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**Part C**  
**Section 1**

**AGENCY**  
**BUDGET STATEMENTS**

**BUREAU**  
**OF**  
**METEOROLOGY**



## Overview, Appropriations and Budget Measures

### OVERVIEW

The Bureau of Meteorology is the national meteorological authority for Australia. Its mission is to observe and understand Australian weather and climate and provide meteorological, hydrological and oceanographic services in support of Australia's national needs and international obligations.

This overall mission involves four separate missions:

- *Monitoring* – observation and data collection to meet the needs of future generations for reliable, homogeneous national climatological data;
- *Research* – research directed to the advancement of meteorological science and the development of a comprehensive description and scientific understanding of Australia's weather and climate;
- *Services* – provision of meteorological and related data, information, forecast, warning, investigation and advisory services on a national basis; and
- *International* – coordination of Australia's involvement in international meteorology.

### APPROPRIATIONS AND RESOURCING

The total appropriation for the Bureau of Meteorology in 2004-05 is \$199.547 million. This comprises \$190.447 million departmental output appropriation and \$9.1 million departmental equity injection.

Table 1.1 shows the appropriations and other revenue for the Bureau for 2004-05.

**TABLE 1.1 – APPROPRIATIONS AND OTHER REVENUE FOR 2004-05 (\$'000)**

	<b>DEPARTMENTAL PRICE OF OUTPUTS</b>					
	Revenue from Government (Appropriations)			Revenue from other Sources <sup>(1)</sup>	Total Price of Outputs <sup>(2)</sup>	<b>Total Approps</b>
	Special Bill 1	Approp	Total			
	<b>A</b>	<b>B</b>	<b>C=A+B</b>	<b>D</b>	<b>E=C+D</b>	<b>F=C</b>
<b>Outcome 1</b> <i>Australia benefits from meteorological and related science and services</i>	190,447	0	<b>190,447</b> 92.8 % #	14,837	205,284	<b>190,447</b>
<b>TOTAL</b>	190,447	0	<b>190,447</b>	14,837	205,284	<b>190,447</b>
<b>Departmental Capital (Equity Injection) <sup>(3)</sup></b>						<b>9,100</b>
<b>TOTAL APPROPRIATIONS</b>						<b>199,547</b>

(1) Revenue from other sources includes other revenue from Government (resources free of charge) and revenue from other sources (for example sales of goods and services). These are shown together with non-appropriated administered revenues in Table 1.3.

(2) Refer to information provided in Resource Table 2.1 and Budgeted Departmental Statement of Financial Performance Table 3.1.

(3) Under the Appropriation Structure, Bill 2 includes departmental capital equity injection. Refer Table 3.4 Departmental Capital Budget Statement.

# Percentage figure indicates the percentage contribution of revenue from Government (departmental output appropriations) to the total price of outputs. The overall percentage for the Bureau is 92.8%.

**TABLE 1.2 – SUMMARY OF MEASURES CONTAINED IN THE 2004-05 BUDGET**

There are no measures for the Bureau of Meteorology in the 2004-05 Budget

**TABLE 1.3 – RECEIPTS FROM INDEPENDENT SOURCES**

	2003-04 Estimated Revenue \$'000	2004-05 Estimated Revenue \$'000
<b>DEPARTMENTAL REVENUES</b>		
Receipts from Other Sources	15,799	14,837
<b>Total non-appropriation departmental revenue</b>	<b>15,799</b>	<b>14,837</b>
<b>ADMINISTERED REVENUES</b>		
Meteorological Services – Recoveries	15,890	16,100
<b>Total non-appropriation administered revenue</b>	<b>15,890</b>	<b>16,100</b>
<b>TOTAL ESTIMATED REVENUE</b>	<b>31,689</b>	<b>30,937</b>

**TABLE 1.4 – MOVEMENT OF ADMINISTERED FUNDS FROM 2003-04 TO 2004-05**

There are no movements of administered funds from 2003-04 to 2004-05 for the Bureau of Meteorology.

**TABLE 1.5 – ESTIMATES OF EXPENSES FROM SPECIAL APPROPRIATIONS**

There are no special appropriations for the Bureau of Meteorology in the 2004-05 Budget.

**TABLE 1.6 – ESTIMATES OF SPECIAL ACCOUNT FLOWS AND BALANCES**

There are no special accounts for the Bureau of Meteorology in the 2004-05 Budget.

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

The Bureau of Meteorology will receive a departmental equity injection of \$9.1 million in 2004-05 for the replacement of obsolete weather watch radars and upgrade of two radars to Doppler technology.

The Bureau of Meteorology will not receive any administered capital or departmental loans in 2004-05



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**Part C**

**Section 2**

**Bureau of Meteorology**

**OUTCOMES AND  
OUTPUTS INFORMATION**

## OVERVIEW

The following section provides details of the budget implications for the Bureau of Meteorology. Specifically it provides in the following order:

- a diagrammatic representation of the output groups and individual outputs;
- a description of the Outcome;
- details of the Budget Measures that impact on the Outcome;
- Table 2.1 providing details of the financial resources for the Outcome;
- a description of how the departmental outputs comprising the Outcome contribute to that outcome;
- Table 2.2 which provides performance information for each departmental output; and
- general information on performance and evaluation.

## Outcome and Output Groups

	Total Price of Outputs \$'000	Departmental Outputs Appropriation \$'000
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<b>BUREAU OF METEOROLOGY</b>	<b>205,284</b>	<b>190,447</b>
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<b>Outcome 1 -</b> <i>Australia benefits from meteorological and related science and services</i>		
1.1	Meteorological and Related Data	118,707
1.2	Meteorological and Related Research	9,107
1.3	Meteorological and Related Services	74,896
1.4	International Meteorological Activities	2,574
<b>TOTAL OUTCOME</b>		<b>205,284</b>

This structure shows the relationship between the Government Outcome and contributing output groups for the Bureau of Meteorology. Financial details for this Outcome by output group appears in Table 2.1 while non-financial information for the Outcome appears in Table 2.2.

