

# **Tourism Australia**

## **Entity resources and planned performance**



# Tourism Australia

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# Tourism Australia

## Section 1: Entity overview and resources

### 1.1 Strategic direction statement

Tourism Australia (TA) is Australia's national tourism marketing organisation that promotes Australia as a compelling tourism destination for leisure and business events travel. TA's purpose is to grow demand to enable a competitive and sustainable Australian tourism industry, with the ambition to support a full recovery of Australia's tourism industry to 2018-19 expenditure levels by 2024-25.

### Operating environment and industry outlook

As COVID-19 restrictions have eased and borders have reopened, Australia's tourism industry is on the path to recovery, but challenges remain, with barriers switching from health risks to the cost of travel, as well as other pressures in our key international source markets. However, the intention to spend on travel remains strong. TA has taken this environment into account in its planned activity for 2023-24.

### Marketing focus

TA will provide a competitive edge for Australian tourism by continuing the roll-out of our *Come and Say G'Day* global campaign, initially launched in October 2022. The aim of the campaign is to convert those people who are thinking about visiting Australia to take the next step and book their next holiday or business event in Australia. Communications will highlight what makes Australia unique, building on the longstanding *There's Nothing Like Australia* campaign. TA will focus on continuing to rejuvenate industry through trade engagement and programs to support industry to return to growth, maximising conversion. This will include trade familiarisation programs to inspire distributors and frontline travel sellers to promote and sell Australian tourism experiences to their customers; partnership marketing activities to extend the reach of our campaigns through bought media and our partners' marketing channels; connecting Australian industry with global distributors through trade event platforms such as in-market marketplaces and events; and continuing to educate through the Aussie Specialist Program.

TA will target leisure and business events consumers in markets that offer the best potential to build Australia's tourism recovery and return to growth. TA will work in the following 15 markets in 2023- 24: United Kingdom, United States of America, China, Canada, Germany, Singapore, Japan, India, South Korea, New Zealand, France, Indonesia, Italy, Malaysia and Canada.

### Strategic priorities and enabling factors

To aid the recovery of our industry, TA will focus effort on seven strategic priorities in 2023-24:

- **Maximise global impact of the Come And Say G'day Campaign and launch the campaign in China:** We will continue invest in the *Come and Say G'Day* campaign globally and launch the campaign in China to drive the fastest recovery possible.
- **Convert demand working with airline and key distribution partners:** We will continue to work with partners to convert demand. This will be supported by delivering platforms to connect industry with distributors and educating frontline travel sellers.
- **Launch a major events strategy, leading with the FIFA Women's World Cup:** We will leverage global attention on the FIFA Womens World Cup and learn from the event to optimise future 'green and gold' decade events.
- **Promote working holiday makers to work and travel around Australia:** We will help address the tourism sector's labour shortage by promoting working holidays in markets with the highest propensity to visit Australia and work in tourism.
- **Support the Australian tourism industry's recovery and growth:** We will continue to be a platform for industry, a source of information and insights, and an advocate with stakeholders, to re-engage international markets and re-imagine future opportunities.
- **Elevate and champion Indigenous, sustainable and accessible tourism:** Continue to improve understanding, support industry readiness and build demand to create an even more competitive future destination.
- **Drive consideration and conversion of business events:** We will continue to drive demand to increase conversion and position Australia for long term growth.

The following enabling factors will be important to delivery of TA's strategic priorities:

- Engaged and supportive stakeholders
- Timely data and insights
- Motivated staff
- Strategic financial management
- Robust governance

Further detail will be available in the *Tourism Australia Corporate Plan 2023-2027*, with outcomes presented in our annual report.

## 1.2 Entity resource statement

Table 1.1 shows the total funding from all sources available to the entity for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the entity's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to the *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

**Table 1.1: Tourism Australia resource statement — Budget estimates for 2023-24 as at Budget May 2023**

|  | <i>2022-23<br/>Estimated<br/>actual<br/>\$'000</i> | <i>2023-24<br/>Estimate<br/>\$'000</i> |
|--|--|--|
| <b>Opening balance/cash reserves at 1 July</b>       |  |  |
| <b>Funds from Government</b>                         |  |  |
| Annual appropriations - ordinary annual services (a) |  |  |
| Outcome 1  | 136,683  | 143,952                                |
| Total annual appropriations                          | 136,683  | 143,952                                |
| Amounts received from related entities               |  |  |
| Amounts from portfolio department (b)                | 25,040   | 25,100                                 |
| Total amounts received from related entities         | 25,040   | 25,100                                 |
| <b>Total funds from Government</b>                   | <b>161,723</b>                                     | <b>169,052</b>                         |
| <b>Funds from industry sources</b>                   |  |  |
| Rendering services                                   | 18,000   | 15,000                                 |
| <b>Total funds from industry sources</b>             | <b>18,000</b>                                      | <b>15,000</b>                          |
| <b>Funds from other sources</b>                      |  |  |
| Interest   | 100  | 400                                    |
| <b>Total funds from other sources</b>                | <b>100</b>   | <b>400</b>                             |
| <b>Total net resourcing for Tourism Australia</b>    | <b>179,823</b>                                     | <b>184,452</b>                         |
|  | <i>2022-23</i>                                     | <i>2023-24</i>                         |
| <b>Average staffing level (number) (c)</b>           | <i>207</i>   | <i>207</i>                             |

All figures shown above are GST exclusive - these may not match figures in the cash flow statement.

