
PART C

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**DEPARTMENT OF THE
ENVIRONMENT AND
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SECTION 1 – AGENCY OVERVIEW

OVERVIEW

There have been two significant changes to the role and structure of the Department since the 2004–05 Budget.

The first of these changes was the transfer of Indigenous programme functions to the Department of the Environment and Heritage (Outcome 1 – Environment) from the Department of Immigration and Multicultural and Indigenous Affairs, following the Government decision on 20 June 2004 to abolish the Aboriginal and Torres Strait Islander Commission and cease the Aboriginal and Torres Strait Islander Services functions.

The second major change was the abolition of the Australian Greenhouse Office and the National Oceans Office as executive agencies under the *Public Service Act 1999* on 26 October 2004 and as prescribed agencies under the *Financial Management and Accountability Act (FMA Act) 1997* on 3 November 2004. These agencies were incorporated into the Department of the Environment and Heritage following the Administrative Arrangements Order changes announced after the recent election. Prior to the 2004–05 Additional Estimates, both agencies received annual appropriations and published their own Annual Reports.

ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES**ANNUAL APPROPRIATIONS**

The Department is seeking additional estimates totalling **\$79.552m** in *Appropriation Bill (No 3) 2004–05*, and **\$0.550m** in *Appropriation Bill (No 4) 2004–05* comprising:

\$14.931m in net departmental outputs appropriation through *Appropriation Bill (No.3) 2004–05* for the following items:

- § \$5.312m for the Australian Water Fund – Communities Programme election initiative;
- § \$4.399m for Securing Australia’s Energy Future;
- § \$4.120m supplementation for the Director of National Parks for the management of Kakadu National Park;
- § \$1.020m supplementation for administrative costs associated with the Business Restructuring Assistance component of the Great Barrier Reef Structural Adjustment Package;
- § \$0.500m towards the management of Protecting Australia’s Biodiversity Hotspots;
- § \$0.242m for Wildlife Protection Import and Export Fees collected in 2003–04;
- § \$0.120m representing funds moved from 2003–04 to enable the payment of contractual commitments existing at 30 June 2004 under the Product Stewardship Arrangements for Waste Oil Recycling programme;
- § \$0.673m **reduction** in departmental outputs appropriation representing clawback of supplementation for Comcover premiums provided at the 2004–05 Budget; and
- § \$0.109m **reduction** in departmental outputs appropriation representing the Department of the Environment and Heritage (Outcome 1 – Environment) contribution to the Bureau of Meteorology to fund the operations of the National Tidal Centre.

\$64.621m in administered expenses through *Appropriation Bill (No 3) 2004–05* for the following:

- § \$41.120m for grant payments under the Great Barrier Reef Structural Adjustment Package;
- § \$11.0m towards Protecting Australia’s Biodiversity Hotspots grant programme. The increase includes \$1.500m unspent funds moved from 2003-04 to 2004-05;
- § \$0.551m representing unspent funds moved from 2003–04 to 2004–05 under the Regional Natural Heritage grants programme.

§ \$1.100m for Securing Australia’s Energy Future;

§ \$1.0m for the Australian Water Fund – Communities Programme; and

§ \$9.850m for the settlement and legal costs associated with acquisition of leases.

\$0.550m in administered expenses through *Appropriation Bill (No 4) 2004–05* for the following grant projects under the Strengthening Tasmania additional estimates measure:

§ \$0.050m for upgrading harbour infrastructure for the Low Head Precinct; and

§ \$0.500m for new pylons to improve the infrastructure of the North Esk River edge.

Further details of these additional estimates are provided in Section 2.

MEASURES SINCE THE 2004–05 BUDGET

Securing Australia’s Energy Future – Advanced electricity storage technologies

	2004–05	2005–06	2006–07	2007–08
	\$'000	\$'000	\$'000	\$'000
Department of the Environment and Heritage	845	3,703	5,821	5,824

Securing Australia’s Energy Future – Wind forecasting capability

	2004–05	2005–06	2006–07	2007–08
	\$'000	\$'000	\$'000	\$'000
Department of the Environment and Heritage	1,086	4,425	3,991	3,210

Securing Australia’s Energy Future – Solar Cities

	2004–05	2005–06	2006–07	2007–08
	\$'000	\$'000	\$'000	\$'000
Department of the Environment and Heritage	2,056	5,860	21,169	24,593

Securing Australia's Energy Future – Low Emissions Technology Demonstration Fund

	2004–05	2005–06	2006–07	2007–08
	\$'000	\$'000	\$'000	\$'000
Department of the Environment and Heritage	1,512	1,778	51,789	51,596

Director of National Parks – additional funding

	2004–05	2005–06	2006–07	2007–08
	\$'000	\$'000	\$'000	\$'000
Department of the Environment and Heritage	4,120	3,750	4,091	4,432

Great Barrier Reef Structural Adjustment Package – enhancement

	2004–05	2005–06	2006–07	2007–08
	\$'000	\$'000	\$'000	\$'000
Department of the Environment and Heritage	16,000	4,000	0	0

Protecting Australia's Biodiversity Hotspots

	2004–05	2005–06	2006–07	2007–08
	\$'000	\$'000	\$'000	\$'000
Department of the Environment and Heritage	11,500	10,000	10,000	0

Prime Ministers' Memorial – reconstruction of commemorative wall

	2004–05	2005–06	2006–07	2007–08
	\$'000	\$'000	\$'000	\$'000
Department of the Environment and Heritage	–	–	–	–

Australian Water Fund – Communities Programme

	2004–05	2005–06	2006–07	2007–08
	\$'000	\$'000	\$'000	\$'000
Department of the Environment and Heritage	6,312	53,896	54,896	54,896

Strengthening Tasmania

	2004–05	2005–06	2006–07	2007–08
	\$'000	\$'000	\$'000	\$'000
Department of the Environment and Heritage	550	1,100	850	750

National Tidal Centre – additional funding

	2004–05	2005–06	2006–07	2007–08
	\$'000	\$'000	\$'000	\$'000
Department of the Environment and Heritage	(109)	(109)	(109)	(59)

ADDITIONAL ESTIMATES VARIATIONS**Additional Estimates and Variations – Measures**

	2004–05 (\$'000)	2005–06 (\$'000)	2006–07 (\$'000)	2007–08 (\$'000)
Outcome 1				
<i>Variations in administered appropriations</i>				
Securing Australia's Energy Future – Advanced electricity storage technologies	500	3,350	5,500	5,500
Securing Australia's Energy Future – Solar Cities	600	4,500	20,000	23,500
Securing Australia's Energy Future – Low Emissions Technology Demonstration Fund			50,000	50,000
Great Barrier Reef Structural Adjustment Package – enhancement	16,000	4,000		
Protecting Australia's Biodiversity Hotspots	11,000	9,500	9,500	
Australian Water Fund – Communities Programme	1,000	48,210	50,510	50,947
Strengthening Tasmania	550	1,100	850	750
<i>Other Variations in administered appropriations for Outcome 1</i>	29,650	70,660	136,360	130,697
Outcome 1				
<i>Variations in departmental appropriations</i>				
Securing Australia's Energy Future – Advanced electricity storage technologies	345	353	321	324
Securing Australia's Energy Future – Wind forecasting capability	1,086	4,425	3,991	3,210
Securing Australia's Energy Future – Solar Cities	1,456	1,360	1,169	1,093
Securing Australia's Energy Future – Low Emissions Technology Demonstration Fund	1,512	1,778	1,789	1,596
Director of National Parks – additional funding	4,120	3,750	4,091	4,432
Protecting Australia's Biodiversity Hotspots	500	500	500	
Australian Water Fund – Communities Programme	5,312	5,686	4,386	3,949
National Tidal Centre – additional funding	(109)	(109)	(109)	(59)
Prime Ministers' Memorial – reconstruction of commemorative wall	–	–	–	–
<i>Other Variations in departmental appropriations for Outcome 1</i>	14,222	17,743	16,138	14,545
TOTAL VARIATIONS MEASURES FOR OUTCOME 1 (a)	43,872	88,403	152,498	145,242

OTHER VARIATIONS TO APPROPRIATIONS**Additional Estimates and Variations – Other Variations to Appropriations**

	2004–05 (\$'000)	2005–06 (\$'000)	2006–07 (\$'000)	2007–08 (\$'000)
Outcome 1				
<i>Variations in administered appropriations</i>				
Movement of Funds – Regional Natural Heritage Programme	551			
Indexation		3	10	19
Great Barrier Reef Structural Adjustment Package – enhancement	25,120			
Acquisition of leases and legal costs	9,850			
<i>Other Variations in administered appropriations for Outcome 1</i>	35,521	3	10	19
Outcome 1				
<i>Variations in departmental appropriations</i>				
Comcover Premium Supplementation Clawback	(20)			
Wildlife Protection Import and Export Fees	242			
Movement of Funds – Product Stewardship Arrangements for Waste Oil Recycling	120			
Great Barrier Reef Structural Adjustment Package – supplementation for administrative costs	1,020			
Indexation		919	1,300	1,511
<i>Other Variations in departmental appropriations for Outcome 1</i>	1,362	919	1,300	1,511
Outcome 2				
<i>Variations in departmental appropriations</i>				
Comcover Premium Supplementation Clawback	(653)			
Indexation		415	566	648
<i>Other Variations in departmental appropriations for Outcome 2</i>	(653)	415	566	648
TOTAL OTHER VARIATIONS FOR OUTCOMES 1 AND 2 (b)	36,230	1,337	1,876	2,178
TOTAL VARIATIONS (a + b)	80,102	89,740	154,374	147,420

OTHER VARIATIONS NOT AFFECTING APPROPRIATION BILL (NO. 3) 2004–05 AND APPROPRIATION BILL (NO. 4) 2004–05**Variations – Administrative Arrangements Order Changes**

	2004–05 (\$'000)	2005–06 (\$'000)	2006–07 (\$'000)	2007–08 (\$'000)
Outcome 1				
<i>Variations in administered appropriations</i>				
Transfer from the Australian Greenhouse Office	67,537	74,081	65,285	57,117
Transfer from the Department of Immigration and Multicultural and Indigenous Affairs – Aboriginal and Torres Strait Islander Services	1,934	3,359	3,456	3,531
<i>Administrative Arrangements Order changes in administered appropriations for Outcome 1</i>	69,471	77,440	68,741	60,648
Outcome 1				
<i>Variations in departmental appropriations</i>				
Transfer from the Australian Greenhouse Office	39,406	45,481	47,607	47,845
Transfer from the National Oceans Office	6,108	23	23	24
Transfer from the Department of Immigration and Multicultural and Indigenous Affairs – Aboriginal and Torres Strait Islander Services	1,322	1,464	1,477	1,519
<i>Administrative Arrangements Order changes in departmental appropriations for Outcome 1</i>	46,836	46,968	49,107	49,388
TOTAL VARIATIONS – ADMINISTRATIVE ARRANGEMENTS ORDER CHANGES	116,307	124,408	117,848	110,036