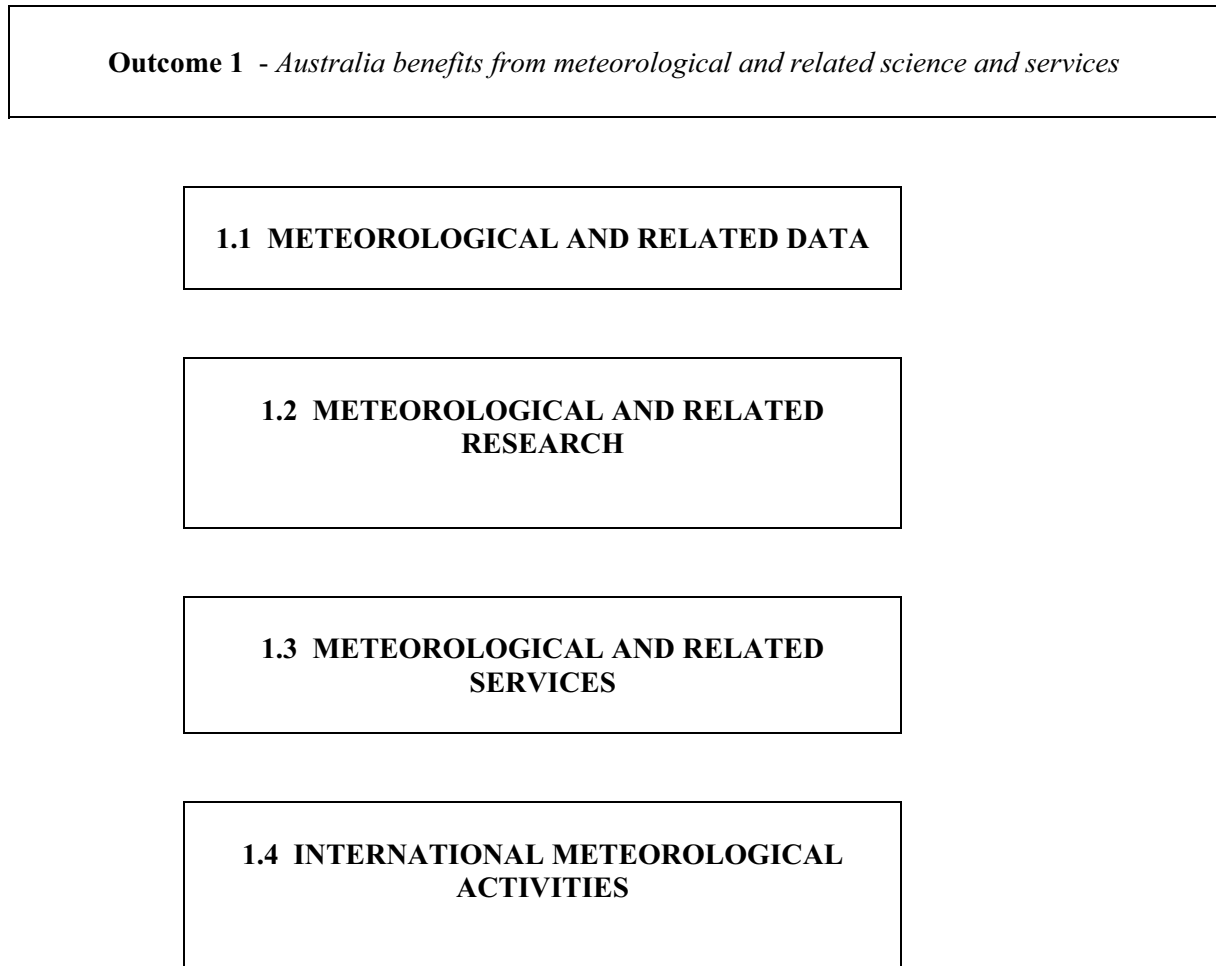
### OUTPUT COST ATTRIBUTION

Direct costs incurred by the Bureau (salaries, suppliers etc) are coded directly to appropriate cost centres within the Financial Management System. These individual cost centres are subsequently attributed to Outputs based upon established, and regularly reviewed, matching of the activities of the individual cost centre to the relevant Output/s.

Indirect costs, that is overheads and activities that cut across all Outputs, are attributed to Outputs on the basis of pro-rata allocation against the most appropriate cost driver that can be consistently and logically applied.

## Relationship Between Outcome and Contributing Outputs

The following chart provides a diagrammatic representation of the output groups, contributing to Outcome 1 (Meteorology).



Note: Revenue from Government through appropriations contributes 92.8% to the total output price for this outcome for 2004-05.

## CHANGES TO OUTCOMES AND OUTPUTS

Since the 2003-04 Budget, in response to operational issues internal to the Bureau, there has been a minor transfer of function between Output Group 1.1 Meteorological and Related Data and Output Group 1.3 Meteorological and Related Services.

### **OUTCOME 1:**            *Australia benefits from meteorological and related science and services*

The Bureau of Meteorology is the national meteorological authority for Australia. The ultimate outcome of the Bureau's operation is Australia benefits from meteorological and related science and services. The four basic elements of this outcome are:

- *Satisfaction of present and future needs* for continuous reliable data on Australian weather and climate.
- *Advancement of meteorological science* and understanding of the mechanisms of Australian weather and climate.
- *Enhanced community safety and well being* through preparation of meteorological products and information and the effective use of meteorological and related services by the general public and by shipping, civil aviation, defence, agriculture, industry and other major social and economic sectors.
- *International cooperation and goodwill* including the benefits of global meteorological cooperation under the Convention of the World Meteorological Organization and related international meteorological treaties and agreements.

**MEASURES AFFECTING THE OUTCOME**

There are no measures for the Bureau of Meteorology in the 2004-05 Budget

**TOTAL RESOURCES FOR THE OUTCOME**

The following Table 2.1 provides details of the financial resources for Outcome 1. It shows the expenditure for each output group, revenue from Government, revenue from other sources and the total price of outputs. The average staffing level for this outcome also appears at the end of the table.

**TABLE 2.1 – TOTAL RESOURCES FOR THE OUTCOME**

	Estimated Actuals 2003-04	Budget 2004-05
	\$'000	\$'000
<b>ADMINISTERED APPROPRIATIONS</b>	<b>0</b>	<b>0</b>
<b>ADMINISTERED SPECIAL ACCOUNTS</b>	<b>0</b>	<b>0</b>
<b>DEPARTMENTAL APPROPRIATIONS</b>		
Output 1.1 – Meteorological and Related Data	122,155	117,695
Output 1.2 – Meteorological and Related Research	8,695	8,378
Output 1.3 – Meteorological and Related Services	64,142	61,800
Output 1.4 – International Meteorological Activities	2,672	2,574
<b>TOTAL REVENUE FROM GOVERNMENT (Appropriations)</b>	<b>197,664</b>	<b>190,447</b>
<i>Contributing to Price of Departmental Output</i>	<i>92.6%</i>	<i>92.8%</i>
<b>REVENUE FROM OTHER SOURCES</b>		
Output 1.1 – Meteorological and Related Data	1,117	1,012
Output 1.2 – Meteorological and Related Research	1,387	729
Output 1.3 – Meteorological and Related Services	13,295	13,096
<b>TOTAL REVENUE FROM OTHER SOURCES</b>	<b>15,799</b>	<b>14,837</b>
<b>TOTAL PRICE OF DEPARTMENTAL OUTPUTS</b>	<b>213,463</b>	<b>205,284</b>
<b>DEPARTMENTAL SPECIAL ACCOUNTS</b>	<b>0</b>	<b>0</b>
<b>TOTAL ESTIMATED RESOURCING</b>	<b>213,463</b>	<b>205,284</b>

	2003-2004	2004-2005
<b>AVERAGE STAFFING LEVEL (NUMBER)</b>	1,441.0	1,401.0

**CONTRIBUTION OF OUTPUTS**

The four output groups the Bureau of Meteorology provides in support of the achievement of this outcome align directly with the four elements of the outcome as follows:

Outcome Element	Output Group
Satisfaction of present and future needs for continuous reliable data on Australian weather and climate	1.1 Meteorological and Related Data
Advancement of meteorological science and understanding of the mechanisms of Australian weather and climate	1.2 Meteorological and Related Research
Enhanced community safety and well-being through preparation of meteorological products and information and the effective use of meteorological and related services by the general public and other major social and economic sectors	1.3 Meteorological and Related Services
International cooperation and goodwill including the benefits of global meteorological cooperation under the Convention of the World Meteorological Organization and related international meteorological treaties and agreements	1.4 International Meteorological Activities

**PERFORMANCE INFORMATION FOR THE OUTCOME**

Table 2.2 lists the performance information that the Bureau of Meteorology will use to assess the level of its achievement of the outcome during 2004-05. It comprises two parts:

- (A) overall achievement - performance information for the effectiveness of the outcome overall; and
- (B) performance information for Outputs - quantitative, qualitative and, price for each output.