Prepared on a resourcing (that is, appropriations available) basis.

- a) Appropriation Bill (No. 1) 2023-24.
- b) Funding provided by the portfolio department (Asia Marketing Fund and Tourism Support) as payment to Tourism Australia from portfolio department's administered programs.
- c) Average Staffing Level (ASL) figures are estimates only.



## Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

**Note:**

Performance reporting requirements in the Portfolio Budget Statements are part of the Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance measure described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide a complete picture of an entity's planned and actual performance.

The most recent corporate plan for Tourism Australia can be found at: <https://www.tourism.australia.com/en/about/our-organisation/our-performance-and-reporting.html>.

The most recent annual performance statement can be found at: <https://www.tourism.australia.com/en/about/our-organisation/our-performance-and-reporting.html>.

## 2.1 Budgeted expenses and performance for Outcome 1

**Outcome 1: Grow demand and foster a competitive and sustainable Australian tourism industry through partnership marketing to targeted global consumers in key markets**

### Linked programs

|   |
|---|
| <b>Department of Foreign Affairs and Trade</b>  |
| <p><b>Programs</b></p> <ul style="list-style-type: none"> <li>Program 1.7 – Programs to promote Australia’s international tourism interests</li> </ul>  |
| <p>Contribution to Outcome 1 made by linked programs</p> <p>The program provides funding to Tourism Australia to deliver Outcome 1.</p>   |
| <b>Australian Trade and Investment Commission</b>   |
| <p><b>Programs</b></p> <ul style="list-style-type: none"> <li>Program 1.2 – Programs to promote Australia’s export and other international economic interests</li> </ul>  |
| <p>Contribution to Outcome 1 made by linked programs</p> <p>Austrade has Commonwealth responsibility for international and domestic tourism policy and issues official tourism statistics. Austrade provides the information to Tourism Australia to promote the export of Australian tourism services, contributing to Australia’s prosperity.</p> |
| <b>Department of Home Affairs</b>   |
| <p><b>Programs</b></p> <ul style="list-style-type: none"> <li>Program 3.1 – Trade facilitation and industry engagement</li> </ul>   |
| <p>Contribution to Outcome 1 made by linked programs</p> <p>Tourism Australia works with the Department of Home Affairs by providing advice on visa and traveller facilitation policy relevant to the Australian tourism industry.</p>  |

Table continued on the next page.

**Linked programs (continued)**

|   |
|---|
| <p><b>Department of Infrastructure, Transport, Regional Development and Communications</b></p>  |
| <p><b>Programs</b></p> <ul style="list-style-type: none"> <li>• Program 2.3 – Air transport</li> </ul>  |
| <p>Contribution to Outcome 1 made by linked programs</p> <p>An efficient, sustainable, competitive, safe and secure air transport system contributes increasing international visitor arrivals and expenditure, and growing demand for Australia as a destination for tourism and business events.</p>  |
| <p><b>Programs</b></p> <ul style="list-style-type: none"> <li>• Program 3.1 – Regional development</li> </ul>   |
| <p>Contribution to Outcome 1 made by linked programs</p> <p>Tourism Australia works in partnership with state and territory governments, industry and commercial partners to build demand and increase visitor arrivals and spend in Australia, including encouraging international visitors to disperse beyond gateway cities into regional areas.</p> |

### Budgeted expenses for Outcome 1

This table shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.

