

AGENCY ADDITIONAL ESTIMATES STATEMENTS

DEPARTMENT OF THE ENVIRONMENT AND HERITAGE

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SECTION 1: AGENCY OVERVIEW AND RESOURCES, VARIATIONS AND MEASURES

OVERVIEW

There have been no changes to the structure of the Department of the Environment and Heritage (DEH) since the 2005-06 Budget.

TABLE 1.1: AGENCY OUTCOMES AND OUTPUT GROUPS

Outcome	Description	Outputs
Outcome 1		
The environment, especially those aspects that are matters of national environmental significance, is protected and conserved	Protection and conservation of environment and heritage matters that are nationally important or under direct Commonwealth jurisdiction	Output 1.1 Response to climate change
		Output 1.2 Conservation of the land and inland waters
		Output 1.3 Conservation of the coasts and oceans
		Output 1.4 Conservation of natural, indigenous and historic heritage
		Output 1.5 Response to the impacts of human settlements
Outcome 2		
Australia's interests in Antarctica are advanced	Advancement of Australia's Antarctic and Southern Ocean interests ^(a)	Output 2.1 Antarctic policy
		Output 2.2 Antarctic science

^(a) These interests include Australia's territorial claims, Antarctica's neutrality, the environment, scientific research, influence in Australia's region, and economic benefits (other than by mining).

ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

ANNUAL APPROPRIATIONS

DEH is seeking additional estimates totalling **\$29.651m** in *Appropriation Bill (No.3) 2005–06*, and **\$5.676m** in *Appropriation Bill (No. 4) 2005–06* comprising:

\$6.593m in departmental outputs appropriation through *Appropriation Bill (No.3) 2005–06* for the following items:

- \$4.419m towards the management of the Tasmanian Community Forest Agreement;
- \$1.966m supplementation for administrative costs associated with the Business Restructuring Assistance component of the Great Barrier Reef Representative Areas Programme Structural Adjustment Package; and
- \$0.208m for the Wildlife Protection Import and Export Fees collected in 2004-05.

\$23.058m in administered expenses through *Appropriation Bill (No. 3) 2005–06* for the following items:

- \$28.460m for grant payments under the Great Barrier Reef Structural Adjustment Package;
- \$2.256m for the Tasmanian Community Forest Agreement;
- \$1.300m funding to assist in conducting the first phase of the search for HMAS Sydney II;
- \$1m for the Strengthening Tasmania Tamar River Pylons. The payment for this grant programme has been re-classified from *Appropriation Bill (No. 4) 2005-06* to *Appropriation Bill (No. 3) 2005-06* as direct payments to local government councils in Tasmania are not considered payments to the states under s.96 of the Constitution;
- \$0.197m representing unspent funds moved from 2004-05 to 2005-06 under the Maintenance and Protection of Indigenous Heritage Programme;

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- \$0.108m representing unspent funds moved from 2004-05 to 2005-06 for the Development of sewerage schemes for Boat Harbour and Sisters Beach communities;
- \$4.600m **reduction** representing movement of funds from 2005-06 to 2007-08 under the Solar Cities Programme;
- \$3.350m **reduction** representing movement of funds from 2005-06 to 2008-09 under the Advanced Electricity Storage Technologies Programme;
- \$0.127m **reduction** representing the re-classification of the majority of the annual *Appropriation Bill (No. 1)* funding for the Renewable Energy Equity Fund to administered capital;
- \$2.501m **reduction** representing movement of funds from 2005-06 to 2006-07 under the Low Emissions and Technology and Abatement Programme;
- \$0.500m **reduction** representing movement of funds from 2005-06 to 2006-07 for the restoration of St Mary's Cathedral in Perth and Church of St Mary's Star of the Sea in Melbourne;
- \$1.185m **reduction** representing the re-classification of the Photovoltaic Rebate Programme from *Appropriation Bill (No. 3)* to *Appropriation Bill (No. 4)* following changes to the Photovoltaic guidelines; and
- \$2m other decisions yet to be announced.

\$5.676m in administered expenses through *Appropriation Bill (No 4) 2005–06* for the following items:

- \$5.314m representing movement of funds from 2009-10 and 2008-09 to 2005-06 under the Renewable Remote Power Generation Programme. The forward estimates for this programme have been increased in 2006-07 (\$3.934m) and 2007-08 (\$2.908m);
- \$1.185m for the Photovoltaic Rebate Programme following re-classification of this programme from *Appropriation Bill (No. 3)* to *Appropriation Bill (No. 4)* following changes to the Photovoltaic Rebate Programme guidelines;
- \$0.127m for the Renewable Energy Equity Fund following the re-classification of this grant programme to administered assets and liabilities;

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- \$0.050m representing unspent funds moved from 2004-05 to 2005-06 for the Low Head Precinct grant programme; and
- \$1m **reduction** for the Strengthening Tasmania Tamar River Pylons. The Commonwealth payment for this grant programme has been re-classified from *Appropriation Bill (No. 4) 2005-06* to *Appropriation Bill (No. 3) 2005-06* as direct payments to the local government councils in Tasmania are not considered payments to the states under s.96 of the Constitution.

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

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VARIATIONS — MEASURES

TABLE 1.2: ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

	2005-06	2006-07	2007-08	2008-09
	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Outcome 1 - Measures variations in administered appropriations				
Tasmanian Community Forest Agreement - reservation of private forest at Mole Creek	1,302	1,301	640	
<i>HMAS SYDNEY II</i> - Search	1,300	-	-	-
Tasmanian Community Forest Agreement - tourism and recreation	954	954	-	-
Other Decisions yet to be announced	2,000	-	-	-
Increase in administered appropriations for Outcome 1 - measures	5,556	2,255	640	-
Outcome 1 - Measures variations in departmental appropriations				
Tasmanian Community Forest Agreement - Forest Conservation Fund	2,222	2,635	2,539	1,445
Tasmanian Community Forest Agreement - saving the Tasmanian Devil	1,005	995	-	-
Tasmanian Community Forest Agreement - river catchment water quality auditing	507	493	-	-
Tasmanian Community Forest Agreement - Tarkine bush walk	505	495	-	-
Tasmanian Community Forest Agreement - reservation of private forest at Mole Creek	134	140	83	
Tasmanian Community Forest Agreement - tourism and recreation	46	46	-	-
Increase in departmental appropriations for Outcome 1 - measures	4,419	4,804	2,622	1,445
TOTAL MEASURES VARIATIONS	9,975	7,059	3,262	1,445

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OTHER VARIATIONS TO APPROPRIATIONS

TABLE 1.3: ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES – OTHER VARIATIONS