**TABLE 2.2 – PERFORMANCE INFORMATION FOR THE OUTCOME**

***(A) Effectiveness – Overall Achievement of the Outcome***

<p>Satisfaction of present and future needs for continuous reliable data on Australian weather and climate</p>	<p>The extent to which:</p> <ul style="list-style-type: none"> <li>• the density, representativeness, accuracy, homogeneity, continuity and reliability of the national meteorological observation network are sufficient to: <ul style="list-style-type: none"> <li>- meet essential future national and international needs for Australian climate data; and</li> <li>- provide the basis for routine nationwide weather watch and numerical prediction operations and provide a common foundation for the provision of basic and special weather services;</li> </ul> </li> <li>• the meteorological data from the observational network are transmitted to the National Meteorological and Oceanographic Operations Centre (NMOC) and Regional Forecasting Centres (RFCs) error-free and within cut-off times and meteorological information, forecasts and warnings are communicated promptly and accurately to users;</li> <li>• the central and regional computer systems and computing advisory and consultative services meet the defined requirements of all Bureau programs and contribute to overall efficiency and productivity gains; and</li> <li>• equipment installations satisfy the requirements of Bureau programs, are carried out within time and cost estimates and the performance and reliability of operational services are maximised.</li> </ul>
<p>Advancement of meteorological science and understanding of the mechanisms of Australian weather and climate</p>	<p>The extent to which:</p> <ul style="list-style-type: none"> <li>• the Bureau of Meteorology Research Centre is recognised for the quality and extent of its contribution to national and international atmospheric science;</li> <li>• progress is achieved in the characterisation and understanding of the processes which determine Australian weather and climate;</li> <li>• progress is achieved on applied research problems addressed to the Bureau or which arise in the course of its operations;</li> <li>• cost effective new applications and services emerge from Bureau research;</li> <li>• Bureau research can be shown to have contributed to improvements in the quality of its operations and services; and</li> <li>• the scientific health and morale of the Bureau are enhanced.</li> </ul>

**(A) Effectiveness – Overall Achievement of the Outcome (continued)**

<p>Enhanced community safety and well-being through preparation of meteorological products and information and the effective use of meteorological and related services by the general public and other major social and economic sectors</p>	<p>The extent to which:</p> <ul style="list-style-type: none"> <li>• meteorological and related services contribute to minimising loss of life and property and community disruption from bushfires, tropical cyclones and severe storms; minimising economic and other costs of disaster preparedness; the safety, comfort, convenience and general welfare and economic benefit of the public and major community groups; the safety and efficiency of shipping, small craft and maritime industries; the safety, regularity and efficiency of air navigation; the efficiency and effectiveness of the Australian Defence Force; government and community planning; and the economy and efficiency of primary and secondary industry;</li> <li>• forecasts, warnings, information and advice are accurate and timely;</li> <li>• user needs (including the needs of specific users of special weather services on a cost recovery basis) are identified and satisfied and new services and products are developed as required;</li> <li>• the public, major user groups and specialised users receive, understand and make optimum use of the services and express satisfaction with the services;</li> <li>• the data stored in the National Climate Centre are appropriate in terms of types of parameters included; comply with relevant national and international guidelines in respect of density, frequency and length of period of observations stored; have been subject to appropriate quality control; are of acceptable quality; and are stored optimally in terms of security and accessibility;</li> <li>• the NMOC provides reliable, timely analysis and forecast guidance products that impact positively on the quality of services; and</li> <li>• the NMOC and the RFC provide, in combination, a sufficiently comprehensive and responsive nationwide and regional scale weather watch operation to detect and react immediately to the first evidence of developing dangerous weather and provide a foundation for the provision of routine basic and special weather services.</li> </ul>
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***(A) Effectiveness – Overall Achievement of the Outcome (continued)***

<p>International cooperation and goodwill including the benefits of global meteorological cooperation under the Convention of the World Meteorological Organization and related international meteorological treaties and agreements</p>	<p>The extent to which:</p> <ul style="list-style-type: none"> <li>• Australia meets agreed international requirements for data exchange; the NMOC in Melbourne provides the products and services prescribed for a World Meteorological Centre, two Regional Specialised Meteorological Centres (RSMCs) and a Joint Technical Commission for Oceanography and Marine Meteorology (JCOMM) Specialised Oceanographic Centre; and the Darwin RFC provides the products and services prescribed for a RSMC;</li> <li>• Australia can use its standing in international meteorology to influence international developments to national advantage;</li> <li>• participation in international activities can be shown to contribute to the effectiveness and efficiency of Bureau operations and services; and</li> <li>• the contribution of Australian expertise and support improves the quality and performance of National Meteorological and Hydrological Services (NMHSs) in the South-West Pacific and South-East Asia.</li> </ul>
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***(B) Performance Information for Departmental Outputs***

**OUTPUT GROUP 1.1 – METEOROLOGICAL AND RELATED DATA**

<i>Quality</i>	<p>95% of scheduled regular surface, space-based and upper air (radiosonde and upper wind) observations received on time and within prescribed error limits.</p> <p>Field equipment outages not greater than 24 hours for essential equipment, 7 working days for operationally backed-up infrastructure, and 22 days for other field equipment.</p> <p>90% of users surveyed are satisfied with the functional capacity and availability of mission critical communications system components.</p> <p>90% of users surveyed are satisfied with the functional capacity and availability of mission critical computing system components.</p>
<i>Quantity</i>	<p>Numbers of fully operational observing stations – 50 upper-air, 900 synoptic (including automatic weather), 7,500 rainfall, 12 drifting buoys, 100 voluntary observing ships, 745 river height, 60 weather watch radars, 15 satellite ground, 17 solar &amp; terrestrial radiation; 5 total ozone; 2 ozone profile and 1 Baseline.</p> <p>98 inter-office communications links operational, 910 automated data collection links operational and 12 international communications circuits operational.</p>
<i>Price</i>	<p>\$118.707m</p> <p>(Installation, operation and maintenance of operational observational data networks \$86.177m; Operation and maintenance of telecommunications and information technology infrastructure \$32.530m)</p>

**OUTPUT GROUP 1.2 – METEOROLOGICAL AND RELATED RESEARCH**

<i>Quality</i>	<p>Bureau of Meteorology Research Centre (BMRC) scientists invited to serve on 65 external advisory committees etc.</p> <p>At least 15 invitations received to present papers at external conferences and workshops.</p> <p>The annual report and all workshop and contract project reports produced in good time.</p> <p>5 system changes, developed by the BMRC, accepted for implementation by operational units (the National Meteorological and Oceanographic Operations Centre and the National Climate Centre).</p>
<i>Quantity</i>	<p>6 viable research groups focussed on priority research issues.</p> <p>110 research publications including refereed journals, articles, book chapters, conference papers and miscellaneous reports, and missions.</p> <p>75 external collaborative projects undertaken.</p>
<i>Price</i>	<p>\$9.107m</p> <p>(Resources committed to Pure Research \$0.984m; Strategic Research \$2.056m; Applied Research \$6.067m)</p>

**(B) Performance Information for Departmental Outputs (continued)****OUTPUT GROUP 1.3 – METEOROLOGICAL AND RELATED SERVICES**

<i>Quality</i>	<p>90% of users surveyed indicate that public weather forecasts and warnings are partly or completely accurate.</p> <p>90% of users surveyed indicate that public weather forecasts and warnings are becoming more accurate or are maintaining current levels of accuracy.</p> <p>90% of users surveyed indicate that they are ‘satisfied’ or ‘very satisfied’ with weather forecast, warning and information services.</p> <p>90% of users surveyed indicate that weather forecasts, warnings and information services are received in time for them to make their decisions.</p> <p>96% of regular observation entries into the national climate data base successfully completed within preset quality control standards.</p> <p>85% of users surveyed are ‘satisfied’ or ‘very satisfied’ with climate data services.</p> <p>85% of users surveyed are ‘satisfied’ or ‘very satisfied’ with consultative meteorological services.</p> <p>85% of users surveyed are ‘satisfied’ or ‘very satisfied’ with hydrological data, information, advisory and flood warning services.</p> <p>0.1% downtime for Internet access services.</p> <p>90% of commercial contracts are completed on time.</p> <p>90% of existing clients renew commercial contracts.</p> <p>95% of numerical guidance products are delivered before the scheduled deadlines for dissemination.</p> <p>90% of users surveyed are satisfied with the value of forecast guidance product components.</p> <p>Accuracy of centralised analysis and forecast guidance products as measured by statistical evaluation procedures: S1 skill score of 30 points less than persistence in 24-hour predictions over the Australian region; annual average root mean square [rms] error in the 24-hour statistical guidance for maximum temperature of 3 degrees (2.5 degrees for minimum temperature) averaged over all States; anomaly correlations for 72,120 and 168-hour sea level pressure predictions for 20 to 60° S from the global prediction system of 75%, 55% and 40% respectively; and annual average rms error of 0.7m in the 24-hour sea state predictions averaged over all available Australian instrumental wave observations.</p>
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***(B) Performance Information for Departmental Outputs (continued)***