**Table 2.1.1: Budgeted expenses for Outcome 1**

| <b>Outcome 1: Grow demand and foster a competitive and sustainable Australian tourism industry through partnership marketing to targeted global consumers in key markets</b> |                |                |                |                |                |
|--|----------------|----------------|----------------|----------------|----------------|
|  | 2022-23        | 2023-24        | 2024-25        | 2025-26        | 2026-27        |
|  | Estimated      | Budget         | Forw ard       | Forw ard       | Forw ard       |
|  | actual         |                | estimate       | estimate       | estimate       |
|  | \$'000         | \$'000         | \$'000         | \$'000         | \$'000         |
| <b>Program 1.1: Supporting Outcome 1</b>   |                |                |                |                |                |
| Revenue from Government  |                |                |                |                |                |
| Ordinary annual services   |                |                |                |                |                |
| (Appropriation Bill No. 1)   | 136,683        | 143,952        | 147,799        | 149,507        | 151,036        |
| Payment from portfolio department (a)  | 25,040         | 25,100         | 20,161         | 20,223         | 20,285         |
| Expenses not requiring   |                |                |                |                |                |
| appropriation in the budget year (b)   | 20,000         | -              | -              | -              | -              |
| Revenues from Own-sources  | 18,100         | 15,400         | 15,400         | 15,400         | 15,400         |
| <b>Total expenses for Program 1.1</b>  | <b>199,823</b> | <b>184,452</b> | <b>183,360</b> | <b>185,130</b> | <b>186,721</b> |
| <b>Outcome 1 totals by resource type</b>   |                |                |                |                |                |
| Revenue from Government  |                |                |                |                |                |
| Ordinary annual services   |                |                |                |                |                |
| (Appropriation Bill No. 1)   | 136,683        | 143,952        | 147,799        | 149,507        | 151,036        |
| Payment from portfolio department (a)  | 25,040         | 25,100         | 20,161         | 20,223         | 20,285         |
| Expenses not requiring   |                |                |                |                |                |
| appropriation in the budget year (b)   | 20,000         | -              | -              | -              | -              |
| Revenues from Own-sources  | 18,100         | 15,400         | 15,400         | 15,400         | 15,400         |
| <b>Total expenses for Outcome 1</b>  | <b>199,823</b> | <b>184,452</b> | <b>183,360</b> | <b>185,130</b> | <b>186,721</b> |
|  | 2022-23        | 2023-24        |                |                |                |
| <b>Average staffing level (number) (c)</b>   | 207            | 207            |                |                |                |

a) Asia Marketing Fund and Tourism Support.

b) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, make good expenses, and audit fees.

c) Average Staffing Level (ASL) figures are estimates only.

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.

**Table 2.1.2: Program components of Outcome 1**

| <b>Program 1.1: Supporting Outcome 1</b>         |                |                |                |                |                |
|--|----------------|----------------|----------------|----------------|----------------|
|  | 2022-23        | 2023-24        | 2024-25        | 2025-26        | 2026-27        |
|  | Estimated      | Budget         | Forw ard       | Forw ard       | Forw ard       |
|  | actual         |                | estimate       | estimate       | estimate       |
|  | \$'000         | \$'000         | \$'000         | \$'000         | \$'000         |
| <b>1.1.1 - Component 1: Grow Demand</b>          |                |                |                |                |                |
| Annual departmental expenses:                    |                |                |                |                |                |
| Program Support                                  | 169,850        | 156,784        | 155,856        | 157,360        | 158,713        |
| <b>Total component 1 expenses</b>                | <b>169,850</b> | <b>156,784</b> | <b>155,856</b> | <b>157,360</b> | <b>158,713</b> |
| <b>1.1.2 - Component 2: Industry Development</b> |                |                |                |                |                |
| Annual departmental expenses:                    |                |                |                |                |                |
| Program Support                                  | 29,973         | 27,668         | 27,504         | 27,770         | 28,008         |
| <b>Total component 2 expenses</b>                | <b>29,973</b>  | <b>27,668</b>  | <b>27,504</b>  | <b>27,770</b>  | <b>28,008</b>  |
| <b>Total program expenses</b>                    | <b>199,823</b> | <b>184,452</b> | <b>183,360</b> | <b>185,130</b> | <b>186,721</b> |

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.

**Table 2.1.3: Performance measure for Outcome 1**

Table 2.1.3 details the performance measures for each program associated with Outcome 1. It also provides the related key activities as expressed in the current corporate plan where further detail is provided about the delivery of the activities related to the program, the context in which these activities are delivered and how the performance of these activities will be measured. Where relevant, details of the 2023-24 Budget measures that have created new programs or materially changed existing programs are provided.

| <b>Outcome 1 – Grow demand and foster a competitive and sustainable Australian tourism industry through partnership marketing to targeted global consumers in key markets</b> |  |   |
|---|--|---|
| <b>Program 1.1: Supporting Outcome 1</b>  |  |   |
| <b>Component 1.1.1: Grow Demand</b>   |  |   |
| Objective: Identify and target best prospect consumers both in Australia and in our target markets, inspire them to travel to and throughout Australia.                       |  |   |
| <b>Key Activities</b>   | <p>Target audiences: Leisure travellers in key international markets (High Yield Travellers (HYT), Premium/Luxury HYT, Working Holiday Maker HYT)</p> <p>Key activities:</p> <ul style="list-style-type: none"> <li>• Consumer research to build knowledge about what motivates target audiences when choosing a travel destination.</li> <li>• Marketing activities to stimulate target audiences (brand advertising and promotions, broadcasts, public relations, international media hosting, content development and social media).</li> <li>• Campaigns, supported by state and territory tourism organisations and commercial partners.</li> <li>• Work in partnership with government and industry to align efforts and activities, increasing Australia’s collective share of voice to achieve efficiency and effectiveness.</li> </ul> <p>Target audiences: Business Events decision-makers in key international markets.</p> <p>Key activities:</p> <ul style="list-style-type: none"> <li>• Consumer research to build knowledge of the needs of incentive and association decision-makers when choosing destinations for corporate and association meetings.</li> <li>• Marketing activities to promote Australia as a business events destination, including brand advertising, content and public relations, trade events and buyer and agent familiarisations.</li> </ul> |   |
| <b>Year</b>   | <b>Performance measures</b>  | <b>Expected Performance Results</b>   |
| Current year<br>2022-23   | <u>Key metric</u><br><br>International tourism expenditure<br>International leisure expenditure<br>Business events expenditure<br>Destination brand – awareness<br>Destination brand – consideration   | <u>Estimated performance at 30 June 2023</u><br><u>(on track)</u><br>\$22.7b<br>\$13.9b<br>\$1.3b<br>37 per cent<br>31 per cent |