	2005-06	2006-07	2007-08	2008-09
	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Outcome 1 - Other variations in administered appropriations				
Great Barrier Reef Structural Adjustment Package	28,460	-	-	-
Movement of Funds - Protecting Australia's Biodiversity Hotspots	-	2,370	-	-
Movement of Funds - Maintenance and Protection of Indigenous Heritage Programme	197	-	-	-
Renewable Energy Equity Fund - reduction to annual appropriation following re-classification of this item as capital	(127)	(2,035)	(1,868)	(579)
Renewable Energy Equity Fund - increase to capital appropriation following re-classification of this item as capital	127	2,035	1,868	579
Movement of Funds - Renewable Energy Equity Fund	-	1,070	1,698	397
Movement of Funds - Commonwealth Environment Research Facilities	-	(4,020)	3,096	728
Strengthening Tasmania Tamar River Pylons - reduction of <i>Appropriation Bill (No. 4)</i> following re-classification	(1,000)	(750)	(750)	-
Strengthening Tasmania Tamar River Pylons - increase of <i>Appropriation Bill (No. 3)</i> following re-classification	1,000	750	750	-
Movement of Funds - St Mary's Cathedral, Perth	(250)	250	-	-
Movement of Funds - Church of St Mary's Star of the Sea, Melbourne	(250)	250	-	-
Movement of Funds - Low Emissions Technology and Abatement Programme	(2,501)	2,501	-	-
Movement of Funds - Solar Cities Programme	(4,600)	-	4,600	-
Advanced Electricity Storage Technologies Programme	(3,350)	(1,000)	-	4,350
Movement of Funds - Renewable Remote Power Generation Programme*	5,314	3,934	2,908	(1,377)

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**TABLE 1.3: ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES –
OTHER VARIATIONS (continued)**

	2005-06	2006-07	2007-08	2008-09
	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Photovoltaic Rebate Programme - increase of Appropriation (Bill No. 4) following re-classification	1,185	830		
Photovoltaic Rebate Programme - reduction of Appropriation (Bill No. 3) following re-classification	(1,185)	(830)		
Movement of Funds - Development of Sewerage Schemes for Boat Harbour and Sisters Beach	108	34	-	-
Movement of Funds - Strengthening Tasmania - Low Head Precinct	50	(50)	-	-
Indexation	-	(24)	(44)	(58)
Other Variations in administered appropriations for Outcome 1	23,178	5,315	12,258	4,040
Outcome 1 - Other variations in departmental appropriations				
Great Barrier Reef Structural Adjustment Package	1,966	-	-	-
Wildlife Protection Import and Export Fees	208	-	-	-
Reinstatement of funding - efficiency dividend adjustment	-	-	-	338
Indexation	-	-	(355)	(376)
Other Variations in departmental appropriations for Outcome 1	2,174	-	(355)	(38)
Outcome 2 - Variations in departmental appropriations				
Indexation	-	-	(165)	(250)
Other Variations in departmental appropriations for Outcome 2	-	-	(165)	(250)
TOTAL OTHER VARIATIONS	25,352	5,315	11,738	3,752
TOTAL VARIATIONS MEASURES AND OTHER VARIATIONS	35,327	12,374	15,000	5,197

*An additional amount of \$10.768m has been agreed to be moved from 2009-10 for this programme.

MEASURES — AGENCY SUMMARY

TABLE 1.4: SUMMARY OF MEASURES SINCE THE 2005-06 BUDGET

Measure Title	Outcome	Outputs affected	Appropriations 2005-06			Appropriations 2006-07			Appropriations 2007-08			Appropriations 2008-09		
			Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total
Expense Measures:			(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
HMAS SYDNEY II - search	1	-	1,300	-	1,300	-	-	-	-	-	-	-	-	-
Tasmanian Community Forest Agreement - Forest Conservation Fund	1	1.2.2	nfp	2,222	2,222	nfp	2,635	2,635	nfp	2,539	2,539	nfp	1,445	1,445
Tasmanian Community Forest Agreement - reservation of private Forest at Mole Creek	1	1.2.2	1,302	134	1,436	1,301	140	1,441	640	83	723	-	-	-
Tasmanian Community Forest Agreement - saving the Tasmanian Devil	1	1.2.2	-	1,005	1,005	-	995	995	-	-	-	-	-	-
Tasmanian Community Forest Agreement - tourism and recreation	1	1.2.2	954	46	1,000	954	46	1,000	-	-	-	-	-	-
Tasmanian Community Forest Agreement - river catchment water quality auditing	1	1.2.2	-	507	507	-	493	493	-	-	-	-	-	-
Tasmanian Community Forest Agreement - Tarkine bush walk	1	1.2.2	-	505	505	-	495	495	-	-	-	-	-	-
Total Expense Measures			3,556	4,419	7,975	2,255	4,804	7,059	640	2,622	3,262	-	1,445	1,445

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TABLE 1.5: APPROPRIATION BILL (NO. 3) 2005-06

	(a) 2004-05 Available	2005-06 Budget	2005-06 Revised	2005-06 Additional Estimates	2005-06 Reduced Estimates
	\$'000	\$'000	\$'000	\$'000	\$'000
ADMINISTERED ITEMS					
Outcome 1 - <i>The environment, especially those aspects that are matters of national environmental significance, is protected and conserved</i> ^(a)	404,635	442,395	465,453	23,058	-
Outcome 2 - <i>Australia's interests in Antarctica are advanced</i>	-	-	-	-	-
Sub-total Administered Items	404,635	442,395	465,453	23,058	-
DEPARTMENTAL OUTPUTS					
Outcome 1 - <i>The environment, especially those aspects that are matters of national environmental significance, is protected and conserved</i>	207,975	226,875	233,468	6,593	-
Outcome 2 - <i>Australia's interests in Antarctica are advanced</i>	86,472	94,563	94,563	-	-
Sub-total Departmental Outputs	294,447	321,438	328,031	6,593	-
TOTAL ADMINISTERED ITEMS AND DEPARTMENTAL OUTPUTS	699,082	763,833	793,484	29,651	-

(a) Represents administered funds drawn down against 2004-05 Appropriation Bill Nos.1 and 3.

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TABLE 1.6: APPROPRIATION BILL (NO. 4) 2005-06

	(a)	2005-06	2005-06	2005-06
	2004-05	2005-06	Revised	Additional
	Available	Budget	Budget	Estimates
	Estimates			Estimates
	\$'000	\$'000	\$'000	\$'000
				\$'000
SPECIFIC PAYMENTS TO THE STATES AND TERRITORIES				
Outcome 1 - <i>The environment, especially those aspects that are matters of national environmental significance, is protected and conserved</i> ^(a)	23,622	27,791	33,340	5,549
Outcome 2 - <i>Australia's interests in Antarctica are advanced</i>	-	-	-	-
Sub-total Specific Payments to the States and Territories	23,622	27,791	33,340	5,549
Non-Operating				
Administered assets and liabilities	-	-	127	127
Sub-total Capital	-	-	127	127
TOTAL	23,622	27,791	33,467	5,676

(a) Represents administered funds drawn down against 2004-05 Appropriation Bill Nos. 2 and 4.