OUTCOMES AND OUTPUT GROUPS FOR THE AGENCY

	DEPARTMENTAL OUTPUTS				ADMINISTERED APPROP	
	Revised Total Price of Outputs \$'000	(a) Variation to Price of Outputs \$'000	Revised Outputs Approp \$'000	(a) 2004-05 Additional Estimate \$'000	Revised Admin Approp \$'000	2004-05 Additional Estimate \$'000
TOTAL ENVIRONMENT & HERITAGE	320,388	61,767	294,447	14,931	473,795	65,171
<i>Outcome 1 – The environment, especially those aspects that are matters of national environmental significance, is protected and conserved</i>						
1.1 Atmosphere	14,723	0	14,723	0		
1.2 Biodiversity	25,521	899	19,949	899		
1.3 Coasts and Oceans	16,277	7,207	13,632	1,099		
1.4 Environmental Assessment and Approvals	12,405	0	12,230	0		
1.5 Heritage	24,586	1,322	23,707	0		
1.6 Human Settlements	31,597	4,513	27,011	4,513		
1.7 Inland Waters	13,832	431	6,962	431		
1.8 Land Management	7,047	171	3,021	171		
1.9 Parks and Reserves	43,212	4,080	42,943	4,080		
1.10 Climate Change	43,797	43,797	43,797	4,391		
TOTAL OUTCOME 1	232,997	62,420	207,975	15,584	-	-
<i>Outcome 2 – Australia's interests in Antarctica are advanced</i>						
2.1 Influence in Antarctic Treaty System	13,739	(103)	13,595	(103)		
2.2 Protection of Antarctic Environment	34,431	(258)	34,069	(258)		
2.3 Understanding Global Climate System	21,381	(159)	21,156	(159)		
2.4 Science of practical, economic or national significance	17,840	(133)	17,652	(133)		
TOTAL OUTCOME 2	87,391	(653)	86,472	(653)	-	-

- (a) The difference between “Variation to Total Price of Outputs” and “2004-05 Additional Estimate” for Outcome 1 relates to 2004–05 Administrative Arrangements Order changes affecting the Department of the Environment and Heritage – Outcome 1 (annual appropriations transferred, through Section 32 directions, from the Australian Greenhouse Office and the National Oceans Office for the period 4 November to 30 June 2005 and annual appropriations transferred, through Section 32 Direction, from the Department of Immigration and Multicultural and Indigenous Affairs for the period 1 July 2004 to 30 June 2005).

TABLE 1.1 SUMMARY OF MEASURES SINCE THE 2004–05 BUDGET

MEASURE	Outcome	Output Groups Affected	Appropriations (\$'000)			Appropriations (\$'000)			Appropriations (\$'000)			Appropriations (\$'000)		
			Admin Items	Dept Outputs	Total	Admin Items	Dept Outputs	Total	Admin Items	Dept Outputs	Total	Admin Items	Dept Outputs	Total
Securing Australia's Energy Future – Advanced electricity storage technologies ⁽¹⁾	<i>1</i>	<i>1.10</i>	500	345	845	3,350	353	3,703	5,500	321	5,821	5,500	324	5,824
Securing Australia's Energy Future – Wind forecasting capability ⁽²⁾	<i>1</i>	<i>1.10</i>	0	1,086	1,086	0	4,425	4,425	0	3,991	3,991	0	3,210	3,210
Securing Australia's Energy Future – Solar Cities ⁽³⁾	<i>1</i>	<i>1.10</i>	600	1,456	2,056	4,500	1,360	5,860	20,000	1,169	21,169	23,500	1,093	24,593
Securing Australia's Energy Future – Low Emissions Technology Demonstration Fund ⁽⁴⁾	<i>1</i>	<i>1.10</i>	0	1,512	1,512	0	1,778	1,778	50,000	1,789	51,789	50,000	1,596	51,596
Director of National Parks – additional funding	<i>1.1</i>	<i>1.9</i>	0	4,120	4,120	0	3,750	3,750	0	4,091	4,091	0	4,432	4,432
Great Barrier Reef Structural Adjustment Package – enhancement ⁽⁷⁾	<i>1</i>		16,000	0	16,000	4,000	0	4,000	0	0	0	0	0	0
Protecting Australia's Biodiversity Hotspots	<i>1</i>	<i>1.2</i>	11,000	500	11,500	9,500	500	10,000	9,500	500	10,000	0	0	0
Prime Ministers' Memorial – reconstruction of commemorative wall ⁽⁵⁾	<i>1</i>	<i>1.5</i>	0	0	0	0	0	0	0	0	0	0	0	0
National Tidal Centre – additional funding ⁽⁶⁾	<i>1</i>	<i>all</i>	0	(109)	(109)	0	(109)	(109)	0	(109)	(109)	0	(59)	(59)

TABLE 1.1 SUMMARY OF MEASURES SINCE THE 2004–05 BUDGET (continued)

MEASURE	Outcome	Output Groups Affected	Appropriations (\$'000)			Appropriations (\$'000)			Appropriations (\$'000)			Appropriations (\$'000)		
			Admin Items	Dept Outputs	Total	Admin Items	Dept Outputs	Total	Admin Items	Dept Outputs	Total	Admin Items	Dept Outputs	Total
Australian Water Fund – Communities Programme	1	1.2, 1.3, 1.6, 1.7, 1.8	1,000	5,312	6,312	48,210	5,686	53,896	50,510	4,386	54,896	50,947	3,949	54,896
Strengthening Tasmania	1		550	0	550	1,100	0	1,100	850	0	850	750	0	750

- (1) The Government will provide \$20.400m over five years, ending with \$4.307m in 2008–09
- (2) The Government will provide up to \$14.0m over five years, ending with \$1.267m in 2008–09
- (3) The Government will provide \$75.300m over nine years, ending with \$0.553m in 2012–13
- (4) The Government will provide \$522.900m over sixteen years, ending with \$0.887m in 2019–20
- (5) The cost of this measure is being fully absorbed within existing resourcing of the Department of the Environment and Heritage
- (6) Reduction represents the Department of the Environment and Heritage Outcome 1 offset towards this measure. Funding for the measure has been appropriated to the Bureau of Meteorology, however the National Tidal Centre is a cross-portfolio measure with no fiscal impact across the Commonwealth as it is fully offset through contributions from portfolios and agencies which benefit from the National Tidal Centre's services (Agriculture, Fisheries and Forestry, Attorney-General's, Defence, Environment and Heritage, Education, Science and Training, Industry, Tourism and Resources, Transport and Regional Services)
- (7) The Government will provide \$41.120m for this programme in 2004-05. Refer page 39 for further details.

TABLE 1.2 APPROPRIATION BILL (NO. 3) 2004–05

	(a)		(b)	2004–2005	2004–2005
	2003–2004	2004–2005	2004–2005	Additional	Reduced
	Available	Budget	Revised	Estimates	Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
ADMINISTERED ITEMS					
<i>Outcome 1 - The environment, especially those aspects that are matters of national environmental significance, is protected and conserved (a)</i>	144,950	318,103	425,670	64,621	0
<i>Outcome 2 - Australia's interests in Antarctica are advanced</i>	0	0	0	0	0
TOTAL ADMINISTERED ITEMS	144,950	318,103	425,670	64,621	0
DEPARTMENTAL OUTPUTS					
<i>Outcome 1 - The environment, especially those aspects that are matters of national environmental significance, is protected and conserved</i>	126,159	145,555	207,975	15,584	0
<i>Outcome 2 - Australia's interests in Antarctica are advance</i>	85,484	87,125	86,472	(653)	0
TOTAL DEPARTMENTAL OUTPUTS	211,643	232,680	294,447	14,931	0
TOTAL APPROPRIATION BILL NO. 3	356,593	550,783	720,117	79,552	0

(a) Represents administered funds drawn down against available 2004–05 Appropriation Bills 1, 3 and 5.

(b) Revised appropriation includes Administrative Arrangements Order changes.

TABLE 1.3 APPROPRIATION BILL (NO. 4) 2004–05

	2003–2004 Available \$'000	2004–2005 Budget \$'000	(a)		
			2004–2005 Revised Budget \$'000	2004–2005 Additional Estimates \$'000	2004–2005 Reduced Estimate \$'000
SPECIFIC PAYMENTS TO THE STATES AND TERRITORIES					
<i>Outcome 1 - The environment, especially those aspects that are matters of national environmental significance, is protected and conserved</i>					
	1,530	1,000	28,075	550	0
<i>Outcome 2 - Australia's interests in Antarctica are advanced</i>					
	0	0	0	0	0
TOTAL	1,530	1,000	28,075	550	0
Non-Operating					
Previous Year's Outputs	4,333	0	0	0	0
TOTAL CAPITAL	4,333	0	0	0	0
TOTAL APPROPRIATION BILL NO. 4	5,863	1,000	28,075	550	0

(a) Revised appropriation includes Administrative Arrangements Order changes.

TABLE 1.4 STAFF YEARS – AVERAGE STAFFING LEVEL (ASL)

	2004–05	2004–05	Variation sy
	Budget sy	Revised sy	
<i>Outcome 1 - The environment, especially those aspects that are matters of national environmental significance, is protected and conserved (*) (**)</i>	884.0	1,059.0	175.0
<i>Outcome 2 - Australia's interests in Antarctica are advanced</i>	392.0	392.0	0.0
TOTAL	1,276.0	1,451.0	175.0

* Staff seconded to the Director of National Parks (275.0) are not included in departmental staff numbers.

** Revised ASL for Outcome 1 – Environment includes staff transferred from the Australian Greenhouse Office (116.0), National Oceans Office (29.0) and the Department of Immigration and Multicultural and Indigenous Affairs (15.5) under Administrative Arrangements Order changes.

SUMMARY OF AGENCY SAVINGS 2004–05

There are no savings for the Department of the Environment and Heritage in 2004–05.