**OUTPUT GROUP 1.3 – METEOROLOGICAL AND RELATED SERVICES *(continued)***

<i>Quantity</i>	<p>15,000 to 20,000 public weather warnings issued.</p> <p>400,000 to 450,000 public weather forecast and information bulletins issued.</p> <p>430,000 climate data, information, monitoring, prediction and advisory services provided.</p> <p>600,000 hydrological data, information, advisory and flood warning services issued.</p> <p>7,500 consultative services provided.</p> <p>5 to 7 million accesses by telephone/facsimile and 1.5 to 2.0 billion accesses by the Internet for automated weather service delivery systems.</p> <p>1.4 million telephone, facsimile and Internet accesses to automated climate service delivery systems.</p> <p>400,000 Internet accesses to automated hydrological service delivery systems.</p> <p>7 Regional Forecasting Centres, 28 AIFS (Australian Integrated Forecast System) equipped offices, 2,400 numerical guidance products issued by the National Meteorological and Oceanographic Operations Centre (NMOC) with 10 systems providing distinctive guidance products.</p> <p>5% growth in revenues of the Special Services Unit (SSU) and reduce overheads by at least 10% over the previous year.</p>
<i>Price</i>	<p>\$74.896m</p> <p>(Analysis and Prediction Products \$6.055m</p> <p>Severe Weather Warning Services \$5.016m</p> <p>Public Weather Services \$13.769m</p> <p>Marine Weather Services \$1.412m</p> <p>Aviation Weather Services \$15.052m</p> <p>Defence Weather Services \$3.361m</p> <p>Special Weather Services \$3.965m</p> <p>Climate Data Service \$4.577m</p> <p>Climate Monitoring Service \$2.949m</p> <p>Meteorological Advisory Service \$0.165m</p> <p>Special Investigation \$7.421m</p> <p>Flood Warning Service \$4.749m</p> <p>Hydrometeorological Advisory Service \$1.176m</p> <p>High Seas Oceanographic Services \$0.027m</p> <p>Coastal Oceanographic Services \$0.071m</p> <p>Maintenance of Climate Data Bank \$4.598m</p> <p>Water Resources Assessment activities \$0.533m)</p>

**(B) Performance Information for Departmental Outputs (continued)****OUTPUT GROUP 1.4 – INTERNATIONAL METEOROLOGICAL ACTIVITIES**

<i>Quality</i>	<p>Australian influence is exercised through occupancy of important senior positions in the World Meteorological Organization (WMO).</p> <p>The value achieved from scientific exchange visits and cooperative projects undertaken with other countries is maintained.</p> <p>The flow of accurate observational data to Australia is increased through provision of technical assistance and meteorological training to the National Meteorological and Hydrological Services (NMHSs) of developing countries.</p> <p>100% of the formal obligations of roles for the Melbourne World Meteorological Centre (WMC) and the Melbourne and Darwin Regional Specialised Meteorological Centres (RSMCs), as designated by the WMO, are fulfilled.</p> <p>A high level of demand for Australian officers to participate in WMO activities is maintained.</p> <p>A high level of satisfaction of regional developing NMHSs with Australian technical cooperation is maintained.</p>
<i>Quantity</i>	<p>Australia is represented in all WMO constituent bodies (viz. Congress, Executive Council, Regional Association V, all Technical Commissions).</p> <p>Three or more major international meteorological meetings are hosted in Australia.</p> <p>Active bilateral cooperative programs are maintained with the eight countries (China, India, Indonesia, Iran, Japan, Republic of Korea, Russian Federation, Vietnam) with which a Memorandum of Understanding or treaty has been signed.</p> <p>All AusAID projects offering capacity building by the Bureau especially its Training Centre in Melbourne to help develop meteorology in developing countries are supported.</p> <p>WMC Melbourne, RSMCs Melbourne and Darwin and the Joint Technical Commission for Oceanography and Marine Meteorology (JCOMM) Specialised Oceanographic Centre, Melbourne, are maintained.</p>
<i>Price</i>	<p>\$2.574m</p> <p>(\$1.169m to meet Australia's assessed contribution to the WMO regular budget in 2004-05; participation in the scientific and technical programs of the WMO and related international exchange activities \$1.305m; and</p> <p>Bureau participation in the WMO Voluntary Cooperation Programme and bilateral technical cooperation activities \$0.100m)</p>

**PERFORMANCE INFORMATION**

Achievement of planned performance will be reported in the Bureau of Meteorology's 2004-05 Annual Report.

**EVALUATIONS**

There are no evaluations planned for 2004-05.

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**Part C**

**Section 3**

**Bureau of Meteorology**

**BUDGETED FINANCIAL  
STATEMENTS**

## Budgeted Financial Statements

The budgeted departmental financial statements and administered schedules for the Bureau of Meteorology are presented in this section. Information from the budgeted financial statements, forms part of the financial statements that will appear in the Bureau of Meteorology's 2004-05 Annual Report, and is also required as input into the Whole of Government Accounts.

### ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

An analysis of the Bureau of Meteorology's budgeted financial statements, as reflected in the Bureau of Meteorology's budgeted departmental financial statements and administered schedules for 2004-05, is provided below:

#### Budgeted Departmental Statement of Financial Performance

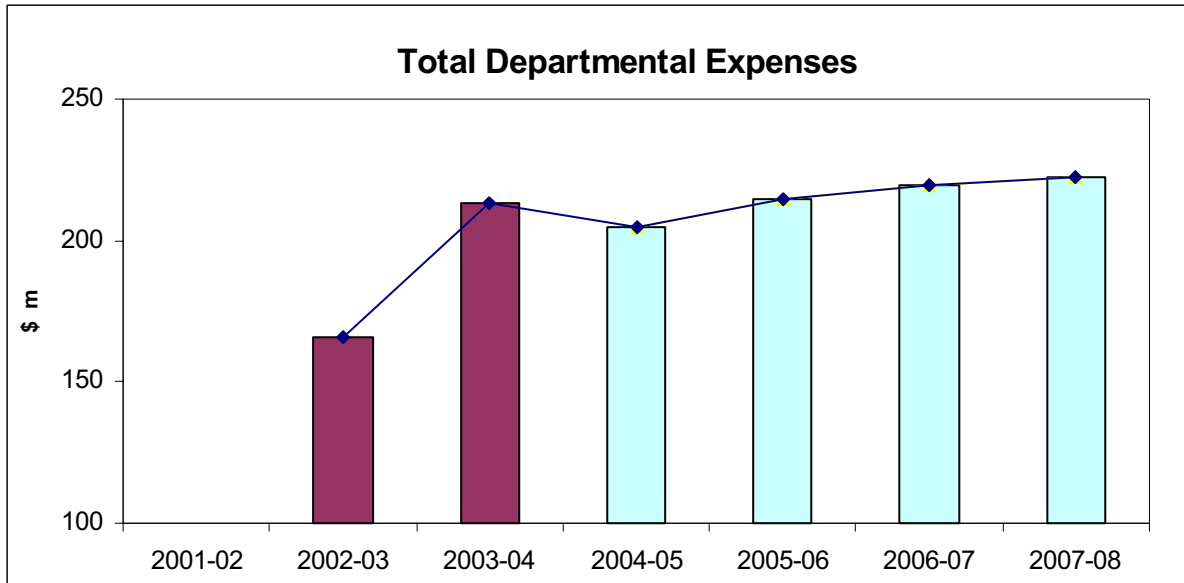
The Bureau of Meteorology is budgeting for a break-even performance for 2004-05. Total revenue is estimated to be \$205.3 million, a decrease of \$8.2 million from the 2003-04 estimated actual. The decrease is primarily the result of:

- the funding impact of advancing \$4.5 million into the 2003-04 budget to meet urgent additional costs associated with delays in the relocation of the Bureau's Head Office to new premises;
- a reduction in independent revenue (\$1.0 million); and
- a small offset due to increased funding for economic parameter adjustments.

