

**AUSTRALIAN NUCLEAR  
SCIENCE AND  
TECHNOLOGY  
ORGANISATION**



# AUSTRALIAN NUCLEAR SCIENCE AND TECHNOLOGY ORGANISATION

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# AUSTRALIAN NUCLEAR SCIENCE AND TECHNOLOGY ORGANISATION

## Section 1: Agency 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.

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

<b>Outcome</b>	<b>Description</b>	<b>Output groups</b>
<b>Outcome 1</b> Nuclear-based Infrastructure	The replacement research reactor is operational and providing improved core nuclear facilities for industrial and R&D applications during 2006.	<i>Output Group 1.1</i> Effective management for the design and construction of the replacement research reactor.
<b>Outcome 2</b> Disposition of Spent Fuel	Removal of spent fuel from the ANSTO site in line with stringent safety arrangements and community views.	<i>Output Group 2.1</i> A program of shipments for reprocessing of all HIFAR spent fuel in place.
<b>Outcome 3</b> Science and Technology Solutions	Timely delivery of valued nuclear-related scientific and technical advice services and products to government and other stakeholders.	<p><i>Output Group 3.1</i> Management of core nuclear facilities, providing Australia with nuclear capability and credibility from which socio-economic benefits flow to Australia, the R&amp;D community and industry.</p> <p><i>Output Group 3.2</i> 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><i>Output Group 3.3</i> 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><i>Output Group 3.4</i> Science and technology services to industry and the Australian research and development community, including training of students in nuclear science and technology and its applications.</p> <p><i>Output Group 3.5</i> Regular production and sale of radiopharmaceuticals and radioisotopes for medical and industrial applications and other services, through designated business units.</p> <p><i>Output Group 3.6</i> The exploitation of ANSTO's intellectual and physical assets.</p>

## Section 2: Agency resources for 2005-06

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

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 and departmental classification. There are no administered appropriations for ANSTO.

The total appropriation for ANSTO in the 2005-06 Budget is \$138.055 million which includes a \$20.487 million equity injection for Outcome 1 (see Section 2.7).

**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 Nuclear-based Infrastructure</b>								
Departmental				-				-
<b>Total Outcome 1</b>	-	-	-	-		-		-
<b>Outcome 2 Disposition of Spent Fuel</b>								
Departmental	316			316				316
<b>Total Outcome 2</b>	316	-	-	316	100.00%	-	0.00%	316
<b>Outcome 3 Science and Technology Solutions</b>								
Departmental	117,252			117,252	74.22%	40,722		157,974
<b>Total Outcome 3</b>	117,252	-	-	117,252	74.22%	40,722	25.78%	157,974
<b>Total agency</b>								
Departmental				117,568	74.22%	40,722	25.78%	158,290
<b>Total agency</b>	-	-	-	117,568	74.22%	40,722	25.78%	158,290
Departmental capital (equity injections)		20,487		20,487	100.00%		100.00%	20,487
Previous year's outputs								
Administered assets and liabilities								
<b>Total resources</b>	-	20,487	-	138,055	77.22%	40,722	22.78%	178,777

- 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

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
Australia-United States Free Trade Agreement <sup>1</sup>	3	280	287	293	300

1. Cross portfolio measure

## 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

	Estimated Receipts 2004-05 \$'000	Budget Estimate 2005-06 \$'000
<b>Departmental other resources</b>		
Sale of goods and services	41,063	39,310
Interest	1,000	690
Net gains - asset sales/foreign exchange	722	722
<b>Total departmental other resources available to be used</b>	<b>42,785</b>	<b>40,722</b>

ANSTO's proportion of sale of goods and services due to cost recovery arrangements is approximately 75.4 per cent.

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

ANSTO has no administered funds.

## **2.5: SPECIAL APPROPRIATIONS**

ANSTO has no special appropriations.

## **2.6: SPECIAL ACCOUNTS**

ANSTO has no special accounts.

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

In 2005-06 ANSTO will receive a final equity injection of \$20.487 million to fund the construction of the OPAL reactor.

