

**PORTFOLIO  
BUDGET STATEMENTS  
2004-2005**

**ENVIRONMENT AND HERITAGE  
PORTFOLIO**

BUDGET INITIATIVES AND EXPLANATIONS OF  
APPROPRIATIONS 2004-2005

BUDGET RELATED PAPER NO. 1.7

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ISSN 1448 - 1200 (Print)  
1448 - 1219 (Online)

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The Hon. Dr David Kemp MP  
Minister for the Environment and Heritage

---

President of the Senate  
Australian Senate  
Parliament House  
CANBERRA ACT 2600

Speaker  
House of Representatives  
Parliament House  
CANBERRA ACT 2600

Dear Mr President  
Dear Mr Speaker

I hereby submit these Portfolio Budget Statements in support of the 2004-05 Budget for the Environment and Heritage Portfolio.

The Portfolio Budget Statements set out:

- the outcomes and outputs developed for the portfolio;
- the portfolio's administered items;
- information on budget measures affecting portfolio outcomes; and
- the performance indicators and evaluations to be used to assess performance against portfolio outcomes.

I present these statements by virtue of my Ministerial responsibility for accountability to the Parliament and, through it, the public.

Yours sincerely

A handwritten signature in black ink that reads 'David Kemp' in a cursive script.

DAVID KEMP

Parliament House, Canberra ACT 2600 Australia

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# **PART A**

## **USER GUIDE**

## **INTRODUCTION**

The purpose of the 2004-05 Portfolio Budget Statements (PB Statements) is to inform Senators and Members of Parliament of the proposed allocation of resources to Government outcomes by agencies within the portfolio. Agencies receive resources from the annual appropriations bills, special appropriations, standing appropriations (including special accounts), and revenue from other sources.

A key role of the PB Statements is to facilitate the understanding of proposed annual appropriations in *Appropriation Bills (Nos 1 and 2) 2004-05* (or *Appropriation Bill [Parliamentary Departments] Number 1 2004-05* for the parliamentary departments). In this sense the PB Statements is officially a Budget Related Paper and is declared by the Appropriation Bills to be a 'relevant document' to the interpretation of the Bills according to section 15AB of the *Acts Interpretation Act 1901*.

The PB Statements provides sufficient information, explanation and justification to enable Parliament to understand the purpose of each outcome proposed in the Bills.

## **STRUCTURE OF THE PORTFOLIO BUDGET STATEMENTS**

The PB Statements are presented in three parts as outlined below.

### **PART A: User Guide**

Provides an introduction explaining the purpose of the PB Statements as well as information in relation to the structure of the document, styles and conventions used.

### **PART B: Portfolio Overview**

Provides a brief overview of the portfolio. Portfolio outcomes are depicted in a chart that outlines the structure of the outcomes to which the portfolio contributes.

### **PART C: Agency Budget Statements**

For each agency within the portfolio a budget statement is presented under the name of the agency. These are presented in four sections as outlined below.

### **Section 1: Overview, appropriations, and budget measures summary**

This section provides a brief overview of the agency, details agency appropriations and summarises, where applicable, Budget measures. This section describes the link between the resources appropriated and their application to the outputs the agency delivers to contribute to the achievement of specified outcomes. Similarly, there is a description of the link between resources appropriated and their application to the administered items the agency manages on behalf of government to contribute to the achievement of specified outcomes.

### **Section 2: Outcomes and outputs information**

This section provides a brief description of the specified outcomes and, where applicable, Budget measures. The section also provides details of resourcing, outlining both the administered and departmental appropriations, how the outputs contribute to the outcome, performance information for the outcome, outputs and administered items, and planned evaluations. Upcoming competitive tendering and contracting that is material or sensitive is noted.

### **Section 3: Budgeted financial statements**

This section contains the budgeted financial statements in accrual format covering the budget year, previous year and the three out-years for each agency.

### **Section 4: Purchaser-provider, and cost recovery arrangements**

This section is presented, where relevant, for those agencies that have entered into purchaser/provider arrangements with other agencies. It also discloses, where relevant, cost recovery arrangements according to the Commonwealth Cost Recovery Policy, and a summary of the agency's Cost Recovery Impact Statement.

Glossaries are provided at the end of the document.

