

Financial resource management

Financial performance

The Bureau reported an operating surplus of \$40.7 million (excluding depreciation, write down and impairment of assets and asset revaluation changes) for 2022–23. This surplus is largely due to externally generated revenue recognised in the current year but used for capital assets.

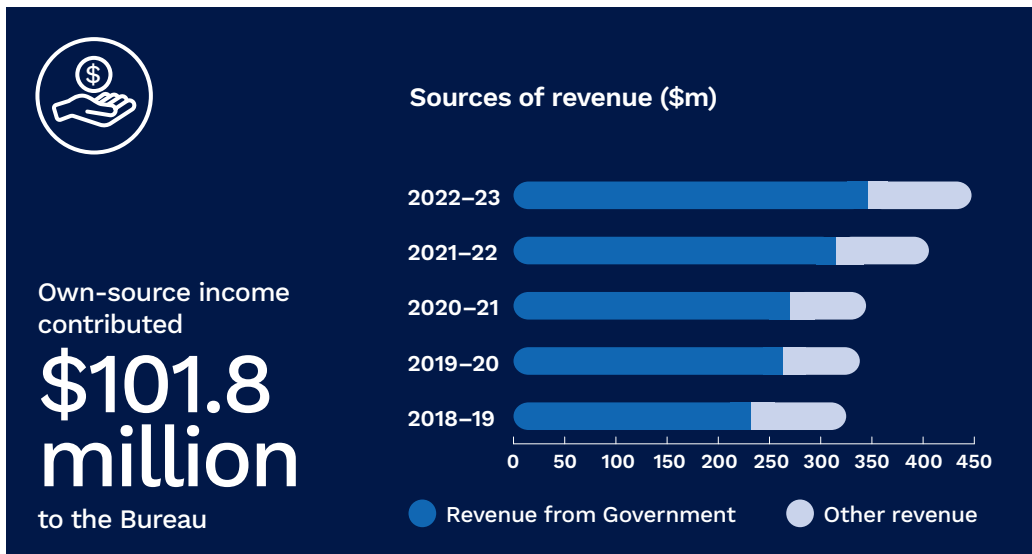
The Bureau recognised prior period errors across its property, plant and equipment, lease and revenue classes of asset and expenses. The prior period errors relate to incorrect application of accounting standards and do not have any impact to the ongoing financial sustainability or operations of the Bureau (see p.228).

Income

Total income for the Bureau for 2022–23 was \$447.3 million. This is an increase of \$41.6 million compared to the 2021–22 year.

Revenue from Government was \$345.5 million in 2022–23, which was \$29.8 million higher than the 2021–22 year. The increase was predominantly due to increases in the Long Term Financial Sustainability measure.

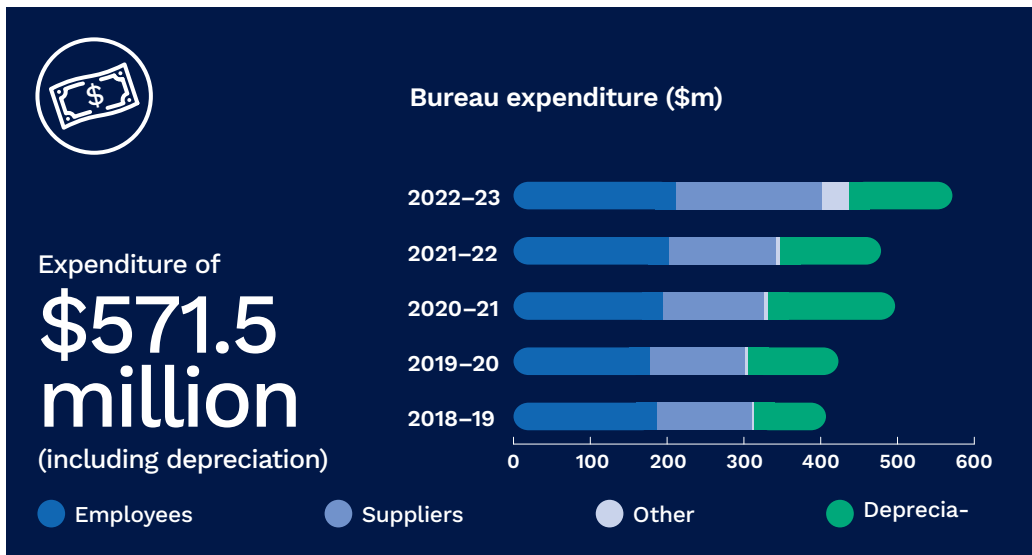
Own-source income was \$101.8 million – an increase of \$ 11.8 million compared to 2021–22, largely due to increased income from the aviation industry resulting from increases in flight activity following the COVID-19 pandemic. Own-source revenue is from cost-recovered activity.



