVENUE</b>					
<b>Revenues from ordinary activities</b>					
Revenues from Government	577,138	<b>593,928</b>	608,197	627,150	632,851
Goods and services <sup>1</sup>	285,507	<b>303,377</b>	324,541	346,373	345,683
Interest	8,077	<b>9,428</b>	10,217	10,949	11,619
Revenue from sales of assets <sup>2</sup>	5,000	<b>5,000</b>	5,000	5,000	5,000
Rents	5,116	<b>5,635</b>	4,855	4,874	4,894
Royalties	28,500	<b>45,315</b>	72,051	76,950	76,950
<b>Revenues from ordinary activities</b>	<b>909,338</b>	<b>962,683</b>	<b>1,024,861</b>	<b>1,071,296</b>	<b>1,076,997</b>
<b>EXPENSE</b>					
<b>Expenses from ordinary activities (excluding borrowing costs expense)</b>					
Employees <sup>3</sup>	529,297	<b>560,254</b>	597,892	624,843	628,897
Suppliers <sup>4</sup>	285,821	<b>302,538</b>	322,861	337,876	339,605
Depreciation and amortisation	84,339	<b>90,075</b>	94,372	98,924	98,924
Write-down of assets and impairment of assets	1,170	<b>1,170</b>	1,170	1,170	1,170
Value of assets sold	5,000	<b>5,000</b>	5,000	5,000	5,000
<b>Expenses from ordinary activities (excluding borrowing costs expense)</b>	<b>905,627</b>	<b>959,037</b>	<b>1,021,295</b>	<b>1,067,813</b>	<b>1,073,596</b>
Borrowing costs expense <sup>5</sup>	3,711	<b>3,646</b>	3,566	3,483	3,401
<b>Operating surplus or (deficit) from ordinary activities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Gain or (loss) on extraordinary items					
Correction of fundamental error					
<b>Net surplus or (deficit)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Outside equity interests in net surplus or (deficit)					
<b>Net surplus or deficit attributable to the Australian Government</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Table 5.2: Budgeted Departmental Statement of Financial Position  
as at 30 June**

	Estimated Actual 2004-05 \$'000	Budget Estimate 2005-06 \$'000	Forward Estimate 2006-07 \$'000	Forward Estimate 2007-08 \$'000	Forward Estimate 2008-09 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash	173,088	<b>183,150</b>	187,285	193,399	200,636
Receivables	55,998	<b>61,928</b>	69,625	74,124	74,322
Investments accounted for under the equity method	502	<b>502</b>	502	502	502
Other investments	10,335	<b>10,335</b>	10,335	10,335	10,335
<b>Total financial assets</b>	<b>239,923</b>	<b>255,915</b>	<b>267,747</b>	<b>278,360</b>	<b>285,795</b>
<b>Non-financial assets</b>					
Land and buildings <sup>6</sup>	840,833	<b>841,452</b>	842,072	869,739	869,211
Infrastructure, plant and equipment <sup>7</sup>	230,538	<b>230,538</b>	230,538	233,368	233,368
Inventories	796	<b>796</b>	796	796	796
Intangibles	8,404	<b>8,622</b>	8,840	9,058	9,276
Other non-financial assets	31,308	<b>35,805</b>	41,132	47,258	54,303
<b>Total non-financial assets</b>	<b>1,111,879</b>	<b>1,117,213</b>	<b>1,123,378</b>	<b>1,160,219</b>	<b>1,166,954</b>
<b>Total assets</b>	<b>1,351,802</b>	<b>1,373,128</b>	<b>1,391,125</b>	<b>1,438,579</b>	<b>1,452,749</b>
<b>LIABILITIES</b>					
<b>Interest bearing liabilities</b>					
Leases <sup>8</sup>	83,122	<b>81,212</b>	79,302	77,392	75,482
Deposits	18,428	<b>18,428</b>	18,428	18,428	18,428
<b>Total interest bearing liabilities</b>	<b>101,550</b>	<b>99,640</b>	<b>97,730</b>	<b>95,820</b>	<b>93,910</b>
<b>Provisions</b>					
Employees	199,018	<b>217,723</b>	232,548	246,335	259,361
<b>Total provisions</b>	<b>199,018</b>	<b>217,723</b>	<b>232,548</b>	<b>246,335</b>	<b>259,361</b>
<b>Payables</b>					
Suppliers	32,230	<b>34,115</b>	36,407	38,100	38,295
Other payables <sup>9</sup>	53,397	<b>56,043</b>	58,833	61,692	64,551
<b>Total payables</b>	<b>85,627</b>	<b>90,158</b>	<b>95,240</b>	<b>99,792</b>	<b>102,846</b>
<b>Total liabilities</b>	<b>386,195</b>	<b>407,521</b>	<b>425,518</b>	<b>441,947</b>	<b>456,117</b>