**Table 2.1.3: Performance measure for Outcome 1 (continued)**

| <b>Program 1.1: Supporting Outcome 1</b><br><b>Component 1.1.1: Grow Demand (continued)</b><br>Objective: Identify and target best prospect consumers both in Australia and in our target markets, inspire them to travel to and throughout Australia. |   |   |
|--|---|---|
| <b>Year</b>  | <b>Performance measures</b>   | <b>Planned Performance Results</b>      |
| Budget Year<br>2023-24   | <u>Key metric</u><br>International tourism expenditure<br><br>Other metrics as outlined in Tourism Australia's 2023-27 Corporate Plan | <u>Estimated performance</u><br>\$32.5b |
| Forward Estimates<br>2024-27   | <u>Key metric</u><br>International tourism expenditure<br><br>Other metrics as outlined in Tourism Australia's 2023-27 Corporate Plan | <u>Target</u><br>\$50.2b                |

|   |   |   |
|---|---|---|
| <b>Outcome 1 – Grow demand and foster a competitive and sustainable Australian tourism industry through partnership marketing to targeted global consumers in key markets</b> |   |   |
| <b>Program 1.1: Supporting Outcome 1</b>  |   |   |
| <b>Component 1.1.2: Industry development</b>  |   |   |
| Objective: An Australian tourism industry that is competitive and sustainable and delivers on the needs of the target customer.   |   |   |
| <b>Key Activities</b>   | <p>Target audiences: The Australian tourism industry and trade and distribution partners in key international markets</p> <p>Key activities:</p> <ul style="list-style-type: none"> <li>• Driving industry recovery through programs and platforms for the distribution system to do business</li> <li>• Supporting supply-side industry goals</li> <li>• Dissemination of insights and engagement of industry stakeholders.</li> </ul> |   |
| <b>Year</b>   | <b>Performance measures</b>   | <b>Expected Performance Results</b>   |
| Current year 2022-23  | <p><u>Key metric</u><br/>Industry stakeholder net promoter score (NPS)</p> <p>Event satisfaction of participants BE Bid Fund Program, total ROI</p>   | <p><u>Estimated performance at 30 June 2023 (on track)</u><br/>38</p> <p>98 per cent<br/>22:1</p> |
| <b>Year</b>   | <b>Performance measures</b>   | <b>Planned Performance Results</b>  |
| Budget Year 2023-24   | <p><u>Key metric</u><br/>Industry stakeholder NPS</p> <p>Other metrics as outlined in Tourism Australia's 2023-27 Corporate Plan</p>  | <p><u>Target</u><br/>39</p>   |
| Forward Estimates 2024-27   | <p><u>Key metric</u><br/>Industry stakeholder NPS</p> <p>Other metrics as outlined in Tourism Australia's 2023-27 Corporate Plan</p>  | <p><u>Target</u><br/>42</p>   |



## Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2023-24 budget year, including the impact of budget measures and resourcing on financial statements.

### 3.1 Budgeted financial statements

#### 3.1.1 Differences between entity resourcing and financial statements

Tourism Australia has no significant differences between the resource information presented in the Budget Papers and in the Portfolio Budget Statements as a result of differences between whole-of-government level reporting (under Australian Accounting Standard 1049) and entity level financial reporting.

#### 3.1.2 Explanatory notes and analysis of budgeted financial statements

The departmental financial statements represent the assets, liabilities, revenues and expenses which are controlled by Tourism Australia. Departmental expenses include employee and supplier expenses and other administrative costs which are incurred by Tourism Australia in undertaking marketing operations.

Total operating revenue for 2023-24 is estimated at \$184.5 million and is made up of the Government funding of \$169.1 million, and revenue from other sources of \$15.4 million. The Government funding includes (1) appropriations of \$144.0 million, (2) \$20.1 million for the Asian Marketing Fund, (3) \$5.0 million for Tourism Support.

The change from 2022-23 includes:

- Appropriation for 2023-24 reflects additional level of funding for Tourism Australia adjusted for foreign exchange movements, domestic inflation and the efficiency dividend.
- One budget measure: Tourism Support (FY2022-23 \$5.0 million and FY2023-24 \$5.0 million).

Corresponding total expenses are estimated to be \$184.5 million.

#### Budgeted departmental balance sheet

Tourism Australia is budgeting a net asset position of \$21.5 million in 2023–24. Net assets are projected to remain the same beyond 2023–24.