SUMMARY OF STAFFING CHANGES

TABLE 1.7: AVERAGE STAFFING LEVEL (ASL)

	2005-06	2005-06	
	Budget	Revised	Variation
	sy	sy	sy
Outcome 1 - <i>The environment, especially those aspects that are matters of national environmental significance, is protected and conserved</i> (*)	1,220.0	1,230.0	10.0
Outcome 2 - <i>Australia's interests in Antarctica are advanced</i>	392.0	392.0	0.0
TOTAL	1,612.0	1,622.0	10.0

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

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SUMMARY OF AGENCY SAVINGS

There are no agency savings.

OTHER RECEIPTS AVAILABLE TO BE USED

Table 1.9 provides details of other receipts available to be used and include *Financial Management and Accountability Act* s.31 receipts, *Commonwealth Authorities and Companies* body receipts that are available to be spent, special accounts (non-appropriation receipts) and resources received free of charge.

TABLE 1.9: OTHER RECEIPTS AVAILABLE TO BE USED

	2005-06 Budget Estimate \$'000	2005-06 Revised Estimate \$'000
DEPARTMENTAL OTHER RECEIPTS		
Goods and Services	31,187	38,544
Other	355	576
Sub-total departmental other receipts available to be used	31,542	39,120
ADMINISTERED OTHER RECEIPTS		
<i>Ozone Protection and Synthetic Greenhouse Gas Management Act 1989 - levies and fees</i>	3,251	3,498
<i>Water Efficiency Labelling and Standards Act 2005 - Water Efficiency Labelling Scheme fees</i>	-	1,992
Sub-total administered other receipts available to be used	3,251	5,490
TOTAL OTHER RECEIPTS AVAILABLE TO BE USED	34,793	44,610

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ESTIMATES OF EXPENSES FROM SPECIAL APPROPRIATIONS

TABLE 1.10: ESTIMATES OF EXPENSES FROM SPECIAL APPROPRIATIONS

	2005-06	2005-06
	Budget	Revised
	Estimate	Estimate
	\$'000	\$'000
ADMINISTERED SPECIAL APPROPRIATIONS		
Natural Heritage Trust of Australia Interest *		
Section 6 - <i>Natural Heritage Trust of Australia Act 1997</i>	22,130	22,445
TOTAL ESTIMATED EXPENSE	22,130	22,445

* Revised estimate reflects actual interest earned at 30 June 2005.

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ESTIMATES OF SPECIAL ACCOUNT FLOWS

TABLE 1.11: ESTIMATES OF SPECIAL ACCOUNT FLOWS

Estimate - 2005-06, Heavy Figures						
Actual - 2004-05, Light figures						
		Opening	Receipts	Payments	Adjustments	Closing
		Balance	(3)	(1)(2)	Balance	Balance
		2005-06	2005-06	2005-06	2005-06	2005-06
Notes	(4)	2004-05	2004-05	2004-05	2004-05	2004-05
		\$'000	\$'000	\$'000	\$'000	\$'000
NATURAL HERITAGE TRUST OF AUSTRALIA ACCOUNT - <i>Natural Heritage Trust of Australia Act 1997, s.40</i>	(1), (3)	408,095	341,765	312,391	-	437,469
		389,320	339,861	321,086	-	408,095
OZONE PROTECTION AND SYNTHETIC GREENHOUSE GAS ACCOUNT - <i>Ozone Protection and Synthetic Greenhouse Gas Management Act 1989, ss. 65C & 65D</i>	(1),(3),(5)	10,656	3,498	3,280	-	10,874
		10,409	4,396	4,149	-	10,656
NATIONAL CULTURAL HERITAGE ACCOUNT - <i>Protection of Movable Cultural Heritage Act 1986, s.25</i>	(1), (3)	318	182	182	-	318
		441	77	200	-	318
ENVIRONMENT - FEDERATION FUND ACCOUNT - <i>Financial Management and Accountability Act 1997, s.20</i>	(6)	-	-	-	-	-
		31,043	-	-	31,043	-
AUSTRALIAN ANTARCTIC HERITAGE CONSERVATION SPECIAL ACCOUNT - <i>Financial Management and Accountability Act 1997, s.20</i>		-	-	-	-	-
SEA INSTALLATIONS ACCOUNT - <i>Sea Installations Act 1987, s.38</i>		-	-	-	-	-
WELS ACCOUNT - <i>Water Efficiency Labelling and Standards Act 2005, s.64</i>		-	1,992	582	-	1,410
AUSTRALIAN AND NEW ZEALAND ENVIRONMENT AND CONSERVATION COUNCIL FUND TRUST ACCOUNT * - <i>Financial Management and Accountability Act 1997, s.20</i>	(2)	12	-	-	-	12
		12	-	-	-	12

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TABLE 1.11: ESTIMATES OF SPECIAL ACCOUNT FLOWS (continued)

Estimate - 2005-06, Heavy Figures					
Actual - 2004-05, Light figures					
	Opening Balance	Receipts (3)	Payments (1) (2)	Adjustments Balance	Closing Balance
	2005-06	2005-06	2005-06	2005-06	2005-06
Notes	(4) 2004-05	2004-05	2004-05	2004-05	2004-05
	\$'000	\$'000	\$'000	\$'000	\$'000
ENVIRONMENT - SERVICES FOR OTHER GOVERNMENTS AND NON-AGENCY BODIES ACCOUNT*	3,333	380	441	-	3,272
- <i>Financial Management and Accountability Act 1997, s.20</i>	3,373	401	441	-	3,333
OTHER TRUST MONEYS ACCOUNT * - <i>Financial Management and Accountability Act 1997, s.20</i>	(2) 123	112	-	-	235
	11	112	-	-	123
TOTAL SPECIAL ACCOUNTS	422,537	347,929	316,876	-	453,590
	434,609	344,847	325,876	31,043	422,537

(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.

(4) The opening balance for 2005-06 is the closing balance for 2004-05 (refer to the DEH 2004-05 Annual Report, pages 325-328).

(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 Act.

(6) The Environment Federation Fund Account was abolished on 9 July 2004 under a Determination made by the Minister for Finance and Administration. The balance of funds was returned to the Official Public Account before 30 June 2005.

The above Special Account flows do not include investments under section 39 of the *Financial Management and Accountability Act 1997*.