VARIATIONS TO REVENUE FROM OTHER SOURCES THROUGH NET ANNOTATED (SECTION 31) RECEIPTS**TABLE 1.5 CHANGES TO NET ANNOTATED APPROPRIATIONS (Section 31) RECEIPTS**

	Price of outputs		Receipts	Receipts	Variation in Non-Govt Revenue
	Approp 2004–05 (Budget)	Approp 2004–05 (Revised)	from Independent Sources (Budget)	from Independent Sources (Revised)	
	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Outcome 1 – The environment, especially those aspects that are matters of national environmental significance, is protected and conserved</i>	145,555	207,975	25,022	25,022	0
<i>Outcome 2 – Australia's interests in Antarctica are advanced</i>	87,125	86,472	919	919	0
TOTAL	232,680	294,447	25,941	25,941	0

TABLE 1.6 REVENUE FROM INDEPENDENT SOURCES

	2004–2005 Budget Estimate	2004–2005 Revised Estimate
	\$'000	\$'000
DEPARTMENTAL REVENUE		
Sales of goods and services	25,901	25,901
Other	40	40
Total non-appropriation departmental revenue	25,941	25,941
ADMINISTERED REVENUE		
Environment – Miscellaneous Revenue	1,600	1,600
Captains Flat (Abatement of Pollution) Agreement – Interest and principal repayments	13	13
<i>Ozone Protection and Synthetic Greenhouse Gas Management Act 1989 – Levies, fees and penalties</i>	1,964	1,964
<i>Fuel Quality Standards Act 2000 – fees</i>	30	30
Wildlife protection – Export/import fees	300	300
Great Barrier Reef environmental management charge	7,000	7,400
Total non-appropriation administered revenue	10,907	11,307
TOTAL ESTIMATED REVENUE	36,848	37,248

TABLE 1.7 ESTIMATES OF EXPENSES FROM SPECIAL APPROPRIATIONS

	Outcome Affected	2004–2005 Budget Estimate	2004–2005 Revised Estimate
		\$'000	\$'000
ADMINISTERED SPECIAL APPROPRIATIONS			
Natural Heritage Trust of Australia Interest *	1	18,836	20,050
TOTAL ESTIMATED EXPENSE		18,836	20,050

* Revised estimate reflects actual interest earned at 30 June 2004.

TABLE 1.8 ESTIMATES OF SPECIAL ACCOUNT FLOWS AND BALANCES**Estimate – 2004–05, Heavy Figures***Actual – 2003–04, Light figures*

		Opening Balance ⁽⁴⁾ 2004–05 ^(4a) 2003–04	Receipts ⁽³⁾ 2004–05 2003–04	Expenses ^{(1) (2)} 2004–05 2003–04	Closing Balance 2004–05 2003–04
	<i>Notes</i>	\$'000	\$'000	\$'000	\$'000
NATURAL HERITAGE TRUST OF AUSTRALIA ACCOUNT - <i>Natural Heritage Trust of Australia Act 1997, Section 40.</i>	(1), (3)	389,320 484,147	333,964 142,902	310,000 237,729	413,284 389,320
OZONE PROTECTION AND SYNTHETIC GREENHOUSE GAS ACCOUNT - <i>Ozone Protection and Synthetic Greenhouse Gas Management Act 1989, Sections 65C & 65D</i>	(1), (3) (5)	10,409 1,765	1,964 8,978	2,870 334	9,503 10,409
NATIONAL CULTURAL HERITAGE ACCOUNT - <i>Protection of Moveable Cultural Heritage Act 1986, Section 25</i>	(1), (3)	441 357	185 149	185 65	441 441
ENVIRONMENT - FEDERATION FUND ACCOUNT – <i>Financial Management and Accountability Act 1997, Section 20</i>	(6)	31,043 31,043	0 0	0 0	31,043 31,043
AUSTRALIAN AND NEW ZEALAND ENVIRONMENT AND CONSERVATION COUNCIL FUND TRUST ACCOUNT* – <i>Financial Management and Accountability Act 1997, Section 20</i>	(2)	12 12	0 0	0 0	12 12
ENVIRONMENT – SERVICES FOR OTHER GOVERNMENTS AND NON-AGENCY BODIES ACCOUNT* – <i>Financial Management and Accountability Act 1997, Section 20</i>	(2)	3,373 3,424	255 255	306 306	3,322 3,373

TABLE 1.8 ESTIMATES OF SPECIAL ACCOUNT FLOWS AND BALANCES (continued)

		Estimate – 2004–05, Heavy Figures <i>Actual – 2003–04, Light figures⁽¹⁾</i>			
		Opening Balance	Receipts ⁽³⁾	Expenses ^{(1) (2)}	Closing Balance
Notes	⁽⁴⁾ ^(4a)	2004–05 2003–04	2004–05 2003–04	2004–05 2003–04	2004–05 2003–04
		\$'000	\$'000	\$'000	\$'000
OTHER TRUST MONEYS ACCOUNT*	(2)	11	3	3	11
<i>– Financial Management and Accountability Act 1997, Section 20</i>		<i>11</i>	<i>3</i>	<i>3</i>	<i>11</i>
TOTAL SPECIAL ACCOUNTS		434,609 <i>520,759</i>	336,371 <i>152,287</i>	313,364 <i>238,437</i>	457,616 <i>434,609</i>

(1) Estimates make provision for amounts accrued.

(2) Estimates for Special Public Monies are based on actual payments.

(3) Estimates include appropriation receipts, refunded Trust grants and GST credits. Appropriation receipts (\$25.694m) for the Trust in 2003–04 will not be drawn down from Administered annual appropriations. The amount represents Special Account interest for the Trust at 30 June 2004 (*refer the Department of the Environment and Heritage 2002–03 Annual Report (pp 376, 377)*) accruing to the Official Public Account.

(4,4a) The opening balance for 2004–05 is the closing balance for 2003–04 as per the Department of the Environment and Heritage 2003–04 Annual Report (page 299). This balance may have changed from that shown in the 2004–05 PBS as the actual for 2003–04 will have been updated to reflect the final budget outcome for that year.

* Special Public Monies Special Accounts

(5) *The Ozone Protection Act 1989* has been reformed and amendments are now reflected in the *Ozone Protection and Synthetic Greenhouse Gas Management Act 1989*. Receipts and expenses have been revised in line with Sections 65C and 65D of the new Act. Receipts include the Halon Bank balance transferred from the Department of the Environment and Heritage bank account to the *Ozone Protection and Synthetic Greenhouse Gas Management Account (revised receipts for this Account are also reflected in Table 1.3 Receipts from Independent Sources on page 28)*.

(6) The 2002–03 closing balance for the Environment Federation Fund Account was increased by \$30.2m (*refer DEH 2002–03 Annual Report page 378*). The Account is expected to be abolished before 30 June 2005 under a Determination made by the Minister for Finance and Administration. Upon abolition of the Account, any funds remaining in the Account at 30 June 2005 are expected to lapse back to the Official Public Account.

The above Special Account flows do not include investments under section 39 of the Financial Management and Accountability Act.

PART C
Section 2

**Department of the Environment and
Heritage**

**REVISIONS TO
OUTCOMES AND
OUTPUTS**

SECTION 2 – REVISIONS TO OUTCOMES AND OUTPUTS

OUTCOME 1: *The environment, especially those aspects that are matters of national environmental significance, is protected and conserved*

OUTPUT COST ATTRIBUTION

Direct costs incurred by the Department of the Environment and Heritage (salaries, suppliers and grants etc) are coded directly to appropriate activities within the agency's Financial Management Information System (FMIS). The individual activities are subsequently attributed to agency outputs based upon established, and regularly reviewed, parameters which match the activities of the individual agency cost centre to the relevant outputs.

The Department's overheads and activities that cut across all outputs, such as State of the Environment Reporting, are attributed to outputs in accordance with the most appropriate and sound basis of allocation that can be consistently and logically applied. The Department, in implementing the Budget Estimates and Framework Review (BEFR), changed the allocation of corporate overheads. Corporate overheads are allocated to outputs based on a model which includes the use of cost drivers such as the number of average staffing level, number of full time employees, number of workstations, wages and salaries, and Antarctic activity (for Outcome 2).

EXPLANATION OF VARIATIONS

Variations to Departmental Output Appropriation

The departmental outputs appropriation has been increased through *Appropriation Bill (No.3) 2004–05* by **\$15.584m** as represented by the following:

- *Securing Australia's Energy Future – Advanced electricity storage technologies (Measure)*

An increase of **\$0.345m** in 2004–05. The Government will provide the Department of the Environment and Heritage \$20.4m over five years to support the development of advanced storage systems for electricity from intermittent generation systems. \$1.650m will be provided through the departmental outputs appropriation. \$18.850m will be provided through the administered appropriations. The departmental outputs forward estimates have been increased by \$0.353m in 2005–06, \$0.321m in 2006–07, \$0.324m in 2007–08 and \$0.307m in 2008–09.

- ***Securing Australia’s Energy Future – Wind forecasting capability (Measure)***

An increase of **\$1.086m** in 2004–05. The Government will provide the Department of the Environment and Heritage \$14.0m over five years to support the development of a wind forecasting system and software for Australian conditions. \$13.979m will be provided through the departmental outputs appropriation. The departmental outputs forward estimates have been increased by \$4.425m in 2005–06, \$3.991m in 2006–07, \$3.210m in 2007–08 and \$1.267m in 2008–09.

- ***Securing Australia’s Energy Future – Solar Cities (Measure)***

An increase of **\$1.456m** in 2004–05. The Government will provide the Department of the Environment and Heritage \$75.300m over nine years to fund a series of trials gauging the benefits flowing from the concerted use of solar and energy efficient technologies combined with interval metering. \$8.400m will be provided through the departmental outputs appropriation. \$66.850m will be provided through the administered appropriations. The departmental outputs forward estimates have been increased by \$1.360m in 2005–06, \$1.169m in 2006–07, \$1.093m in 2007–08 and \$1.104m in 2008-09.

These trials will provide a working model of how sustainable energy systems can work in the future. They build on Australian leadership in solar technologies and will place value on the benefits of solar energy in reducing the need for peak generation and distribution infrastructure.

- ***Securing Australia’s Energy Future – Low Emissions Technology Demonstration Fund (Measure)***

An increase of **\$1.512m** in 2004–05. The Government will provide \$522.919m over sixteen years to establish a Low Emissions Technology Fund. The fund will support industry-led projects for the large scale demonstration of low emissions technologies that could reduce the cost of technologies with significant long-term abatement potential. The fund will leverage a further \$1 billion or more in investment from industry. Of the total funding provided by the Government, \$22.919m will be provided through the departmental outputs appropriation. \$500.0m will be provided through the administered appropriations from 2006–07 to 2019–20. The departmental outputs forward estimates have been increased by \$1.778m in 2005–06, \$1.789m in 2006–07, \$1.596m in 2007–08 and \$2.259m in 2008-09.

- ***Director of National Parks – additional funding (Measure)***

An increase of **\$4.120m** in 2004–05. The Government will provide \$16.400m over four years to the Director of National Parks for the management of Kakadu National Park following the abolition of entry fees to the Park. This funding includes provision for annual payments to be made to the Park’s traditional owners as compensation for income foregone.

The departmental outputs forward estimates have been increased by \$3.750m in 2005–06, \$4.091m in 2006–07, \$4.432m in 2007-08.

- ***Protecting Australia’s Biodiversity Hotspots (Measure)***

An increase of **\$0.500m** in 2004–05. The Government will provide funding of \$36.0m over four years to protect and conserve Australia’s biodiversity hotspots – areas which are rich in animal and plant species and where habitats are under immediate threat. The programme will fund biodiversity stewardship and private land purchases, as a means of conserving and protecting native vegetation and endangered species. Of the total funding of \$36.0m, \$6.0m was provided in the contingency reserve for administered grant payments in 2003–04 and announced as part of the 2004–05 Budget. The departmental outputs forward estimates have been increased by \$0.500m in each of the years 2005–06 and 2006-07.