## **STYLES AND CONVENTIONS USED**

Generally amounts in tables and charts have been rounded to the nearest thousand dollars (\$'000) using the standard rounding conventions. Due to roundings, the aggregation of elements within a table may not match the actual 'total' of the table. Amounts in explanatory texts are generally rounded to the nearest million dollars (\$m) but may vary between one and three decimal places to facilitate easy identification in the relevant tables and charts.

Where out-year estimates are shown they are expressed in outturn prices.

A copy of this document can be located on the Australian Government Budget website at:

<http://www.budget.gov.au>



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## **PART B**

# **PORTFOLIO OVERVIEW**



## **PORTFOLIO OVERVIEW**

### **THE ENVIRONMENT AND HERITAGE PORTFOLIO**

The role of the Environment and Heritage portfolio is to provide leadership to the nation in achieving an environmentally sustainable continent.

The portfolio works towards achieving the following outcomes:

#### **Environment**

The environment, especially those aspects that are matters of national environmental significance, is protected and conserved.

#### **Antarctic**

Australia's interests in Antarctica are advanced.

#### **Meteorology**

Australia benefits from meteorological and related science and services.

The delivery of these outcomes is provided by the Department of the Environment and Heritage which includes the Australian Antarctic Division and the following Executive and Prescribed Agencies and Statutory Authorities:

#### **Executive Agencies**

Australian Greenhouse Office (AGO)

Bureau of Meteorology (Meteorology)

National Oceans Office (NOO)

#### **Prescribed Agencies**

Office of Renewable Energy Regulator (ORER)

#### **Statutory Authorities**

Great Barrier Reef Marine Park Authority (GBRMPA)

Director of National Parks (DNP)

Sydney Harbour Federation Trust (SHFT)

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

The Department of the Environment and Heritage has primary responsibility for advising on and implementing policies to protect and conserve Australia's environment. This includes conserving Australia's natural and cultural heritage. The portfolio is increasingly concentrating on issues with a national focus or those under direct Commonwealth jurisdiction. Issues of national focus were detailed in the 1997 Heads of Agreement on Commonwealth/State Roles and Responsibilities for the Environment. The agreement is part of a national strategic approach to protection and conservation, where cooperation between local, state and federal governments assists in the achievement of environmental outcomes. The Sustainable Environment Committee of the Cabinet, chaired by the Prime Minister, oversees the National Environmental Strategy.

The Department is responsible for administering the *Environmental Protection and Biodiversity Conservation (EPBC) Act 1999*. The EPBC Act sets out a national framework for environmental protection and biodiversity conservation. It provides regulatory arrangements to ensure the protection of environmental matters of national significance and conservation of biodiversity. This includes protecting flora and fauna from international trade.

The Australian Greenhouse Office implements and coordinates domestic and international greenhouse policy.

The Office of the Renewable Energy Regulator became a separate prescribed agency in July 2003 and is responsible for implementation of the Australian government's mandatory renewable energy target, which must be achieved over the period 2001 to 2020.

The National Oceans Office develops Regional Marine Plans and is establishing an integrated planning process (National Oceans Policy) for marine waters out to the 200 nautical mile limit of Australia's Exclusive Economic Zone and the extended continental shelf beyond that zone. The South-East Regional Marine Plan is near completion. The developing National Coastal Policy, and the Representative Areas Program for the Great Barrier Reef Marine Park complement the National Oceans policy.

The Great Barrier Reef Marine Park Authority under the *Great Barrier Reef Marine Park Act 1975*, protects and conserves the World Heritage values associated with the Great Barrier Reef.

The Director of National Parks protects the World Heritage values of Kakadu and Uluru-Kata Tjuta National Parks. The agency uses the EPBC Act to administer, manage and control Commonwealth protected areas. The Supervising Scientist provides, through research, assessment and monitoring under the *Environment Protection (Alligators Rivers Region) Act 1978*, independent advice on the protection of the Alligators Rivers Region (AAR) from potential impacts of uranium mining.

The Sydney Harbour Federation Trust retains the heritage values of the former Artillery School on North Head, Defence lands at Middle Head-Georges Heights, Woolwich Dock, Cockatoo and Snapper islands, Macquarie Lightstation and the former Marine Biological Station at Watsons Bay.

### **Natural Heritage Trust**

Established in 1996, the Natural Heritage Trust (the Trust) supports the conservation and sustainable management of Australia's land, water, native vegetation and biodiversity by supporting environmental repair, restoration and prevention projects at national, regional and local levels. Expenditure under the Trust is accounted for against the programs of Bushcare, Landcare, Coastcare and Rivercare.