**Table 5.2: Budgeted Departmental Statement of Financial Position (cont)  
as at 30 June**

	Estimated Actual 2004-05 \$'000	Budget Estimate 2005-06 \$'000	Forward Estimate 2006-07 \$'000	Forward Estimate 2007-08 \$'000	Forward Estimate 2008-09 \$'000
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Reserves	503,253	<b>503,253</b>	503,253	534,278	534,278
Retained surpluses or accumulated deficits	462,354	<b>462,354</b>	462,354	462,354	462,354
<b>Total parent entity interest</b>	<b>965,607</b>	<b>965,607</b>	<b>965,607</b>	<b>996,632</b>	<b>996,632</b>
<b>Outside equity interest</b>					
Contributed equity					
Reserves					
Retained surpluses or accumulated deficits					
<b>Total outside equity interest</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total equity</b>	<b>965,607</b>	<b>965,607</b>	<b>965,607</b>	<b>996,632</b>	<b>996,632</b>
<b>Current assets</b>	261,692	<b>282,181</b>	299,340	316,079	330,559
<b>Non-current assets</b>	1,090,110	<b>1,090,947</b>	1,091,785	1,122,500	1,122,190
<b>Current liabilities</b>	158,546	<b>166,935</b>	175,396	182,528	188,014
<b>Non-current liabilities</b>	227,649	<b>240,586</b>	250,122	259,419	268,103

\* '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 2004-05 \$'000	Budget Estimate 2005-06 \$'000	Forward Estimate 2006-07 \$'000	Forward Estimate 2007-08 \$'000	Forward Estimate 2008-09 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	311,548	<b>346,160</b>	390,938	420,212	423,056
Appropriations	577,138	<b>593,928</b>	608,197	627,150	632,851
Interest	8,077	<b>9,428</b>	10,217	10,949	11,619
Other	57,644	<b>61,155</b>	65,226	68,913	69,019
<b>Total cash received</b>	<b>954,407</b>	<b>1,010,671</b>	<b>1,074,578</b>	<b>1,127,224</b>	<b>1,136,545</b>
<b>Cash used</b>					
Employees	510,134	<b>541,549</b>	583,067	611,056	615,871
Suppliers	317,814	<b>300,436</b>	320,501	336,116	339,341
Borrowing costs	3,711	<b>3,646</b>	3,566	3,483	3,401
Other	55,913	<b>62,156</b>	66,189	69,931	70,171
<b>Total cash used</b>	<b>887,572</b>	<b>907,787</b>	<b>973,323</b>	<b>1,020,586</b>	<b>1,028,784</b>
<b>Net cash from or (used by) operating activities</b>	<b>66,835</b>	<b>102,884</b>	<b>101,255</b>	<b>106,638</b>	<b>107,761</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	5,000	<b>5,000</b>	5,000	5,000	5,000
Other	2,250				
<b>Total cash received</b>	<b>7,250</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	77,792	<b>95,912</b>	100,210	103,614	103,614
<b>Total cash used</b>	<b>77,792</b>	<b>95,912</b>	<b>100,210</b>	<b>103,614</b>	<b>103,614</b>
<b>Net cash from or (used by) investing activities</b>	<b>(70,542)</b>	<b>(90,912)</b>	<b>(95,210)</b>	<b>(98,614)</b>	<b>(98,614)</b>

**Table 5.3: Budgeted Departmental Statement of Cash Flows (cont) for the period ended 30 June**

	Estimated Actual 2004-05 \$'000	Budget Estimate 2005-06 \$'000	Forward Estimate 2006-07 \$'000	Forward Estimate 2007-08 \$'000	Forward Estimate 2008-09 \$'000
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations - contributed equity					
Proceeds from issuing financial instruments					
Proceeds from loans					
Other	7,610				
Extraordinary items					
<b>Total cash received</b>	<b>7,610</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Cash used</b>					
Repayments of debt	1,910	1,910	1,910	1,910	1,910
Capital use charge paid					
Dividends paid					
Other	7,903				
Extraordinary items					
<b>Total cash used</b>	<b>9,813</b>	<b>1,910</b>	<b>1,910</b>	<b>1,910</b>	<b>1,910</b>
<b>Net cash from/(used by) financing activities</b>					
<b>Net increase or (decrease) in cash held</b>	<b>(2,203)</b>	<b>(1,910)</b>	<b>(1,910)</b>	<b>(1,910)</b>	<b>(1,910)</b>
Cash at the beginning of the reporting period	178,998	173,088	183,150	187,285	193,399
Effect of exchange rate movements on cash at the beginning of reporting period					
<b>Cash at the end of the reporting period</b>	<b>173,088</b>	<b>183,150</b>	<b>187,285</b>	<b>193,399</b>	<b>200,636</b>