* Special Public Monies Special Accounts

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TABLE 1.12 MOVEMENT OF ADMINISTERED FUNDS FROM 2004-05*

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Protecting Australia's Biodiversity Hotspots	(2,370)	-	2,370	-	-	-
Maintenance and Protection of Indigenous Heritage Programme	(197)	197	-	-	-	-
Commonwealth Environment Research Facilities	-	-	(4,020)	3,096	728	196
Renewable Energy Equity Fund	(3,165)		1,070	1,698	397	-
St Mary's Cathedral, Perth	-	(250)	250	-		-
Church of St Mary's Star of the Sea, Melbourne	-	(250)	250	-	-	-
Low Emission Technology and Abatement Programme	-	(2,501)	2,501	-	-	-
Solar Cities Programme	-	(4,600)	-	4,600	-	-
Advanced Electricity Storage Technologies	-	(3,350)	(1,000)	-	4,350	-
Renewable Remote Power Generation Programme	(11)	5,314	3,934	2,908	(1,377)	(10,768)
Development of sewerage schemes for Boat Harbour and Sisters Beach	(308)	108	34	-	-	-
Strengthening Tasmania - Low Head Precinct	-	50	(50)	-	-	-
	(6,051)	(5,282)	5,339	12,302	4,098	(10,572)

*Table 1.12 reflects the movement of administered funds from 2004-05 into later years as well as across the years 2005-06 to 2009-10.

SECTION 2: REVISIONS TO AGENCY OUTCOMES

OUTCOMES, ADMINISTERED ITEMS AND DEPARTMENTAL 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 DEH, including salaries, suppliers and grants, are coded directly to appropriate activities within DEH's financial management information system. The individual activities are subsequently attributed to agency outputs based upon established and regularly reviewed parameters, which match the activities of individual cost centres to relevant outputs.

DEH'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. In implementing the Budget Estimates and Framework Review, DEH changed the method for the allocation of corporate overheads. For Outcome 1 (Environment), corporate overheads are allocated to outputs based on the number of 'workpoints' (essentially work stations) occupied by staff and for Outcome 2 (Antarctic) by activity.

EXPLANATION OF VARIATIONS

Variations to Departmental Output Appropriation

The departmental outputs appropriation has been increased through *Appropriation Bill (No.3) 2005-06* by **\$6.593m** represented by the following:

- ***Tasmanian Community Forest Agreement – Forest Conservation Fund***

Additional funding of **\$8.841m** over four years has been provided for the implementation of the *2004 Government Election Policy – A Sustainable Future for Tasmania* to add 43,200 hectares of private forest to the current Tasmanian reserve system. The Departmental output forward estimates have been increased by \$2.222m in 2005-06, \$2.635 in 2006-07, \$2.539 in 2007-08 and \$1.445m in 2008-09.

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

The Government will provide DEH with additional funding of **\$1.966m** in 2005-06 for administrative costs associated with the management of the package including for relationship and financial counselling services to be delivered by the Department of Family and Community Services and the Regional Partnerships Programme delivered by the Department of Transport and Regional Services. **\$28.460m** will be provided through the administered appropriations in 2005-06.

- ***Tasmanian Community Forest Agreement – saving the Tasmanian Devil***

Additional funding of **\$2m** over two years has been provided for the implementation of the *2004 Government Election Policy – A Sustainable Future for Tasmania* to help accelerate research to find a cure for Tasmanian Devil facial tumour disease. The Departmental output forward estimates have been increased by \$1.005m in 2005-06 and \$0.995 in 2006-07.

- ***Tasmanian Community Forest Agreement – river catchment water quality auditing***

Additional funding of **\$1m** over two years has been provided for the implementation of the *2004 Government Election Policy – A Sustainable Future for Tasmania* to study the chemical residues from farming and forestry practices in Tasmanian river catchments. The Departmental output forward estimates have been increased by \$0.507m in 2005-06 and \$0.493m in 2006-07.

- ***Tasmanian Community Forest Agreement – Tarkine bush walk***

Additional funding of **\$1m** over two years has been provided for the implementation of the *2004 Government Election Policy – A Sustainable Future for Tasmania* to assist the development of the Tarkine bush walk and enhance access to the Tarkine area. The Departmental output forward estimates have been increased by \$0.505m in 2005-06 and \$0.495m in 2006-07.

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

In 2004-05, funds relating to wildlife protection import and export fees were collected and paid into the Official Public Account. The outputs appropriation increase in 2005-06 of **\$0.208m** retrospectively reimburses DEH for the fees collected in 2004-05.

- ***Tasmanian Community Forest Agreement – tourism and recreation***

Additional funding of **\$0.092m** over two years has been provided for the implementation of the *2004 Government Election Policy – A Sustainable Future for Tasmania* to improve visitor facilities in forest areas of Tasmania, focusing on the new reserves created as part of the Regional Forest Agreement Supplementary Agreement. The Departmental output forward estimates have been increased by \$0.046m in both 2005-06 and 2006-07.

- ***Tasmanian Community Forest Agreement – reservation of private forest at Mole Creek***

Additional funding of **\$0.357m** over three years has been provided for the costs of delivering the *2004 Government Election Policy – A Sustainable Future for Tasmania* to preserve approximately 2,400 hectares of private forest at Mole Creek. The departmental output forward estimates have been increased by \$0.134m in 2005-06, \$0.140m in 2006-07, and \$0.083m in 2007-08.

Variations to Administered grant programmes

The administered expenses appropriation has been increased through *Appropriation Bill (No.3) 2005-06* by **\$23.058m** represented by the following:

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

An increase of **\$28.460m** in 2005-06 largely representing increases to Business Restructuring Assistance, Business Exit (Fishery Related Business) Assistance and Business Advice Assistance.

- *Tasmanian Community Forest Agreement – reservation of private forest at Mole Creek*

Additional funding of **\$3.243m** over three years has been provided for the voluntary sale or covenanting of approximately 2,400 hectares of private forest at Mole Creek. The administered expense forward estimates have been increased by \$1.302m in 2005-06, \$1.301m in 2006-07 and \$0.640m in 2007-08 for these measures.

- *HMAS Sydney II – Search*

Additional funding of **\$1.300m** has been provided to assist in conducting the first phase of the search for HMAS Sydney II.

- *Strengthening Tasmania Tamar River Pylons*

The payment of **\$1.0m** for this grant programme has been re-classified from *Appropriation Bill (No. 4)* to *Appropriation Bill (No. 3)*. This change reflects that direct payments to local government councils in Tasmania are not considered payments to the states under s.96 of the Constitution.

- *Tasmanian Community Forest Agreement – Tourism and Recreation*

Additional funding of **\$0.954m** in 2005-06 and \$0.954m in 2006-07 has been provided for the implementation of the *2004 Government Election Policy – A Sustainable Future for Tasmania* to improve visitor facilities in forest areas of Tasmania, focusing on the new reserves created as part of the RFA Supplementary Agreement.

