



Section 5: Financial Statements

**For the period
ended 30 June 2023**

BUREAU OF METEOROLOGY
for the period ended 30 June 2023

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INDEPENDENT AUDITOR'S REPORT

To the Minister for Environment and Water

Opinion

In my opinion, the financial statements of the Bureau of Meteorology (the Entity) for the year ended 30 June 2023:

- (a) comply with Australian Accounting Standards – Simplified Disclosures and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Entity as at 30 June 2023 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following as at 30 June 2023 and for the year then ended:

- Statement by the Accountable Authority and Chief Financial Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement; and
- Notes to the financial statements, comprising a summary of significant accounting policies and other explanatory information.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter

I draw your attention to the Overview note of the financial statements, which describes the Entity's correction of prior period errors related to the incorrect recognition and measurement of property, plant, equipment and intangibles; leases; and revenue in the prior year. My opinion is not modified in respect of this matter.

Other information

The Accountable Authority is responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2023 but does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information, and accordingly I do not express any form of assurance conclusion thereon.

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In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Entity, the Chief Executive Officer and Director of Meteorology is responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Simplified Disclosures and the rules made under the Act. The Chief Executive Officer and Director of Meteorology is also responsible for such internal control as the Chief Executive Officer and Director of Meteorology determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Executive Officer and Director of Meteorology is responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an administrative restructure or for any other reason. The Chief Executive Officer and Director of Meteorology is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the assessment indicates that it is not appropriate.

Auditor's responsibilities for the audit of the financial statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office

A handwritten signature in black ink, appearing to read 'Bradley Medina', written in a cursive style.

Bradley Medina
Executive Director
Delegate of the Auditor-General

Canberra
18 September 2023

**BUREAU OF METEOROLOGY
STATEMENT BY THE ACCOUNTABLE AUTHORITY AND CHIEF FINANCIAL OFFICER**

In our opinion, the attached financial statements for the year ended 30 June 2023 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Bureau of Meteorology will be able to pay its debts as and when they fall due.

Signed.....

Dr. A. Johnson
Chief Executive Officer and
Director of Meteorology

15 September 2023

Signed.....

J. Stone
Chief Financial Officer

15 September 2023

BUREAU OF METEOROLOGY
Statement of Comprehensive Income
for the period ended 30 June 2023

	Notes	2023 \$'000	Restated ¹ 2022 \$'000	Original Budget 2023 \$'000
NET COST OF SERVICES				
Expenses				
Employee Benefits	1.1A	210,568	201,356	213,955
Supplier Expenses	1.1B	191,008	139,721	193,180
Depreciation and Amortisation	2.2A	133,474	131,137	127,252
Finance Costs	1.1C	2,352	2,083	759
Write-Down and Impairment of Assets	1.1D	31,434	1,460	1
Foreign Exchange Losses		227	127	-
Loss from Sale of Assets		-	24	-
Contributions to WMO and IOC ²		2,473	2,677	1,992
Total expenses		571,536	478,585	537,139
Own-source income				
Own-source revenue				
Revenue from Contracts with Customers	1.2A	64,994	60,410	48,207
Aviation Industry	1.2B	33,269	25,408	37,235
Other Revenue	1.2C	560	3,532	-
Total own-source revenue		98,823	89,350	85,442
Gains				
Sale of Assets		133	124	-
Foreign Exchange Gains		519	462	-
Other Gains		2,354	19	-
Total gains		3,006	605	-
Total own-source income		101,829	89,955	85,442
Net (cost of) services		(469,707)	(388,627)	(451,697)
Revenue from Government	1.2D	345,500	315,733	345,500
Deficit		(124,207)	(72,894)	(106,197)
OTHER COMPREHENSIVE INCOME				
Changes in Asset Revaluation Reserve		49,758	-	-
Total comprehensive loss		(74,449)	(72,894)	(106,197)

1. Financial year 2022 numbers have been restated as per prior period error noted in overview section.
2. Contributions to World Meteorological Organization (WMO) and Inter-Governmental Oceanographic Commission (IOC).

The above statement should be read in conjunction with the accompanying notes.

BUREAU OF METEOROLOGY Statement of Comprehensive Income

for the period ended 30 June 2023

Budget Variances Commentary

Finance Costs

Variance predominately relates to interest on lease liabilities, reflecting higher interest expense after the 2022-23 review and correction of right of use liabilities recognised.

Write-Down and Impairment of Other Assets

Actual expenses reflect the Bureau's stocktake and review of assets where an asset or an asset under construction was found to be partially or fully impaired. This write-down and impairment were not known during the development of the budget.

Foreign Exchange Losses

Foreign exchange losses were not known during the development of the budget.

Contributions to WMO and IOC

Bureau contributions to the World Meteorological Organisation are impacted by contribution rates from the Australian Government and the exchange rate. This has resulted in higher than budgeted contributions.

Revenue from Contracts with Customers

Higher revenue from contracts reflects new and higher revenue than anticipated from arrangements with business and government entities across the Defence, Research and Development, and Energy and Resources sectors.

Aviation Industry

Lower than budgeted Aviation Industry own-source income reflects lower flight activity than assumed during the development of the budget.

Sale of Assets

Sale of assets are not known during the development of the budget.

Foreign Exchange Gains

Foreign exchange gains are not known during the development of the budget.

Other Gains

Other gains are not known during the development of the budget. The actual reflects the discharge of provisions no longer required to be held by the Bureau.

Changes in Asset Revaluation Reserve

Changes to the Asset Revaluation Reserve are not known during the development of the budget. The actual balance reflects the Bureau's review of assets where assets have been revalued.