The Trust invests in projects that support sustainable natural resource management. Funds are invested at the regional level through integrated natural resource management plans developed by community-based regional bodies. The Trust works closely with the investment arrangements for the National Action Plan for Salinity and Water Quality (NAP) at a regional level and the Australian Government's Regional Natural Resource Management (NRM) Team manages both. The NRM team is a joint departmental effort with the Department of Agriculture, Fisheries and Forestry.

The NAP is a national strategic approach to enhance water quality and tackle salinity. All states and territories have signed the intergovernmental agreement that sets out the broad framework for implementing the plan. The National Water Initiative, establishes an efficient national water management plan. The Living Murray Initiative is designed to restore the ecological health of the Murray River.

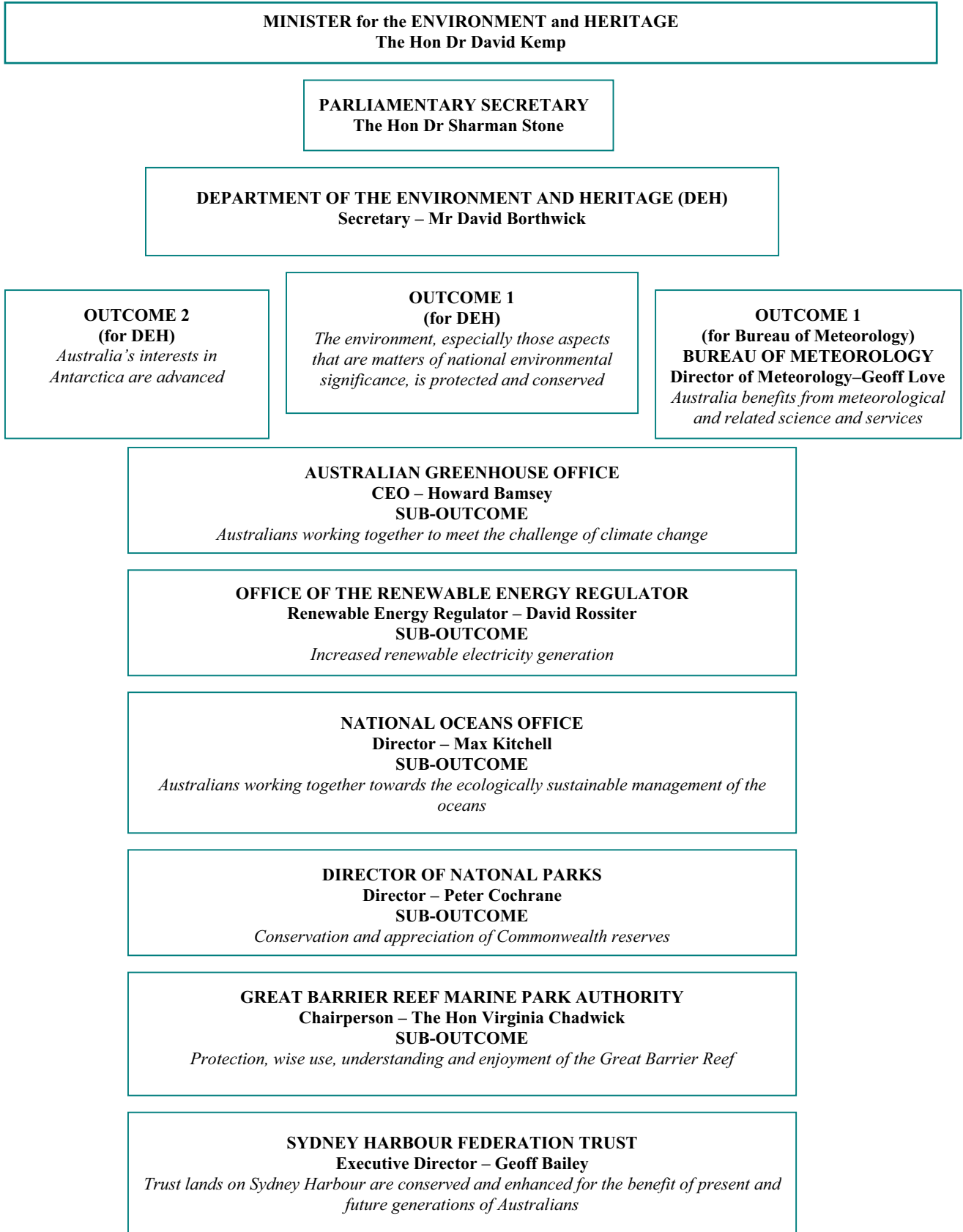
### **Antarctic:** *Australia's interests in Antarctica are advanced*