### 3.2. Budgeted financial statements tables

**Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June**

|  | 2022-23<br>Estimated<br>actual<br>\$'000 | 2023-24<br>Budget<br>\$'000 | 2024-25<br>Forw ard<br>estimate<br>\$'000 | 2025-26<br>Forw ard<br>estimate<br>\$'000 | 2026-27<br>Forw ard<br>estimate<br>\$'000 |
|--|--|-----------------------------|---|---|---|
| <b>EXPENSES</b>  |  |                             |   |   |   |
| Employee benefits  | 38,100                                   | 39,300                      | 40,424                                    | 41,231                                    | 42,054                                    |
| Suppliers  | 150,104                                  | 132,813                     | 130,895                                   | 131,858                                   | 132,626                                   |
| Depreciation and amortisation  | 11,460                                   | 11,978                      | 11,678                                    | 11,678                                    | 11,678                                    |
| Finance costs  | 159                                      | 361                         | 363                                       | 363                                       | 363                                       |
| <b>Total expenses</b>  | <b>199,823</b>                           | <b>184,452</b>              | <b>183,360</b>                            | <b>185,130</b>                            | <b>186,721</b>                            |
| <b>LESS:</b>   |  |                             |   |   |   |
| <b>OWN-SOURCE INCOME</b>   |  |                             |   |   |   |
| <b>Own-source revenue</b>  |  |                             |   |   |   |
| Rendering services   | 16,900                                   | 13,700                      | 13,700                                    | 13,700                                    | 13,700                                    |
| Interest   | 100                                      | 400                         | 400                                       | 400                                       | 400                                       |
| Rental income  | 1,100                                    | 1,300                       | 1,300                                     | 1,300                                     | 1,300                                     |
| <b>Total own-source revenue</b>  | <b>18,100</b>                            | <b>15,400</b>               | <b>15,400</b>                             | <b>15,400</b>                             | <b>15,400</b>                             |
| <b>Total own-source income</b>   | <b>18,100</b>                            | <b>15,400</b>               | <b>15,400</b>                             | <b>15,400</b>                             | <b>15,400</b>                             |
| <b>Net (cost of)/contribution by services</b>                                      | <b>(181,723)</b>                         | <b>(169,052)</b>            | <b>(167,960)</b>                          | <b>(169,730)</b>                          | <b>(171,321)</b>                          |
| Revenue from Government (a)  | 161,723                                  | 169,052                     | 167,960                                   | 169,730                                   | 171,321                                   |
| <b>Surplus/(deficit) attributable to the Australian Government</b>                 | <b>(20,000)</b>                          | <b>-</b>                    | <b>-</b>                                  | <b>-</b>                                  | <b>-</b>                                  |
| <b>OTHER COMPREHENSIVE INCOME</b>  |  |                             |   |   |   |
| Changes in asset revaluation surplus   | -  | -                           | -   | -   | -   |
| <b>Total comprehensive income/(loss)</b>   | <b>(20,000)</b>                          | <b>-</b>                    | <b>-</b>                                  | <b>-</b>                                  | <b>-</b>                                  |
| <b>Total comprehensive income/(loss) attributable to the Australian Government</b> | <b>(20,000)</b>                          | <b>-</b>                    | <b>-</b>                                  | <b>-</b>                                  | <b>-</b>                                  |

Table continued on the next page.

**Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June (continued)****Note: Impact of net cash appropriation arrangements**

|  | 2022-23<br>Estimated<br>actual<br>\$'000 | 2023-24<br>Budget<br>\$'000 | 2024-25<br>Forw ard<br>estimate<br>\$'000 | 2025-26<br>Forw ard<br>estimate<br>\$'000 | 2026-27<br>Forw ard<br>estimate<br>\$'000 |
|--|--|-----------------------------|---|---|---|
| <b>Total comprehensive income/(loss)</b>                       |  |                             |   |   |   |
| - as per statement of  |  |                             |   |   |   |
| <b>Comprehensive Income</b>                                    | <b>(20,000)</b>                          | -                           | -   | -   | -   |
| plus: depreciation/amortisation<br>expenses for ROU assets (a) |  |                             |   |   |   |
| less: lease principal repayments (b)                           |  |                             |   |   |   |
| <b>Net Cash Operating Surplus/ (Deficit)</b>                   | <b>(20,000)</b>                          | -                           | -   | -   | -   |

Prepared on Australian Accounting Standards basis.

- a) From 2010-11, the Government introduced net cash appropriation arrangements where Bill 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations. For information regarding DCBs, please refer to Table 3.5 Departmental Capital Budget Statement.
- b) Applies leases under AASB 16 Leases.