BUREAU OF METEOROLOGY
Statement of Financial Position

as at 30 June 2023

	Notes	2023 \$'000	Restated ¹ 2022 \$'000	Original Budget 2023 \$'000
ASSETS				
Financial Assets				
Cash and Cash Equivalents	2.1A	3,230	430	430
Trade and Other Receivables	2.1B	254,786	254,846	164,480
Accrued Revenue		6,690	-	3,671
Total Financial Assets		264,706	255,276	168,581
Non-Financial Assets²				
Land	2.2A	14,826	14,906	14,651
Buildings	2.2A	209,661	191,538	147,407
Plant and Equipment	2.2A	452,036	417,203	530,305
Computer Software	2.2A	346,431	269,810	401,865
Other Intangibles	2.2A	861	1,323	1,323
Inventories	2.2B	4,818	4,444	4,446
Prepayments		15,643	16,771	16,771
Total Non-Financial Assets		1,044,276	915,995	1,116,768
Total Assets		1,308,982	1,171,271	1,285,349
LIABILITIES				
Payables				
Suppliers Payable	2.3A	75,426	66,138	94,030
Other Payables	2.3B	6,127	6,484	5,481
Total Payables		81,553	72,622	99,511
Interest Bearing Liabilities				
Leases	2.4A	147,570	138,021	95,512
Total Interest Bearing Liabilities		147,570	138,021	95,512
Provisions				
Employee Provisions	4.1	70,252	67,177	67,177
Provision for Restoration	2.5	28,312	26,965	26,965
Total Provisions		98,564	94,142	94,142
Total Liabilities		327,687	304,785	289,165
Net Assets		981,295	866,486	996,184
EQUITY				
Contributed Equity		1,689,665	1,499,868	1,689,664
Reserves		383,807	334,049	334,049
Accumulated Deficit		(1,092,177)	(967,431)	(1,027,529)
Total Equity		981,295	866,486	996,184

1. Financial year 2022 numbers have been restated as per prior period error noted in overview section.

2. Right-of-use assets are included in the following line items: Land and Buildings.

The above statement should be read in conjunction with the accompanying notes.

BUREAU OF METEOROLOGY
Statement of Financial Position

as at 30 June 2023

Budget Variances Commentary

Trade and Other Receivables

Appropriation balances contained within the receivables balance is higher than anticipated in the budget due to delays in major program of work and a significant movement of funds request.

Accrued Revenue

Balance includes lease incentives that was not known during the development of the budget.

Non-Financial Assets

The Bureau's stocktake and review of assets including where an asset or an asset under construction was found to be partially or fully impaired resulted in revaluation, write off and disposal of assets that was not known during the development of the budget.

Suppliers Payables

Variance reflects timing of payments to vendors.

Leases

Addition of new lease, and adjustments made upon review of right of use asset and lease liabilities that was not known during development of the budget.

BUREAU OF METEOROLOGY
Statement of Changes in Equity
for the period ended 30 June 2023

	2023 \$'000	Restated ¹ 2022 \$'000	Original Budget 2023 \$'000
CONTRIBUTED EQUITY			
Balance carried forward from previous period	1,499,868	1,250,095	1,499,867
Adjusted opening balance	1,499,868	1,250,095	1,499,867
Transactions with owners			
Contributions by owners			
Equity injection - Appropriations	130,218	203,759	130,218
Departmental capital budget	59,579	46,014	59,579
Total transactions with owners	189,797	249,773	189,797
Closing balance as at 30 June	1,689,665	1,499,868	1,689,664
RETAINED EARNINGS			
Opening balance			
Balance carried forward from previous period	(967,431)	(844,934)	(921,332)
Adjustment for errors	-	(48,938)	-
Adjusted opening balance	(967,431)	(893,872)	(921,332)
Comprehensive income			
Deficit for the period	(124,207)	(72,894)	(106,197)
Total comprehensive income	(124,207)	(72,894)	(106,197)
Transactions with owners			
Distributions to owners			
Other	(539)	(665)	-
Total transactions with owners	(539)	(665)	-
Closing balance as at 30 June	(1,092,177)	(967,431)	(1,027,529)
ASSET REVALUATION RESERVE			
Opening balance			
Balance carried forward from previous period	334,049	334,049	334,049
Adjusted opening balance	334,049	334,049	334,049
Comprehensive income			
Change in asset revaluation reserve	49,758	-	-
Total comprehensive income	49,758	-	-
Closing balance as at 30 June	383,807	334,049	334,049

BUREAU OF METEOROLOGY
Statement of Changes in Equity
for the period ended 30 June 2023

	2023 \$'000	Restated ¹ 2022 \$'000	Original Budget 2023 \$'000
TOTAL EQUITY			
Opening balance			
Balance carried forward from previous period	866,486	739,210	912,584
Adjustment for errors	-	(48,938)	-
Adjusted opening balance	866,486	690,272	912,584
Comprehensive income			
Deficit for the period	(124,207)	(72,894)	(106,197)
Total comprehensive income	(124,207)	(72,894)	(106,197)
Other comprehensive income			
Change to asset revaluation reserve	49,758	-	-
Total other comprehensive income	49,758	-	-
Transactions with owners			
Distributions to owners			
Returns of capital			
Other	(539)	(665)	-
Contributions by owners			
Equity injection - Appropriations	130,218	203,759	130,218
Departmental capital budget	59,579	46,014	59,579
Total transactions with owners	189,258	249,108	189,797
Closing balance as at 30 June	981,295	866,486	996,184

1. Financial year 2022 numbers have been restated as per prior period error noted in overview section.

The above statement should be read in conjunction with the accompanying notes.

Accounting Policy

Equity Injections

Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) and Departmental Capital Budgets (DCBs), are recognised directly in contributed equity in that year.

Other Distributions to Owners

The Financial Reporting Rule requires that distributions to owners be debited to contributed equity unless it is in the nature of a dividend.

BUREAU OF METEOROLOGY
Cash Flow Statement
for the period ended 30 June 2023

	2023 \$'000	Restated ¹ 2022 \$'000	Original Budget 2023 \$'000
Notes			
OPERATING ACTIVITIES			
Cash received			
Appropriations	461,308	383,075	428,945
Sales of goods and rendering of services	95,289	87,908	85,441
GST received	24,668	25,688	-
Total cash received	581,265	496,671	514,386
Cash used			
Employees	(208,076)	(203,046)	(214,958)
Suppliers	(218,838)	(172,478)	(193,180)
Interest payments on lease liabilities	(1,617)	(1,395)	(759)
Section 74 receipts transferred to the OPA	(113,780)	(85,081)	(85,442)
GST paid	-	-	(1,992)
Total cash used	(542,311)	(462,000)	(496,331)
Net cash from operating activities	38,954	34,671	18,055
INVESTING ACTIVITIES			
Cash received			
Proceeds from sales of property, plant and equipment and assets held for sale	1,153	705	1,225
Total cash received	1,153	705	1,225
Cash used			
Purchase of property, plant and equipment and intangibles	(202,016)	(179,877)	(285,947)
Total cash used	(202,016)	(179,877)	(285,947)
Net cash used by investing activities	(200,863)	(179,172)	(284,722)
FINANCING ACTIVITIES			
Cash received			
Departmental capital budget	58,263	46,014	-
Contributed equity	134,611	126,259	282,161
Total cash received	192,874	172,273	282,161
Cash used			
Principal payments of lease liabilities	(27,626)	(27,098)	(15,494)
Other	(539)	(665)	-
Total cash used	(28,165)	(27,763)	(15,494)
Net cash from financing activities	164,709	144,510	266,667
Net increase/(decrease) in cash held	2,800	9	-
Cash and equivalents at the beginning of the reporting period	430	421	430
Cash and equivalents at the end of the reporting period	3,230	430	430
2.1A			

1. Financial year 2022 numbers have been restated as per prior period error noted in overview section.

The above statement should be read in conjunction with the accompanying notes.

