

AUSTRALIAN INSTITUTE OF MARINE SCIENCE

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AUSTRALIAN INSTITUTE OF MARINE SCIENCE

Section 1: Overview

The Australian Institute of Marine Science (AIMS) is a Commonwealth statutory authority established by the *Australian Institute of Marine Science Act (1972)*. Its mission is to generate and transfer the knowledge to support the sustainable use and protection of the marine environment through innovative, world class research.

The role of AIMS under its Act is to:

- carry out research and development;
- encourage and facilitate the application and use of the results of its research;
- co-operate with other institutions and persons in carrying out research and development;
- collect and disseminate information relating to marine science and marine technology and, in particular, to publish reports and papers;
- provide and sell goods and services; and
- make available to others, on a commercial basis, the knowledge, expertise, equipment and facilities of the Institute.

AIMS is conducting scientific research to improve understanding of marine systems and biodiversity with the aim of developing a capability to predict the behaviour of complex tropical marine systems and capture the benefits of Australia's marine biodiversity. AIMS research capabilities are focused in the broad areas of marine biodiversity, impacts and adaptation to climate change, water quality and ecosystem health. Its research is applied from whole ecosystems down to the molecular level. This research provides new knowledge and understanding about Australia's marine resources (particularly in the tropics) and makes a significant contribution to the ecologically sustainable development of these resources. AIMS' research aligns strongly with *Australia's National Research Priorities* and supports Government Policy (e.g. *Australia's Oceans Policy*) and other priority initiatives such as the *Great Barrier Reef Water Quality Protection Plan*.

AIMS Budget Statement: Overview

Research is developed in consultation with stakeholders and clients, including industries such as agriculture, aquaculture, fisheries, mining, petroleum and tourism; the educational sector; government and other national and international research agencies. The rationale and the work to be undertaken by AIMS is described in its Research Plan. The alignment of AIMS' research with National Research Priorities (NRP) is described in the AIMS NRP Implementation Plan.

1.1 SUMMARY OF AGENCY CONTRIBUTIONS TO OUTCOMES

The products and services delivered by AIMS (research products and services) which contribute to achievement of AIMS outcome for are summarised in Table 1.1.

Table 1.1: Contribution to outcomes

Outcome	Description	Output groups
Outcome 1		
Enhanced scientific knowledge supporting the protection and sustainable development of Australia's marine resources	Transfer of relevant, high quality research results to Government and other stakeholders.	Output Group 1.1 New knowledge for users of marine resources

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, administered and departmental classification.

The total appropriation for AIMS in the 2007-08 Budget is \$26.626 million. AIMS receives no administered appropriations.

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
Outcome 1					
Departmental	26,645	-	-	9,992	36,637
Total	26,645	-	-	9,992	36,637

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

Notes:

1. AIMS will not be receiving any appropriation under Bill No.2 or special appropriation. in 207-08.
2. Refer to Budgeted Income Statement for application of AIMS revenue.

2.2 2007-08 BUDGET MEASURES

Budget measures relating to AIMS as explained in Budget Paper No. 2 are summarised in Table 2.2. The table also identifies the relevant outcomes and outputs associated with the 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
Expense Measure <u>Outcome 1</u>					
Australia's Ocean Frontier Northwest Australia	1.1	1,300	1,300	1,200	1,200

2.3 OTHER RESOURCES AVAILABLE TO BE USED

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

Table 2.3: Other resources available to be used¹

	Estimated Receipts 2006-07 \$'000	Budget Estimate 2007-08 \$'000
Departmental other resources		
Revenue from sale of goods and services	6,153	7,355
Interest	1,200	855
Proceeds from Sale of Assets		718
Grants	3,391	3,377
Total Departmental other resources available to be used	10,744	12,305

Notes:

1. This table represents own source receipts available for spending on departmental purposes.

Grant revenue, in both years includes funding provided under the National Collaborative Research Infrastructure Strategy programme towards replacement of the research vessel, Lady Basten.