**Table 3.2: Budgeted departmental balance sheet (as at 30 June)**

|   | 2022-23<br>Estimated<br>actual<br>\$'000 | 2023-24<br>Budget<br>\$'000 | 2024-25<br>Forw ard<br>estimate<br>\$'000 | 2025-26<br>Forw ard<br>estimate<br>\$'000 | 2026-27<br>Forw ard<br>estimate<br>\$'000 |
|---|--|-----------------------------|---|---|---|
| <b>ASSETS</b>                             |  |                             |   |   |   |
| <b>Financial assets</b>                   |  |                             |   |   |   |
| Cash and cash equivalents                 | 20,623                                   | 24,491                      | 24,491                                    | 24,491                                    | 24,491                                    |
| Trade and other receivables               | 3,519                                    | 3,519                       | 3,519                                     | 3,519                                     | 3,519                                     |
| <b>Total financial assets</b>             | <b>24,142</b>                            | <b>28,010</b>               | <b>28,010</b>                             | <b>28,010</b>                             | <b>28,010</b>                             |
| <b>Non-financial assets</b>               |  |                             |   |   |   |
| Land and buildings                        | 20,099                                   | 23,207                      | 16,029                                    | 17,224                                    | 10,046                                    |
| Property, plant and equipment             | 487                                      | 387                         | 387                                       | 387                                       | 387                                       |
| Intangibles                               | 10,378                                   | 7,392                       | 7,392                                     | 7,392                                     | 7,392                                     |
| Other non-financial assets                | 4,072                                    | 4,072                       | 4,072                                     | 4,072                                     | 4,072                                     |
| <b>Total non-financial assets</b>         | <b>35,036</b>                            | <b>35,058</b>               | <b>27,880</b>                             | <b>29,075</b>                             | <b>21,897</b>                             |
| Assets held for sale                      |  |                             |   |   |   |
| <b>Total assets</b>                       | <b>59,178</b>                            | <b>63,068</b>               | <b>55,890</b>                             | <b>57,085</b>                             | <b>49,907</b>                             |
| <b>LIABILITIES</b>                        |  |                             |   |   |   |
| <b>Payables</b>                           |  |                             |   |   |   |
| Suppliers                                 | 12,359                                   | 12,359                      | 12,359                                    | 12,359                                    | 12,359                                    |
| Other payables                            | 3,363                                    | 3,363                       | 3,363                                     | 3,363                                     | 3,363                                     |
| <b>Total payables</b>                     | <b>15,722</b>                            | <b>15,722</b>               | <b>15,722</b>                             | <b>15,722</b>                             | <b>15,722</b>                             |
| <b>Interest bearing liabilities</b>       |  |                             |   |   |   |
| <b>Lease Liability</b>                    |  |                             |   |   |   |
| Leases                                    | 15,056                                   | 18,946                      | 11,768                                    | 12,963                                    | 5,785                                     |
| <b>Total interest bearing liabilities</b> | <b>15,056</b>                            | <b>18,946</b>               | <b>11,768</b>                             | <b>12,963</b>                             | <b>5,785</b>                              |
| <b>Provisions</b>                         |  |                             |   |   |   |
| Employee provisions                       | 5,313                                    | 5,313                       | 5,313                                     | 5,313                                     | 5,313                                     |
| Other provisions                          | 1,606                                    | 1,606                       | 1,606                                     | 1,606                                     | 1,606                                     |
| <b>Total provisions</b>                   | <b>6,919</b>                             | <b>6,919</b>                | <b>6,919</b>                              | <b>6,919</b>                              | <b>6,919</b>                              |
| <b>Total liabilities</b>                  | <b>37,697</b>                            | <b>41,587</b>               | <b>34,409</b>                             | <b>35,604</b>                             | <b>28,426</b>                             |
| <b>Net assets</b>                         | <b>21,481</b>                            | <b>21,481</b>               | <b>21,481</b>                             | <b>21,481</b>                             | <b>21,481</b>                             |
| <b>EQUITY*</b>                            |  |                             |   |   |   |
| <b>Parent entity interest</b>             |  |                             |   |   |   |
| Contributed equity                        | 1,543                                    | 1,543                       | 1,543                                     | 1,543                                     | 1,543                                     |
| Reserves                                  | 4,848                                    | 4,848                       | 4,848                                     | 4,848                                     | 4,848                                     |
| Retained surplus (accumulated deficit)    | 15,090                                   | 15,090                      | 15,090                                    | 15,090                                    | 15,090                                    |
| <b>Total parent entity interest</b>       | <b>21,481</b>                            | <b>21,481</b>               | <b>21,481</b>                             | <b>21,481</b>                             | <b>21,481</b>                             |
| <b>Total equity</b>                       | <b>21,481</b>                            | <b>21,481</b>               | <b>21,481</b>                             | <b>21,481</b>                             | <b>21,481</b>                             |

Prepared on Australian Accounting Standards basis.