Expenditure

The Bureau's operating expenditure for 2022–23 was \$571.5 million, an increase of \$92.9 million (19%) compared with the 2021–22 year. This increase was due to:

- additional supplier expenses (\$51.3 million) primarily relating to:
 - \$30.1 million higher expenses associated with Australian Climate Service and Long Term Financial Sustainability measures.
 - \$7.6 million in IT related expenses including licencing
 - \$1.7 million in operating leases.
- write down and impairment of assets of \$31.4 million due to stocktake adjustments and impairment of assets.



Significant non-compliance

During 2022–23, there was one instance of significant non-compliance of the finance law under section 19(1)(e) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

Description of non-compliance	Remedial Action
The Bureau disclosed prior period errors in the financial statements because of the incorrect application of accounting standards relating to assets, leases and revenue. A non-compliance with the PGPA Act has occurred due to the requirement to comply with the finance law and the <i>Public Governance, Performance and Accountability (Financial Reporting) Rule 2015</i> .	Remedial action to correct the errors occurred through the 2022–23 financial statement process. The Bureau has implemented stronger internal controls through enhanced asset management, lease and revenue practices and has provided training to all relevant staff.

Resource Statement Summary – current report period (2022–23)

	Actual available appropriation for 2022–23 \$'000 (a)	Payments made 2022–23 \$'000 (b)	Balance remaining 2022–23 \$'000 (a) – (b)
Departmental			
Annual appropriations – ordinary annual services ¹	568,863	458,456	110,407
Annual appropriations – departmental capital budget ¹	59,579	58,263	1,316
Annual appropriations – other services – non-operating ²	267,624	134,611	133,013
Total departmental annual appropriations	896,066	651,330	244,736
Departmental special appropriations ³	-	-	-
Total special appropriations	-	-	-
Special accounts	2,532	650	1,882
Total special accounts	2,532	650	1,882
<i>less departmental appropriations drawn from annual/special appropriations and credited to special accounts</i>	-	-	-
Total departmental resourcing (A)	898,598	651,980	246,618
Administered			
Annual appropriations – ordinary annual services ¹	-	-	-
Annual appropriations – other services – non-operating ²	-	-	-
Annual appropriations – other services – specific payments to States, ACT, NT and local government	-	-	-
Annual appropriations – other services – new administered expenses	-	-	-
Total administered annual appropriations	-	-	-
Administered special appropriations	-	-	-
Total administered special appropriations	-	-	-
Special accounts ³	-	-	-
Total special accounts receipts	-	-	-
<i>less administered appropriations drawn from annual/special appropriations and credited to special accounts</i>	-	-	-
<i>less payments to corporate entities from annual/special appropriations</i>	-	-	-
Total administered resourcing (B)	-	-	-
Total resourcing and payments for the Bureau of Meteorology (A + B)	898,598	651,980	246,618

¹ Appropriation and Supply Act (No. 1) 2022–23 and Appropriation Act (No. 3) 2022–23. This may also include prior-year departmental appropriation and section 74 external revenue.

² Appropriation and Supply Act (No. 2) 2022–23 and Appropriation and Supply Act (No. 4) 2022–23.

³ Excludes trust moneys held in Services for Other Entities and Trust Moneys (SOETM) and other special accounts.

Expenses by Outcome – current report period (2022–23)

Expenses for Outcome 1

Outcome 1: Enabling a safe, prosperous, secure and healthy Australia through the provision of weather, water, climate, ocean and space weather services.	Budget* 2022–23 \$'000 (a)	Actual expenses 2022–23 \$'000 (b)	Variation 2022–23 \$'000 (a) – (b)
Program 1.1: Bureau of Meteorology			
Administered expenses			
Ordinary annual services (Appropriation Act No. 1)	-	-	-
Other services (Appropriation Act Nos. 2, 4 and 6)	-	-	-
s74 External Revenue ¹	-	-	-
Special appropriations	-	-	-
Special accounts	-	-	-
Payments to corporate entities	-	-	-
Expenses not requiring appropriation in the Budget year ²	-	-	-
Administered total	-	-	-
Departmental expenses			
Departmental appropriation	345,500	300,325	45,175
s74 External Revenue ¹	85,017	104,638	(19,621)
Special appropriations	-	-	-
Special accounts	-	598	598
Expenses not requiring appropriation in the Budget year ²	106,622	165,975	(59,353)
Departmental total	537,139	571,536	(34,397)
Total expenses for Outcome 1	537,139	571,536	(34,397)
	2022–23	2022–23	
Average staffing level (number)	1,627	1,629	

* Full-year budget, including any subsequent adjustment made to the 2022–23 budget at Additional Estimates.