- *Maintenance and Protection of Indigenous Heritage Programme – movement of funds*

An increase of **\$0.197m** has been provided to fund contractual commitments existing at 30 June 2005 and to provide funding for the continuing development of Shared Responsibility Agreements in 2005-06 with Indigenous communities for the identification, conservation and promotion of Indigenous heritage.

- ***Development of Sewerage Schemes for Boat Harbour and Sisters Beach – movement of funds***

An increase of **\$0.108m** in 2005-06 and \$0.034m in 2006-07 to fund contractual commitments existing at 30 June 2005 under the Sisters Beach Waterways Improvement Strategy project. Funds will enable contractual stormwater and infrastructure works to be completed over a period of 18 months. The project has experienced delays due mainly to land availability and procurement issues which have now been resolved.

- ***Solar Cities Programme – movement of funds***

A **reduction** of **\$4.600m** due to stakeholder feedback and a larger than expected number of submissions received, an extension of time was given for proponents to submit expressions of interest. This will result in substantial grant payments now being made in 2007-08.

- ***Advanced Electricity Storage Technologies Programme – movement of funds***

A **reduction** of **\$3.350m** in 2005-06 and \$1.0m in 2006-07 to fund grant payments expected to be made in 2008-09. The policy framework and guidelines were finalised in September 2005. Expressions of interest were called in October 2005 and following technical and financial assessments, initial payments are expected to be made in late 2006-07. Funding will now be required in 2008-09 to fund successful projects.

- ***Low Emissions Technology and Abatement Programme – movement of funds***

A **reduction** of **\$2.501m** to enable payments to be made in 2006-07 for key milestones under the Geosequestration Enhanced Monitoring and Verification research project following minor delays due to the complex nature of the project.

- ***Photovoltaic Rebate Programme***

A **reduction** of **\$1.185m** for this rebate programme has been re-classified from *Appropriation Bill (No. 3)* to *Appropriation Bill (No. 4)*. The method of payments made under this grant programme has changed as a result of the changes to the Photovoltaic Rebate Programme guidelines.

- *St Mary's Cathedral, Perth and Church of St Mary's Star of the Sea, Melbourne – movement of funds*

A **reduction** of **\$0.500m** to enable payments in 2006-07 for the planning and conservation works expected to be completed by 30 June 2006. Funding agreements for these projects were finalised in October 2005 following extensive consultations with heritage bodies.

- *Renewable Energy Equity Fund*

A **reduction** of **\$0.127m** in annual administered *Appropriation Bill (No. 3)* following advice from the Australian National Audit Office that funding for this programme comprises primarily capital funds. A corresponding increase has been made to *Appropriation Bill (No. 4)*. A small administrative component remains in administered expenses.

- *Other decisions yet to be announced (\$2m)*

The administered expenses appropriation has been increased through *Appropriation Bill (No. 4) 2005-06* by **\$5.676m** represented by the following:

- *Renewable Remote Power Generation Programme – movement of funds*

An increase of **\$5.314m** in 2005-06, \$3.934m in 2006-07 and \$2.908m in 2007-08 to enable contractual commitments to be paid in 2005-06. Payments under the programme are based on partnership agreements with the states and territories. In August 2005, the Queensland Government received many applications for the Renewable Energy Diesel Replacement Scheme (*a sub-programme of the Renewable Remote Power Generation Programme*) as industry became aware that funds were due to expire in 2006. This led to RRP GP funds in Queensland being oversubscribed necessitating the bringing forward of funds to meet payments as applications are approved.

- *Photovoltaic Rebate Programme*

The payment of **\$1.185m** for this rebate programme has been re-classified from *Appropriation Bill (No. 3)* to *Appropriation Bill (No. 4)*. The method of payments made under this grant programme has changed as a result of the changes to the Photovoltaic Rebate Programme guidelines.

- ***Renewable Energy Equity Fund***

An increase of **\$0.127m** in annual administered *Appropriation Bill (No. 4)* following advice from the Australian National Audit Office that funding for this programme comprises primarily capital funds. A corresponding decrease has been made to *Appropriation Bill (No. 3)*.

- ***Strengthening Tasmania – Low Head Precinct – Stage 2 Redevelopment Project – movement of funds***

An increase of **\$0.050m** to enable the Tasmanian Department of Tourism, Parks, Heritage and the Arts to undertake capital improvements as part of the *2004 Government Election Policy - Strengthening Tasmania's Economy and Building a Better Community*.

- ***Strengthening Tasmania Tamar River Pylons***

A **reduction** of **\$1m** to reflect a movement of appropriation from *Appropriation Bill (No.4)* to *Appropriation Bill (No.3)*. This change is necessary as direct payments to local government councils in Tasmania are not considered payments to the states under s.96 of the Constitution.

SECTION 2: DEPARTMENT OF THE ENVIRONMENT AND HERITAGE

FIGURE 2: NEW OUTCOME AND OUTPUT STRUCTURE FOR OUTCOME 1

	Total Price of Outputs \$'000	Administered appropriation \$'000	Departmental outputs appropriation \$'000
TOTAL ENVIRONMENT AND HERITAGE (= A + B)	367,151	521,238	328,031
Outcome 1 <i>The environment, especially those aspects that are matters of national environmental significance, is protected and conserved</i>			
Output 1.1 Response to Climate Change	63,083	-	61,854
Sub-Output 1.1.1 International engagement	3,880	-	3,809
Sub-Output 1.1.2 Emissions management	36,552	-	35,800
Sub-Output 1.1.3 Understanding of Climate Change	22,651	-	22,245
Output 1.2 Conservation of the land and inland waters	93,155	-	75,708
Sub-Output 1.2.1 Wildlife protection	11,032	-	9,577
Sub-Output 1.2.2 Land and water strategies	15,926	-	12,164
Sub-Output 1.2.3 Land and water investments	16,495	-	6,930
Sub-Output 1.2.4 Terrestrial parks and reserves	49,006	-	47,037
Sub-Output 1.2.5 Tropical wetlands research	696	-	-
Output 1.3 Conservation of the coasts and oceans	28,972	-	22,908
Sub-Output 1.3.1 Coastal strategies	5,183	-	3,910
Sub-Output 1.3.2 Coastal investments	1,821	-	543
Sub-Output 1.3.3 Marine conservation	21,968	-	18,455

SECTION 2: DEPARTMENT OF THE ENVIRONMENT AND HERITAGE

FIGURE 2: NEW OUTCOME AND OUTPUT STRUCTURE FOR OUTCOME 1
(continued)