## Section 3: Agency outcomes

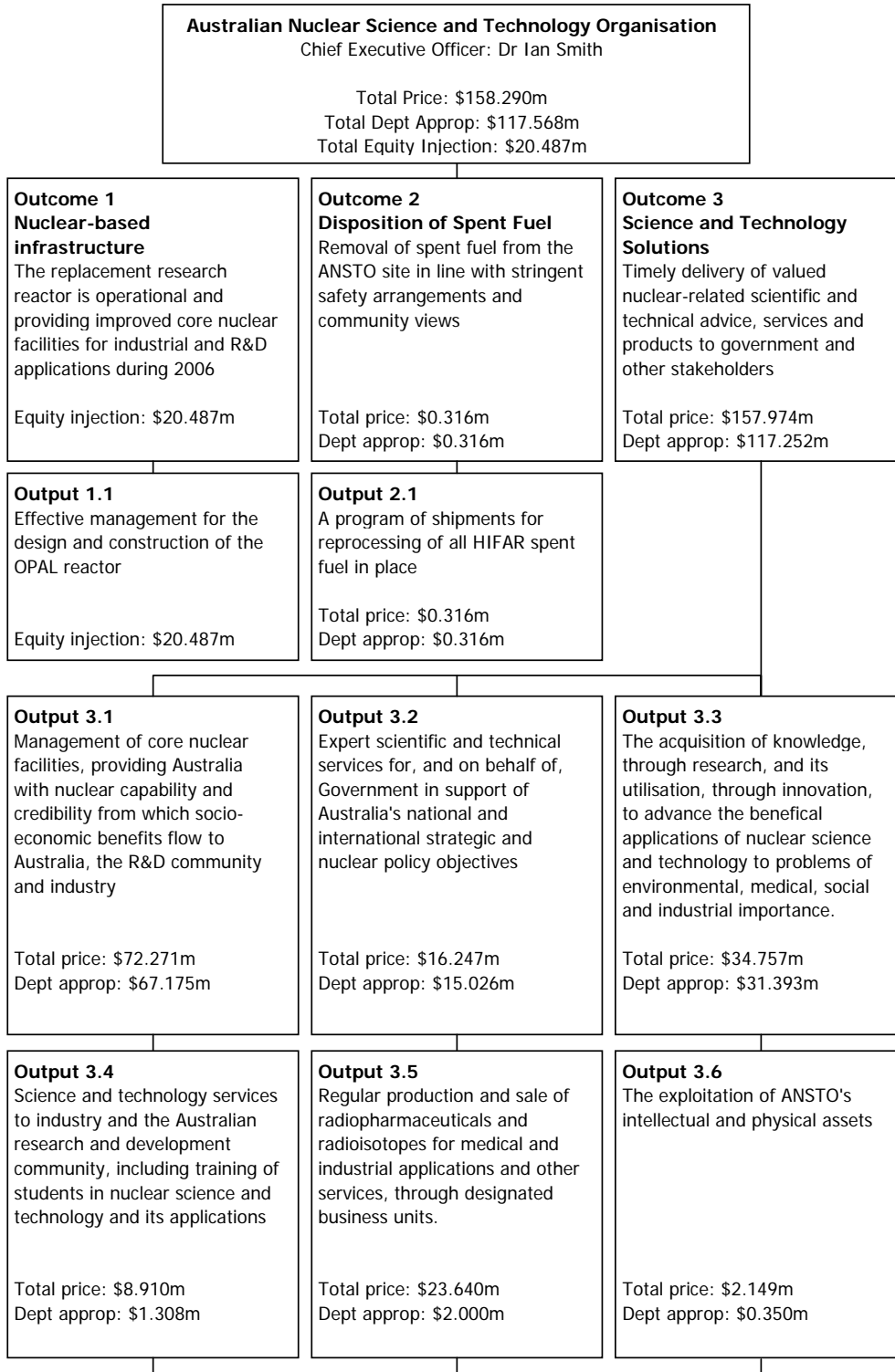
This section explains how the resources identified in Section 2 will be used to deliver outputs to contribute to the three outcomes for ANSTO.

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

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 4 on the following page.

Figure 4: Outcomes and output groups and administered items

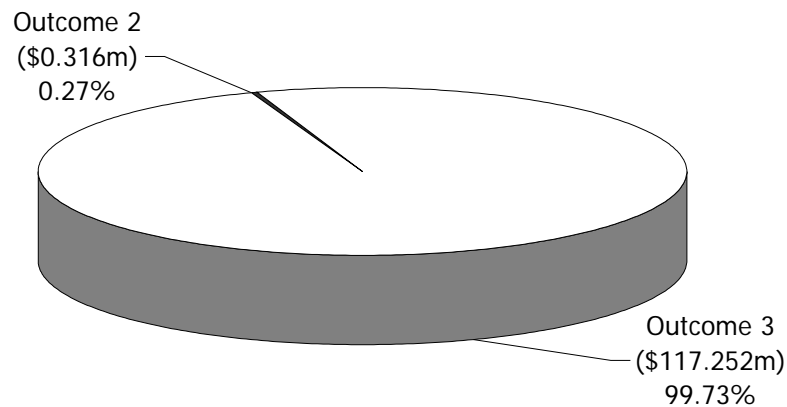


### 3.2: OUTCOMES — DEPARTMENTAL AND ADMINISTERED

#### Departmental appropriations by outcome

Figure 5 shows Departmental appropriations of \$117.252 million by outcome for 2005-06. ANSTO has no administered appropriations.