Total expenses are estimated to be \$205.3m, a reduction of \$8.2m from the 2003-04 estimated actual.

The decrease is due to:

- the impact of advancing \$4.5 million to 2003-04 detailed above; and
- decreased expenses associated with independent revenue (\$1.0 million), which also has the effect of reducing the estimated actual expenses in 2004-05 by the corresponding amount.

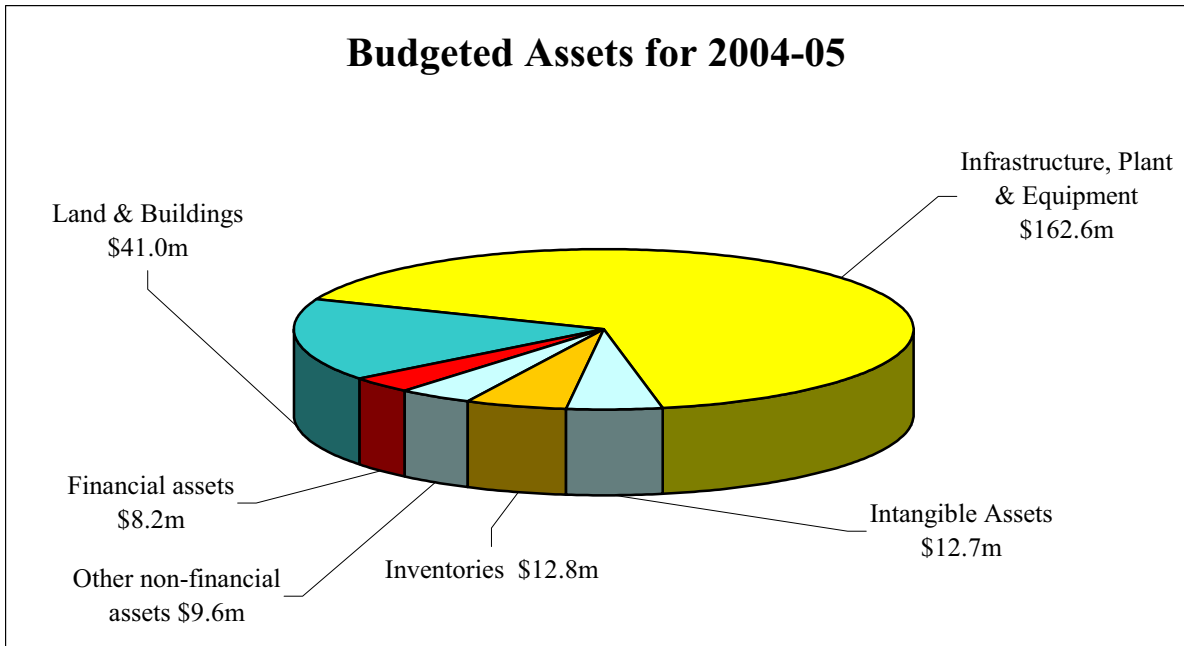


The Bureau of Meteorology was Prescribed on 12 September 2002, the revenues for 2002-03 was for the period 12 September 2002 to 30 June 2003.

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

The Bureau of Meteorology's budgeted net asset position of \$179.9 million represents an increase of \$9.1 million from the 2003-04 estimated actual. The increase is attributable to increased expenditure in the Bureau of Meteorology's capital works programme in relation to the replacement of existing radars combined with the construction and introduction of new Doppler radar technology (\$9.1 million).

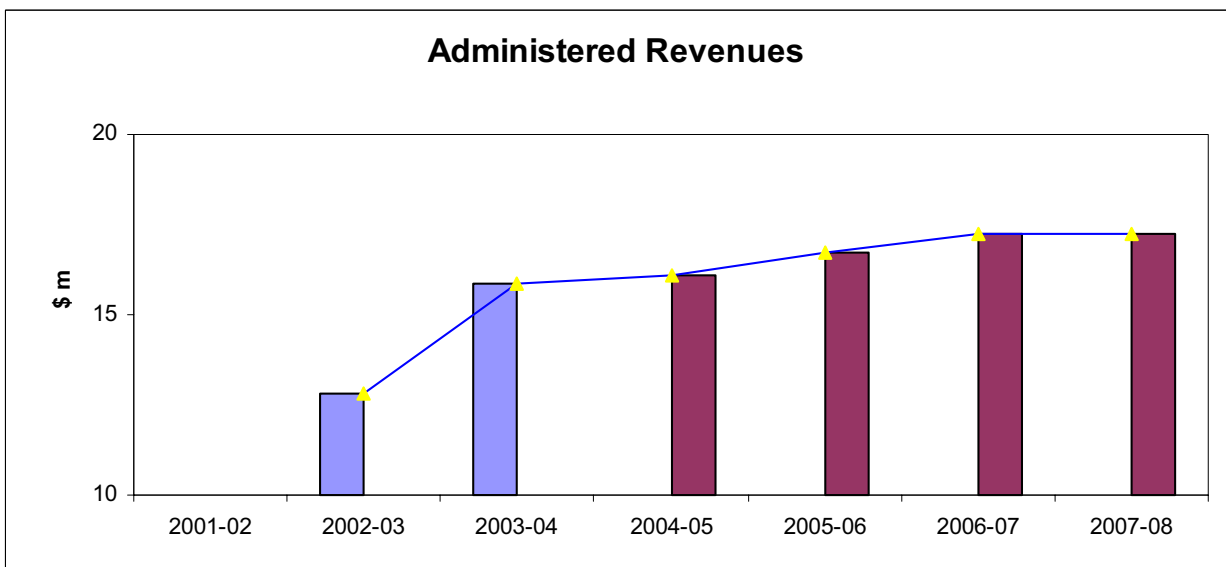
The Bureau of Meteorology's major asset, 'Infrastructure, Plant and Equipment', is projected to increase by \$6.5 million to \$162.6 million due primarily to increased expenditure in the Bureau of Meteorology's capital works programme as outlined above.



The Bureau of Meteorology's primary liability continues to be accrued employee entitlements, as a result of accruing leave entitlements, of \$58.8 million.

#### Schedule of Budgeted Revenues and Expenses Administered on behalf of Government

The Bureau of Meteorology will receive Administered revenue of \$16.1 million an increase of \$0.2 million from the 2003-04 estimated actual. The increase is largely due to recovering additional costs for specialised services provided to the Department of Defence and the aviation industry.



The Bureau of Meteorology was Prescribed on 12 September 2002, the revenues for 2002-03 was for the period 12 September 2002 to 30 June 2003.

### **Schedule of Budgeted Assets and Liabilities Administered on behalf of Government**

Total assets are expected to remain stable at \$2.6 million for the 2004-05 financial year. The receivable and accrued revenue will be of the same order of magnitude as the 2003-04 estimated actual.