	Total Price of Outputs \$'000	Administered appropriation \$'000	Departmental outputs appropriation \$'000
Output 1.4 Conservation of natural, indigenous and historic heritage	23,064	-	22,210
Output 1.5 Conservation of the coasts and oceans	63,321	-	50,788
Sub-Output 1.5.1 Environmental assessments	14,139	-	12,688
Sub-Output 1.5.2 Pollution prevention strategies	40,693	-	31,979
Sub-Output 1.5.3 Supervision of uranium mines	8,489	-	6,121
(A) TOTAL OUTCOME 1	271,595	-	233,468
Outcome 2 <i>Australia's interests in Antarctica are advanced</i>			
Output 2.1 Antarctic policy	31,987	-	31,679
Output 2.2 Antarctic science	63,569	-	62,884
(B) TOTAL OUTCOME 2	95,556	-	94,563

SECTION 2: DEPARTMENT OF THE ENVIRONMENT AND HERITAGE

REVISED PERFORMANCE INFORMATION — 2005-06
PERFORMANCE INDICATORS FOR ADMINISTERED ITEMS

Administered Items related to land and inland waters	Performance Indicator	
A sustainable future for Tasmania	Effect	Proportion of Forest Conservation Fund reservation target met. Improved access to forest areas for tourists.
	Quality	Level of landholder involvement in voluntary forest reservation programme. Increased private tourism investment initiated through tourism funding.
	Quantity	Area of private land reserved under the Forest Conservation Fund.
Administered Items related to Heritage		
<i>HMAS Sydney - II</i> Search	Effect	Contribution to the implementation and completion of sonar search.
	Quality	Percentage of payments that are consistent with the terms and conditions of the funding agreement (target:100%).
	Quantity	All required payments made.

SECTION 2: DEPARTMENT OF THE ENVIRONMENT AND HERITAGE

TABLE 2.1: PERFORMANCE INFORMATION FOR OUTPUTS AFFECTED BY ADDITIONAL ESTIMATES — OUTCOME 1

(A) Performance indicators for individual outputs

Output	Performance Indicator			
For each output (see Table 1.1 (page 11) and Figure 2 (pages 34-35))	Quality	Price advisory role		
		The Minister is satisfied with the timeliness and accuracy of briefs and draft ministerial correspondence provided by the department.		
		Provider role ^(s)		
			Percentage of payments that are Consistent with the terms and conditions of funding (Target: 100%).	
		Regulator role		
		Percentage of statutory timeframes triggered that are met (Target: >90%) ^(t)		
	Price	1.1 - Response to climate change		\$62.907m
	2005-06 Budget*	1.2 - Conservation of the land and inland waters		\$87.183m
		1.3 - Conservation of the coasts and oceans		\$26.160m
		1.4 - Conservation of natural, indigenous and historic heritage		\$22.912m
	1.5 - Response to the impacts of human settlement		\$58.336m	
Price	1.1 - Response to climate change		\$63.083m	
2005-06 Revised	1.2 - Conservation of the land and inland waters		\$93,155m	
	1.3 - Conservation of the coasts and oceans		\$28.972m	
	1.4 - Conservation of natural, indigenous and historic heritage		\$23.064m	
	1.5 - Response to the impacts of human settlement		\$63,321m	

^(s) This indicator only applies to the administration of grants programmes funded entirely from DEH's appropriation for the output.

^(t) Includes explicit reporting on timeframes triggered under the *Environment Protection and Biodiversity Conservation Act 1999* for Output 1.5.

*Refer to 2005-06 Portfolio Budget Statements page 69.

SECTION 3: BUDGETED FINANCIAL STATEMENTS

ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

BUDGETED FINANCIAL STATEMENTS

DEPARTMENTAL FINANCIAL STATEMENTS

Budgeted departmental income

The Budgeted Departmental Income Statement was previously titled the Budgeted Departmental Statement of Financial Performance. Departmental revenue in 2005–06 is estimated to be \$367.151 million, a net increase of \$24.658 million from the 2004–05 actual of \$342.493 million. This reflects an increase in government revenues of \$32.792 million and a reduction in other revenue, including goods and services revenue, of \$8.134 million.

The increase in revenues from government and expenses primarily relates to funding for new measures announced in the 2005-06 Budget and the 2005-06 Additional Estimates. Refer to 2005-06 Portfolio Budget Statements Table 2.2 – Summary of Measures Contained in the 2005–2006 Budget (pages 34–36) and Portfolio Additional Estimates Table 1.4 – Summary of measures since the 2005-06 Budget (page 18). The reduction in revenues and expenses in 2008–09 primarily relates to funding for the Climate Change Strategy and the Natural Heritage Trust programmes which cease in 2007–08. The financial statements do not yet fully reflect adjustments arising from Australian Equivalent for International Financial Reporting System (AEIFRS). The Department of the Environment and Heritage in consultation with the Department of Finance and Administration is working to finalise the accounting and budgetary impacts of AEIFRS on DEH.

There is no direct appropriation from the government to the Director of National Parks (DNP). Funds appropriated directly to DEH will be transferred to DNP. In 2005–06, funding of \$40.808 million will be appropriated to DEH for DNP.

SECTION 3: DEPARTMENT OF THE ENVIRONMENT AND HERITAGE

Budgeted departmental balance sheet

The Budgeted Departmental Balance Sheet was previously titled the Budgeted Departmental Statement of Financial Position. DEH's budgeted net asset position of \$291.722 million in 2005–06 represents a reduction of \$22.711 million from the 2004–05 actual of \$314.433 million.

SCHEDULE OF ADMINISTERED ACTIVITY

Schedule of budgeted income and expenses administered on behalf of government

The Schedule of Budgeted Income and Expenses Administered On Behalf of Government was previously titled the Schedule of Budgeted Revenues and Expenses Administered on Behalf of Government.

Compared to 2004–05, the net increase to administered expenses of \$87.944 million primarily relates to funding for the Australian Government Community Water Grants provided in the 2004-05 Additional Estimates process and new measures and other appropriation adjustments announced since the 2005–06 Budget.

Schedule of budgeted assets and liabilities administered on behalf of government

DEH's principal administered assets comprise 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.

Schedule of administered capital budget

Cash received through the administered capital budget represents non-operating administered assets and liabilities.