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



Note: Outcome 1 is funded by Equity Injection and therefore is excluded from the above graph.

The following table reflects departmental appropriations for the forward years by Outcome:

#### Departmental appropriations by outcome for forward years

	2006-07	2007-08	2008-09
	\$'000	\$'000	\$'000
Outcome 2	10,280	605	11,097
%	7.94%	0.50%	8.28%
Outcome 3	119,120	120,323	122,952
%	92.06%	99.50%	91.72%
<b>Total</b>	<b>129,400</b>	<b>120,928</b>	<b>134,049</b>

### 3.3: OUTCOMES 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 to 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.

#### Outcome 1 resourcing

Table 3.1.1 shows how the 2005-06 Budget appropriations translate to total resourcing for Outcome 1, including revenue from government (appropriation), revenue from other sources (Departmental) and the total price of outputs.

**Table 3.1.1: 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 1.1 - Effective management for the design and construction of the replacement research reactor.	-	-
<b>Total revenue from government (appropriations) Contributing to price of departmental outputs</b>	-	-
<b>Revenue from other sources</b>	-	-
<b>Total price from departmental outputs</b> (Total revenue from government and from other sources)	-	-
<b>Total estimated resourcing for Outcome 1</b> (Total price of outputs and administered appropriations)	-	-
	<b>2004-05</b>	<b>2005-06</b>
Average staffing level (number)	15	15

Funding for this outcome is provided by Equity Injection.

### Measures affecting Outcome 1

There are no measures affecting Outcome 1.

### 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.

The following table lists the performance information that ANSTO will use to assess the level of its achievements of Outcome 1 during 2005-06.

**Table 3.2.1: Performance information for Outcome 1**

---

#### **OUTCOME 1**

**The replacement research reactor is operational and providing improved core nuclear facilities for medical, industrial and R&D applications during 2006.**

**Output 1.1** Effective contract management for the design and construction of the OPAL reactor.

Level of compliance with project plan and achievement of specific milestones:

- On time to the extent within ANSTO's control, and
  - Within budget, to the extent within ANSTO's control
  - Complete installation of reflector vessel (September 2005)
  - Complete installation of security system (November 2005)
  - Complete installation of Cold Neutron Source in-pile assembly (November 2005)
  - Complete Reactor Beam Hall (February 2006)
  - Complete reactor construction including neutron guides (February 2006)
  - Achievement of operating licence and approval to load fuel (May 2006)
- 

### Evaluations for Outcome 1

The effective contract management of construction of the OPAL reactor in line with agreed schedules.

### **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 covers removal of spent fuel from the ANSTO site in line with stringent safety arrangements and community views.

### Outcome 2 resourcing

Table 3.1.2 shows how the 2005-06 Budget appropriations translate to total resourcing for Outcome 2, including revenue from government (appropriation), revenue from other sources (Departmental) and the total price of outputs.

**Table 3.1.2: Total resources for Outcome 2 (\$'000)**

	<b>Estimated Actual 2004-05 \$'000</b>	<b>Budget Estimate 2005-06 \$'000</b>
<b>Departmental appropriations</b>		
Output 2.1 - A program of shipments for reprocessing of all HIFAR spent fuel in place	-	<b>316</b>
<b>Total revenue from government (appropriations) Contributing to price of departmental outputs</b>	-	<b>316</b>
<b>Revenue from other sources</b>	-	-
<b>Total price from departmental outputs</b> (Total revenue from government and from other sources)	-	<b>316</b>
<b>Total estimated resourcing for Outcome 2</b> (Total price of outputs and administered appropriations)	-	<b>316</b>
	<b>2004-05</b>	<b>2005-06</b>
Average staffing level (number)	5	3

### Measures affecting Outcome 2

There are no measures affecting Outcome 2.

### **Performance information for Outcome 2**

The project involves extensive consultation with a range of regulatory authorities and contracting organisations.

The following table lists the performance information that ANSTO will use to assess the level of its achievements of Outcome 2 during 2005-06.

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

---

<b>OUTCOME 2</b>	Safety procedures adhered to fully and shipments on time and within budget.
<b>Removal of spent fuel from the ANSTO site in line with stringent safety arrangements and community views</b>	
<b>Output 2.1</b> A program of shipments for reprocessing of all HIFAR spent fuel in place.	- Shipment effected according to schedule. - An eighth shipment of HIFAR and Moata spent fuel is currently scheduled for late 2006.