- ***Prime Ministers’ Memorial – reconstruction of commemorative wall (Measure)***

The Government will provide \$0.100m in 2004–05 from the Commemoration of Historic Events and Famous People programme to the Necropolis Springvale Trust for the reconstruction of the commemorative wall in the Prime Ministers’ Memorial Garden at Melbourne General Cemetery. The cost of this measure is being fully absorbed within the existing resourcing of the Department of the Environment and Heritage.

- ***Australian Water Fund – Communities Programme (Measure)***

An increase of **\$5.312m**. The Government will provide funding of \$200.0m over five years to promote wise water use through community engagement and awareness about saving and conserving water. The departmental appropriations will fund the administration of the programme and a communications campaign to raise awareness of the issue and what communities can do to save and protect water.

Of the total funding, \$23.119m is through departmental outputs appropriations and \$176.881m through administered appropriations. The departmental outputs forward estimates have been increased by \$5.686m in 2005–06, \$4.386m in 2006-07, \$3.949m in 2007–08 and \$3.786m in 2008–09.

- ***Great Barrier Reef Structural Adjustment Package - enhancement***

An increase of **\$1.020m** representing administrative costs associated with the Business Restructuring Assistance component of the Structural Adjustment Package. The total increase includes an amount of \$0.652m transferred from the Department's Administered appropriations.

- ***Wildlife Protection Import and Export Fees***

In 2003–04 funds relating to wildlife protection import and export fees were collected and paid into the Official Public Account. The outputs appropriation increase in 2004–05 of **\$0.242m** retrospectively reimburses the Department for the fees collected in 2003–04.

- ***Product Stewardship Arrangements for Waste Oil Recycling – Movement of Funds from 2003–04***

An increase of **\$0.120m** to fund contractual commitments existing at 30 June 2004 for the Product Stewardship Arrangements for Waste Oil Recycling Programme.

- ***Comcover Premium Supplementation Clawback***

The departmental outputs appropriation has been **reduced** by **\$0.020m** representing clawback of supplementation for Comcover premiums provided at the 2004–05 Budget relating to the Australian Greenhouse Office (\$0.008m) and the National Oceans Office (\$0.012m).

- ***National Tidal Centre – additional funding (Measure)***

A **reduction** of **\$0.109m** to the departmental outputs appropriation representing the Department's contribution to the Bureau of Meteorology to fund the operations of the National Tidal Centre.

Variations to Administered grant programmes

The administered expenses appropriation has been increased through *Appropriation Bill (No.3) 2004–05* by **\$64.621m** as represented by the following:

- ***Securing Australia's Energy Future – Advanced electricity storage technologies (Measure)***

An increase of **\$0.500m** in 2004–05. The Government will provide the Department of the Environment and Heritage \$20.400m over five years to support the development of advanced storage systems for electricity from intermittent generation systems. \$1.650m will be provided through the departmental outputs appropriation. \$18.850m will be provided through the administered appropriations. The administered expense forward estimates have been increased by \$3.350m in 2005–06, \$5.500m in each of the years 2006–07 and 2007–08 and \$4.0m in 2008–09.

- ***Securing Australia’s Energy Future – Solar Cities (Measure)***

An increase of **\$0.600m** in 2004–05. The Government will provide the Department of the Environment and Heritage \$75.300m over nine years to fund a series of trials gauging the benefits flowing from the concerted use of solar and energy efficient technologies combined with interval metering. \$8.400m will be provided through the departmental outputs appropriation. \$66.850m will be provided through the administered appropriations. The administered expense forward estimates have been increased by \$4.500m in 2005–06, \$20.0m in 2006–07, \$23.500m in 2007–08 and \$18.250m in 2008-09.

These trials will provide a working model of how sustainable energy systems can work in the future. They build on Australian leadership in solar technologies and will place value on the benefits of solar energy in reducing the need for peak generation and distribution infrastructure.

- ***Protecting Australia’s Biodiversity Hotspots (Measure)***

An increase of **\$11.0m** in 2004–05. The Government will provide funding of \$36.0m over four years to protect and conserve Australia’s biodiversity hotspots – areas which are rich in animal and plant species and where habitats are under immediate threat. The programme will fund biodiversity stewardship and private land purchases, as a means of conserving and protecting native vegetation and endangered species. Of the total funding of \$36.0m, \$6.0m was provided for in the contingency reserve for administered grant payments in 2003–04 and announced as part of the 2004–05 Budget. The \$11.0m increase in 2004-05 comprises an amount of \$1.500m not spent in 2003–04 which will now apply in 2004–05. \$30.0m will be provided in Administered appropriations. The administered expenses forward estimates have been increased by \$9.500m in each of the years 2005–06 and 2006-07.

- ***Australian Water Fund – Communities Programme (Measure)***

An increase of **\$1.0m** in 2004–05. The Government will provide funding of \$200.0m over five years to 2008–09. \$23.119m through departmental outputs appropriations and \$176.881m through administered appropriations. The administered expenses forward estimates have been increased by \$48.210m in 2005–06, \$50.510m in 2006-07, \$50.947m in 2007–08 and \$26.214m in 2008–09. The administered appropriations will provide grants to community groups to undertake practical on-ground projects in the areas of water savings and efficiency, water re-use and recycling and river and groundwater health.

- ***Great Barrier Reef Structural Adjustment Package – enhancement (part Measure)***

An increase of **\$41.120m** in 2004–05 for the Great Barrier Reef Structural Adjustment Package announced in the 2004–05 Budget. The additional funds will assist eligible commercial fishers and others adversely affected by the implementation of the Representative Areas Programme for the Great Barrier Reef which came into effect from 1 July 2004. The administered expenses forward estimates have been increased by \$4.0m in 2005–06. In addition, an amount of \$0.652m from the Department’s Administered appropriations has been transferred to the Department’s departmental outputs appropriations in 2004–05 representing administrative costs associated with the Business Restructuring Assistance component of the Structural Adjustment Package.

- ***Regional Natural Heritage Programme – movement of funds***

An increase of **\$0.551m** to fund contractual commitments existing at 30 June 2004 for the Regional Natural Heritage grant programme.

- ***Acquisition of Leases and Legal Costs***

An increase of **\$9.850m** representing settlement and legal costs associated with acquisition of leases.

The administered expenses appropriation has been increased through *Appropriation Bill (No.4) 2004–05* by **\$0.550m** as represented by the following:

- ***Strengthening Tasmania (Measure)***

An increase of **\$0.550m** representing specific grant payments to Tasmania for the upgrading of the harbour infrastructure for the Low Head Precinct (\$0.050m) and new pylons to improve the infrastructure of the North Esk River edge (0.500m). The administered expense forward estimates have been increased by \$1.100m in 2005–06, \$0.850m in 2006–07 and \$0.750m in 2007–08 for these measures.

REVISED PERFORMANCE INFORMATION AND LEVEL OF ACHIEVEMENT FOR 2004–05

The performance information that the Department of the Environment and Heritage will use to assess the level of its achievement against the additional funding is shown below.

PERFORMANCE INFORMATION FOR DEPARTMENTAL OUTPUTS

TABLE 2.1.1 – PERFORMANCE INFORMATION FOR OUTPUTS AFFECTED BY ADDITIONAL ESTIMATES FOR OUTCOME 1

OUTPUT 1.1 ATMOSPHERE

Programme administration	<i>Quantity</i>	Number of projects/activities approved under each programme.
	<i>Quality</i>	Accurate and timely approval, payment and acquittal of grants in accordance with legislation and guidelines.
	<i>Quality</i>	Accurate and timely payment of monies.
	<i>Quality</i>	Degree to which projects, activities, agreements/plans contribute to the output.
Statutory administration	<i>Quantity</i>	Extent to which statutory timeframes are met under legislation.
	<i>Quantity</i>	Number of permits considered (granted and refused) under legislation.
	<i>Quality</i>	Extent to which stakeholders meet legislative requirements.
Policy advising, ministerial and parliamentary	<i>Quality</i>	Minister is satisfied with the timeliness and quality of briefs provided by the Department.
	<i>Quality</i>	Minister is satisfied with the timeliness and quality of draft ministerial correspondence by the Department.
International	<i>Quantity</i>	Percentage of written pre-meeting objectives at international meetings achieved.
	<i>Quality</i>	Extent to which Australia's strategic objectives is achieved through international fora.
Stakeholder awareness	<i>Quantity</i>	Information and education products distributed to stakeholders (measured by website hits, information material distributed, etc).
Research, analysis and evaluation	<i>Quantity</i>	Number of research reports, articles and papers prepared and publicly released.
<i>Total Price Output 1.1– Budget</i>		<i>\$14.723m</i>
<i>Total Price Output 1.1 – Revised</i>		<i>\$14.723m</i>

OUTPUT 1.2 BIODIVERSITY

Sub-output Biodiversity

Programme administration	<i>Quantity</i>	Number of projects/activities approved under each programme.
	<i>Quantity</i>	Number of agreements, plans and management arrangements put in place.
	<i>Quality</i>	Extent to which (self-imposed, Ministerial or external) timeframes are met.
	<i>Quality</i>	Accurate and timely approval, payment and acquittal of grants in accordance with legislation and guidelines.
	<i>Quality</i>	Accurate and timely payment of monies.
	<i>Quality</i>	Degree to which projects, activities, agreements/plans contribute to the output.
Statutory administration	<i>Quantity</i>	Extent to which statutory timeframes are met under legislation.
	<i>Quantity</i>	Number of permits considered (granted and refused) under legislation.
	<i>Quantity</i>	Number of referrals considered under legislation.
	<i>Quantity</i>	Number of plans/arrangements assessed under legislation.
	<i>Quality</i>	Extent to which stakeholders meet legislative requirements.
Policy advising, ministerial and parliamentary	<i>Quality</i>	Minister is satisfied with the timeliness and quality of briefs provided by the Department.
	<i>Quality</i>	Minister is satisfied with the timeliness and quality of draft ministerial correspondence by the Department.
International	<i>Quantity</i>	Percentage of written pre-meeting objectives at international meetings achieved.
	<i>Quality</i>	Extent to which Australia's strategic objectives is achieved through international fora.