Table 5.4: Departmental Capital Budget Statement

	Estimated Actual 2004-05 \$'000	Budget Estimate 2005-06 \$'000	Forward Estimate 2006-07 \$'000	Forward Estimate 2007-08 \$'000	Forward Estimate 2008-09 \$'000
<b>CAPITAL APPROPRIATIONS <sup>10</sup></b>					
Total equity injections					
Total loans					
<b>Total capital appropriations</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Represented by:</b>					
Purchase of non-financial assets					
Other					
<b>Total represented by</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriation					
Funded internally by Departmental resources	77,792	95,912	100,210	103,614	103,614
<b>Total</b>	<b>77,792</b>	<b>95,912</b>	<b>100,210</b>	<b>103,614</b>	<b>103,614</b>

**Table 5.5: Departmental Property, Plant, Equipment and Intangibles — summary of movement (Budget year 2005-06)**

	Land \$'000	Buildings \$'000	Other infrastructure plant and equipment \$'000	Computer software \$'000	Total \$'000
<b>As at 1 July 2005</b>					
Gross book value	132,714	1,622,100	674,618	23,473	<b>2,452,905</b>
Accumulated depreciation		(913,981)	(444,080)	(15,069)	<b>(1,373,130)</b>
<b>Opening net book value</b>	<b>132,714</b>	<b>708,119</b>	<b>230,538</b>	<b>8,404</b>	<b>1,079,775</b>
Additions:					
by purchase		42,794	51,889	1,229	<b>95,912</b>
by finance lease					
Net revaluation increment/decrement					
Reclassifications					
Depreciation/amortisation expense		(42,175)	(46,889)	(1,011)	<b>(90,075)</b>
Recoverable amount write-downs					
Other movements					
Disposals:					
from disposal of entities or operations (including restructuring)			(5,000)		<b>(5,000)</b>
other disposals					
<b>As at 30 June 2006</b>					
Gross book value	132,714	1,664,894	720,257	24,702	<b>2,542,567</b>
Accumulated depreciation	0	(956,156)	(489,719)	(16,080)	<b>(1,461,955)</b>
<b>Closing net book value</b>	<b>132,714</b>	<b>708,738</b>	<b>230,538</b>	<b>8,622</b>	<b>1,080,612</b>

**Table 5.6: Schedule of Budgeted Revenues and Expenses administered on behalf of Government for the period ended 30 June**

CSIRO has no administered revenues and expenses.

**Table 5.7: Schedule of Budgeted Assets and Liabilities administered on behalf of Government as at 30 June**

CSIRO has no administered assets and liabilities.

**Table 5.8: Schedule of Budgeted Administered Cash Flows for the period ended 30 June**

CSIRO has no administered cash flows.

**Table 5.9: Schedule of Administered Capital Budget**

CSIRO has no administered capital.

**Table 5.10: Schedule of Property, Plant, Equipment and Intangibles — summary of movement (Budget Year 2005-06)**

CSIRO has no administered property, plant, equipment and intangibles.

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

### **Note 1: Sales of goods and services**

Growth in revenues is in line with latest estimates as outlined in the Strategic Plan for 2003-07.

### **Note 2: Proceeds from sale of assets**

Gross proceeds from the sale of assets have been disclosed in the Statement of Financial Performance consistent with Australian Accounting Standards. The value of assets sold is disclosed separately.

### **Note 3: Employee Expenses**

Employee expenses are based on projected staffing levels in 2005-06 and anticipated salary increases.

### **Note 4: Supplier Expenses**

Increase in supplier costs reflects anticipated increases in total revenues.

### **Note 5: Borrowing Costs Expense**

Reflects interest on finance leases.

### **Note 6: Land and Buildings**

Increase in land and buildings are expected as a result of cyclical revaluation in 2007-08.

### **Note 7: Infrastructure Plant and Equipment**

Increase in plant and equipment are expected as a result of cyclical revaluation in 2007-08.

### **Note 8: Leases**

Includes finance leases for the Centre for Advanced Technologies (Queensland), the National Centre for Petroleum and Minerals Resources Research (Western Australia) and the Newcastle Energy Centre (New South Wales).

### **Note 9: Payables**

This category includes contract revenue received in advance.

**Note 10: Capital Budget / Investment**

CSIRO intends to maintain the standard of its capital infrastructure at a level similar to the current level through repair, replacement and refurbishment of existing assets. CSIRO employs an internal leasing scheme to cover the cost of repairs, replacement and refurbishment of land and buildings, expenditure that is essential to maintain CSIRO's position as a world-class research organisation.

**Basis of Accounting**

The agency budget statements are prepared in compliance with Australian Accounting Standards, Accounting Guidance Releases and having regard to Statements of Accounting Concepts.