¹ Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act 2013.

² Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, make good expenses, audit fees, write down of assets, and foreign exchange losses.

Asset management

The Bureau manages its assets according to relevant accounting standards and Department of Finance requirements. The agency's asset management policies and procedures cover whole-of-life asset management.

The Bureau's asset base comprises software, leasehold improvements, data centre equipment and right-of-use assets associated with accounting standard AASB 16 Leases relating mainly to property leases.

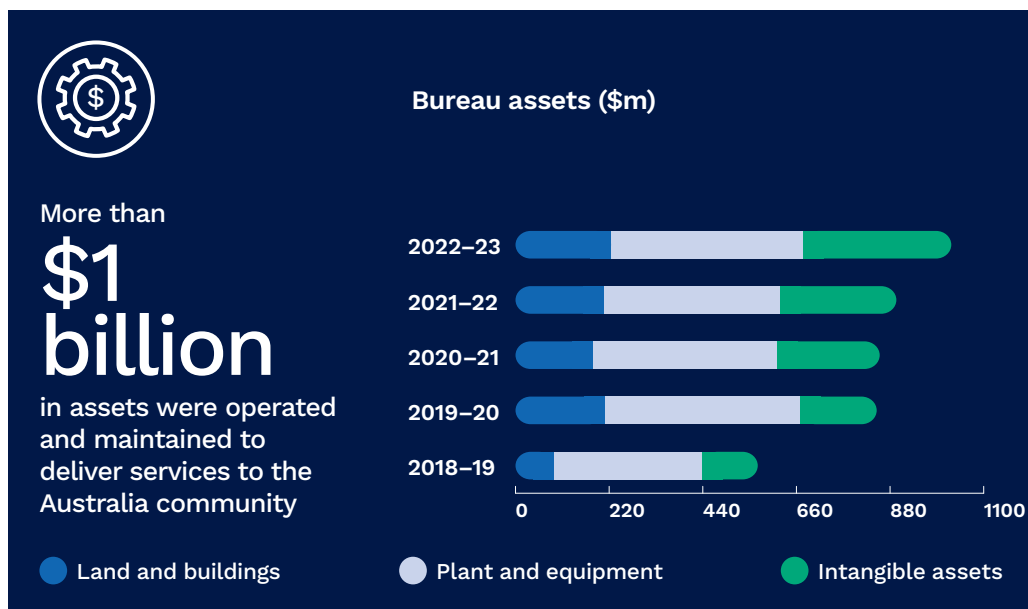
The property portfolio is managed through the property facilities maintenance and upgrade capital plan, to ensure the Bureau's workplaces and facilities are maintained to a suitable standard.

Investment in ICT software and hardware is undertaken according to the ICT technology plan and roadmap, to ensure ICT is sustained and capable of delivering for the agency and its customers.

The Bureau has focussed effort on maturing its asset management practices over the last few years to both the accounting practices and the asset management procedures.

The Bureau uses an asset management system to manage its observing network assets and related IT equipment, including:

- providing reports on asset performance
- scheduling preventive maintenance, inspections and calibrations
- planning, scheduling, assigning and executing work in a safe and efficient manner
- tracking rotables, spare parts and consumables.



Procurement

Value for money is the core principle underpinning all procurement. The Bureau's Accountable Authority Instructions provide internal control of procurement within the agency, and are aligned with the PGPA Act, the Commonwealth Procurement Rules and broader Australian Government policy. The Bureau is committed to assessing and addressing modern slavery risks and this is reflected in the procurement framework. The Bureau also contributes to the annual Commonwealth Modern Slavery Statement and regularly updates its contractual and tendering templates to include obligations under the *Modern Slavery Act 2018*.

There were no instances of contracts of \$100,000 or more (inclusive of GST) entered into during 2022–23 that precluded the Auditor-General from accessing the contractor's premises.

For details of standard clauses that provide the Australian National Audit Office (ANAO) with access to contractors' information, refer to: www.finance.gov.au/procurement/clausebank.

There was one contract in excess of \$10,000 (inclusive of GST) that was exempted by the Accountable Authority from being published on AusTender on the basis that they would disclose exempt matters under the *Freedom of Information Act 1982*.

Information on procurements expected to be undertaken in the coming year is in the Bureau's annual procurement plan, available from the AusTender website: www.tenders.gov.au.