Sub-output Biodiversity (continued)

Stakeholder awareness	<i>Quantity</i>	Information and education products distributed to stakeholders (measured by website hits, information material distributed, etc).
Research, analysis and evaluation	<i>Quantity</i>	Number of research reports, articles and papers prepared and publicly released.
	<i>Price – Biodiversity – Budget</i>	<i>\$10.640m</i>
	<i><u>Price – Biodiversity – Revised</u></i>	<i><u>\$11.415m</u></i>

Sub-output Wildlife protection and trade

Statutory administration	<i>Quantity</i>	Number of permits considered (granted and refused) under legislation.
	<i>Quantity</i>	Number of plans/arrangements assessed under legislation.
Policy advising, ministerial and parliamentary	<i>Quality</i>	Minister is satisfied with the timeliness and quality of briefs provided by the Department.
	<i>Quality</i>	Minister is satisfied with the timeliness and quality of draft ministerial correspondence by the Department.
International	<i>Quantity</i>	Extent to which Australia’s strategic objectives is achieved through international fora.
Stakeholder awareness	<i>Quantity</i>	Information and education products distributed to stakeholders (measured by website hits, information material distributed, etc).
	<i>Price - Wildlife protection and trade – Budget</i>	<i>\$13.848m</i>
	<i><u>Price - Wildlife protection and trade – Revised</u></i>	<i><u>\$14.106m</u></i>
	<i>Total Price Output 1.2 – Budget</i>	<i>\$24.488m</i>
	<i><u>Total Price Output 1.2 – Revised</u></i>	<i><u>\$25.521m</u></i>

OUTPUT 1.3 COASTS AND OCEANS

Sub-output Coasts, oceans, estuaries and coastal wetlands

Programme administration	<i>Quantity</i>	Number of projects/activities approved under each programme.
	<i>Quantity</i>	Number of agreements, plans and management arrangements put in place.
	<i>Quality</i>	Extent to which (self-imposed, Ministerial or external) timeframes are met.
	<i>Quality</i>	Accurate and timely approval, payment and acquittal of grants in accordance with legislation and guidelines.
	<i>Quality</i>	Accurate and timely payment of monies.
	<i>Quality</i>	Degree to which projects, activities, agreements/plans contribute to the output.
Statutory administration	<i>Quantity</i>	Extent to which statutory timeframes are met under legislation.
	<i>Quantity</i>	Number of referrals considered under legislation.
	<i>Quality</i>	Extent to which stakeholders meet legislative requirements.
Policy advising, ministerial and parliamentary	<i>Quality</i>	Minister is satisfied with the timeliness and quality of briefs provided by the Department.
	<i>Quality</i>	Minister is satisfied with the timeliness and quality of draft ministerial correspondence by the Department.
Stakeholder awareness	<i>Quantity</i>	Information and education products distributed to stakeholders (measured by website hits, information material distributed, etc).
Research, analysis and evaluation	<i>Quantity</i>	Number of research reports, articles and papers prepared and publicly released.
<i>Price – Coasts, oceans, estuaries and coastal wetlands – Budget</i>		\$8.992m
<u>Price – Coasts, oceans, estuaries and coastal wetlands – Revised</u>		<u>\$10.181m</u>

Sub-output Regional Marine Planning

<p>Contribution to the development of Regional Marine Plans</p>	<p><i>Quality</i></p>	<p>Initial implementation of key South-east Regional Marine Plan actions are progressed to the satisfaction of the National Oceans Ministerial Board.</p> <p>Agreement by Governments to the Northern Planning process, Scoping Report and related recommendations.</p> <p>Mechanisms for integrated marine planning in the Torres Strait are agreed by Governments.</p> <p>Valued and timely papers are prepared for the Regional Planning and Advisory Groups.</p> <p>Agreement by Governments to a collaborative approach to a planning process for the South-west marine area.</p> <p>National marine spatial data infrastructure and marine research are effectively supporting regional marine planning processes.</p>
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Sub-output Regional Marine Planning (continued)

<i>Quantity</i>	<p>Area of Australia’s Exclusive Economic Zone covered by regional marine planing processes.</p> <p>Completion of the priority action items in the South-east Regional Marine Plan.</p> <p>Scoping Agreement for the Northern Marine Planning process and the number of Assessment streams arising from the process.</p> <p>Memorandum of Understanding with South and Western Australian Governments on the South-western regional marine planning process. Snapshot of the South–West region.</p> <p>Amount of marine scientific, economic and social research conducted and data collected and managed.</p> <p>Completion of the National Marine Bioregionalisation Report and the National Marine Atlas.</p> <p>Oceans portal project completed and a marine registry linked to national data providers.</p> <p>Number of forums and meetings to facilitate stakeholder participation.</p> <p>Number of meetings of specialist working groups.</p> <p>Number of meetings of Regional Planning and Advisory Groups.</p>
	<p><i>Price –Regional Marine Planning – Budget</i> \$0.000m *</p> <p><u>Price – Regional Marine Planning – Revised</u> \$4.877m</p>

Sub-output Oceans Policy

<p>Contribution to the implementation and further development of Australia's Oceans Policy</p>	<p><i>Quality</i></p>	<p>Advice to Ministers will be comprehensive, timely and canvass all relevant stakeholders.</p> <p>Valued and timely papers prepared for the National Oceans Ministerial Board (NOMB), Oceans Board of Management (OBOM), Oceans Policy Science Advisory Group (OPSAG) and National Oceans Advisory Group (NOAG) meetings and input to other relevant policy issues.</p> <p>Timely, valued contributions to relevant international meetings and processes.</p> <p>Mechanisms for integrated oceans management in the Commonwealth are further developed and progress made on appropriate inter-governmental mechanisms.</p> <p>Substantial progress is made towards an agreement on principles and elements for national integrated oceans management appropriate inter-governmental mechanisms.</p>
	<p><i>Quantity</i></p>	<p>Ministerial advice – number of briefs, ministerials, questions on notice, committees.</p> <p>Coordination requests and input to other policy issues.</p> <p>Acceptance of Australia's international policy on oceans management.</p> <p>Commonwealth guidelines for integrated oceans management.</p> <p>Number of forums for stakeholder participation.</p> <p>Number of meetings of specialist working groups.</p> <p>Number of meetings of NOMB, OBOM, OPSAG and NOAG.</p>
		<p><i>Price – Oceans Policy– Budget</i> \$0.000m *</p> <p><u>Price – Oceans Policy – Revised</u> \$1.219m</p> <p><i>Total price Output 1.3-- Budget</i> \$8.992m</p> <p><u>Total price Output 1.3 – Revised</u> \$16.277m</p>

* The 2004-05 Budget estimates for these sub-outputs were reflected against the National Oceans Office prior to the Administrative Arrangements Order changes.

OUTPUT 1.4 ENVIRONMENTAL ASSESSMENT AND APPROVALS

Statutory administration	<i>Quality</i>	Minister is satisfied with the timeliness and quality of briefs provided by the Department to assist his statutory decision-making.
	<i>Quality</i>	Stakeholders are satisfied that the administration of assessment and approvals under the EPBC Act is fair and in accordance with statutory provisions.
	<i>Quantity</i>	Number of times matters of national environmental significance have been protected.
	<i>Quantity</i>	Extent to which statutory timeframes are met under legislation.
Stakeholder awareness	<i>Quantity</i>	Information and education products distributed to stakeholders (measured by website hits, information material distributed, etc).
<i>Total Price 1.4 – Budget</i>		<i>\$12.405m</i>
<u>Total Price 1.4 – Revised</u>		<u>\$12.405m</u>

OUTPUT 1.5 HERITAGE

Programme administration	<i>Quantity</i>	Number of projects/activities approved under each programme.
	<i>Quantity</i>	Number of agreements, plans and management arrangements put in place.
	<i>Quality</i>	Extent to which (self-imposed, Ministerial or external) timeframes are met.
	<i>Quality</i>	Accurate and timely approval, payment and acquittal of grants in accordance with legislation and guidelines.
	<i>Quality</i>	Accurate and timely payment of monies.
Statutory administration	<i>Quantity</i>	Extent to which statutory timeframes are met under legislation.
	<i>Quantity</i>	Number of referrals considered under legislation.
	<i>Quantity</i>	Number of plans/arrangements assessed under legislation.
Policy advising, ministerial and parliamentary	<i>Quality</i>	Minister is satisfied with the timeliness and quality of briefs provided by the Department.
	<i>Quality</i>	Minister is satisfied with the timeliness and quality of draft ministerial correspondence by the Department.
International	<i>Quality</i>	Extent to which Australia’s strategic objectives is achieved through international fora.
Stakeholder awareness	<i>Quantity</i>	Information and education products distributed to stakeholders (measured by website hits, information material distributed, etc).
<i>Heritage conservation – Budget</i>		<i>\$17.678m</i>
<u>Heritage conservation – Revised</u>		<u>\$19.009m</u>
<i>Australian Heritage Council – Budget</i>		<i>\$5.577m</i>
<u>Australian Heritage Council – Revised</u>		<u>\$5.577m</u>
<i>Total Price Output 1.5 – Budget</i>		<i>\$23.255m</i>
<u>Total Price Output 1.5 – Revised</u>		<u>\$24.586m</u>

OUTPUT 1.6 HUMAN SETTLEMENTS

Sub-output Human Settlements

Programme administration	<i>Quantity</i>	Number of projects/activities approved under each programme.
	<i>Quality</i>	Extent to which (self-imposed, Ministerial or external) timeframes are met.
	<i>Quality</i>	Accurate and timely approval, payment and acquittal of grants in accordance with legislation and guidelines.
	<i>Quality</i>	Accurate and timely payment of monies.
	<i>Quality</i>	Degree to which projects, activities, agreements/plans contribute to the output.
Statutory administration	<i>Quantity</i>	Extent to which statutory timeframes are met under legislation.
	<i>Quantity</i>	Number of permits considered (granted and refused) under legislation.
	<i>Quality</i>	Extent to which stakeholders meet legislative requirements.
Policy advising, ministerial and parliamentary	<i>Quality</i>	Minister is satisfied with the timeliness and quality of briefs provided by the Department.
	<i>Quality</i>	Minister is satisfied with the timeliness and quality of draft ministerial correspondence by the Department.
International	<i>Quantity</i>	Percentage of written pre-meeting objectives at international meetings achieved.
	<i>Quality</i>	Extent to which Australia’s strategic objectives is achieved through international for a.
Stakeholder awareness	<i>Quantity</i>	Information and education products distributed to stakeholders (measured by website hits, information material distributed, etc).