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### **Evaluations for Outcome 2**

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

### **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, and 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.

### **Outcome 3 resourcing**

Table 3.1.3 shows how the 2005-06 Budget appropriations translate to total resourcing for Outcome 3, including revenue from government (appropriation), revenue from other sources (Departmental) and the total price of outputs.

**Table 3.1.3: Total resources for Outcome 3 (\$'000)**

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**Estimated      Budget**

Agency Budget Statements — Agency outcomes — ANSTO

	<b>Actual</b> <b>2004-05</b> <b>\$'000</b>	<b>Estimate</b> <b>2005-06</b> <b>\$'000</b>
<b>Departmental appropriations</b>		
<i>Output 3.1</i> - Management of core nuclear facilities, providing Australia with nuclear capability and credibility from which socio-economic benefits flow to Australia, the R&D community and industry.	63,978	<b>67,175</b>
<i>Output 3.2</i> - Expert scientific and technical services for and on behalf of, Government in support of Australia's national and international strategic and nuclear policy objectives.	14,205	<b>15,026</b>
<i>Output 3.3</i> - 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.	29,678	<b>31,393</b>
<i>Output 3.4</i> - Science and technology services to industry and the Australian research and development community, including training of students in nuclear science and technology and its applications.	1,237	<b>1,308</b>
<i>Output 3.5</i> - Regular production and sale of radiopharmaceuticals and radioisotopes for medical and industrial applications and other services, through designated business units.	1,500	<b>2,000</b>
<i>Output 3.6</i> - The exploitation of ANSTO's intellectual and physical assets.	250	<b>350</b>
<b>Total revenue from government (appropriations) Contributing to price of departmental outputs</b>	<b>110,848</b>	<b>117,252</b>
<b>Revenue from other sources</b>		
Output 3.1	5,159	<b>5,096</b>
Output 3.2	1,283	<b>1,221</b>
Output 3.3	3,534	<b>3,364</b>
Output 3.4	7,882	<b>7,602</b>
Output 3.5	23,037	<b>21,640</b>
Output 3.6	1,890	<b>1,799</b>
<b>Total revenue from other sources</b>	<b>42,785</b>	<b>40,722</b>
<b>Total price from departmental outputs</b> (Total revenue from government and from other sources)	<b>153,633</b>	<b>157,974</b>
<b>Total estimated resourcing for Outcome 3</b> (Total price of outputs and administered appropriations)	<b>153,633</b>	<b>157,974</b>
	<b>2004-05</b>	<b>2005-06</b>
Average staffing level (number)	815	<b>820</b>

### Measures affecting Outcome 3<sup>1</sup>

From January 2005, ANSTO is obliged to comply with the Commonwealth Purchasing Guidelines (CPG) for the purposes of the Australian-United States Free Trade Agreement. As a result, ANSTO's price of outputs for Outcome 3 will increase over the budget and forward years by \$1.160 million (\$0.280 million in 2005-06, \$0.287 million in 2006-07, \$0.293 million in 2007-08 and \$0.300 million in 2008-09).

#### Australia-United States Free Trade Agreement

Expense (\$m)

	2005-06	2006-07	2007-08	2008-09
Australian Nuclear Science and Technology Organisation	0.3	0.3	0.3	0.3

### 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 triennium 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. A new triennium funding agreement commenced in 2004-05, in which ANSTO brought its Triennium Funding Agreement performance indicators into line with its performance indicators for Outcome 3. ANSTO also reports on its implementation of National Research Priorities and commercialisation.

The following table lists the performance information that ANSTO will use to assess the level of its achievements of Outcome 3 during 2005-06.

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

**Table 3.2.3: Performance information for Outcome 3**

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<b>Output 3.1</b> Management of core nuclear facilities, providing Australia with nuclear capability and credibility from which socio-economic benefits flow to Australia, the R&D 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 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 and networked organisations.</li><li>- Person-years by staff on projects that have as a primary objective providing advice to government.</li></ul>
<b>Output 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 3.4</b> Science and technology services to industry and the Australian research and development community, including training of students in 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 services and contract research.</li><li>- External earnings from training courses.</li></ul>
<b>Output 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 to patients.</li><li>- Export sales</li></ul>
<b>Output 3.6</b> The exploitation of ANSTO's intellectual 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></ul>

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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 charter 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. New strategic directions have been formulated during 2004-05 through extensive consultation across

ANSTO, with selected customers and advisers, and with Government. The new strategic directions will come into effect in 2005-06.