BUREAU OF METEOROLOGY

Cash Flow Statement

for the period ended 30 June 2023

Budget Variances Commentary

Appropriations

Appropriations drawdown higher than budgeted, reflecting the decrease in supplier payables.

Sale of goods

Receipts higher than budgeted reflecting project activity for own source revenue contracts not known at the time of budget development.

GST and Suppliers

Budget reflected GST net against suppliers.

Section 74 receipts transferred to the OPA

Transfers to OPA higher than budgeted, reflecting value and timing of receipts for external contracts.

Purchase of Property Plant and Equipment

Variance reflects lower than anticipated spend on projects; approved movement of ROBUST project funds to 2023-24.

Cash received DCB and Equity

Lower drawdown of DCB/ Equity associated with purchase of Property Plant and Equipment.

Principle payments on lease liabilities

Adjustments impacting 2022 balances made on review of right of use asset and liabilities not known during development of the budget.

BUREAU OF METEOROLOGY

Notes to the Financial Statements

Overview

Objectives of the Entity

The Bureau of Meteorology (the Bureau) is Australia's national weather, climate and water information agency operating under the authority of the *Meteorology Act 1955* and the *Water Act 2007*.

The Bureau is an Executive Agency under the *Public Service Act 1999*, and a non-corporate Commonwealth entity under the PGPA Act. The Bureau operates under the Climate Change, Energy, the Environment and Water Portfolio and reports to the Minister for the Environment and Water.

The Bureau provides essential and trusted products and services that contribute to the safety, prosperity and wellbeing of the Australian community all day, every day.

The Bureau's work directly informs decisions by governments and the community and supports industry in key sectors such as emergency management, aviation, transport, water management, agriculture and environmental management.

The Basis of Preparation

The financial statements are required by section 42 of the PGPA Act.

The financial statements have been prepared in accordance with:

- a) *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015 (FRR)*; and
- b) *Australian Accounting Standards and Interpretations* - including simplified disclosures for Tier 2 Entities under AASB 1060 issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

New Accounting Standards

Adoption of New Australian Accounting Standard Requirements

Two amending standards (AASB2021-2 and AASB2021-6) were adopted earlier than the application date as stated in the standard. These amending standards have been adopted for the 2022-23 reporting period.

Standard/ Interpretation	Nature of change in accounting policy, transitional provisions, and adjustment to financial statements
AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates (AASB2021-2) and	AASB 2021-2 amends AASB7, AASB101, AASB108, AASB134 and AASB Practice Statement 2. The amending standard requires the disclosure of material, rather than significant, accounting policies, and clarifies what is considered a change in accounting policy compared to a change in accounting estimate.
AASB 2021-6 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards (AASB2021-6)	AASB 2021-6 amends the Tier 2 reporting requirements set out in AASB 1049, AASB 1054 and AASB 1060 to reflect the changes made by AASB 2021-2.

Taxation

The Bureau is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Events After the Reporting Period

There has been no subsequent event that had the potential to significantly affect the ongoing structure and financial activities of the Bureau.

BUREAU OF METEOROLOGY Notes to the Financial Statements

Prior Period Errors

The following prior period errors have been restated in the 2022-23 financial statements. The prior period errors relate to: Property, Plant and Equipment and Intangibles

- AASB 116 and AASB 138 include recognition and measurement criteria for assets under construction. The Bureau has reviewed its assets under construction values and identified errors in the application of these standards including values that have been incorrectly capitalised and depreciation not commencing when an asset became available for use. The Bureau has corrected the prior period by restating the closing balance for the 2022 financial year. The Bureau has adopted a practical approach so has not applied a full retrospective restatement.

Leases

- AASB 16 came into effect for the 2020 financial reporting period and was adopted by the Bureau using the modified retrospective approach applying the practical expedient to not reassess whether a contract is or contains a lease at the date of initial application. The Bureau has reviewed its right-of-use asset and lease liability values and identified errors in application of the standard including the omission of contracts that should have been assessed as leases and calculation adjustments. The Bureau has recalculated its lease values and corrected the prior period by restating the amounts for the 2022 financial year.

Revenue

- AASB 15 and AASB 1058 came into effect for the 2020 financial reporting period and were adopted by the Bureau using the modified retrospective approach, with the Bureau electing to apply the new standard to all new and uncompleted contracts at that date. The Bureau has reviewed the value of its accrued revenue and contract liability balances as at 30 June 2022 and has determined that it incorrectly applied AASB 15 and AASB 1058 in recognising its own-source revenue and associated accruals. The Bureau has corrected the prior period by restating the closing balance for the 2022 financial year. The Bureau has adopted a practical approach so has not applied a full retrospective restatement as data supporting the timing of the performance obligations is not available to facilitate retrospective restatement.

The prior period errors above have the following combined impact on 2022 financial year closing balances:

Financial Statement	Line Item	Original \$'000	Adjustment \$'000	Closing and comparative balances \$'000
Statement of Comprehensive Income	Depreciation and amortisation	120,193	10,944	131,137
	Finance costs	1,585	498	2,083
	Supplier expenses	151,806	(12,085)	139,721
Statement of Financial Position	Accrued revenue	3,671	(3,671)	-
	Land	14,320	586	14,906
	Buildings	151,974	39,564	191,538
	Plant and equipment	449,509	(32,306)	417,203
	Computer software	304,432	(34,622)	269,810
	Suppliers payable	94,030	(27,892)	66,138
	Lease liability	(94,483)	(43,538)	138,021
	Equity – accumulated deficit	(921,336)	(46,095)	(967,431)
Statement of Changes in Equity	Deficit for the period	(73,537)	643	(72,894)
	Adjustment for errors	-	(48,938)	(48,938)
	Opening retained earnings	(847,134)	2,200	(844,934)
Cash Flow Statement	Interest payments on lease liabilities	(897)	(498)	(1,395)
	Principal payments of lease liabilities	(15,511)	(11,587)	(27,098)
	Suppliers	(184,563)	12,085	(172,478)

BUREAU OF METEOROLOGY

Notes to the Financial Statements

Financial Performance

This section analyses the financial performance of the Bureau of Meteorology for the year ended 2023.