The Australian Antarctic Division (AAD) maintains an Australian presence at three stations on the Antarctic continent and one on Macquarie Island. Initiatives to improve Antarctic tourism management continue to be led by Australia. The AAD pursues Australia's interests through: the Antarctic Treaty System; administration of the Australian Antarctic Territory and the Territory of Heard and McDonald Islands; Antarctic environmental protection and conduct and coordination of Antarctic and Southern Ocean scientific research. The AAD's research is focused on building a systemic knowledge of the Antarctic and to understand its role in the global climate system.

### **Meteorology:** *Australia benefits from meteorological and related science and services*

The Bureau of Meteorology is the national meteorological authority and operates under the *Meteorology Act 1955*. The Bureau records meteorological and related observations; forecasts weather and the state of the atmosphere; issues gale and storm warnings and other weather conditions likely to endanger life or property, including likely floods or bushfires; supplies meteorological information; provides meteorological advice; publishes reports; conducts meteorological investigations including climate change research and supports international cooperation in meteorology and operational hydrology. This work supports the Defence forces, navigation, shipping and civil aviation, primary producers, industry, trade and commerce.

**MAP 1 – STRUCTURE OF PORTFOLIO OUTCOMES –  
ENVIRONMENT AND HERITAGE PORTFOLIO**



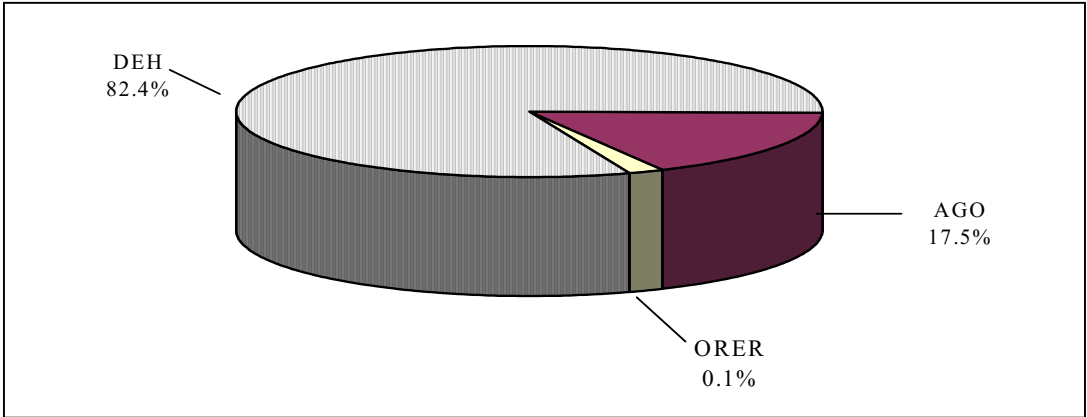
**ENVIRONMENT AND HERITAGE PORTFOLIO – APPROPRIATIONS AND OTHER REVENUE FOR 2004-2005 (\$'000)**