ANSTO is advised on the relevance, quality and commercial potential of ANSTO's 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 Triennium 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.

In 2005-06, ANSTO will undertake research performance assessment, as required under its Triennium Funding Agreement. This assessment will support the objectives of the Government's Research Quality Framework that is being developed.

## 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**

Cost recovery arrangements in place at ANSTO include the sale of radioisotopes for use in medicine, manufacturing and environmental purposes. Other arrangements include the provision of commercial research, training, consultancy services and irradiation of materials.

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

Statement of Cost Recovery Impact will be provided in 2005-06 as part of the scheduled cost recovery review as required by the Department of Finance and Administration.

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

There is no planned Australian Government Indigenous expenditure for ANSTO in 2005-06.

## 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 2005-06 Annual Report, and form the basis for the input into the Whole of Government Accounts.

### 5.1: ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

#### Statement of Financial Performance

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.

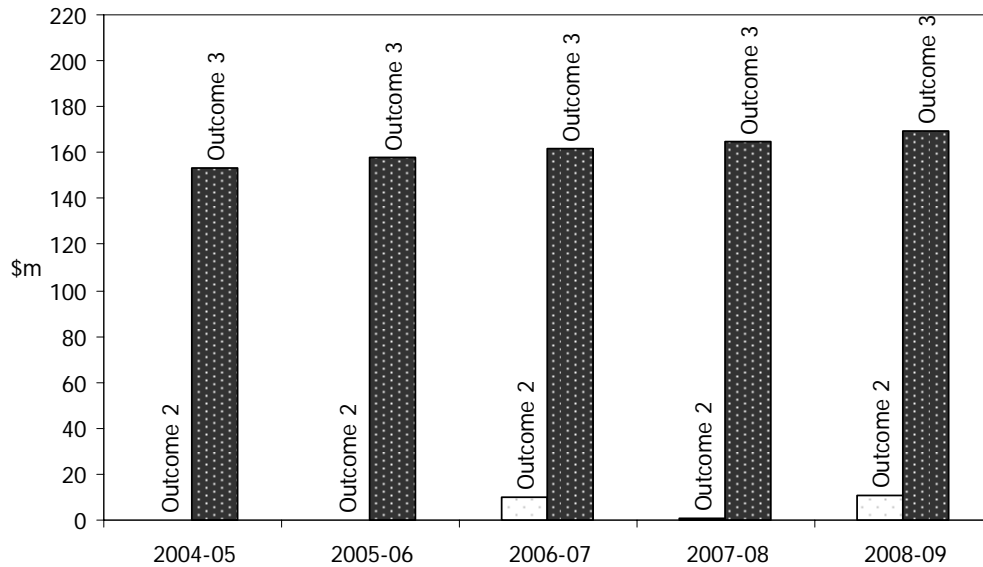
Total revenue in 2005-06 is estimated to be \$158.3 million, an increase of \$4.7 million from 2004-05.

<b>Analysis of Revenue Increase</b>	<b>2004-05</b>	<b>2005-06</b>	<b>Increase</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Triennium Funding Agreement Base	107,650	110,163	2,513
Securing Radioactive Sources	1,562	1,873	311
Replacement Research Reactor Operating Costs	1,000	2,900	1,900
Australian-United States Free Trade Agreement	326	280	-46
Parameter changes		2,036	2,036
Revenue from Independent Sources	42,785	40,722	-2,063
		<b>Overall change in revenue</b>	<b>4,651</b>

Total expenses in 2005-06 are estimated to increase by \$4.7 million to \$158.3 million (total expenses were \$153.6 million in 2004-05). The increase is due to \$3.2 million for employee expenses, \$1.8 million for depreciation, \$1.1 million for grant and borrowing cost expenses and a decrease of \$1.4 million in supplier expenses.

*Budgeted financial statements —ANSTO*

The following graph shows trends in total departmental expenses for Outcomes 1 & 2.