1.1 Expenses

	2023 \$'000	2022 \$'000
1.1A: Employee Benefits		
Wages and salaries	148,426	144,369
Superannuation		
Defined contribution plans	21,510	19,270
Defined benefit plans	10,359	11,473
Leave and other entitlements	26,230	21,954
Separation and redundancies	3,002	2,371
Other	1,041	1,919
Total employee benefits	210,568	201,356

Accounting Policy

Accounting policies for employee related expenses are contained in the People and Relationships section (Note 4.1).

	2023 \$'000	Restated ¹ 2022 \$'000
1.1B: Supplier Expenses		
Goods and services supplied or rendered		
Consultants	1,879	3,747
Contractors	45,527	42,715
External professional provider services	53,750	15,130
Communication and consumables - observing network	26,206	25,705
Communication consumables - other	38,337	32,944
Property operating expenses	7,880	8,076
IT services	4,244	1,960
Office expenses	1,426	1,126
Other	4,441	3,199
Total goods and services supplied or rendered	183,690	134,602
Goods supplied	14,075	16,262
Services rendered	169,615	118,340
Total goods and services supplied or rendered	183,690	134,602
Other suppliers		
Property operating expenses	5,747	4,122
Workers compensation expenses	846	806
Short-term leases	725	36
Low value leases	-	155
Total other suppliers	7,318	5,119
Total suppliers	191,008	139,721

1. Financial year 2022 numbers have been restated as per prior period error noted in overview section.

BUREAU OF METEOROLOGY

Notes to the Financial Statements

The Bureau has short-term lease commitments of \$724,751 and no low value lease commitments as at 30 June 2023.

The above lease disclosures should be read in conjunction with the accompanying Notes 1.1C, 2.2A and 2.4A.

Accounting Policy

Short-term Leases and Leases of Low-value Assets

The Bureau has elected not to recognise right-of-use assets and lease liabilities for short-term leases of assets that have a lease term of 12 months or less and leases of low-value assets (less than \$10,000). The Bureau recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

	2023 \$'000	Restated ¹ 2022 \$'000
1.1C: Finance Costs		
Unwinding of discount	735	688
Interest on lease liabilities	1,617	1,395
Total finance costs	2,352	2,083

1. Financial year 2022 numbers have been restated as per prior period error noted in overview section.

The above lease disclosures should be read in conjunction with the accompanying Notes 1.1B, 2.2A and 2.4A.

	2023 \$'000	'2022 \$'000
1.1D: Write-Down and Impairment of Assets		
Trade and other receivables	263	3
Property, plant and equipment	23,317	1,014
Intangibles	7,364	80
Inventories	490	363
Total write-down and impairment of assets	31,434	1,460

Write-down of property, plant and equipment and intangibles includes write downs for the change in asset recognition threshold \$3.746m, stocktake adjustments \$10.136m, software impairment assessment \$3.716m, revaluation corrections \$3.908m, and assets under construction review \$9.050m.

BUREAU OF METEOROLOGY
Notes to the Financial Statements

1.2 Own-Source Revenue		
	2023	2022
	\$'000	\$'000
1.2A: Revenue from Contracts with Customers		
Sale of goods	1,629	1,671
Rendering of services	63,365	58,739
Total revenue from sale of goods and services	64,994	60,410
Disaggregation of revenue		
Major product / service line:		
Defence weather services	21,549	11,154
Consultative services	24,778	36,452
Research	7,244	6,405
Other revenue	11,423	6,399
	64,994	60,410

Accounting Policy

Revenue from the sale of goods is recognised when control has been transferred to the buyer.

A contract is in scope of AASB 15 when it is probable that the Bureau will collect the consideration to which it will be entitled based on the existing relationship with, and knowledge of, the customer's ability and intention to pay the consideration.

Defence weather, consultative and research services - Recognition is contingent on the terms of the individual contract. Due to the nature of the services, revenue is recognised upon delivery of services or performance obligations over time in line with the term of the contract as per AASB 15.

The transaction price is the total amount of consideration to which the entity expects to be entitled in exchange for transferring promised goods or services to a customer. The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

	2023	2022
	\$'000	\$'000
1.2B: Aviation Industry		
Revenue from Aviation ¹	33,269	25,408
Total other revenue	33,269	25,408

1. Aviation revenue falls under the scope of AASB 1058. Aviation weather services relates to the provision of meteorological services in support of the Civil Aviation, the costs for which is recovered pursuant to the *Meteorology Act 1955*.

BUREAU OF METEOROLOGY
Notes to the Financial Statements

	2023 \$'000	2022 \$'000
1.2C: Other Revenue		
Resources received free of charge		
Remuneration of auditors	105	105
Inventory received free of charge ¹	232	204
Insurance refunds	214	3,212
Other	9	11
Total other revenue	560	3,532

1. Consists of bathythermographs gifted from the US and Japan Navy, radiosondes as replacement for faulty products and project stock donated for general use.

Accounting Policy

Resources Received Free of Charge

Resources received free of charge are recognised as revenue when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense. Resources received free of charge are recorded as either revenue or gains depending on their nature.

	2023 \$'000	2022 \$'000
1.2D: Revenue from Government		
Appropriations		
Departmental appropriations	345,500	312,292
Supplementation	-	3,441
Total revenue from Government	345,500	315,733

Accounting Policy

Revenue from Government

Amounts appropriated for departmental appropriations for the year (adjusted for any formal additions and reductions) are recognised as Revenue from Government when the Bureau gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned. Appropriations receivable are recognised at their nominal amounts.

Departmental operating supplementation is recognised as receivable from Government until the amount approved is legally appropriated.

BUREAU OF METEOROLOGY
Notes to the Financial Statements

Financial Position

This section analyses the Bureau of Meteorology's assets used to conduct its operations and the operating liabilities incurred as a result. Employee related information is disclosed in the People and Relationships section.

2.1 Financial Assets

	2023 \$'000	2022 \$'000
2.1A: Cash and Cash Equivalents		
Cash on hand or on deposit	1,348	430
Cash in special accounts	1,882	-
Total cash and cash equivalents	3,230	430

Accounting Policy

Cash is recognised at its nominal amount. Cash and cash equivalents includes:

- a) Cash on hand.
- b) Cash in special accounts.