OUTCOMES	DEPARTMENTAL (Price of Outputs)				ADMINISTERED				TOTAL APPROP (J=C+I)	
	Revenue from Government (appropriations)		Revenue from other Sources <sup>(2)</sup> of Outputs (D)	Total Price of Outputs (E=C+D)	Annual Appropriations Bill No. 2 (SPPs & NAOs) <sup>(1)</sup>		Total Administered Appropriations (I=F+G+H)			
	Bill No. 1	Special Approp			Bill No. 1	Special Approp	F	G		H
	A	B	(C=A+B)	(D)	(E=C+D)	F	G	H		(I=F+G+H)
<i>Outcome 1 - The environment, especially those aspects that are matters of national environmental significance, is protected and conserved</i>										
Environment *	145,555	0	145,555	25,022	170,577	318,103	1,000	18,836	337,939	483,494
Australian Greenhouse Office	44,719	0	44,719	0	44,719	43,457	28,388	0	71,845	116,564
Australian Heritage Commission	0	0	0	0	0	0	0	0	0	0
Director of National Parks	0	0	0	56,635	56,635	0	0	0	0	0
Great Barrier Reef Marine Park Authority	16,394	7,000	23,394	15,227	38,621	0	0	0	0	23,394
National Oceans Office	9,342	0	9,342	16	9,358	0	0	0	0	9,342
Office of the Renewable Energy Regulator	2,646	0	2,646	0	2,646	0	0	502	502	3,148
Sydney Harbour Federation Trust	5,137	0	5,137	3,500	8,637	0	0	0	0	5,137
Sub-total Outcome 1	223,793	7,000	230,793	100,400	331,193	361,560	29,388	19,338	410,286	641,079
<i>Outcome 2 - Australia's interests in Antarctica are advanced *</i>	87,125	0	87,125	919	88,044	0	0	0	0	87,125
<i>Outcome 1 - Australia benefits from meteorological and related science and services</i>	190,447	0	190,447	14,837	205,284	0	0	0	0	190,447
<b>TOTALS</b>	501,365	7,000	508,365	116,156	624,521	361,560	29,388	19,338	410,286	918,651
					<b>Departmental Capital (Equity Injections)<sup>(1)</sup></b>				25,600	
						<b>Administered Capital</b>				0
						<b>TOTAL APPROPRIATIONS</b>				944,251

1. Under the Appropriation Structure, Bill 2 includes Specific Purpose Payments (SPPs) and departmental capital via departmental equity injections (refer page 13)  
2. Revenue from other sources includes other revenue from Government agencies. Refer Table 1.3 Receipts from Independent Sources of Agency Budget Statements  
\* The combined estimates for Environment and Antarctic comprise the total estimates for the agency - *Department of the Environment and Heritage*  
In 2004-05 the NHT expenses of \$310 million will be met from appropriations and existing Special Account funds (refer Table 1.6 Estimates of Special Accounts Flows and Balances). Portfolio revenue estimates do not show any funding that may be provided in the contingency reserve.

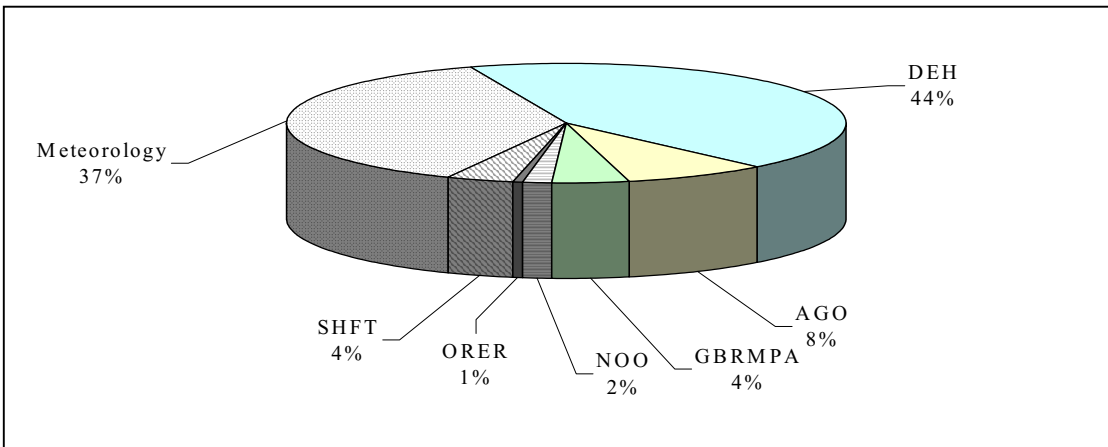
**CHART 1: 2004-05 Administered Appropriation per Agency in the Portfolio (\$'000)**

Department of the Environment and Heritage (DEH)	Australian Greenhouse Office (AGO)	Office of the Renewable Energy Regulator (ORER)
\$337,939	\$71,845	\$502



**CHART 2: 2004-05 Departmental Outputs and Capital Equity Injection Appropriations per Agency in the Portfolio (\$'000)**

Department of the Environment and Heritage (DEH) *	Australian Greenhouse Office (AGO)	Office of the Renewable Energy Regulator (ORER)	Great Barrier Reef Marine Park Authority (GBRMPA)	National Oceans Office (NOO)	Sydney Harbour Federation Trust (SHFT)	Bureau of Meteorology
\$232,680	\$44,719	\$2,646	\$23,394	\$9,342	\$21,637	\$199,547