Sub-output Human Settlements (continued)

Research, analysis and evaluation	<i>Quantity</i>	Number of research reports, articles and papers prepared and publicly released.
	<i>Price – Human settlements – Budget</i>	\$19.543m
	<u>Price – Human settlements – Revised</u>	<u>\$24.109m</u>

Sub-output Environmental protection at uranium mines in the Alligator Rivers Region

Statutory administration	<i>Quantity</i>	Extent to which statutory timeframes are met under legislation.
	<i>Quantity</i>	Number of permits/applications considered (granted and refused) under legislation.
	<i>Quantity</i>	Number of plans/arrangements assessed under legislation.
	<i>Quality</i>	Extent to which stakeholders meet legislative requirements.
Policy advising, ministerial and parliamentary	<i>Quality</i>	Minister is satisfied with the timeliness and quality of briefs provided by the Department.
	<i>Quality</i>	Minister is satisfied with the timeliness and quality of draft ministerial correspondence by the Department.
International	<i>Quantity</i>	Percentage of written pre-meeting objectives at international meetings achieved.
Stakeholder awareness	<i>Quantity</i>	Information and education products distributed to stakeholders (measured by website hits, information material distributed, etc).
Research, analysis and evaluation	<i>Quantity</i>	Number of research reports, articles and papers prepared and publicly released.
	<i>Price – Environmental protection at uranium mines in the Alligator Rivers Region – Budget</i>	\$7.426m
	<u>Price – Environmental protection at uranium mines in the Alligator Rivers Region – Revised</u>	<u>\$7.488m</u>
	<i>Total Price Output 1.6 – Budget</i>	\$26.969m
	<u>Total Price Output 1.6 – Revised</u>	<u>\$31.597m</u>

OUTPUT 1.7 INLAND WATERS

Programme administration	<i>Quantity</i>	Number of projects/activities approved under each programme.
	<i>Quantity</i>	Number of agreements, plans and management arrangements put in place.
	<i>Quality</i>	Extent to which (self-imposed, Ministerial or external) timeframes are met.
	<i>Quality</i>	Accurate and timely approval, payment and acquittal of grants in accordance with legislation and guidelines.
	<i>Quality</i>	Accurate and timely payment of monies.
	<i>Quality</i>	Degree to which projects, activities, agreements/plans contribute to the output.
Statutory administration	<i>Quantity</i>	Extent to which statutory timeframes are met under legislation.
	<i>Quantity</i>	Number of referrals considered under legislation.
	<i>Quantity</i>	Number of plans/arrangements assessed under legislation.
	<i>Quality</i>	Extent to which stakeholders meet legislative requirements.
Policy advising, ministerial and parliamentary	<i>Quality</i>	Minister is satisfied with the timeliness and quality of briefs provided by the Department.
	<i>Quality</i>	Minister is satisfied with the timeliness and quality of draft ministerial correspondence by the Department.
International	<i>Quantity</i>	Percentage of written pre-meeting objectives at international meetings achieved.
	<i>Quality</i>	Extent to which Australia’s strategic objectives is achieved through international fora.

OUTPUT 1.7 INLAND WATERS (continued)

Stakeholder awareness	<i>Quantity</i>	Information and education products distributed to stakeholders (measured by website hits, information material distributed, etc).
Research, analysis and evaluation	<i>Quantity</i>	Number of research reports, articles and papers prepared and publicly released.
	<i>Price – Rivers, groundwater and wetlands – Budget</i>	\$8.736m
	<i>Price – Rivers, groundwater and wetlands – Revised</i>	\$9.113m
	<i>Price – Tropical wetland ecology and conservation – Budget</i>	\$4.457m
	<i>Price – Tropical wetland ecology and conservation – Revised</i>	\$4.719m
	<i>Price – Total Price Output 1.7 – Budget</i>	\$13.193m
	<i>Price – Total Price Output 1.7 – Revised</i>	\$13.832m

OUTPUT 1.8 LAND MANAGEMENT

Programme administration	<i>Quantity</i>	Number of projects/activities approved under each programme.
	<i>Quantity</i>	Number of agreements, plans and management arrangements put in place.
	<i>Quality</i>	Extent to which (self-imposed, Ministerial or external) timeframes are met.
	<i>Quality</i>	Accurate and timely approval, payment and acquittal of grants in accordance with legislation and guidelines.
	<i>Quality</i>	Accurate and timely payment of monies.
	<i>Quality</i>	Degree to which projects, activities, agreements/plans contribute to the output.
Policy advising, ministerial and parliamentary	<i>Quality</i>	Minister is satisfied with the timeliness and quality of briefs provided by the Department.
	<i>Quality</i>	Minister is satisfied with the timeliness and quality of draft ministerial correspondence by the Department.
International	<i>Quantity</i>	Percentage of written pre-meeting objectives at international meetings achieved.
	<i>Quality</i>	Extent to which Australia's strategic objectives is achieved through international fora.
Stakeholder awareness	<i>Quantity</i>	Information and education products distributed to stakeholders (measured by website hits, information material distributed, etc).
Research, analysis and evaluation	<i>Quantity</i>	Number of research reports, articles and papers prepared and publicly released.
<i>Total Price Output 1.8 – Budget</i>		\$6.754m
<u>Total Price Output 1.8 – Revised</u>		<u>\$7.047m</u>

OUTPUT 1.9 PARKS AND RESERVES

Programme administration	<i>Quantity</i>	Number of projects/activities approved under each programme.
	<i>Quantity</i>	Number of agreements, plans and management arrangements put in place.
	<i>Quality</i>	Extent to which (self-imposed, Ministerial or external) timeframes are met.
	<i>Quality</i>	Accurate and timely approval, payment and acquittal of grants in accordance with legislation and guidelines.
Policy advising, ministerial and parliamentary	<i>Quality</i>	Minister is satisfied with the timeliness and quality of briefs provided by the Department.
	<i>Quality</i>	Minister is satisfied with the timeliness and quality of draft ministerial correspondence by the Department.
Stakeholder awareness	<i>Quantity</i>	Information and education products distributed to stakeholders (measured by website hits, information material distributed, etc).
	<i>Price – Protected areas – Budget*</i>	\$38.765m
	<u>Price – Protected areas – Revised*</u>	<u>\$42.885m</u>
	<i>Price – National Reserve System – Budget</i>	\$0.360m
	<u>Price – National Reserve System – Revised</u>	<u>\$0.327m</u>
	<i>Total Price Output 1.9 – Budget</i>	\$39.125m
	<u>Total Price Output 1.9 – Revised</u>	<u>\$43.212m</u>

* Reporting of performance against Sub-output Protected Areas (which is the statutory responsibility of the Director of National Parks and includes the management of Commonwealth Reserves) is presented at Part C Section 2 Director of National Parks

OUTPUT GROUP 1.10 CLIMATE CHANGE

Sub-output International Engagement

Informing international and domestic policy outcomes	<i>Quality</i>	Effectiveness in key international, regional and bilateral climate change processes on issues for which the Australian Greenhouse Office has lead responsibility.
	<i>Quantity</i>	The number of initiatives delivered through key international, regional and bilateral processes.
<p><i>Price – International Engagement– Budget \$0.000m *</i></p> <p><i><u>Price – International Engagement– Revised \$2.842m</u></i></p>		

Sub-output Emissions Management

<p>Deliver programmes that:</p> <ul style="list-style-type: none"> – integrate greenhouse issues into business and community decision making – reduce greenhouse emissions – accelerate uptake of energy efficiency and low emission technologies <p>Deliver programmes that engage government, business and the community and build capacity for greenhouse action</p>	<p><i>Quality</i></p>	<p>Reporting systems are appropriately targeted and high quality.</p> <p>Implementation of consistent measurement of abatement across programmes.</p> <p>Risks to programme delivery identified and managed.</p> <p>Effectiveness of support for greenhouse response within sectors.</p> <p>Measurable behaviour change within sectors.</p> <p>Effectiveness in relevant interjurisdictional processes on issues for which the Australian Greenhouse Office has lead responsibility.</p> <p>Effectiveness of financial administration.</p>
	<p><i>Quantity</i></p>	<p>Reported abatement activity including emissions reductions and/or energy savings.</p> <p>Estimated cost (Government funds) of greenhouse abatement (\$/tonne).</p> <p>Investment dollars (or contributory funding) leveraged from other parties by projects and programmes.</p> <p>Extent of engagement of key stakeholders.</p> <p>Extent of support for long-term low emission technology uptake.</p>
<p style="text-align: center;"><i>Price –Emissions Management – Budget \$0.000m *</i></p> <p style="text-align: center;"><u>Price – Emissions Management – Revised \$24.540m</u></p>		

OUTCOME 2: *Australia's interests in Antarctica are advanced*

EXPLANATION OF VARIATIONS

Comcover Premium Supplementation Clawback

The departmental outputs appropriation has been **reduced** by **\$0.653m** representing clawback of supplementation for Comcover premiums provided at the 2004–05 Budget.

REVISED PERFORMANCE INFORMATION AND LEVEL OF ACHIEVEMENT FOR 2004–05

The performance information that the Australian Antarctic Division will use to assess the level of its achievement against the additional funding is shown below.

TABLE 2.1.2 – PERFORMANCE INFORMATION FOR OUTPUTS AFFECTED BY ADDITIONAL ESTIMATES FOR OUTCOME 2

OUTPUT 2.1 INFLUENCE IN ANTARCTIC TREATY SYSTEM

To maintain the Antarctic Treaty System and enhance Australia's influence within the System	<i>Quality</i>	Australia's positions are advanced in the decisions of the Antarctic Treaty System (ATS).
	<i>Quantity</i>	Number of policy proposals and briefings completed for and participation in international forums.
	<i>Quality</i>	Provide Chair and other support for the Committee for Environmental Protection.
	<i>Quality</i>	Influence, by directed research, the decisions of ATS.
	<i>Quantity</i>	Report on technical and practical measures to minimise environmental impacts in the Antarctic region.
	<i>Quality</i>	Effective administration of the Australian Antarctic Territory and the Territory of Heard Island and McDonald Islands in accordance with Australian legislation and international obligations.
	<i>Quantity</i>	Number of permits issued or administered under Antarctic environmental protection legislation
	<i>Quality</i>	All new activities subjected to prior environmental impact assessment in accordance with legislation and relevant management plans.
	<i>Price – Output 2.1 – Budget</i>	\$13.842m
	<i>Price – Output 2.1 – Revised</i>	<u>\$13.739m</u>

OUTPUT 2.2 PROTECTING THE ANTARCTIC ENVIRONMENT

To protect the Antarctic Environment	<i>Quality</i>	Environmental impact assessments completed for all relevant activities in Antarctica.
	<i>Quantity</i>	Number of environmental impact assessments reviewed or completed.
	<i>Quality</i>	Australia’s obligations under the Protocol on Environmental Protection to the Antarctic Treaty are met.
	<i>Quantity</i>	Number of environmental policy proposals and briefings completed for ATCM and CEP.
	<i>Quantity</i>	Extent of the collection of scientific data and/or modelling of natural phenomena and/or development of scientific instrumentation to be used in further scientific research or operational planning.
	<i>Quality</i>	Extent to which environmental management practices in Antarctica are improved as a result of initiatives promulgated by AAD.
	<i>Quality</i>	Extent of advice provided to industry, national agencies and Government.
	<i>Quality</i>	Successful completion of relevant projects in accordance with the Antarctic Science Strategy 2004–05 – 2008–09.
	<i>Price – Output 2.2 – Budget</i>	\$34.689m
	<u>Price – Output 2.2 – Revised</u>	<u>\$34.431m</u>

OUTPUT 2.3 UNDERSTANDING GLOBAL CLIMATE SYSTEM

To understand the role of Antarctica in the global climate system	<i>Quality</i>	Successful completion of relevant projects in accordance with <i>Australia’s Antarctic Science Programme Strategic Plan 2000–2005</i> .
	<i>Quality</i>	External assessment of the quality of the outputs of the research programme.
	<i>Quantity</i>	Number of research reports, articles and papers prepared and publicly released.
	<i>Quantity</i>	Extent to which information, data and research findings of an informative or educational nature are distributed to outside parties (measured by website hits, printed material distributed, presentations etc).
	<i>Quantity</i>	Extent of the collection of scientific data and/or modelling of natural phenomena and/or development of scientific instrumentation to be used in further scientific research or operational planning.
	<i>Price – Output 2.3 – Budget</i>	\$21.540m
	<u>Price – Output 2.3 – Revised</u>	<u>\$21.381m</u>