	2023 \$'000	2022 \$'000
2.1B: Trade and Other Receivables		
Goods and services receivables		
Goods and Services	5,439	4,265
Contract assets from contracts with customers	7,142	5,168
Total goods and services receivables	12,581	9,433
Appropriation receivables		
For ordinary annual appropriation	103,620	102,207
For capital - capital budget	1,316	-
Prior year supplementation	-	3,441
For equity injection	133,013	137,406
Total appropriation receivables	237,949	243,054
Other receivables		
GST receivable from the Australian Taxation Office	4,331	2,397
Other	14	8
Total other receivables	4,345	2,405
Total trade and other receivables (gross)	254,875	254,892
Less expected credit loss allowance	(89)	(46)
Total trade and other receivables (net)	254,786	254,846

Accounting Policy

Financial Assets

Trade receivables and other receivables that are held for the purpose of collecting the contractual cash flows where the cash flows are solely payments of principal and interest, that are not provided at below-market interest rates, are subsequently measured at amortised cost using the effective interest method adjusted for any loss allowance. Credit terms for goods and services were 30 days (2022: 30 days).

Refer Note 2.3A for information relating to contract liabilities, for contracts with customers.

BUREAU OF METEOROLOGY Notes to the Financial Statements

2.2 Non-Financial Assets

2.2A: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment and Intangibles

	Land \$'000	Buildings \$'000	Plant and equipment \$'000	Computer software \$'000	Other intangibles \$'000	Total \$'000
As at 1 July 2022	14,906	191,538	417,203	269,810	1,323	894,780
Gross book value	15,534	287,137	689,006	509,889	1,835	1,503,401
Accumulated depreciation and amortisation	(628)	(95,599)	(271,803)	(238,211)	(512)	(606,753)
Accumulated impairment	-	-	-	(1,868)	-	(1,868)
Adjusted total as at 1 July 2022	14,906	191,538	417,203	269,810	1,323	894,780
Additions						
Purchase or internally developed Right-of-use assets	-	795	94,953	116,656	-	212,404
Revaluations recognised in other comprehensive income ¹	631	38,773	-	-	-	39,404
Depreciation and amortisation	48	10,765	38,945	-	-	49,758
Depreciation on right-of-use assets	-	(4,122)	(67,320)	(35,859)	(463)	(107,764)
Reclassification	(367)	(25,343)	-	-	-	(25,710)
Reversal of impairment provision	-	6,685	(8,006)	1,321	-	-
Remeasurement of right-of-use asset	-	-	-	1,868	-	1,868
Impairments recognised in net cost of services	35	3,336	-	-	-	3,371
Disposals with proceeds	(420)	(566)	(22,751)	(7,364)	-	(30,681)
Disposals of right-of-use assets	(9)	(592)	(8)	-	-	(1,020)
Other movements	2	(11,609)	(984)	-	-	(12,602)
		1	4	(1)	1	7
Total as at 30 June 2023	14,826	209,661	452,036	346,431	861	1,023,815
Total as at 30 June 2023 represented by:						
Gross book value	15,817	282,493	482,669	499,969	1,786	1,282,734
Accumulated depreciation and amortisation	(991)	(72,832)	(30,633)	(153,538)	(925)	(258,919)
Total as at 30 June 2023	14,826	209,661	452,036	346,431	861	1,023,815
Carrying amount of right-of-use assets	4,387	133,306	-	-	-	137,693

1. Revaluations of non-financial assets. All revaluations were conducted in accordance with the revaluation policy.

BUREAU OF METEOROLOGY
Notes to the Financial Statements

Contractual commitments for the acquisitions of property, plant and equipment and intangible assets

	2023 \$'000	2022 \$'000
Capital commitments		
Property, plant and equipment		
Within 1 year	80,989	56,975
Between 1 to 5 years	69,511	3,726
Computer software		
Within 1 year	1,285	102,760
Between 1 to 5 years	114	112
Total capital commitments	151,899	163,573

Accounting Policy

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Non-financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor's accounts immediately prior to the restructuring.

Asset Recognition Threshold

The following thresholds apply for the recognition of purchases of property, plant and equipment in the Statement of Financial Position. The cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to 'make good' provisions in property leases taken up by the Bureau where there exists an obligation to restore the property to its original condition. These costs are included in the value of the Bureau's leasehold improvements and relevant assets with a corresponding liability recognised as a provision for 'make good' (Note 2.5).

Asset Type	Threshold	
	2023	2022
Land	No threshold	\$5,000
Buildings	\$50,000	\$5,000
Plant and equipment	\$5,000	\$5,000
Computer software	\$50,000	\$5,000
Other intangibles	\$50,000	\$5,000

Lease Right-of-Use (ROU) Assets

Lease ROU assets are capitalised at the commencement date of the lease and comprise of the initial lease liability amount, initial direct costs incurred when entering into the lease less any lease incentives received. After the commencement date, ROU assets are measured at cost less any accumulated depreciation and accumulated losses and adjusted for any re-measurement of the lease liability. These assets are accounted for by the Bureau as separate asset classes to corresponding assets owned outright, but included in the same column as where the corresponding underlying assets would be presented if they were owned.

On initial adoption of AASB 16 the Bureau has adjusted the ROU assets at the date of initial application by the amount of any provision for onerous leases recognised immediately before the date of initial application. Following initial application, an impairment review is undertaken for any ROU lease asset that shows indicators of impairment and an impairment loss is recognised against any ROU lease asset that is impaired. Lease ROU assets continue to be measured at cost after initial recognition.

BUREAU OF METEOROLOGY Notes to the Financial Statements

Revaluations

Following initial recognition at cost, land, buildings, property, plant and equipment (excluding ROU assets) are carried at fair value (or an amount not materially different from fair value) less subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depended upon the volatility of movements in market values for the relevant assets.

Any revaluation increment was credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets were recognised directly in the surplus/deficit except to the extent that they reversed a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date was eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

A revaluation was undertaken this financial year, and the assessment of the fair value of the property, plant and equipment of the Bureau as at 30 June 2023 are summarised below.

Valuation Process

The Bureau engaged the service of ValQuip Consulting Pty Ltd (ValQuip) together with CIVAS (NSW) Pty Ltd (a subsidiary to Colliers) to carry out an independent valuation of certain property, plant, and equipment assets as at 30 June 2023. The valuation for financial reporting has been conducted in accordance with AASB 13 Fair Value Measurement.