SECTION 3: DEPARTMENT OF THE ENVIRONMENT AND HERITAGE

TABLE 3.1: BUDGETED DEPARTMENTAL INCOME STATEMENT (FOR THE PERIOD ENDED 30 JUNE)

	Note	Actual 2004-05 \$'000	Revised Budget 2005-06 \$'000	Forward Estimate 2006-07 \$'000	Forward Estimate 2007-08 \$'000	Forward Estimate 2008-09 \$'000
INCOME						
Revenue						
Revenues from Government	1	295,239	328,031	324,691	307,418	249,730
Goods and services	2	45,352	38,544	28,845	24,629	11,178
Interest		1	-	-	-	-
Revenue from sale of assets		248	-	-	-	-
Reversal of previous asset write-downs		11	-	-	-	-
Other		1,642	576	462	462	462
Total revenue		342,493	367,151	353,998	332,509	261,370
EXPENSE (excluding borrowing costs expense)						
	1,2					
Employees		122,358	135,910	128,485	121,031	92,355
Suppliers		126,282	152,927	141,835	141,144	106,134
Grants	3	59,680	61,173	60,800	47,546	41,798
Depreciation and amortisation		23,151	21,766	21,592	21,269	20,746
Write-down of assets and impairment of assets		6,243	68	68	68	68
Value of assets sold		654	-	-	-	-
Other		10	20	20	20	20
Total Expenses(excluding borrowing costs expense)		338,378	371,864	352,800	331,078	261,121
Borrowing Cost expense	4	157	123	64	-	-
Operating Surplus or (deficit) from ordinary activities		3,958	(4,836)	1,134	1,431	249
Gain or loss on extraordinary items		-	-	-	-	-
Net surplus or (deficit) attributable to the Australian Government		3,958	(4,836)	1,134	1,431	249
Net credit or (debit) to asset revaluation reserve		8,577	4,040	4,040	-	-
Total changes in equity other than those resulting from transactions with owners as owners		12,535	(796)	5,174	1,431	249

SECTION 3: DEPARTMENT OF THE ENVIRONMENT AND HERITAGE

TABLE 3.2: BUDGETED DEPARTMENTAL BALANCE SHEET (AS AT 30 JUNE)

		Revised	Forward	Forward	Forward
	Actual	Estimate	Estimate	Estimate	Estimate
	2004-05	2005-06	2006-07	2007-08	2008-09
<i>Note</i>	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS					
Financial assets					
Cash	3,879	3,572	4,735	4,724	1,540
Receivables	5	91,665	50,356	51,725	55,482
Accrued revenues	10,196	9,080	8,008	6,973	6,077
Total financial assets	105,740	63,209	63,099	63,422	63,099
Non-financial assets					
Land and buildings	190,029	188,407	186,450	179,987	173,524
Infrastructure, plant and equipment	100,702	102,119	101,559	99,427	97,519
Inventories	10,724	10,861	11,061	11,291	11,526
Intangibles	10,795	13,328	13,768	14,376	15,283
Other non-financial assets	1,747	541	617	650	466
Total non-financial assets	313,997	315,256	313,455	305,731	298,318
Total assets	419,737	378,465	376,554	369,153	361,417
LIABILITIES					
Interest bearing liabilities					
Loans	4	3,065	2,102	1,082	-
Other	601	601	601	601	601
Total interest bearing liabilities	3,666	2,703	1,683	601	601
Provisions					
Employees	37,087	37,445	37,978	38,118	38,258
Other provisions	35,017	32,638	25,627	18,830	11,601
Total provisions	72,104	70,083	63,605	56,948	49,859
Payables					
Suppliers	22,524	13,798	12,099	11,064	10,168
Grants	5,029	-	-	-	-
Other payables	1,981	159	76	18	18
Total payables	29,534	13,957	12,175	11,082	10,186
Total Liabilities	105,304	86,743	77,463	68,631	60,646

SECTION 3: DEPARTMENT OF THE ENVIRONMENT AND HERITAGE

TABLE 3.2: BUDGETED DEPARTMENTAL BALANCE SHEET (AS AT 30 JUNE)
(continued)

		Estimated Actual 2004-05 \$'000	Budget Estimate 2005-06 \$'000	FORWARD ESTIMATES		
	<i>Note</i>			2006-07 \$'000	2007-08 \$'000	2008-09 \$'000
EQUITY						
Parent entity interest						
Contributed equity	5	49,901	27,986	30,181	30,181	30,181
Reserves		138,092	142,132	146,172	146,172	146,172
Retained surpluses or accumulated deficits		126,440	121,604	122,738	124,169	124,418
Total parent entity interest		314,433	291,722	299,091	300,522	300,771
Total equity		314,433	291,722	299,091	300,522	300,771
Current assets		114,107	74,070	74,160	74,713	74,625
Non-current assets		305,630	304,395	302,394	294,440	286,792
Current liabilities		42,854	29,971	28,642	27,689	26,933
Non-current liabilities		62,450	56,772	48,821	40,942	33,713

* Note: 'equity' is the residual interest in assets after deduction of liabilities.

SECTION 3: DEPARTMENT OF THE ENVIRONMENT AND HERITAGE

TABLE 3.3: BUDGETED DEPARTMENTAL STATEMENT OF CASH FLOWS (FOR THE PERIOD ENDED 30 JUNE)

		Actual 2004-05 \$'000	Revised Estimate 2005-06 \$'000	Forward Estimate 2006-07 \$'000	Forward Estimate 2007-08 \$'000	Forward Estimate 2008-09 \$'000
OPERATING ACTIVITIES						
Cash received						
	2	40,881	39,097	30,152	25,899	12,309
		265,641	343,249	324,871	306,049	243,831
		11,643	3,455	3,183	3,183	5,325
Total Cash Received		318,165	385,801	358,206	335,131	261,465
Cash Used						
		122,296	135,552	127,952	120,891	92,215
		134,354	164,852	150,903	149,317	114,330
	3	56,879	66,202	60,800	47,546	41,798
		732	3,079	3,020	2,956	2,956
Total Cash Used		314,261	369,685	342,675	320,710	251,299
Net cash from operating activities		3,904	16,116	15,531	14,421	10,166
INVESTING ACTIVITIES						
Cash Received						
		248	-	-	-	-
Total cash used		248	-	-	-	-
Cash used						
		10,777	20,197	15,475	13,282	13,282
			68	68	68	68
Total cash used		10,777	20,265	15,543	13,350	13,350
Net cash from or (used by) investing activities		(10,529)	(20,265)	(15,543)	(13,350)	(13,350)

SECTION 3: DEPARTMENT OF THE ENVIRONMENT AND HERITAGE

TABLE 3.3: BUDGETED DEPARTMENTAL STATEMENT OF CASH FLOWS (FOR THE PERIOD ENDED 30 JUNE) (continued)

		Revised	Forward	Forward	Forward
	Actual	Estimate	Estimate	Estimate	Estimate
	2004-05	2005-06	2006-07	2007-08	2008-09
	Note	\$'000	\$'000	\$'000	\$'000
FINANCING ACTIVITIES					
Cash Received					
Appropriations - contributed equity		-	4,805	2,195	-
Other cash received for financing activities		4,588	0	-	-
Total Cash Received		4,588	4,805	2,195	-
Cash Used					
Repayment of debt	4	1,012	963	1,020	1,082
Total Cash Used		1,012	963	1,020	1,082
NET CASH FROM FINANCING ACTIVITIES		3,576	3,842	1,175	(1,082)
Net increase / (decrease in cash held)		(3,049)	(307)	1,163	(11)
Cash at the beginning of the reporting period		6,928	3,879	3,572	4,735
Cash at the end of the reporting period		3,879	3,572	4,735	4,724