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

**Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2023-24)**

|  | Retained earnings | Asset revaluation reserve | Other reserves | Contributed equity/capital | Total equity  |
|--|-------------------|---------------------------|----------------|----------------------------|---------------|
|  | \$'000            | \$'000                    | \$'000         | \$'000                     | \$'000        |
| <b>Opening balance as at 1 July 2023</b>                         |                   |                           |                |                            |               |
| Balance carried forward from previous period                     | 15,090            | 4,848                     | -              | 1,543                      | 21,481        |
| <b>Adjusted opening balance</b>                                  | <b>15,090</b>     | <b>4,848</b>              | <b>-</b>       | <b>1,543</b>               | <b>21,481</b> |
| <b>Comprehensive income</b>                                      |                   |                           |                |                            |               |
| Surplus/(deficit) for the period                                 | -                 | -                         | -              | -                          | -             |
| <b>Total comprehensive income</b>                                | <b>-</b>          | <b>-</b>                  | <b>-</b>       | <b>-</b>                   | <b>-</b>      |
| of which:  |                   |                           |                |                            |               |
| Attributable to the Australian Government                        | -                 | -                         | -              | -                          | -             |
| <b>Estimated closing balance as at 30 June 2024</b>              | <b>15,090</b>     | <b>4,848</b>              | <b>-</b>       | <b>1,543</b>               | <b>21,481</b> |
| <b>Closing balance attributable to the Australian Government</b> | <b>15,090</b>     | <b>4,848</b>              | <b>-</b>       | <b>1,543</b>               | <b>21,481</b> |

Prepared on Australian Accounting Standards basis

**Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)**

|   | 2022-23<br>Estimated<br>actual<br>\$'000 | 2023-24<br>Budget<br>\$'000 | 2024-25<br>Forw ard<br>estimate<br>\$'000 | 2025-26<br>Forw ard<br>estimate<br>\$'000 | 2026-27<br>Forw ard<br>estimate<br>\$'000 |
|---|--|-----------------------------|---|---|---|
| <b>OPERATING ACTIVITIES</b>   |  |                             |   |   |   |
| <b>Cash received</b>  |  |                             |   |   |   |
| Appropriation provided by portfolio department                      | 163,863                                  | 169,052                     | 167,960                                   | 169,730                                   | 171,321                                   |
| Sale of goods and rendering of services                             | 18,000                                   | 15,000                      | 15,000                                    | 15,000                                    | 15,000                                    |
| Interest  | 100                                      | 400                         | 400                                       | 400                                       | 400                                       |
| <b>Total cash received</b>  | <b>181,963</b>                           | <b>184,452</b>              | <b>183,360</b>                            | <b>185,130</b>                            | <b>186,721</b>                            |
| <b>Cash used</b>  |  |                             |   |   |   |
| Employees   | 38,100                                   | 39,300                      | 40,424                                    | 41,231                                    | 42,054                                    |
| Suppliers   | 152,104                                  | 132,813                     | 130,895                                   | 131,858                                   | 132,626                                   |
| Interest payments on lease liability                                | 159                                      | 361                         | 363                                       | 363                                       | 363                                       |
| <b>Total cash used</b>  | <b>190,363</b>                           | <b>172,474</b>              | <b>171,682</b>                            | <b>173,452</b>                            | <b>175,043</b>                            |
| <b>Net cash from/(used by) operating activities</b>                 | <b>(8,400)</b>                           | <b>11,978</b>               | <b>11,678</b>                             | <b>11,678</b>                             | <b>11,678</b>                             |
| <b>INVESTING ACTIVITIES</b>   |  |                             |   |   |   |
| <b>Cash received</b>  |  |                             |   |   |   |
| Proceeds from sales of property, plant and equipment                | -  | -                           | -   | -   | -   |
| <b>Total cash received</b>  | <b>-</b>                                 | <b>-</b>                    | <b>-</b>                                  | <b>-</b>                                  | <b>-</b>                                  |
| <b>Cash used</b>  |  |                             |   |   |   |
| Purchase of property, plant and equipment and intangibles           | 9,000                                    | 2,000                       | 4,500                                     | 4,500                                     | 4,500                                     |
| <b>Total cash used</b>  | <b>9,000</b>                             | <b>2,000</b>                | <b>4,500</b>                              | <b>4,500</b>                              | <b>4,500</b>                              |
| <b>Net cash from/(used by) investing activities</b>                 | <b>(9,000)</b>                           | <b>(2,000)</b>              | <b>(4,500)</b>                            | <b>(4,500)</b>                            | <b>(4,500)</b>                            |
| <b>FINANCING ACTIVITIES</b>   |  |                             |   |   |   |
| <b>Cash received</b>  |  |                             |   |   |   |
| Contributed equity  | -  | -                           | -   | -   | -   |
| <b>Total cash received</b>  | <b>-</b>                                 | <b>-</b>                    | <b>-</b>                                  | <b>-</b>                                  | <b>-</b>                                  |
| <b>Cash used</b>  |  |                             |   |   |   |
| Principal payments on lease liability                               | 6,804                                    | 6,110                       | 7,178                                     | 7,178                                     | 7,178                                     |
| <b>Total cash used</b>  | <b>6,804</b>                             | <b>6,110</b>                | <b>7,178</b>                              | <b>7,178</b>                              | <b>7,178</b>                              |
| <b>Net cash from/(used by) financing activities</b>                 | <b>(6,804)</b>                           | <b>(6,110)</b>              | <b>(7,178)</b>                            | <b>(7,178)</b>                            | <b>(7,178)</b>                            |
| <b>Net increase/(decrease) in cash held</b>                         | <b>(24,204)</b>                          | <b>3,868</b>                | <b>-</b>                                  | <b>-</b>                                  | <b>-</b>                                  |
| Cash and cash equivalents at the beginning of the reporting period  | 44,827                                   | 20,623                      | 24,491                                    | 24,491                                    | 24,491                                    |
| <b>Cash and cash equivalents at the end of the reporting period</b> | <b>20,623</b>                            | <b>24,491</b>               | <b>24,491</b>                             | <b>24,491</b>                             | <b>24,491</b>                             |

Prepared on Australian Accounting Standards basis.