The following methods were used to estimate Fair Value:

- Market approach - is used to estimate value from an analysis of actual transactions or offerings for economically comparable assets available as of the valuation date. The process is essentially that of comparison and correlation between the subject asset and similar assets that have been sold or are offered for sale in the market. The transaction or offering prices of the comparable assets are adjusted for dissimilarities in characteristics including location, age, time of sale, size, and utility, among others. The adjusted prices of the comparable assets provide an indication of value for the subject asset.
- Cost approach - is based on the principle of substitution, which suggests that a prudent buyer will pay no more for an asset than the cost to acquire a substitute asset of equal utility. When the cost to reproduce an asset exceeds the cost to replace it, if measurable, the cost of replacement is normally the appropriate starting point to develop an indication of value using the cost approach. The cost approach is used to determine values in circumstances where it is not possible to determine values using a market approach or an income approach.

Land and buildings were valued using the market and cost approach.

Plant and equipment primarily used the cost approach.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the Bureau using, in all cases, the straight-line method of depreciation.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset, excluding ROU assets, are based on the following useful lives:

	2023	2022
Buildings on freehold land	5 to 52 Years	5 to 52 Years
Leasehold improvements	Lease term	Lease term
Property, plant and equipment	2 to 50 Years	2 to 50 Years

The depreciation rates for ROU assets are based on the commencement date to the earlier of either the end of the useful life of the ROU asset or the end of the lease term.

BUREAU OF METEOROLOGY Notes to the Financial Statements

Impairment

All assets, including intangible assets, were assessed for impairment at 30 June 2023. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows and the asset would be replaced if the Bureau were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Intangibles

The Bureau's intangibles comprise computer software which is carried at cost less accumulated amortisation and accumulated impairment losses.

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the Bureau's software is predominately 3 to 5 years other than the Services System software which has a useful life of 20 years (2022: 3-5 years and 20 years, respectively).

For intangible assets assessed as having an indefinite useful life, these consist of software licences that authorise the Bureau to use the program indefinitely.

	2023 \$'000	2022 \$'000
2.2B: Inventories		
Inventories held for distribution	7,912	7,315
less: provision for obsolescence	(3,094)	(2,871)
Total inventories	4,818	4,444

During 2023, impairment losses of \$489,952 were recognised in profit or loss (2022: \$363,428).

Assessment of the loss of service potential of inventories held for distribution was based on frequency of usage, potential obsolescence and overstocking.

Accounting Policy

Inventories held for distribution are valued at cost, adjusted for any loss of service potential.

The Bureau's inventory holding consists of items utilised in the installation of sites, or the repair/maintenance of its equipment.

Items held for the purposes of major spare parts or as stand-by equipment are classified in the Bureau's accounts and records as property, plant and equipment in accordance with AASB 116.

BUREAU OF METEOROLOGY
Notes to the Financial Statements

2.3 Payables		
	2023	Restated ¹
	\$'000	2022 \$'000
2.3A: Suppliers Payable		
Trade creditors and accruals	58,653	51,997
Contract liabilities from contracts with customers	16,773	14,141
Total suppliers payable	75,426	66,138

1. Financial year 2022 numbers have been restated as per prior period error noted in overview section.

Settlement was usually made within 30 days. All supplier payables are expected to be settled within 12 months.

Refer Note 2.1B for information relating to contract assets from contracts with customers.

	2023	2022
	\$'000	\$'000
2.3B: Other Payables		
Wages and salaries	5,707	4,024
Superannuation	156	707
Separation and redundancies	264	1,753
Total other payables	6,127	6,484

Accounting Policy

Financial Liabilities

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received regardless of whether an invoice has been received.

The contract liabilities from contracts with customers are associated with revenues received in advance of services being performed.

BUREAU OF METEOROLOGY
Notes to the Financial Statements

2.4 Interest Bearing Liabilities

	2023 \$'000	Restated ¹ 2022 \$'000
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2.4A: Leases

Lease liabilities		
Land	4,584	4,224
Buildings	142,986	132,811
Plant and equipment	-	986
Total leases	147,570	138,021

Maturity analysis – contractual undiscounted cash flows

Within 1 year	21,490	27,266
Between 1 to 5 years	75,332	73,676
More than 5 years	73,387	66,253
Total leases	170,209	167,195

1. Financial year 2022 numbers have been restated as per prior period error noted in overview section.

Total cash outflow for leases for the year ended 30 June 2023 was \$29.243m (2022: \$28.493m).

Significant lease arrangements:

- Canberra Data Centre, Fyshwick ACT – 15 year lease term expiring 14 April 2034. Contains annual price increases based on CPI rates.
- Future Data Centre - 6 year lease term, with 3 option periods up to 11 May 2038. Contains annual price increases based on CPI rates.
- 700 Collins Street, Docklands VIC – 10 year lease term expiring 31 July 2026. Contains annual fixed price increases based on 3.5% annual fixed rate review.

The Bureau in its capacity as lessee does not have any significant leasing arrangements with below market terms.

The above lease disclosures should be read in conjunction with the accompanying notes 1.1B, 1.1C and 2.2A.

Accounting Policy

For all new contracts entered into, the Bureau considers whether the contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

Once it has been determined that a contract is, or contains a lease, the lease liability is initially measured at the present value of the remaining lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease, if that rate is readily determinable, or the department's incremental borrowing rate.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification to the lease. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or profit and loss depending on the nature of the reassessment or modification.

BUREAU OF METEOROLOGY
Notes to the Financial Statements

2.5 Provision for Restoration		
	2023	2022
	\$'000	\$'000
As at 1 July	26,965	25,232
Additional provisions made	612	1,045
Unwinding of discount or change in discount rate	735	688
Total as at 30 June	28,312	26,965

Accounting Judgements and Estimates

Make Good

A provision for restoration obligation (make good) is recognised if, as a result of a past event, the Bureau has a present obligation (legal or constructive) that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Make good provisions are measured at the best estimate of the expenditure required to settle the present obligation at reporting date, including the risks and uncertainties specific to the liabilities.

Make good provisions are discounted to present value when the time value of money is material.

Provisions are reviewed annually and adjusted to reflect the current best estimate.

BUREAU OF METEOROLOGY

Notes to the Financial Statements

Funding

This section identifies the Bureau of Meteorology's funding structure.