2.4 MOVEMENT OF ADMINISTERED FUNDS

Table 2.4: Movement of administered funds between years

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

2.5 SPECIAL APPROPRIATIONS

Table 2.5: Estimates of expenses from special appropriations

AIMS 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

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

Section 3: Outcomes

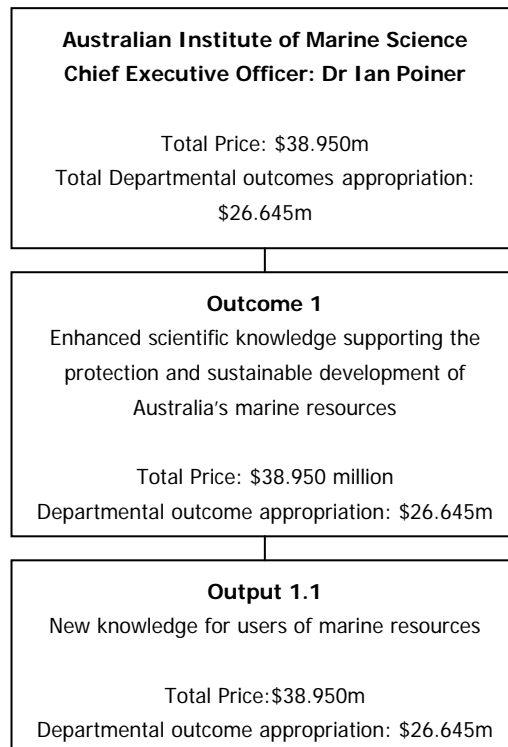
General government sector (GGS) agencies are required to plan, budget and report under an outcomes structure. GGS agencies produce outputs (departmental items) and also administer items on behalf of the Government (administered items). AIMS has no administered items.

This section summarises how the resources identified in Section 2 will be used to contribute to AIMS outcome. Emphasis is placed on estimating the contribution to outcomes through outputs delivered by the agency. Key performance measures and performance evaluation activities are specified for AIMS outcome. More detailed information on output attributes is maintained by agencies for internal management purposes.

3.1 SUMMARY OF OUTCOMES AND CONTRIBUTION TO OUTCOMES

The relationship between activities of AIMS and the outcome is summarised in Figure 4. There has been no change in structure from the 2006-07 PB Statements.

Figure 4: Contributions to outcomes



3.2 OUTCOME RESOURCES AND PERFORMANCE INFORMATION

Outcome 1 resourcing

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

	Estimated Actual 2006-07 \$'000	Budget Estimate 2007-08 \$'000
Departmental appropriations		
Output Group 1.1 – New knowledge for users of marine resources	24,470	26,645
Total revenue from government (appropriations) contributing to price of departmental outputs	24,470	26,645
Revenue from other sources	10,744	12,305
Total estimated resourcing for Outcome 1 (Total revenue from government and from other sources)	35,214	38,950
Average staffing level (number)	159	169

Measures affecting Outcome 1

Australia's Ocean Frontier – Northwest Australia

Expense (\$m)	2007-08	2008-09	2009-10	2009-10
Australia's Ocean Frontier				
Northwest Australia	1.300	1.300	1.200	1.200

Improved understanding of the marine ecosystems on northwest Australia will underpin protection of the region's biodiversity and provide improved certainty for sustainable marine-based industries. This funding will allow AIMS, through leverage of the Australian Government's investment, to conduct additional research in northwest Australia in collaboration with industry and other research providers.

Contributions to achievement of Outcome 1

AIMS outcome-output structure describes how AIMS contributes to its outcome.

Administered activities

AIMS has no administered appropriations.

Departmental outputs

The output that contributes to AIMS outcome is “New knowledge for users of marine resources”. Products and services generated by AIMS research are transferred to Government, industry, managers, research peers and the community to support the protection and sustainable use of Australia’s marine resources.

Performance information for Outcome 1

AIMS reports against performance indicators that have been agreed between the Australian Government and the Institute as part of its Funding Agreement. Performance against these indicators is reported each year in AIMS’ Annual Report and demonstrates ongoing productivity and the relevance and impact of the Institute’s research.

Performance information for AIMS output is summarised in Table 3.2.

Table 3.2: Performance information for Outcome 1

Output	Performance Indicator
Output group 1.1: New knowledge for users of marine resources	
<i>Quality</i>	Number of peer – reviewed scientific papers Citation of AIMS publications External assessment Uptake of science outputs
<i>Quantity</i>	Number of publications (by type) Number of students supervised Number of collaborations
<i>Price</i>	External revenue (co-investment, research Services and IP)

Evaluations for Outcome 1

AIMS undertook an extensive programme of external expert review during 2006-07. Recommendations made from these reviews have been integrated into planning processes.

Evaluation of performance is ongoing. AIMS system of evaluation includes:

- Annual assessment and reporting of performance against performance indicators, agreed in the context of AIMS funding agreement, in AIMS Annual Report;
- The regular submission of research findings to external review by peers;
- The annual cycle of staff performance appraisal; and
- External, expert review.