Procurement initiatives to support small business and Indigenous-owned businesses

The Bureau supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance's website: www.finance.gov.au/government/procurement/statistics-australian-government-procurement-contracts-

The Bureau's measures to support SMEs include:

- complying with the Commonwealth Procurement Framework
- using standardised contracts for low-risk procurements valued under \$200,000
- implementing the Indigenous Procurement Policy, noting that many Indigenous businesses are also SMEs
- using the Australian Industry Participation policies and programs to encourage SME engagement opportunities
- using credit cards for procurements valued below \$10,000
- complying with the Government's Supplier Pay On-Time or Pay Interest Policy.

The Bureau recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury's website: www.treasury.gov.au.

The Bureau supports the goals of the Australian Government's Indigenous Procurement Policy and achieved its Indigenous procurement target for 2022–23. More information is available on the Department of the Prime Minister and Cabinet's website: www.pmc.gov.au.

Consultancies and reportable non-consultancies

The selection and engagement of consultants was conducted in accordance with the PGPA Act, Commonwealth Procurement Rules and internal policy and procedures. Of the 14 consultancy contracts reported, 5 used a limited tender procurement method and 9 used an open tender, of which 7 used a panel arrangement.

During 2022–23, 8 new reportable consultancy contracts were entered into involving total actual expenditure of \$1,284,251. In addition, 6 ongoing reportable consultancy contracts were active during the period, involving total actual expenditure of \$1,081,383.

Expenditure on Reportable Consultancy Contracts – Current report period (2022–23)

	Number	Expenditure \$ (GST inc.)
New contracts entered into during the reporting period	8	\$1,284,251
Ongoing contracts entered into during a previous reporting period	6	\$1,081,383
Total	14	\$2,365,634

The main categories of purpose for which consultants were engaged were management advisory services, strategic planning consultation services and management support services.

Annual reports contain information about actual expenditure on reportable consultancy contracts. Information on the value of contracts and consultancies is available on the AusTender website: www.tenders.gov.au.

Organisations Receiving a Share of Reportable Consultancy Contract Expenditure – Current report period (2022–23)

Name of Organisation	Organisation ABN	Expenditure \$ (GST inc.)
Chartertech Pty Ltd	ABN: 30 617 464 990	\$626,644
KPMG House	ABN: 51 194 660 183	\$344,314
Protiviti Pty Ltd	ABN: 27 108 473 909	\$276,539
Deloitte Touche Tohmatsu	ABN: 74 490 121 060	\$247,973
Valquip Consulting Pty Ltd	ABN: 73 653 295 080	\$235,526
Total of Largest Shares		\$1,730,996

During 2022–23, 985 new non-consultancy contracts were entered into involving total actual expenditure of \$197,877,722. In addition, 681 ongoing non-consultancy contracts were active during the period, involving total actual expenditure of \$185,530,216.

Annual reports contain information about actual expenditure on reportable non-consultancy contracts. Information on the value of reportable non-consultancy contracts is available on the AusTender website: www.tenders.gov.au.

Expenditure on Reportable Non-Consultancy Contracts – Current report period (2022–23)

	Number	Expenditure \$ (GST inc.)
New contracts entered into during the reporting period	985	\$197,877,722
Ongoing contracts entered into during a previous reporting period	681	\$185,530,216
Total	1,666	\$383,407,938

Organisations Receiving a Share of Reportable Non-Consultancy Contract Expenditure – Current report period (2022–23)

Name of Organisation	Organisation ABN	Expenditure \$ (GST inc.)
Ventia Property Pty Ltd	ABN: 16 618 028 676	\$36,824,569
Rubik3 Pty Ltd	ABN: 59 603 714 085	\$18,346,405
Hays Specialist Recruitment	ABN: 47 001 407 281	\$18,149,167
Hewlett Packard Australia Pty Ltd	ABN: 74 004 394 763	\$16,855,869
Accenture Australia Pty Ltd	ABN: 49 096 776 895	\$12,886,198
Total of Largest Shares		\$103,062,208

Advertising and market research

Under section 311A of the *Commonwealth Electoral Act 1918*, the Bureau is required to disclose payments for advertising and market research.

Advertising and market research over the reporting threshold of \$15,200 (GST inclusive) were undertaken to the value of \$139,064 and \$205,917 respectively, in 2022–23. Details are provided below.

The Bureau did not undertake any polling, direct mail or advertising campaigns during 2022–23.

Organisation	Purpose	Expenditure (\$, GST inclusive)
Media advertising organisations		
Universal McCann (ABN: 19 002 966 001)	Recruitment Advertising	\$139,064
Market research organisations		
Fenton Strategic Communications (ABN: 87 096 279 640)	Communications market research	\$115,088
Ernst & Young (ABN: 75 288 172 749)	Market research for key performance measures	\$90,829
Total		\$344,981

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