3.1 Appropriations

3.1A: Annual Appropriations

Annual Appropriations for 2023

	Annual Appropriations	Adjustments to Appropriations ¹	Total Appropriations	Appropriation applied in 2023 (current and prior years)	Variance ²
	\$'000	\$'000	\$'000	\$'000	\$'000
Departmental					
Ordinary annual services	348,941	113,780	462,721	(458,456)	4,265
Capital budget ³	59,579	-	59,579	(58,263)	1,316
Other services					
Equity injections	130,218	-	130,218	(134,611)	(4,393)
Total Departmental	538,738	113,780	652,518	(651,330)	1,188

1. The adjustments to appropriations includes adjustments to current year annual appropriations including the PGPA Act Section 74 Receipts.
2. The variances disclosed are made up of the movement in cash, appropriation receivable and GST receivable.
3. Departmental and Administered Capital Budgets are appropriated through Appropriation Acts (No.1,3,5). They form part of ordinary annual services and are not separately identified in the Appropriation Acts.

Annual Appropriations for 2022

	Annual Appropriations	Adjustments to Appropriations ¹	Total Appropriations	Appropriation applied in 2022 (current and prior years)	Variance ²
	\$'000	\$'000	\$'000	\$'000	\$'000
Departmental					
Ordinary annual services	312,292	85,081	397,373	(382,735)	14,638
Capital budget ³	46,014	-	46,014	(46,014)	-
Other services					
Equity injections	203,759	-	203,759	(126,259)	77,500
Total Departmental	562,065	85,081	647,146	(555,008)	92,138

1. The adjustments to appropriations includes adjustments to current year annual appropriations including the PGPA Act Section 74 Receipts.
2. The variances disclosed are made up of the movement in cash, appropriation receivable and GST receivable.
3. Departmental and Administered Capital Budgets are appropriated through Appropriation Acts (No.1,3,5). They form part of ordinary annual services and are not separately identified in the Appropriation Acts.

BUREAU OF METEOROLOGY
Notes to the Financial Statements

	2023 \$'000	2022 \$'000
3.1B: Unspent Annual Appropriations ('Recoverable GST exclusive')		
Departmental		
Appropriation Act (No 1) - Operating - 2022-23	42,482	-
Supply Act (No. 3) - Operating - 2022-23	61,138	-
Appropriation Act (No. 1) - Operating - 2021-22	-	102,207
DCB Supply Act (No.3) 2022 -2023	1,316	-
Appropriation Act (No.2) Equity 2022-2023	58,557	-
Appropriation Act (No.4) Equity 2022-2023	71,661	-
Appropriation Act (No.2) Equity 2021-2022	2,626	98,550
Appropriation Act (No.4) Equity 2021-2022	-	1,168
Appropriation Act (No.2) Equity 2020-2021	-	35,079
Appropriation Act (No.4) Equity 2020-2021	169	2,609
Cash and cash equivalents	1,347	430
Total departmental	239,296	240,043

3.2 Special Accounts		
	Services for Other Entities and Trust Moneys - Bureau of Meteorology Special Account ¹	
	2023 \$'000	2022 \$'000
Balance brought forward from previous period	1,108	1,574
Increases	1,424	214
Available for payments	2,532	1,788
Decreases	(650)	(680)
Total Departmental	1,882	1,108
Total balance carried to the next period	1,882	1,108
Balance represented by:		
Cash held in the Official Public Account	1,882	1,108
Total balance carried to the next period	1,882	1,108

1. Appropriation: *Public Governance, Performance and Accountability Act 2013, section 78.*
 Establishing Instrument: *Financial Management and Accountability Determination 2010/02.*
 Purpose: To enable the Bureau to hold and expend amounts on behalf of persons or entities other than the Commonwealth.

BUREAU OF METEOROLOGY
Notes to the Financial Statements

3.3 Net Cash Appropriation Arrangements		
	2023	2022
	\$'000	\$'000
3.3: Net Cash Appropriation Arrangements		
Total comprehensive income/(loss) - as per the Statement of Comprehensive Income	(74,449)	(72,894)
Plus: depreciation/amortisation of assets funded through appropriations (departmental capital budget funding and/or equity injections)	107,764	103,793
Plus: depreciation right-of-use assets	25,710	16,400
Less: lease principal repayments	(26,009)	(25,703)
Net Cash Operating Surplus	33,016	21,596
Plus: write-down and impairment of other assets	31,434	1,457
Less: change in asset revaluation reserve	(49,758)	-
Net Cash Operating Surplus attributable to the Bureau	14,692	23,053

From 2010-11, the Government introduced net cash appropriation arrangements where revenue appropriations for depreciation/amortisation expenses of non-corporate Commonwealth entities and selected corporate Commonwealth entities were replaced with a separate capital budget provided through equity appropriations. Capital budgets are to be appropriated in the period when cash payment for capital expenditure is required.

The inclusion of depreciation/amortisation expenses related to ROU leased assets and the lease liability principal repayment amount reflects the impact of AASB 16 Leases, which does not directly reflect a change in appropriation arrangements.

BUREAU OF METEOROLOGY Notes to the Financial Statements

People and Relationships

This section describes a range of employment and post employment benefits provided to our people and our relationships with other key people.

4.1 Employee Provisions

	2023 \$'000	2022 \$'000
4.1: Employee Provisions		
Leave	70,218	67,143
FBT payable	34	34
Total employee provisions	70,252	67,177

Accounting Policy

Liabilities for 'short-term employee benefits' and termination benefits expected within twelve months of the end of reporting period are measured at their nominal amounts.

Other long term employee benefits are measured as net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at the end of the reporting period of plan assets (if any) out of which the obligations are to be settled directly.

Leave

The liability for employee benefits includes provision for annual leave and long service leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time leave is taken, including the Bureau's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liabilities for annual leave and long service leave have been determined by reference to the work of an actuary as at 30 June 2022. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Separation and redundancy

Provision is made for separation and redundancy benefit payments. The Bureau recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

Termination benefits

An employee whose employment is terminated under section 29(3) of the PS Act following their agreement to be voluntarily retrenched is entitled to be paid a severance benefit of an amount equal to two weeks' salary for each completed year of continuous service, plus a pro-rata payment for completed months of service since the last completed year of service, subject to any minimum amount the employee is entitled to under the National Employment Standards (NES). Separation payments for the year ended 30 June 2023 were \$0 (2022: \$2,591,563.02).

Superannuation

Staff of the Bureau are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), the PSS accumulation plan (PSSap) and other superannuation funds held outside the Australian Government. The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance's administered schedules and notes.

The Bureau makes employer contributions to the employees' superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the Government. The Bureau accounts for the contributions as if they were contributions to defined contribution plans.

The liability for superannuation recognised as at 30 June 2023 represents outstanding contributions.