Section 4: Other reporting requirements

4.1 PURCHASER-PROVIDER ARRANGEMENTS

AIMS does not have any purchaser-provider arrangements.

4.2 COST RECOVERY ARRANGEMENTS

AIMS does not have any cost recovery arrangements.

4.3 AUSTRALIAN GOVERNMENT INDIGENOUS EXPENDITURE (AGIE)

There is no planned Government Indigenous expenditure for 2007-08.

Section 5: Budgeted financial statements

The budgeted financial statements will form the basis for the financial statements that will appear in AIMS 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 estimated financial results for AIMS and is based on accrual accounting.

Budgeted Departmental Balance Sheet

This statement shows the estimated financial position for AIMS as at 30 June 2008.

Budgeted Statement of Cash Flows

This statement 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. This statement reflects the Income statement on a non-accrual basis.

5.2: BUDGETED FINANCIAL STATEMENTS TABLES

Table 5.1: Budgeted departmental income statement 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
INCOME					
Revenue					
Revenues from Government	24,470	26,645	27,638	27,857	28,470
Goods and services	7,140	7,355	7,575	7,903	8,036
Interest	832	855	782	873	986
Grants	3,657	3,377	19	19	19
Total revenue	36,099	38,232	36,014	36,652	37,511
Gains					
Sale of assets		718			
Total gains	0	718	0	0	0
Total income	36,099	38,950	36,014	36,652	37,511
EXPENSE					
Employees	15,972	14,093	14,711	15,299	15,911
Suppliers	13,186	14,601	15,213	15,380	15,708
Depreciation and amortisation	5,579	5,892	6,081	5,940	5,886
Total expenses	34,737	34,586	36,005	36,619	37,505
Surplus (Deficit) before income tax	1,362	4,364	9	33	6
Surplus (deficit) attributable to the Australian Government	1,362	4,364	9	33	6

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
ASSETS					
Financial assets					
Cash and equivalents	540	300	325	400	350
Trade and other Receivables	2,349	2,248	2,285	2,322	2,341
Investments	14,679	11,036	12,784	13,675	16,076
Total financial assets	17,568	13,584	15,394	16,397	18,767
Non-financial assets					
Land and buildings	48,536	48,470	47,915	47,716	47,535
Infrastructure, plant and equipment	21,430	26,475	24,420	22,954	20,822
Inventories	249	266	266	266	266
Intangibles	203	146	112	84	60
Other	190	190	193	199	204
Total non-financial assets	70,608	75,547	72,906	71,219	68,887
Total assets	88,176	89,131	88,300	87,616	87,654
LIABILITIES					
Provisions					
Employees	5,356	4,800	4,700	4,600	4,600
Total provisions	5,356	4,800	4,700	4,600	4,600
Payables					
Suppliers	4,316	2,302	1,984	1,416	1,548
Grants & consultancies	2,409	1,570	1,150	1,100	1,000
Total payables	6,725	3,872	3,134	2,516	2,548
Total liabilities	12,081	8,672	7,834	7,116	7,148
Net assets	76,095	80,459	80,466	80,500	80,506
EQUITY*					
Parent entity interest					
Contributed equity	31,607	31,607	31,607	31,607	31,607
Reserves	34,375	34,375	34,375	34,375	34,375
Retained surpluses or accumulated deficits	10,113	14,477	14,484	14,518	14,524
Total parent entity interest	76,095	80,459	80,466	80,500	80,506
Total equity	76,095	80,459	80,466	80,500	80,506
Current assets	18,007	14,040	15,853	16,862	19,237
Non-current assets	70,169	75,091	72,447	70,754	68,417
Current liabilities	9,403	6,272	5,484	4,816	4,848
Non-current liabilities	2,678	2,400	2,350	2,300	2,300

*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
OPERATING ACTIVITIES					
Cash received					
Goods and services	8,870	7,798	8,377	8,534	8,628
Appropriations	24,470	26,626	27,712	27,857	28,470
Interest	698	992	782	873	1,006
Grants	3,657	610	0	0	0
Other	533	592	533	605	622
Total cash received	38,228	36,618	37,404	37,869	38,726
Cash used					
Employees	17,455	14,586	14,811	15,399	15,911
Suppliers	14,161	15,819	17,383	17,257	16,915
Other	469	0	0	0	0
Total cash used	32,085	30,405	32,194	32,656	32,826
Net cash from or (used by) operating activities	6,143	6,213	5,210	5,213	5,900
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	370	1,353	548	677	700
Total cash received	370	1,353	548	677	700
Cash used					
Purchase of property, plant and equipment	10,018	11,449	3,985	4,924	4,249
Total cash used	10,018	11,449	3,985	4,924	4,249
Net cash from or (used by) investing activities	(9,648)	(10,096)	(3,437)	(4,247)	(3,549)
Net increase or (decrease) in cash held	(3,505)	(3,883)	1773	966	2,351
Cash at the beginning of the reporting period	18,724	15,219	11,336	13,109	14,075
Cash at the end of the reporting period	15,219	11,336	13,109	14,075	16,426