OUTPUT 2.4 UNDERTAKE SCIENTIFIC WORK OF PRACTICAL, ECONOMIC OR NATIONAL SIGNIFICANCE

To undertake scientific work of practical, economic and national significance	<i>Quality</i>	Successful completion of relevant projects in accordance with <i>Australia’s Antarctic Science Programme Strategic Plan 2000–2005</i> .
	<i>Quality</i>	External assessment of the quality of the outputs of the research programme.
	<i>Quality</i>	Extent to which fisheries management practices are improved as a result of initiatives promulgated by AAD.
	<i>Quantity</i>	Number of research reports, articles and papers prepared and publicly released.
	<i>Quantity</i>	Extent to which information, data and research findings of an informative or educational nature are distributed to outside parties (measured by website hits, printed material distributed, presentations etc).
	<i>Quantity</i>	Extent of advice provided to industry, national agencies and Government.
	<i>Quantity</i>	Extent of the collection of scientific data and/or modelling of natural phenomena and/or development of scientific instrumentation to be used in further scientific research or operational planning.
<i>Price – Output 2.4 – Budget</i>		\$17.973m
<u>Price – Output 2.4 – Revised</u>		<u>\$17.840m</u>

Part C
Section 3

**Department of the Environment
and Heritage**

**BUDGETED FINANCIAL
STATEMENTS**

Budgeted Financial Statements

The following budgeted departmental financial statements and administered notes for the Department of the Environment and Heritage are presented in this section. Information from the following budgeted financial statements and administered notes forms part of the financial statements that will appear in the Department of the Environment and Heritage's 2004–2005 Annual Report, and is also required as input into the Whole of Government Accounts.

ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

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

Budgeted departmental statement of financial performance

Total revenue in 2004-05 is estimated to be \$320.388m, a net increase of \$58.193m from the 2003-04 final budget outcome of \$262.195m. This is mainly represented by an increase in revenues from Government of \$70.060m.

Revenues from Government will increase in 2004-05 due to increased funding for the following measures:

- Great Barrier Reef Coastal Wetlands Protection Programme;
- Distinctively Australian Programme;
- Urban Environment Initiatives;
- Securing Australia's Energy Future;
- Protecting Australia's Biodiversity Hotspots;
- Great Barrier Reef Structural Adjustment Package – enhancement;
- Australian Water Fund – Communities Programme; and
- Director of National Parks additional funding.

In addition, under Section 32 Directions (FMA Act), annual appropriations of \$46.836m have been transferred to the Department following the abolition of the Australian Greenhouse Office, the National Oceans Office and the Aboriginal and Torres Strait Islander Commission.

These appropriations comprise:

- \$39.406m from the Australian Greenhouse Office;
- \$6.108m from the National Oceans Office; and
- \$1.322m from the Department of the Immigration and Multicultural and Indigenous Affairs.

Total expenses are estimated to be \$321.058m in 2004-05, an increase of \$64.501m primarily due to the variations in Revenue from Government as mentioned above.

Budgeted departmental statement of financial position

The Department's budgeted net asset position of \$283.704m in 2004-05 represents an increase of \$25.686m from the 2003-04 final budget outcome of \$258.018m. The increase primarily relates to the appropriation receivable.

Schedule of Budgeted Revenues and Expenses Administered on behalf of Government

In the 2004-05 Portfolio Budget Statements for the Environment and Heritage Portfolio administered revenue estimates were projected to increase following reforms to the *Ozone Protection Act 1989*, to take account of the *Ozone Protection and Synthetic Greenhouse Gas Management Act 1989*, enacted in December 2003.

Revenue collected in 2003-04 under the *Synthetic Greenhouse Gas (Import Levy) Act 1995* and the *Ozone Protection and Synthetic Greenhouse Gas (Manufacture Levy) Act 1995* was slower than anticipated in 2003-04 as a result of delays in the establishment of the licensing system required to collect levies under the new Act. The non-taxation sales of goods and services revenue fluctuates from year to year mainly due to the biennial nature of revenue collected from fees for licence applications under the *Ozone Protection and Synthetic Greenhouse Gas Management Act 1989*.

The majority of the Administered non-taxation revenue consists of revenue collected under the Great Barrier Reef Marine Park Authority Environment Management Charge, which is returned to the Official Public Account before being appropriated back to the Authority (\$7.4m in each of the years 2004-05 to 2007-08). This category of revenue also contains estimates relating to grant repayments from previous years under the Natural Heritage Trust of Australia, returned to the Official Public Account (\$1.1m in each of the years 2004-05 to 2007-08).

Compared to 2003-04, administered expenses have increased by \$196.0m in 2004-05 primarily due to:

- the incorporation into the Department of administered grants previously appropriated to the Australian Greenhouse Office following the Office's abolition as an executive agency under the *Public Service Act 1999* on 26 October 2004 and as a prescribed agency under the *Financial Management and Accountability Act (FMA Act) 1997* on 3 November 2004;
- an increase in the level of grant expenses for the Natural Heritage Trust;
- the transfer of Indigenous grant programmes to the Department from the Department of Immigration and Multicultural and Indigenous Affairs following the abolition of the Aboriginal and Torres Strait Islander Commission on 20 June 2004; and
- additional funding for new measures announced since the 2004-05 Budget.

Schedule of Budgeted Assets and Liabilities Administered on behalf of Government

The principle administered assets comprise the Department's administered investments relating to the portfolio's statutory authorities. The schedule varies little from year to year.

Schedule of Budgeted Administered Cash Flows

Cash received from the Official Public Account represents receipts of administered appropriations. This revenue is no longer reported as administered revenue as a result of changed requirements under the Finance Minister's Orders in the 2001–02 financial year.

DEPARTMENT FINANCIAL STATEMENTS

Budgeted departmental statement of financial performance

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

Budgeted departmental statement of financial position

This statement shows the financial position of the Department. It helps decision makers to track the management of the Department'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 departmental 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 schedule 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)

		Actual	Revised	FORWARD		
	Note	2003–04	Budget	ESTIMATES		
		\$'000	2004–05	2005–06	2006–07	2007–08
			\$'000	\$'000	\$'000	\$'000
REVENUES FROM ORDINARY ACTIVITIES						
Revenues from Government	2	224,387	294,447	303,796	309,121	293,949
Sales of goods and services	3	33,760	25,901	23,303	22,697	18,119
Other		4,048	40	40	40	40
Total revenues from ordinary activities		262,195	320,388	327,139	331,858	312,108
EXPENSES FROM ORDINARY ACTIVITIES (excluding borrowing costs expense)						
Employees	2	97,744	110,572	118,438	119,440	118,735
Suppliers	2	87,424	130,695	134,626	134,809	121,950
Grants	4	47,736	55,709	48,887	52,416	47,287
Depreciation and amortisation		21,752	23,840	24,025	24,021	23,983
Value of Assets Sold		444	0	0	0	0
Write-down of assets		1,131	68	68	68	68
Other		93	20	20	20	20
Total expenses from ordinary activities (excluding borrowing costs expense)		256,324	320,904	326,064	330,774	312,043
Borrowing cost expense		233	154	105	54	65
Net Surplus (or deficit) from ordinary activities		5,638	(670)	970	1,030	0
Gain or loss on extraordinary items		0	0	0	0	0
Net Surplus (or deficit) attributable to the Commonwealth		5,638	(670)	970	1,030	0
Net credit (Debit) to asset revaluation reserve		0	4,040	4,040	4,040	0
Total revenues, expenses and valuation adjustments attributable to members of the parent entity and recognised directly in equity		5,638	3,370	5,010	5,070	0

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

	Note	Actual	Revised	FORWARD		
		2003–04	Budget 2004–05	2005–06	2006–07	2007–08
		\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS						
Financial Assets						
Cash		6,928	9,304	8,997	10,160	10,149
Receivables	5	14,609	37,862	43,384	48,779	59,559
Accrued revenues		2,823	754	768	782	782
Other		23	23	23	23	23
Total Financial assets		24,383	47,943	53,172	59,744	70,513
Non-financial assets						
Land and buildings		199,393	195,513	191,633	187,753	180,692
Infrastructure, plant and equipment		102,396	101,470	97,899	94,472	90,276
Inventories		9,101	8,650	8,787	8,987	9,217
Intangibles		7,580	8,230	8,586	8,945	9,252
Other		646	743	817	893	926
Total Non-financial assets		319,116	314,606	307,722	301,050	290,363
Total Assets		343,499	362,549	360,894	360,794	360,876
LIABILITIES						
Interest bearing liabilities						
Loans	6	3,974	3,065	2,102	1,082	1,082
Other		704	704	704	704	704
Total debt		4,678	3,769	2,806	1,786	1,786
Provisions						
Employees		33,976	36,938	37,289	37,822	37,962
Other		37,040	33,484	28,884	24,284	24,284
Total Provisions		71,016	70,422	66,173	62,106	62,246
Payables						
Suppliers		6,452	4,286	4,147	4,147	4,147
Grants		767	0	0	0	0
Other		2,568	368	310	227	169
Total Payables		9,787	4,654	4,457	4,374	4,316
Total Liabilities		85,481	78,845	73,436	68,266	68,348

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

	Actual	Revised Budget	FORWARD ESTIMATES		
<i>Note</i>	2003–04	2004–05	2005–06	2006–07	2007–08
	\$'000	\$'000	\$'000	\$'000	\$'000
EQUITY					
Parent Entity Interest					
Contributed equity	6,021	14,446	14,446	14,446	14,446
Reserves	129,515	133,048	137,088	141,128	141,128
Retained surpluses or accumulated deficits	122,482	136,210	135,924	136,954	136,954
<i>Total Parent Entity Interest</i>					
Total Equity	258,018	283,704	287,458	292,528	292,528
Total assets and liabilities by maturity					
Current liabilities	27,294	22,759	22,819	23,189	23,271
Non-current liabilities	58,187	56,086	50,617	45,077	45,077
Current assets	30,694	56,593	61,959	68,731	79,730
Non-current assets	312,805	305,956	298,935	292,063	281,146