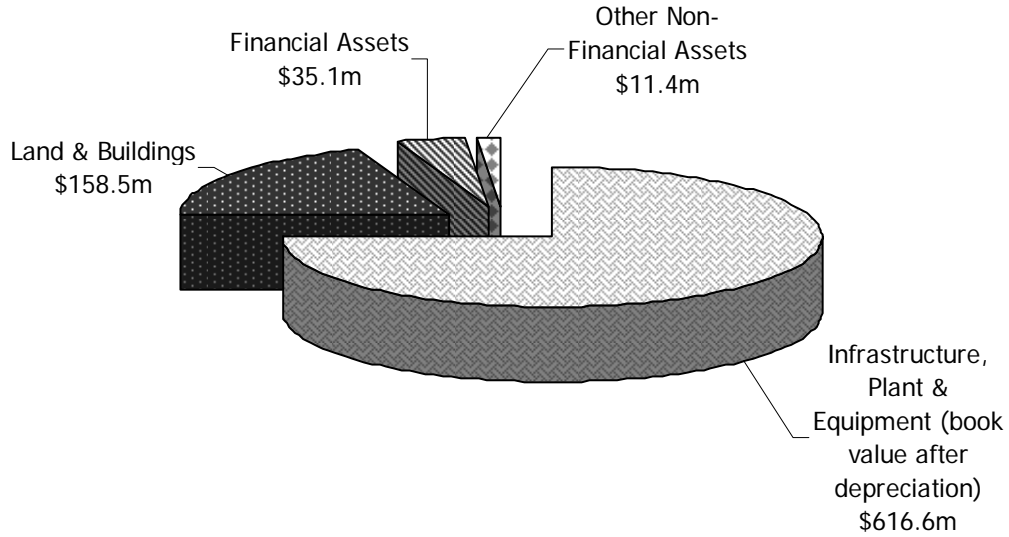
**Statement of Financial Position**

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

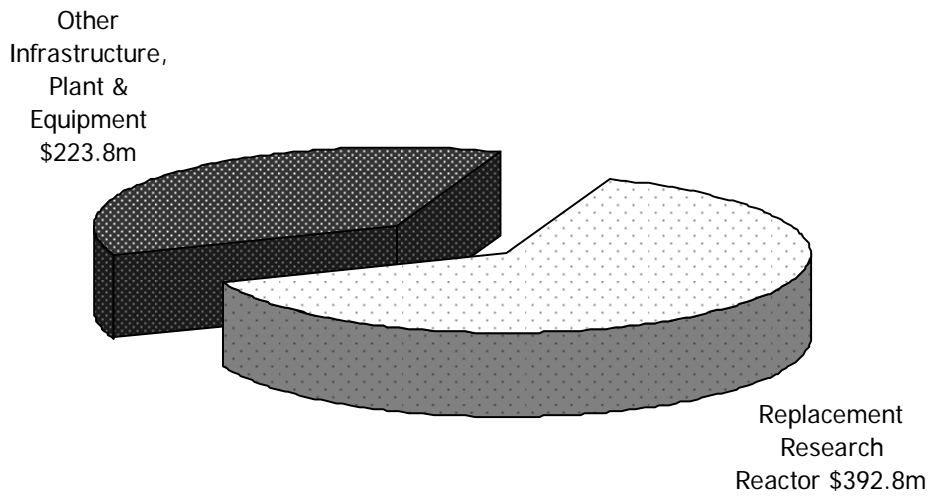
In relation to the primary assets for 2005-06:

- Infrastructure, plant and equipment is projected to increase by \$78.1 million to \$616.6 million due primarily to construction of the replacement research reactor.
- Total financial assets are projected to decrease by \$56.8 million to \$35.1 million due primarily to maturing of investments (\$26.1 million) and drawdown of Appropriations receivable (\$30.0 million). Both sources of funds are to be utilised primarily in the construction of the replacement research reactor, OPAL.

**Budgeted Assets for 2005-06**



**Infrastructure, Plant and Equipment for 2005-06**



Total liabilities in 2005-06 are estimated to be \$47.1 million with the primary liabilities being accrued employee leave entitlements of \$26.9 million and supplier payables of \$9.3 million.