## **DEPARTMENTAL FINANCIAL STATEMENTS**

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

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

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

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

### **Budgeted Departmental Statement of Cash Flows**

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

### **Departmental Capital Budget Statement**

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

### **Departmental Non-financial Assets - Summary of Movement**

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

## **SCHEDULE OF ADMINISTERED ACTIVITY**

### **Schedule of Budgeted Revenues and Expenses Administered on behalf of Government**

This schedule identifies the main revenues and expenses administered on behalf of the Government except revenue from administered appropriations. As a result of new requirements under the Finance Minister's Orders (FMO) in 2001-02, the receipt of administered appropriations from the Official Public Account is no longer reported as administered revenue. Under the new FMOs only transactions external to the Commonwealth are reported as revenue.

### **Schedule of Budgeted Assets and Liabilities Administered on behalf of Government**

This schedule shows the assets and liabilities administered on behalf of the Government.

### **Schedule of Budgeted Administered Cash Flows**

This schedule shows cash flows administered on behalf of the Government.

### **Schedule of Administered Capital Budget**

This note shows details of planned administered capital expenditure.

### **Schedule of Administered Non-financial Assets – Summary of Movement**

This schedule discloses details of movements in administered non-financial assets.

**TABLE 3.1 – BUDGETED DEPARTMENTAL STATEMENT OF  
FINANCIAL PERFORMANCE  
(for the period ended 30 June 2005)**

	Estimated	<b>Budget</b>	FORWARD		
	Actual	<b>Estimate</b>	ESTIMATES		
<i>Note</i>	2003-04	<b>2004-05</b>	2005-06	2006-07	2007-08
	\$'000	<b>\$'000</b>	\$'000	\$'000	\$'000
<b>REVENUES FROM ORDINARY ACTIVITIES</b>					
Revenues from Government	197,664	<b>190,447</b>	200,061	204,426	207,705
Sales of goods and services	15,264	<b>14,297</b>	14,292	14,287	14,287
Other	535	<b>540</b>	545	550	550
<b>Total revenues from ordinary activities</b>	<b>213,463</b>	<b>205,284</b>	<b>214,898</b>	<b>219,263</b>	<b>222,542</b>
<b>EXPENSES FROM ORDINARY</b>					
<b>ACTIVITIES (excluding borrowing costs expense)</b>					
Employees	107,968	<b>110,147</b>	112,585	115,293	116,622
Suppliers	64,096	<b>55,054</b>	60,490	61,519	62,777
Depreciation and amortisation	39,912	<b>38,588</b>	40,308	40,939	41,577
Write-down of assets	1	<b>1</b>	1	1	1
Other	1,486	<b>1,494</b>	1,514	1,511	1,565
<b>Total expenses from ordinary activities (excluding borrowing costs expense)</b>	<b>213,463</b>	<b>205,284</b>	<b>214,898</b>	<b>219,263</b>	<b>222,542</b>
Borrowing cost expense	0	<b>0</b>	0	0	0
<b>Net Surplus or (deficit) from ordinary activities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Gain or loss on extraordinary items	0	<b>0</b>	0	0	0
<b>Net Surplus or (deficit)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**TABLE 3.2 – BUDGETED DEPARTMENTAL STATEMENT OF FINANCIAL POSITION (as at 30 June 2005)**

	Estimated Actual <i>Note</i> 2003-04 \$'000	Budget Estimate 2004-05 \$'000	FORWARD ESTIMATES		
			2005-06 \$'000	2006-07 \$'000	2007-08 \$'000
<b>ASSETS</b>					
<b>Financial Assets</b>					
Cash	0	0	0	0	0
Receivables	7,640	7,640	7,640	7,640	7,640
Accrued revenues	523	523	523	523	523
<b>Total financial assets</b>	<b>8,163</b>	<b>8,163</b>	8,163	8,163	8,163
<b>Non-financial assets</b>					
Land and buildings	37,481	40,975	43,933	46,891	45,632
Infrastructure, plant and equipment	156,164	162,626	166,663	172,700	179,254
Inventories	12,847	12,847	12,847	12,847	12,847
Intangibles	12,828	12,718	14,523	16,328	18,133
Other	9,630	9,630	9,630	9,630	9,630
<b>Total Non-financial assets</b>	<b>228,950</b>	<b>238,796</b>	247,596	258,396	265,496
<b>Total Assets</b>	<b>237,113</b>	<b>246,959</b>	255,759	266,559	273,659
<b>LIABILITIES</b>					
<b>Interest bearing liabilities</b>					
Loans	0	0	0	0	0
Other	0	0	0	0	0
<b>Total debt</b>	<b>0</b>	<b>0</b>	0	0	0
<b>Provisions</b>					
Employees	58,088	58,834	58,834	58,834	58,834
<b>Total Provisions</b>	<b>58,088</b>	<b>58,834</b>	58,834	58,834	58,834
<b>Payables</b>					
Suppliers	2,311	2,311	2,311	2,311	2,311
Other	5,961	5,961	5,961	5,961	5,961
<b>Total Payables</b>	<b>8,272</b>	<b>8,272</b>	8,272	8,272	8,272
<b>Total Liabilities</b>	<b>66,360</b>	<b>67,106</b>	67,106	67,106	67,106

**TABLE 3.2 – BUDGETED DEPARTMENTAL STATEMENT OF  
FINANCIAL POSITION *continued*  
(as at 30 June 2005)**

	Estimated Actual	<b>Budget Estimate</b>	FORWARD ESTIMATES		
<i>Note</i>	2003-04	<b>2004-05</b>	2005-06	2006-07	2007-08
	\$'000	<b>\$'000</b>	\$'000	\$'000	\$'000
<b>EQUITY</b>					
<b>Parent equity Interest</b>					
Contributed equity	6,300	<b>15,400</b>	24,200	35,000	42,100
Reserves	3,023	<b>3,023</b>	3,023	3,023	3,023
Retained surpluses or accumulated deficits	161,430	<b>161,430</b>	161,430	161,430	161,430
<b>Total parent equity interest</b>	<b>170,753</b>	<b>179,853</b>	<b>188,653</b>	<b>199,453</b>	<b>206,553</b>
<b>Total equity</b>	<b>170,753</b>	<b>179,853</b>	<b>188,653</b>	<b>199,453</b>	<b>206,553</b>
<b>Current liabilities</b>	31,020	<b>31,766</b>	31,766	31,766	31,766
<b>Non-current liabilities</b>	35,340	<b>35,340</b>	35,340	35,340	35,340
<b>Current assets</b>	25,701	<b>25,701</b>	25,701	25,701	25,701
<b>Non-current assets</b>	211,412	<b>221,258</b>	230,058	240,858	247,958

**TABLE 3.3 – BUDGETED DEPARTMENTAL STATEMENT OF CASH FLOWS**  
(for the period ended 30 June 2005)

	Estimated	Budget	FORWARD		
	Actual	Estimate	ESTIMATES		
<i>Note</i>	2003-04	2004-05	2005-06	2006-07	2007-08
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations for outputs	197,664	<b>190,447</b>	200,061	204,426	207,705
Sales of goods and services	15,264	<b>14,297</b>	14,292	14,287	14,287
Other	8,551	<b>8,525</b>	8,530	8,535	8,535
<b>Total cash received</b>	<b>221,479</b>	<b>213,269</b>	<b>222,883</b>	<b>227,248</b>	<b>230,527</b>
<b>Cash Used</b>					
Employees	110,160	<b>109,401</b>	112,585	115,293	116,622
Suppliers	65,257	<b>56,223</b>	61,679	62,705	64,017
Other	4,560	<b>4,560</b>	4,560	4,560	4,560
<b>Total cash used</b>	<b>179,977</b>	<b>170,184</b>	<b>178,824</b>	<b>182,558</b>	<b>185,199</b>
<b>Net cash from operating activities</b>	<b>41,502</b>	<b>43,085</b>	<b>44,059</b>	<b>44,690</b>	<b>45,328</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash Received</b>					
Proceeds from sale of property, plant and equipment	0	<b>0</b>	0	0	0
	325	<b>325</b>	325	325	325
<b>Total Cash Received</b>	<b>325</b>	<b>325</b>	<b>325</b>	<b>325</b>	<b>325</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	47,393	<b>48,759</b>	49,433	52,064	49,002
Other	3,751	<b>3,751</b>	3,751	3,751	3,751
<b>Total cash used</b>	<b>51,144</b>	<b>52,510</b>	<b>53,184</b>	<b>55,815</b>	<b>52,753</b>
<b>Net cash from investing activities</b>	<b>(50,819)</b>	<b>(52,185)</b>	<b>(52,859)</b>	<b>(55,490)</b>	<b>(52,428)</b>