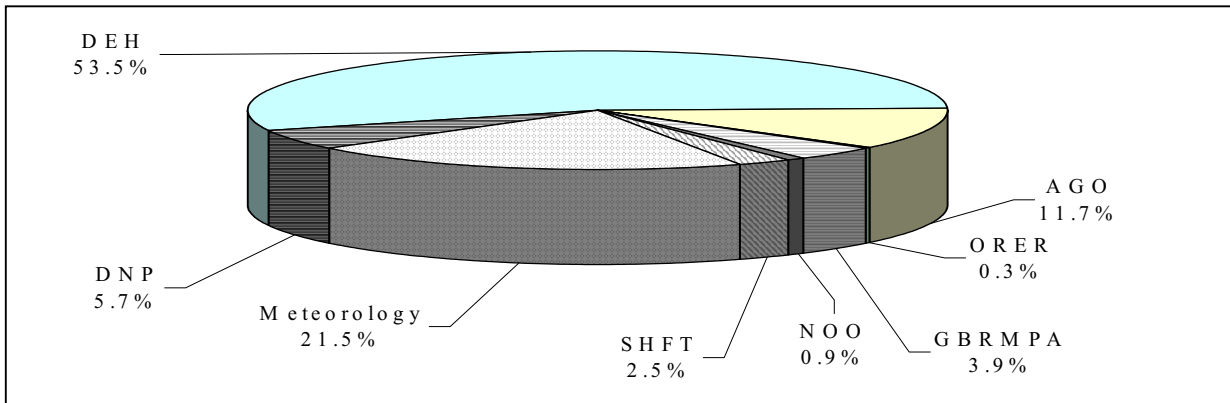
\* Includes appropriations for Outcome 1 - Environment (\$145.6m) and Outcome 2 – Antarctic (\$87.1m). Appropriations for Outcome 1 – Environment includes funding for the DNP. Funds of \$36.0m will be appropriated directly to Outcome 1 - Environment and transferred to the DNP. Appropriations of \$25.6 million for Departmental Capital Equity Injections are also included in the above totals for the Bureau of Meteorology (\$9.1m) and Sydney Harbour Federation Trust (\$16.5m). (Refer Appropriations and Other Revenue for 2004-05 Table – Page 11).

**CHART 3: 2004-05 Departmental and Administered Expenses and Capital Equity Injections per Agency (\$'000)**

In any one year, funds appropriated to the Department of the Environment and Heritage (DEH) may not coincide with total funds (resources) available to DEH to meet estimated expenses for the period. The estimated expenses can also be met from available funds in special accounts (for example – the Trust).

Departmental Capital Equity Injections for the Bureau of Meteorology (\$9.1m) and Sydney Harbour Federation Trust (\$16.5m) are included in the totals below. These funds will not be expensed through normal operations on the Statement of Financial Performance. Capital (equity) resources are typically applied directly to the acquisition of non-current assets within the Statement of Financial Position.

Department of the Environment and Heritage (1) (2) (DEH)	Australian Greenhouse Office (AGO)	Office of the Renewable Energy Regulator (ORER)	Great Barrier Reef Marine Park Authority (GBRMPA)	National Oceans Office (NOO)	Sydney Harbour Federation Trust (SHFT)	Bureau of Meteorology	Director of National Parks (3) (DNP)
\$532,790	\$116,564	\$3,021	\$38,621	\$9,358	\$25,137	\$214,409	\$56,341



- (1) Includes total expenses for Outcome 1 - Environment (\$444.746m) and Outcome 2 – Antarctic (\$88.044m).
- (2) Includes the Trust expenses of \$310 million and expenses of \$1.4 million for the NAP. Payment from the Trust to cover Departmental Environment expenses is included under Administered for 2004-05 to 2007-08. In order to eliminate double counting, \$18.322 million has been excluded from Departmental. The figures have also been adjusted to exclude payment of \$35.965 million to the Director of National Parks.
- (3) There is no direct appropriation from Government to the Director of National Parks. Funds will be appropriated directly to the Department of the Environment and Heritage (Outcome 1 – Environment) and transferred to the Director of National Parks. The expense estimate of \$56 million for the Director of National Parks will be met from the transfer of appropriations from the Department of the Environment and Heritage (\$36m) and external revenues (\$20m).