**Table 3.5: Departmental capital budget statement (for the period ended 30 June)**

|  | 2022-23      | 2023-24      | 2024-25      | 2025-26      | 2026-27      |
|--|--------------|--------------|--------------|--------------|--------------|
|  | Estimated    | Budget       | Forw ard     | Forw ard     | Forw ard     |
|  | actual       |              | estimate     | estimate     | estimate     |
|  | \$'000       | \$'000       | \$'000       | \$'000       | \$'000       |
| <b>PURCHASE OF NON-FINANCIAL ASSETS</b>                                      |              |              |              |              |              |
| Funded internally from departmental resources (a)                            | 9,000        | 2,000        | 4,500        | 4,500        | 4,500        |
| <b>TOTAL</b>   | <b>9,000</b> | <b>2,000</b> | <b>4,500</b> | <b>4,500</b> | <b>4,500</b> |
| <b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b> |              |              |              |              |              |
| Total purchases  | 9,000        | 2,000        | 4,500        | 4,500        | 4,500        |
| <b>Total cash used to acquire assets</b>                                     | <b>9,000</b> | <b>2,000</b> | <b>4,500</b> | <b>4,500</b> | <b>4,500</b> |

Prepared on Australian Accounting Standards basis.

a) Includes the following sources of funding: current Bill 1 appropriations, and internally developed assets.

**Table 3.6: Statement of departmental asset movements (Budget year 2023-24)**

|  | Buildings      | Other<br>property,<br>plant and<br>equipment | Computer<br>software | Other<br>intangibles | Total           |
|--|----------------|--|----------------------|----------------------|-----------------|
|  | \$'000         | \$'000                                       | \$'000               | \$'000               | \$'000          |
| <b>As at 1 July 2023</b>   |                |  |                      |                      |                 |
| Gross book value   | 15,909         | 1,322  | 16,005               | 33,432               | 66,668          |
| Gross book value - ROU assets  | 40,244         | -  | -                    | -                    | 40,244          |
| Accumulated depreciation/<br>amortisation and impairment             | (10,271)       | (835)  | (16,004)             | (23,055)             | (50,165)        |
| Accumulated depreciation/amortisation and<br>impairment - ROU assets | (25,783)       | -  | -                    | -                    | (25,783)        |
| <b>Opening net book balance</b>                                      | <b>20,099</b>  | <b>487</b>                                   | <b>1</b>             | <b>10,377</b>        | <b>30,964</b>   |
| <b>Capital asset additions</b>                                       |                |  |                      |                      |                 |
| <b>Estimated expenditure on new<br/>or replacement assets</b>        |                |  |                      |                      |                 |
| By purchase - appropriation<br>ordinary annual services (a)          | 60             | 250  | 1,690                | -                    | 2,000           |
| By purchase - appropriation ordinary<br>annual services - ROU assets | 10,000         | -  | -                    | -                    | 10,000          |
| <b>Total additions</b>   | <b>10,060</b>  | <b>250</b>                                   | <b>1,690</b>         | <b>-</b>             | <b>12,000</b>   |
| <b>Other movements</b>   |                |  |                      |                      |                 |
| Depreciation/amortisation expense                                    | (1,005)        | (350)  | (576)                | (4,100)              | (6,031)         |
| Depreciation/amortisation on<br>ROU assets                           | (5,947)        | -  | -                    | -                    | (5,947)         |
| Other - ROU assets   | -              | -  | -                    | -                    | -               |
| <b>Total other movements</b>   | <b>(6,952)</b> | <b>(350)</b>                                 | <b>(576)</b>         | <b>(4,100)</b>       | <b>(11,978)</b> |
| <b>As at 30 June 2024</b>  |                |  |                      |                      |                 |
| Gross book value   | 15,969         | 1,572  | 17,695               | 33,432               | 68,668          |
| Gross book value - ROU assets  | 50,244         | -  | -                    | -                    | 50,244          |
| Accumulated depreciation/<br>amortisation and impairment             | (11,276)       | (1,185)                                      | (16,580)             | (27,155)             | (56,196)        |
| Accumulated depreciation/amortisation and<br>impairment - ROU assets | (31,730)       | -  | -                    | -                    | (31,730)        |
| <b>Closing net book balance</b>                                      | <b>23,207</b>  | <b>387</b>                                   | <b>1,115</b>         | <b>6,277</b>         | <b>30,986</b>   |

Prepared on Australian Accounting Standards basis.

a) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2023-24 for DCBs.