AIMS Budget Statement: Budgeted financial statements

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
Opening balance as at 1 July 2007					
Balance carried forward from previous period	10,113	34,375		31,607	76,095
Adjusted opening balance	10,113	34,375	-	31,607	76,095
Surplus (deficit) for the period	4,364				4,364
Total income and expenses recognised directly in equity	4,364	-	-	-	4,364
Estimated closing balance as at 30 June 2008	14,477	34,375	-	31,607	80,459

Table 5.5: Departmental capital budget statement

	Estimated Actual 2006-07	Budget Estimate 2007-08	Forward Estimate 2008-09	Forward Estimate 2009-10	Forward Estimate 2010-11
	\$'000	\$'000	\$'000	\$'000	\$'000
CAPITAL APPROPRIATIONS					
Total equity injections	0	0	0	0	0
Total capital appropriations	0	0	0	0	0
Represented by:					
Purchase of non-financial assets	10,018	11,449	3,985	4,924	4,249
Total represented by	10,018	11,449	3,985	4,924	4,249
PURCHASE OF NON-FINANCIAL ASSETS					
Funded internally by Departmental resources	10,018	11,449	3,985	4,924	4,249
Total	10,018	11,449	3,985	4,924	4,249

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

	Buildings \$'000	Other infrastructure plant and equipment \$'000	Computer software \$'000	Total \$'000
As at 1 July 2007				
Gross book value	50,717	27,049	529	78,295
Accumulated depreciation	(2,181)	(5,619)	(327)	(8,127)
Opening net book value	48,536	21,430	204	70,168
Additions:				
by purchase	1,705	9,745		11,450
Depreciation	(1,771)	(4,065)	(56)	(5,892)
Disposals:				
other disposals		(635)		(635)
As at 30 June 2008				
Gross book value	52,422	36,159	529	89,110
Accumulated depreciation	(3,952)	(9,684)	(383)	(14,019)
Estimated closing net book value	48,470	26,475	146	75,091

5.3 NOTES TO THE FINANCIAL STATEMENTS

Note 1: Revenues from Government

Total revenues from Government is estimated to be \$26.645 million which represents 68 per cent of total AIMS estimated revenue for the year.

Note 2: External Revenue

External revenue for research products and services is estimated at \$7.355 million and AIMS is estimated a growth of 3 per cent in forward years.

Note 3: Grants

Grants include revenue of \$2.75 million for AIMS' new vessel which is due to be commissioned in September 2007. The revenue from this grant, which is of capital nature, will result in AIMS achieving a surplus for the year.

Note 4: Employees Expenses

Employees expenses are based on projected staff levels and includes anticipated salary increases.

Note 5: Suppliers Expenses

The decrease in supplier expenses is due to projected decrease in funding from grants.

Note 6: Depreciation and Amortisation

Level of depreciation and amortisation is increasing due to commissioning of new vessel and new plant and equipment funded by National Collaborative Research Infrastructure Strategy programme.

Note 7: Investments

AIMS had accumulated surplus cash to fund the new vessel. The payments for the construction of the vessel will result in decrease in funds available for investments.

Note 8: Infrastructure, Plant and Equipment

Increase in plant and equipment is the result of the construction of new vessel and acquisition of equipment for Great Barrier Reef Ocean Observing System.

Note 9: Employee Provisions

Provision has been made for AIMS' liability for employee entitlements arising from services rendered by employees. The liability is an estimate of the unpaid annual recreation leave and long service leave.

Note 10: Payables

This category includes contract revenue received in advance.

Note 11: Capital Budget

AIMS intends to maintain the standard of capital infrastructure at a level similar to the current level through replacement, refurbishment of existing assets and repairs.

Basis of Accounting

AIMS' financial budget statements are prepared in compliance with Australian Accounting Standards, Accounting Guidance Releases and having regard to Statement of Accounting Concept.