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

	Note	Actual	Revised	FORWARD		
		2003–04	Budget 2004–05	2005–06	2006–07	2007–08
		\$'000	\$'000	\$'000	\$'000	\$'000
OPERATING ACTIVITIES						
Cash Received						
Appropriations for outputs	2	224,694	294,447	303,796	309,121	293,949
Sales of goods and services	3	35,369	26,875	22,877	22,272	17,829
Cash transferred from OPA		9,252	0	0	0	0
Other		12,704	1,274	2,991	2,976	2,976
Total Cash Received		282,019	322,596	329,664	334,369	314,754
Cash Used						
Employees	2	96,910	107,610	118,087	118,907	118,595
Suppliers	2	101,256	137,612	139,654	139,767	122,291
Grants	4	48,920	56,476	48,887	52,416	47,287
Cash Transfer to OPA		0	20,718	5,125	5,005	10,490
Interest		242	154	105	54	65
Other		4,628	3,917	4,049	2,936	2,936
Total Cash Used		251,956	326,487	315,907	319,085	301,664
Net cash from operating activities		30,063	(3,891)	13,757	15,284	13,090
INVESTING ACTIVITIES						
Cash Received						
Proceeds from sale of property, plant and equipment		20	0	0	0	0
Total Cash Received		20	0	0	0	0
Cash Used						
Purchase of property, plant and equipment		15,728	15,163	13,033	13,033	13,033
Purchase of financial instruments		3,032				
Other		0	68	68	68	68
Total Cash Used		18,760	15,231	13,101	13,101	13,101
NET CASH FROM INVESTING ACTIVITIES		(18,740)	(15,231)	(13,101)	(13,101)	(13,101)

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

	<i>Note</i>	Actual	Revised	FORWARD		
		2003–04	Budget	ESTIMATES		
		2003–04	2004–05	2005–06	2006–07	2007–08
		\$'000	\$'000	\$'000	\$'000	\$'000
FINANCING ACTIVITIES						
Cash Received						
Proceeds from debt		0	0	0	0	0
Other		0	22,407	0	0	0
Total Cash Received		0	22,407	0	0	0
Cash Used						
Repayment of debt	6	960	909	963	1,020	0
Other		7,684				
Total Cash Used		8,644	909	963	1,020	0
NET CASH FROM FINANCING ACTIVITIES		(8,644)	21,498	(963)	(1,020)	0
Net increase/decrease in cash held		2,679	2,376	(307)	1,163	(11)
Cash at the beginning of the reporting period		4,249	6,928	9,304	8,997	10,160
Cash at the end of the reporting period		6,928	9,304	8,997	10,160	10,149

TABLE 3.4 – DEPARTMENTAL CAPITAL BUDGET STATEMENT

	Actual 2003–04	Revised Budget 2004–05	FORWARD ESTIMATES		
			2005–06	2006–07	2007–08
<i>Note</i>	\$'000	\$'000	\$'000	\$'000	\$'000
Capital appropriations					
Total equity injections	4,333				
Total loans					
Represented by:					
Purchase of non-current assets					
Other	4,333				
Purchase of non-current assets					
Funded by capital appropriations					
Funded internally by departmental resources	22,498	15,163	13,033	13,033	13,033

**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	Total \$'000
<i>Carrying amount at the start of the year</i>	982	198,411	102,396	0	6,189	1,391	309,369
Additions *	0	3,700	9,883		1,580	0	15,163
Disposals							0
Revaluation Increments	26	3,154	804		55	1	4,040
Recoverable Amount Write- Downs							0
Net Transfers free of Charge	0	0	342		139	0	481
Depreciation/Amortisation Expense	0	10,760	11,955		1,108	17	23,840
Write-off of Assets							0
<i>Carrying amount at the end of the year</i>	1,008	194,505	101,470	0	6,855	1,375	305,213

*** TOTAL ADDITIONS**

Self funded	0	3,700	9,883	0	1,580	0	15,163
TOTAL	0	3,700	3,700	0	1,580	0	15,163

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

	Note	Actual	Revised	FORWARD		
		2003–04	Budget 2004–05	2005–06	2006–07	2007–08
		\$'000	\$'000	\$'000	\$'000	\$'000
Revenues						
Taxation	7	0	1,414	1,414	1,414	1,414
Non-taxation						
Revenues from Government						
Goods and services		2,700	880	1,880	880	1,880
Interest		6	5	4	3	1
Other sources of non-taxation revenues		8,346	9,000	9,000	9,000	9,000
Total non-taxation		11,052	9,885	10,884	9,883	10,881
Total revenues administered on behalf of the Government		11,052	11,299	12,298	11,297	12,295
Expenses						
Grants	8	220,168	415,138	421,007	462,276	448,639
Suppliers	9	46,311	46,000	46,000	46,000	46,000
Other	9	1,062	2,870	2,870	2,870	2,870
Total expenses administered on behalf of the Government		267,541	464,008	469,877	511,146	497,509

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

<i>Note</i>	Actual	Revised	FORWARD		
	2003–04	Budget 2004–05	2005–06	2006–07	2007–08
	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS					
Financial Assets					
Cash	1	1	1	1	1
Receivables	6,812	6,804	6,794	6,783	6,774
Investments	118,301	118,301	118,301	118,301	118,301
Accrued revenues	441	441	441	441	441
Total financial assets	125,555	125,547	125,537	125,526	125,517
Non-financial assets					
Land and Buildings	4,750	4,750	4,750	4,750	4,750
Infrastructure, plant and equipment	1,271	1,271	1,271	1,271	1,271
Inventories	392	392	392	392	392
Other	74	74	74	74	74
Total Non-financial assets	6,487	6,487	6,487	6,487	6,487
Total Assets Administered on behalf of the Government	132,042	132,034	132,024	132,013	132,004
LIABILITIES					
Provisions					
Suppliers	0	0	0	0	0
Grants	0	0	0	0	0
Other	341	0	0	0	0
Total Provisions	341	0	0	0	0
Payables					
Suppliers	3,027	3,027	3,027	3,027	3,027
Grants	32,720	32,720	32,720	32,720	32,720
Other	7,343	7,684	7,684	7,684	7,684
Total Payables	43,090	43,431	43,431	43,431	43,431
Total Liabilities Administered on behalf of the Government	43,431	43,431	43,431	43,431	43,431

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

<i>Note</i>	Actual	Revised	FORWARD		
	2003–04	Budget 2004–05	2005–06	2006–07	2007–08
	\$'000	\$'000	\$'000	\$'000	\$'000
OPERATING ACTIVITIES					
Cash received					
Other taxes, fees and fines	0	1,414	1,414	1,414	1,414
Sales of goods and rendering of services	2,617	880	1,880	880	1,880
Interest	9	5	4	3	1
Cash from Official Public Account	244,390	464,008	469,960	511,229	497,592
Other	15,622	16,583	16,583	16,583	16,583
Total cash received	262,638	482,890	489,841	530,109	517,470
Cash Used					
Suppliers	44,883	46,000	46,000	46,000	46,000
Grants	199,053	415,138	421,007	462,276	448,639
Cash to Official Public Account	11,189	11,390	12,391	11,391	12,387
Other	7,389	10,370	10,453	10,453	10,453
Total cash used	262,514	482,898	489,851	530,120	517,479
Net cash from operating activities	124	(8)	(10)	(11)	(9)
INVESTING ACTIVITIES					
Cash Received					
Other	418	8	10	11	9
Total Cash Received	418	8	10	11	9
Cash Used					
Purchase of new assets	883	0	0	0	0
Total cash used	883	0	0	0	0
Net cash from investing activities	(465)	8	10	11	9

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

	Actual 2003-04 \$'000	Revised Budget 2004-05 \$'000	FORWARD ESTIMATES		
			2005-06 \$'000	2006-07 \$'000	2007-08 \$'000
FINANCING ACTIVITIES					
Cash received					
Other	0	0	0	0	0
Total cash received	0	0	0	0	0
Cash Used					
Cash to the Official Public Account	0	0	0	0	0
Total cash used	0	0	0	0	0
Net cash from financing activities	0	0	0	0	0
Net increase/decrease in cash held	(341)	0	0	0	0
Cash at the beginning of the reporting period	1	1	1	1	1
Cash at the end of the reporting period					

TABLE 3.9 – SCHEDULE OF ADMINISTERED CAPITAL BUDGET

The Department of the Environment and Heritage 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)**

	Land \$'000	Buildings \$'000	Other Infrastruc Plant and Equipment \$'000	Heritage and cultural Assets \$'000	Computer software \$'000	Other intangibles \$'000	Total \$'000
<i>Carrying amount at the start of the year</i>		4,750	1,271	0	0	0	6,021
Additions							
Disposals							
Revaluation Increments							
Recoverable Amount Write- Downs							
Net Transfers free of Charge							
Depreciation/Amortisation Expense							
Write-off of Assets							
<i>Carrying amount at the end of the year</i>		4,750	1,271	0	0	0	6,021

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) *Administered investments in controlled entities*

Each Commonwealth Department is required to show an administered investment in each *Commonwealth Authority and Company (CAC) Act 1997* entity within their portfolio. These administered investments should be valued at the Commonwealth's ownership interest in the net assets of those CAC entities, fixed at a notional acquisition date of 30 June 1997.

(d) *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.

2. Variances in Revenues from Government and Expenses between 2003-04 and the forward estimate years relates primarily to the following:

The abolition of the Australian Greenhouse Office and the National Oceans Office as executive agencies under the *Public Service Act 1999* on 26 October 2004 and as prescribed agencies under the *Financial Management and Accountability Act (FMA Act) 1997* on 3 November 2004. These agencies were incorporated into the Department.

The transfer of Indigenous programme functions to the Department from the Department of Immigration and Multicultural and Indigenous Affairs following the Government decision to abolish the Aboriginal and Torres Strait Islander Commission and cease the Aboriginal and Torres Strait Islander Services functions.

The revenue from Government estimates also includes funds appropriated directly to the Department and transferred to the Director of National Parks (DNP). There is no direct appropriation from Government to the DNP. DNP funding of \$40.1m will be appropriated to the Department in 2004-05.

3. The revenue from the sale of goods and services estimates mainly relate to the recovery of administration costs for programmes relating to the Natural Heritage Trust of Australia.
4. The grant expense estimates include payment to the DNP (\$40.1m in 2004-05) and other departmental grants.
5. The increase in receivables in 2004-05 mainly relates to the transfer of appropriation receivable transferred from the Australian Greenhouse Office (\$20.204m).
6. In 1998-99 \$7.8m was borrowed from the Department of Finance and Administration for refurbishment and fitout of the John Gorton Building in Parkes. Repayments for the John Gorton Building loan will be over nine years, with the final repayment being made in 2007-08.
7. As a result of delays in establishing the licensing system required for levies under the *Synthetic Greenhouse Gas (Import Levy) Act 1995* and the *Ozone Protection and Synthetic*

Greenhouse Gas(Manufacture Levy) Act 1995, revenue predicted to be collected under this category in 2003-04 did not eventuate.

8. Administered grant expenses relate to grant payments to non-profit institutions, related entities and state, territory and local governments and other specific grant programmes including grants under the Natural Heritage Trust.
9. Supplier and Other Goods and Services expenses relate to the general provision of goods and rendering of services for projects and grants administered under the Natural Heritage Trust and the Ozone Protection and Synthetic Greenhouse Gas Account.