### **Budgeted Agency 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.

### **Agency 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.

### **Agency 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 <sup>1</sup>	110,848	<b>117,568</b>	129,400	120,928	134,049
Goods and services	41,063	<b>39,310</b>	41,275	43,339	45,506
Interest	1,000	<b>690</b>	600	700	600
Revenue from sales of assets	687	<b>687</b>	687	687	687
Net foreign exchange gains	35	<b>35</b>	30	30	30
<b>Revenues from ordinary activities</b>	<b>153,633</b>	<b>158,290</b>	<b>171,992</b>	<b>165,684</b>	<b>180,872</b>
<b>EXPENSE</b>					
<b>Expenses from ordinary activities (excluding borrowing costs expense)</b>					
Employees <sup>2</sup>	64,237	<b>67,389</b>	70,887	74,712	78,327
Suppliers <sup>3</sup>	58,113	<b>56,716</b>	66,225	55,782	67,343
Grants		<b>1,000</b>	1,000	1,000	1,000
Depreciation and amortisation	31,079	<b>32,845</b>	33,594	33,894	33,894
Value of assets sold	120	<b>120</b>	120	120	120
<b>Expenses from ordinary activities (excluding borrowing costs expense)</b>	<b>153,549</b>	<b>158,070</b>	<b>171,826</b>	<b>165,508</b>	<b>180,684</b>
Borrowing costs expense <sup>4</sup>	84	<b>220</b>	166	176	188
<b>Operating surplus or (deficit) from ordinary activities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Operating surplus or (deficit) from ordinary activities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<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>
Net credit or (debit) to asset revaluation reserve	0	<b>3,192</b>	11,910	0	0
<b>Total changes in equity other than those resulting from transactions with owners as owners</b>	<b>0</b>	<b>3,192</b>	<b>11,910</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	4,355	<b>3,950</b>	7,837	9,891	14,831
Receivables	38,982	<b>8,644</b>	9,156	9,264	9,722
Other investments	48,457	<b>22,394</b>	18,844	17,109	11,191
Accrued revenues	139	<b>139</b>	100	100	100
<b>Total financial assets</b>	<b>91,933</b>	<b>35,127</b>	<b>35,937</b>	<b>36,364</b>	<b>35,844</b>
<b>Non-financial assets</b>					
Land and buildings	159,773	<b>158,575</b>	158,545	156,545	153,545
Infrastructure, plant and equipment	194,943	<b>223,785</b>	229,245	233,336	236,216
National facility asset under construction <sup>5</sup>	343,500	<b>392,787</b>	392,787	392,787	392,787
Inventories <sup>6</sup>	8,679	<b>9,100</b>	10,800	9,000	10,100
Intangibles	825	<b>1,755</b>	55		
Other non-financial assets	500	<b>500</b>	500	500	500
<b>Total non-financial assets</b>	<b>708,220</b>	<b>786,502</b>	<b>791,932</b>	<b>792,168</b>	<b>793,148</b>
<b>Total assets</b>	<b>800,153</b>	<b>821,629</b>	<b>827,869</b>	<b>828,532</b>	<b>828,992</b>
<b>LIABILITIES</b>					
<b>Interest bearing liabilities</b>					
Other interest bearing liabilities <sup>7</sup>	2,550	<b>2,770</b>	2,936	3,112	3,300
<b>Total interest bearing liabilities</b>	<b>2,550</b>	<b>2,770</b>	<b>2,936</b>	<b>3,112</b>	<b>3,300</b>
<b>Provisions</b>					
Employees	23,747	<b>26,919</b>	28,479	29,562	30,650
Other provisions	9,910	<b>1,725</b>	1,725	1,725	1,725
<b>Total provisions</b>	<b>33,657</b>	<b>28,644</b>	<b>30,204</b>	<b>31,287</b>	<b>32,375</b>
<b>Payables</b>					
Suppliers	3,808	<b>7,580</b>	7,320	6,800	6,184
Other payables <sup>8</sup>	7,121	<b>8,067</b>	8,871	8,795	8,595
<b>Total payables</b>	<b>10,929</b>	<b>15,647</b>	<b>16,191</b>	<b>15,595</b>	<b>14,779</b>
<b>Total liabilities</b>	<b>47,136</b>	<b>47,061</b>	<b>49,331</b>	<b>49,994</b>	<b>50,454</b>

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

	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>					
Contributed equity	393,369	<b>413,856</b>	413,856	413,856	413,856
Reserves	289,950	<b>266,959</b>	270,929	270,929	270,929
Retained surpluses or accumulated deficits	69,698	<b>93,753</b>	93,753	93,753	93,753
<b>Total parent entity interest</b>	<b>753,017</b>	<b>774,568</b>	<b>778,538</b>	<b>778,538</b>	<b>778,538</b>
<b>Total equity</b>	<b>753,017</b>	<b>774,568</b>	<b>778,538</b>	<b>778,538</b>	<b>778,538</b>
<b>Current assets</b>	91,933	<b>35,127</b>	35,937	36,364	35,844
<b>Non-current assets</b>	708,220	<b>786,502</b>	791,932	792,168	793,148
<b>Current liabilities</b>	20,456	<b>23,188</b>	24,532	25,465	26,402
<b>Non-current liabilities</b>	26,680	<b>23,873</b>	24,799	24,529	24,052