**TABLE 3.3 – BUDGETED DEPARTMENTAL STATEMENT OF CASH FLOWS**  
*continued*  
**(for the period ended 30 June 2005)**

	Estimated Actual	<b>Budget Estimate</b>	FORWARD ESTIMATES		
<i>Note</i>	2003-04	<b>2004-05</b>	2005-06	2006-07	2007-08
	\$'000	<b>\$'000</b>	\$'000	\$'000	\$'000
<b>FINANCING ACTIVITIES</b>					
<b>Cash Received</b>					
Cash from Capital Injections	6,300	<b>9,100</b>	8,800	10,800	7,100
<b>Total Cash Received</b>	<b>6,300</b>	<b>9,100</b>	<b>8,800</b>	<b>10,800</b>	<b>7,100</b>
<b>Cash Used</b>					
Dividends paid	0	<b>0</b>	0	0	0
<b>Total Cash Used</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net cash from financing activities</b>	<b>6,300</b>	<b>9,100</b>	<b>8,800</b>	<b>10,800</b>	<b>7,100</b>
<b>Net increase/(decrease in cash held)</b>	<b>(3,017)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Cash at the beginning of the reporting period	3,017	<b>0</b>	0	0	0
Cash at the end of the reporting period	0	<b>0</b>	0	0	0

**TABLE 3.4 – DEPARTMENTAL CAPITAL BUDGET STATEMENT**

	Estimated Actual	<b>Budget Estimate</b>	FORWARD ESTIMATES		
<i>Note</i>	2003-04	<b>2004-05</b>	2005-06	2006-07	2007-08
	\$'000	<b>\$'000</b>	\$'000	\$'000	\$'000
<b>Capital appropriations</b>					
Total equity injections	6,300	<b>9,100</b>	8,800	10,800	7,100
Total loans	0	<b>0</b>	0	0	0
<b>Represented by:</b>					
Purchase of non-current assets	6,300	<b>9,100</b>	8,800	10,800	7,100
Other	0	<b>0</b>	0	0	0
<b>Purchase of non-current assets</b>					
Funded by capital appropriations	6,300	<b>9,100</b>	8,800	10,800	7,100
Funded internally by departmental resources	41,093	<b>39,659</b>	40,633	41,264	41,902

**TABLE 3.5 – DEPARTMENTAL NON-FINANCIAL ASSETS  
SUMMARY OF MOVEMENT (BUDGET YEAR 2004-05)**

	Land \$'000	Buildings \$'000	Other Infrastruc Plant and Equipment \$'000	Heritage and cultural assets \$'000	Computer Software \$'000	Other intangibles \$'000	<b>Total \$'000</b>
<i>Carrying amount at the start of the year</i>	3,947	33,534	156,164		12,828		<b>206,473</b>
Additions *	268	7,886	39,887		718		<b>48,759</b>
Disposals	100	200	35				<b>335</b>
Revaluation Increments							
Recoverable Amount Write- Downs							
Net Transfers free of Charge			10				<b>10</b>
Depreciation/Amortisation Expense		4,360	33,400		828		<b>38,588</b>
Write-off of Assets							
Other Movements							
<i>Carrying amount at the end of the year</i>	4,115	36,860	162,626		12,718		<b>216,319</b>

**\* TOTAL ADDITIONS**

Self funded	268	7,886	30,787		718		<b>39,659</b>
Appropriations			9,100				<b>9,100</b>
<b>TOTAL</b>	268	7,886	39,887		718		<b>48,759</b>

**TABLE 3.6 – SCHEDULE OF BUDGETED REVENUES AND EXPENSES  
ADMINISTERED ON BEHALF OF GOVERNMENT  
(for the period ended 30 June 2005)**

	Estimated Actual	<b>Budget Estimate</b>	FORWARD ESTIMATES		
<i>Note</i>	2003-04	<b>2004-05</b>	2005-06	2006-07	2007-08
	\$'000	<b>\$'000</b>	\$'000	\$'000	\$'000
<b>Revenues</b>					
<b>Taxation</b>	0	<b>0</b>	0	0	0
<b>Non-taxation</b>					
Revenues from Government	0	<b>0</b>	0	0	0
Sales of goods and services	15,890	<b>16,100</b>	16,700	17,250	17,250
Other sources of non-taxation revenues	0	<b>0</b>	0	0	0
<b>Total non-taxation</b>	<b>15,890</b>	<b>16,100</b>	<b>16,700</b>	<b>17,250</b>	<b>17,250</b>
<b>Total revenues administered on behalf of the Government</b>	<b>15,890</b>	<b>16,100</b>	<b>16,700</b>	<b>17,250</b>	<b>17,250</b>
<b>Expenses</b>					
Grants	0	<b>0</b>	0	0	0
Suppliers	0	<b>0</b>	0	0	0
Other	25	<b>25</b>	25	25	25
Extraordinary items	0	<b>0</b>	0	0	0
<b>Total expenses administered on behalf of the Government</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>

**TABLE 3.7 – SCHEDULE OF BUDGETED ASSETS AND LIABILITIES  
ADMINISTERED ON BEHALF OF GOVERNMENT (as at 30 June 2005)**

<i>Note</i>	Estimated	<b>Budget</b>	FORWARD		
	Actual	<b>Estimate</b>	ESTIMATES		
	2003-04	<b>2004-05</b>	2005-06	2006-07	2007-08
	\$'000	<b>\$'000</b>	\$'000	\$'000	\$'000
<b>ASSETS</b>					
<b>Financial Assets</b>					
Cash	0	<b>0</b>	0	0	0
Receivables	1,488	<b>1,488</b>	1,488	1,488	1,488
Investments	0	<b>0</b>	0	0	0
Accrued revenues	1,138	<b>1,138</b>	1,138	1,138	1,138
<b>Total financial assets</b>	<b>2,626</b>	<b>2,626</b>	<b>2,626</b>	<b>2,626</b>	<b>2,626</b>
<b>Non-financial assets</b>					
Infrastructure, plant and equipment	0	<b>0</b>	0	0	0
Other	0	<b>0</b>	0	0	0
<b>Total Non-financial assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Assets Administered on behalf of the Government</b>	<b>2,626</b>	<b>2,626</b>	<b>2,626</b>	<b>2,626</b>	<b>2,626</b>
<b>LIABILITIES</b>					
<b>Provisions</b>					
Employees	0	<b>0</b>	0	0	0
Other	0	<b>0</b>	0	0	0
<b>Total Provisions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Payables</b>					
Suppliers	0	<b>0</b>	0	0	0
Grants	0	<b>0</b>	0	0	0
Other	13	<b>13</b>	13	13	13
<b>Total Payables</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>13</b>
<b>Total Liabilities Administered on behalf of the Government</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>13</b>