BUREAU OF METEOROLOGY

Notes to the Financial Statements

4.2 Key Management Personnel Remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Bureau, directly or indirectly, including any director (whether executive or otherwise) of the Bureau. The Bureau has determined the key management personnel to be the Director of Meteorology/Chief Executive Officer and Group Executives. Key management personnel remuneration is reported in the table below:

	2023 \$'000	2022 \$'000
Short-term employee benefits	2,735	2,651
Post-employment benefits	401	416
Other long-term employee benefits	49	94
Termination benefits	-	32
Total key management personnel remuneration expenses¹	3,185	3,193

The total number of key management personnel that are included in the above table are 8 individuals (2022: 9 individuals).

- The above key management personnel remuneration excludes the remuneration and other benefits of the Portfolio Minister. The Portfolio Minister's remuneration and other benefits are set by the Remuneration Tribunal and are not paid by the Bureau.

4.3 Related Party Disclosures

Related party relationships:

The Bureau is an Australian Government controlled entity. Related parties to the Bureau are Key Management Personnel including the Portfolio Minister and Executive, and other Australian Government entities.

Transactions with related parties:

Given the breadth of Government activities, related parties may transact with the government sector in the same capacity as ordinary citizens. Such transactions include the payment or refund of taxes, receipt of a Medicare rebate or higher education loans. These transactions have not been separately disclosed in this note.

Significant transactions with related parties can include:

- the payments of grants or loans;
- purchases of goods and services;
- asset purchases, sales, transfers or leases;
- debts forgiven; and
- guarantees.

Giving consideration to relationships with related entities, and transactions entered into during the reporting period by the Bureau, it has been determined that there are no related party transactions to be separately disclosed.

BUREAU OF METEOROLOGY Notes to the Financial Statements

Managing Uncertainties

This section analyses how the Bureau of Meteorology manages financial risks within its operating environment.

5.1 Contingent Assets and Liabilities

	Claim for damages or costs	
	2023 \$'000	2022 \$'000
5.1A: Contingent Assets		
Contingent assets		
Balance from previous period	365	58
New contingent assets recognised	124	119
Re-measurement	-	4,901
Assets realised	(410)	(4,713)
Total contingent assets	79	365

Quantifiable contingencies

The Bureau has a number of claims with Comcover in respect of motor vehicle damage, radar equipment and property.

The Bureau had no quantifiable contingent liabilities in 2023 (2022: Nil).

Unquantifiable contingencies

The Bureau has no unquantifiable contingencies to report in 2023.

Accounting Policy

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured.

Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

BUREAU OF METEOROLOGY
Notes to the Financial Statements

5.2 Financial Instruments

	2023	2022
	\$'000	\$'000

5.2A: Categories of Financial Instruments

Financial assets at amortised cost

Cash and cash equivalents	3,230	430
Trade receivables	12,492	9,387
Total financial assets at amortised cost	15,722	9,817
Total financial assets	15,722	9,817

Financial liabilities measured at amortised cost

Supplier payables	31,154	35,652
Total financial liabilities measured at amortised cost	31,154	35,652
Total financial liabilities	31,154	35,652

Accounting Policy

Financial Assets

In accordance with AASB 9 *Financial Instruments*, the Bureau classifies its financial assets in the following categories:

- a) financial assets at fair value through profit or loss;
- b) financial assets at fair value through other comprehensive income; and
- c) financial assets measured at amortised cost.

The classification depends on both the entity's business model for managing the financial assets and contractual cash flow characteristics at the time of initial recognition. Financial assets are recognised when the entity becomes a party to the contract and, as a consequence, has a legal right to receive or a legal obligation to pay cash and derecognised when the contractual rights to the cash flows from the financial asset expire or are transferred upon trade date.

Financial Assets at Amortised Cost

Financial assets included in this category need to meet two criteria:

1. the financial asset is held in order to collect the contractual cash flows; and
2. the cash flows are solely payments of principal and interest (SPPI) on the principal outstanding amount.

Amortised cost is determined using the effective interest method.

Effective Interest Method

Income is recognised on an effective interest rate basis for financial assets that are recognised at amortised cost.

Impairment of Financial Assets

Financial assets are assessed for impairment at the end of each reporting period based on Expected Credit Losses, using the general approach which measures the loss allowance based on an amount equal to lifetime expected credit losses where risk has significantly increased, or an amount equal to 12-month expected credit losses if risk has not increased.

The simplified approach for trade, contract and lease receivables is used. This approach always measures the loss allowance as the amount equal to the lifetime expected credit losses.

A write-off constitutes a derecognition event where the write-off directly reduces the gross carrying amount of the financial asset.

BUREAU OF METEOROLOGY
Notes to the Financial Statements

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Financial Liabilities at Amortised Cost

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective interest basis.

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

5.2B: Fair Value Measurements

	Fair value measurements at the end of the reporting period	
	2023 \$'000	Restated ¹ 2022 \$'000
Non-financial assets		
Land	10,439	10,810
Buildings	75,742	63,388
Plant and equipment	293,329	270,100
	379,510	344,298

1. Financial year 2022 numbers have been restated as per prior period error noted in overview section.

Accounting Policy

During the year the Bureau procured valuation services from a qualified valuer for the purpose of a revaluation in accordance with AASB 116 and AASB 13.

BUREAU OF METEOROLOGY
Notes to the Financial Statements

Other Information

6.1 Current/Non-Current Distinction for Assets and Liabilities

	2023	2022
	\$'000	\$'000

6.1A: Current/non-current distinction for assets and liabilities

Assets expected to be recovered in:

No more than 12 months

Cash and cash equivalents	3,230	430
Trade and other receivables	254,786	254,846
Accrued revenue	6,690	-
Prepayments	15,643	16,771
Inventories	4,818	4,444

Total no more than 12 months

285,167	276,491
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More than 12 months

Land	14,826	14,906
Buildings	209,661	191,538
Plant and equipment	452,036	417,203
Computer software	346,431	269,810
Other intangibles	861	1,323

Total more than 12 months

1,023,815	894,780
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Total assets

1,308,982	1,171,271
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Liabilities expected to be settled in:

No more than 12 months

Suppliers	75,426	66,138
Other payables	6,127	6,484
Leases	21,044	24,330
Employee provisions	29,493	20,600
Other employee provisions	34	34
Provisions for restoration	1,347	1,156

Total no more than 12 months

133,471	118,742
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More than 12 months

Leases	126,526	113,691
Employee provisions	40,725	46,543
Provisions for restoration	26,965	25,809

Total more than 12 months

194,216	186,043
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Total liabilities

327,687	304,785
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