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 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	43,290	<b>39,545</b>	40,732	43,269	45,136
Appropriations	110,848	<b>117,568</b>	129,400	120,928	134,049
Interest	991	<b>690</b>	639	700	600
Other	28,472	<b>17,192</b>	6,874	6,857	6,921
<b>Total cash received</b>	<b>183,601</b>	<b>174,995</b>	<b>177,645</b>	<b>171,754</b>	<b>186,706</b>
<b>Cash used</b>					
Employees	61,247	<b>64,217</b>	69,327	73,629	77,239
Suppliers	80,279	<b>60,405</b>	68,854	54,410	69,651
Grants		<b>1,000</b>	1,000	1,000	1,000
Borrowing costs	84	<b>220</b>	166	176	188
Other	15,654	<b>15,830</b>	6,874	6,857	6,921
<b>Total cash used</b>	<b>157,264</b>	<b>141,672</b>	<b>146,221</b>	<b>136,072</b>	<b>154,999</b>
<b>Net cash from or (used by) operating activities</b>	<b>26,337</b>	<b>33,323</b>	<b>31,424</b>	<b>35,682</b>	<b>31,707</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	687	<b>687</b>	687	687	687
Other	8,387	<b>39,197</b>	5,250	1,735	6,440
<b>Total cash received</b>	<b>9,074</b>	<b>39,884</b>	<b>5,937</b>	<b>2,422</b>	<b>7,127</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	115,785	<b>121,762</b>	33,474	36,050	33,894
Other		<b>1,137</b>			
<b>Total cash used</b>	<b>115,785</b>	<b>122,899</b>	<b>33,474</b>	<b>36,050</b>	<b>33,894</b>
<b>Net cash from or (used by) investing activities</b>	<b>(106,711)</b>	<b>(83,015)</b>	<b>(27,537)</b>	<b>(33,628)</b>	<b>(26,767)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations - contributed equity	77,987	<b>49,287</b>			
<b>Total cash received</b>	<b>77,987</b>	<b>49,287</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net cash from/(used by) financing activities</b>	<b>77,987</b>	<b>77,987</b>	<b>77,987</b>	<b>77,987</b>	<b>77,987</b>
<b>Net increase or (decrease) in cash held</b>	<b>(2,387)</b>	<b>(405)</b>	<b>3,887</b>	<b>2,054</b>	<b>4,940</b>
Cash at the beginning of the reporting period	6,742	<b>4,355</b>	3,950	7,837	9,891
<b>Cash at the end of the reporting period</b>	<b>4,355</b>	<b>3,950</b>	<b>7,837</b>	<b>9,891</b>	<b>14,831</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</b>					
Total equity injections	42,790	20,487			
Total loans					
<b>Total capital appropriations</b>	<b>42,790</b>	<b>20,487</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Represented by:</b>					
Purchase of non-financial assets	42,790	20,487			
Other					
<b>Total represented by</b>	<b>42,790</b>	<b>20,487</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriation	42,790	20,487			
Funded internally by					
Departmental resources	72,995	101,275	33,474	36,050	33,894
<b>Total</b>	<b>115,785</b>	<b>121,762</b>	<b>33,474</b>	<b>36,050</b>	<b>33,894</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	Other intangibles \$'000	Total \$'000
<b>As at 1 July 2005</b>						
Gross book value	76,500	89,719	561,002	6,264	1,109	734,594
Accumulated depreciation		6,446	22,559	5,439	1,109	35,553
<b>Opening net book value</b>	<b>76,500</b>	<b>83,273</b>	<b>538,443</b>	<b>825</b>	<b>0</b>	<b>699,041</b>
Additions:						
by purchase		4,000	115,040	2,722		121,762
Net revaluation increment/decrement	1,530	(466)				1,064
Depreciation/amortisation expense		6,262	24,791	1,792		32,845
Recoverable amount write-downs			(697)			(697)
Other movements			(12,000)			(12,000)
Disposals:						
other disposals			(817)			(817)
<b>As at 30 June 2006</b>						
Gross book value	78,030	93,253	663,225	8,986	1,109	844,603
Accumulated depreciation	-	12,708	46,653	7,231	1,109	67,701
<b>Closing net book value</b>	<b>78,030</b>	<b>80,545</b>	<b>616,572</b>	<b>1,755</b>	<b>0</b>	<b>776,902</b>

The total value of the National Facility Asset under Construction (Table 5.2) is contained within the classification 'Other infrastructure plant and equipment'.

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

ANSTO has no administered revenues and expenses.

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

ANSTO has no administered assets and liabilities.

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

ANSTO has no administered cash flows.

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

ANSTO has no administered capital.

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

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

### **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: Borrowing Cost Expense**

This item reflects interest expense payable on a prepaid lease deposit.

#### **Note 5: National Facility Asset under Construction**

This represents the new reactor, OPAL.

#### **Note 6: Inventories**

This item includes consumable stores and reactor fuel elements.

#### **Note 7: Interest Bearing Liabilities**

Represents a prepaid lease arrangement.

#### **Note 8: Other Payables**

Includes GST payable and revenue received in advance.