**TABLE 3.8 – SCHEDULE OF BUDGETED ADMINISTERED CASH FLOWS**  
**(for the period ended 30 June 2005)**

	Estimated Actual <i>Note</i> 2003-04 \$'000	Budget Estimate <b>2004-05</b> \$'000	FORWARD ESTIMATES		
			2005-06 \$'000	2006-07 \$'000	2007-08 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Sales of goods and services	17,443	<b>17,665</b>	18,304	18,854	18,854
Cash from Official Public Account	0	<b>0</b>	0	0	0
<b>Total cash received</b>	<b>17,443</b>	<b>17,665</b>	<b>18,304</b>	<b>18,854</b>	<b>18,854</b>
<b>Cash Used</b>					
Suppliers	0	<b>0</b>	0	0	0
Grants	0	<b>0</b>	0	0	0
Cash to Official Public Account	15,865	<b>16,075</b>	16,675	17,225	17,225
Other	1,578	<b>1,590</b>	1,629	1,629	1,629
<b>Total cash used</b>	<b>17,443</b>	<b>17,665</b>	<b>18,304</b>	<b>18,854</b>	<b>18,854</b>
<b>Net cash from operating activities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash Received</b>					
Other	0	<b>0</b>	0	0	0
<b>Total Cash Received</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Cash Used</b>					
Other	0	<b>0</b>	0	0	0
<b>Total cash used</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net cash from investing activities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**TABLE 3.8 – SCHEDULE OF BUDGETED ADMINISTERED CASH FLOWS** *continued*  
(for the period ended 30 June 2005)

	Estimated	Budget	FORWARD		
	Actual	Estimate	ESTIMATES		
<i>Note</i>	2003-04	2004-05	2005-06	2006-07	2007-08
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>FINANCING ACTIVITIES</b>					
<b>Cash Received</b>					
Other	0	0	0	0	0
<b>Total Cash Received</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Cash Used</b>					
Other	0	0	0	0	0
<b>Total cash used</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net cash from financing activities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net increase/(decrease in cash held)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Cash at the beginning of the reporting period	0	0	0	0	0
Cash at the end of the reporting period	0	0	0	0	0

**TABLE 3.9 – SCHEDULE OF ADMINISTERED CAPITAL BUDGET**

The Bureau of Meteorology has not been appropriated any Administered Capital in 2004-05.

**TABLE 3.10 – SCHEDULE OF ADMINISTERED NON-FINANCIAL ASSETS – SUMMARY OF MOVEMENT (BUDGET YEAR 2004-05)**

The Bureau of Meteorology does not administer any non-financial assets on behalf of the Commonwealth.

## Notes to the Financial Statements

### 1. General notes on accrual budgeting framework

#### (a) *Departmental Financial Statements and Notes of Administered Items*

Under the Australian Government's accrual budgeting framework, and consistent with Australian Accounting Standards, transactions that agencies control (departmental transactions) are separately budgeted for and reported on from transactions over which agencies do not have control (administered transactions). This ensures that agencies are only held fully accountable for the transactions over which they have control.

- Departmental assets are those assets, liabilities, revenues and expenses in relation to an agency or authority that are controlled by the agency. Departmental expenses include employee and supplier expenses and other administrative costs, which are incurred by the agency in providing its goods and services.
- Administered items are revenues, expenses, assets and liabilities that are managed by an agency or authority on behalf of the Government according to set Government directions. Administered expenses include subsidies, grants and personal benefit payments and administered revenues include taxes, fees, fines and excises.

#### (b) *Appropriations in the Accrual Budgeting Framework*

Under the Australian Government's accrual budgeting framework, separate annual appropriations are provided for:

- departmental price of outputs appropriations: representing the Government's funding for outputs from agencies;
- departmental capital appropriations: for investments by the Government for either additional equity injections or loans in agencies;
- administered expense appropriations: for the estimated administered expenses relating to an existing outcome, a new outcome or a Specific Purpose Payment to the states; and
- administered capital appropriations: for increases in administered equity through funding non-expense administered payments.

Special appropriations fund the majority of payments from the Consolidated Revenue Fund (especially those that are entitlement driven or involve transfers to state governments).

#### (c) *Asset Valuation*

From 1 July 2002 Commonwealth agencies and authorities are required to use either the cost basis or the fair value basis to measure property, plant and equipment. The shift from the deprival method of valuation to fair value should occur gradually over a three-year period. Fair value essentially reflects the current market value of an asset. See guidance from the Department of Finance and Administration on how to calculate fair value.

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**Part C**

**Section 4**

**Bureau of Meteorology**

**PURCHASER-PROVIDER  
AND COST RECOVERY  
ARRANGEMENTS**

## PURCHASER-PROVIDER ARRANGEMENTS

There are no formal purchaser-provider arrangements for the Bureau of Meteorology.

## COST RECOVERY ARRANGEMENTS

### COST RECOVERY IMPACT STATEMENT SUMMARY

The Bureau has undertaken a review of its cost recovery arrangements against the Government's Cost Recovery Policy, consistent with the Government's review schedule.

#### Description of the Bureau's Cost Recovery Arrangements

The Bureau's role is to provide meteorological information and services in the public interest generally and in particular for the purposes of the defence force, navigation and shipping, civil aviation, primary production, industry, trade and commerce. It operates under the *Meteorology Act 1955*, Section 8 of which states that the Director of Meteorology may, subject to any directions of the Minister, make charges for forecasts, information, advice, publications and other matter supplied under the Act.

Over 90 percent of the products and services of the Bureau are of a 'public good' nature and/or provided on a public interest basis. The Bureau also provides a limited range of cost recoverable services (value \$24m in 2002-2003 and \$28m estimated in 2003-04); and some commercial services (value \$4.6m in 2002-2003) on the basis of competitive neutrality with private sector suppliers.

Cost recoverable services fall in one of three categories: civil aviation, defence, other specialised services.

Revenue from these services is summarised in the following table:

<b>Cost recoverable product group</b>	<b>2002-03 \$'000 (actual)</b>	<b>2003-04 \$'000 (estimate)</b>
Aviation weather services	13,968	14,826
Defence weather services	3,075	3,179
Other specialised meteorological services	6,854	9,630

The key guiding principle in structuring the cost recovery charge for services provided by the Bureau is to maximise the community's use of 'public good' information and to minimise or avoid the call on taxpayer funding for all other services. The charge for cost recoverable services is based on the incremental cost of providing them i.e. the full direct and indirect costs (e.g. overheads) over and above that required to provide the Bureau's 'basic' public-good services.

### **Compliance with the Government's Cost Recovery Policy**

The charges set by the Bureau for its cost-recoverable services are in accordance with the Government's cost recovery policy and the guidelines for information agencies.

At the commencement of each annual budget cycle the Bureau estimates the revenue that it expects to receive from its cost-recoverable services. Owing to variations in demand that can occur throughout the year the actual revenue can vary from that originally forecast.

For example revenue from aviation services is ultimately linked to the volume of aircraft movements and in any given year there can be (albeit generally small) some under-recovery or over-recovery of revenue. These variations are taken into account in setting the charge for the subsequent year so that there is an evening out process over the longer term.

### **Consultation**

The calculation of costs and estimation of charges, particularly for the two main cost recoverable groups (aviation and defence) involve regular consultation with the relevant stakeholders. For example a detailed breakdown of the proposed charge for aviation weather services is provided at the annual industry consultative meeting held prior to the beginning of the financial year and intended to obtain industry endorsement of the charge for the coming year.

### **Review**

The Bureau, as part of its annual and longer term planning processes will continue to review its cost recovery arrangements in response to ongoing changes in its operating environment and the demand for meteorological products and services. The Bureau would expect to undertake a review similar in nature to a CRIS in the 2007-2008 financial year.