**TABLE 3.4: DEPARTMENTAL STATEMENT OF CHANGES IN EQUITY —
SUMMARY OF MOVEMENT (BUDGET YEAR 2005-06)**

	Accumulated results \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2005					
Balance carried forward from previous period	126,440	138,092	-	49,901	314,433
Adjustment for changes in accounting policies					-
Adjusted opening balance	126,440	138,092	-	49,901	314,433
Income and expense					
Income and expenses recognised directly in equity:					
Gain/loss on revaluation of property	-	4,040	-	-	4,040
Sub-total income and expense	-	4,040	-	-	4,040
Net operating result	(4,836)				(4,836)
Total income and expenses recognised directly in equity	(4,836)	4,040	-	-	-796
Transactions with owners					
<i>Distribution to owners</i>					
Returns on capital	-	-	-	-	-
Dividends	-	-	-	-	-
Returns of capital					
Restructuring	-	-	-	(26,720)	(26,720)
Other	-	-	-		-
<i>Contribution by owners</i>					
Appropriation (equity injection)	-	-	-	4,805	4,805
Other:					
Restructuring	-	-	-	-	-
Sub-total transactions with owners	-	-	-	(21,915)	(21,915)
Transfers between equity components	-	-	-		
Closing balance as at 30 June 2006	121,604	142,132	-	27,986	291,722

SECTION 3: DEPARTMENT OF THE ENVIRONMENT AND HERITAGE

TABLE 3.5: DEPARTMENTAL CAPITAL BUDGET STATEMENT

	Actual 2004-05	Revised Estimate 2005-06	Forward Estimate 2006-07	Forward Estimate 2007-08	Forward Estimate 2008-09
<i>Note</i>	\$'000	\$'000	\$'000	\$'000	\$'000
Capital appropriations					
Total equity injections	-	4,805	2,195	-	-
Total loans	-	-	-	-	-
Total capital appropriations	-	4,805	2,195	-	-
Represented by:					
Purchase of non-financial assets	-	4,805	2,195	-	-
Total represented by	-	4,805	2,195	-	-
Purchase of non-financial assets					
Funded by capital appropriation	-	4,805	2,195	-	-
Funded internally by departmental resources	10,777	15,392	13,280	13,282	13,282
Total	10,777	20,197	15,475	13,282	13,282

**TABLE 3.6: DEPARTMENTAL PROPERTY, PLANT, EQUIPMENT AND INTANGIBLES — SUMMARY OF MOVEMENT
(BUDGET YEAR 2005-06)**

	Land \$'000	Investment Property \$'000	Buildings \$'000	Other Infrastructure Plant and Equipment \$'000	Heritage and Cultural Assets \$'000	Computer Software \$'000	Other Intangibles \$'000	Total \$'000
As at 1 July 2005								
Gross book value	229	-	199,283	109,173	-	20,444	685	329,814
Accumulated depreciation	-	-	(9,484)	(8,471)	-	(9,648)	(685)	(28,288)
Opening net book value	229	-	189,799	100,702	-	10,796	-	301,526
Additions:								
By purchase	-	-	5,360	10,657	-	4,180	-	20,197
By finance lease	-	-	-	-	-	-	-	-
From acquisitions of entities or operations (including restructuring)	-	-	-	-	-	-	-	-
Net revaluation increment/decrement	26	-	3,155	806	-	53	-	4,040
Reclassifications:								
Depreciation/amortisation expense	-	-	(10,162)	(9,903)	-	(1,701)	-	(21,766)
Recoverable amount write-downs	-	-	-	-	-	-	-	-
Other movements	-	-	-	(143)	-	-	-	(143)
Disposals:								
From disposal of entities of operations (including restructuring)	-	-	-	-	-	-	-	-
Other disposals	-	-	-	-	-	-	-	-
As at 30 June 2006								
Gross book value	255	-	209,204	121,829	-	24,897	685	356,870
Accumulated depreciation	-	-	(21,052)	(19,710)	-	(11,569)	(685)	(53,016)
Closing net book value	255	-	188,152	102,119	-	13,328	-	303,854

SECTION 3: DEPARTMENT OF THE ENVIRONMENT AND HERITAGE

**TABLE 3.7: SCHEDULE OF BUDGETED INCOME AND EXPENSES
ADMINISTERED ON BEHALF OF GOVERNMENT (FOR THE
PERIOD ENDED 30 JUNE)**

		Actual	Revised	Forward	Forward	Forward
		2004-05	Estimate	Estimates	Estimates	Estimates
		2004-05	2005-06	2006-07	2007-08	2008-09
<i>Note</i>		\$'000	\$'000	\$'000	\$'000	\$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT						
Revenue						
Taxation						
		-	-	-	-	-
		-	-	-	-	-
	Other taxes, fees and fines	6	1,480	1,233	1,379	1,420
					1,463	
	Total Taxation		1,480	1,233	1,379	1,420
					1,463	
Non-taxation (revenue from Government)						
	Goods and Services		1,987	4,467	1,206	2,638
						1,216
	Interest		9	4	3	1
						-
	Other sources of non-taxation		11,408	9,000	9,000	9,000
	Total non-taxation	7	13,404	13,471	10,209	11,639
						10,216
	Total revenues administered on behalf of Government		14,884	14,704	11,588	13,059
						11,679
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT						
	Grants	8	337,418	449,278	432,337	414,160
						198,335
	Suppliers	9	54,147	59,790	118,590	125,600
						-
	Other	9	33,421	3,862	3,660	4,319
						4,549
	Total expenses administered on behalf of Government		424,986	512,930	554,587	544,079
						202,884

SECTION 3: DEPARTMENT OF THE ENVIRONMENT AND HERITAGE

**TABLE 3.8: SCHEDULE OF BUDGETED ASSETS AND LIABILITIES
ADMINISTERED ON BEHALF OF GOVERNMENT (AS AT 30 JUNE)**

	Actual	Revised	Forward	Forward	Forward
<i>Note</i>	2004-05	Estimate	Estimate	Estimate	Estimate
	\$'000	2005-06	2006-07	2007-08	2008-09
		\$'000	\$'000	\$'000	\$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash	435	435	435	435	435
Receivables	6,709	6,826	8,723	8,547	7,253
Investments under the equity method	134,801	134,801	134,801	134,801	134,801
Accrued revenues	1,562	1,562	1,562	1,562	1,562
Other financial assets	-	-	-	-	-
Total financial assets	143,507	143,624	145,521	145,345	144,051
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	571	571	571	571	571
Other non-financial assets	2,899	2,899	2,899	2,899	2,899
Total non-financial assets	9,491	9,491	9,491	9,491	9,491
Total assets administered on behalf of Government	152,998	153,115	155,012	154,836	153,542
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Payables					
Suppliers	4,536	4,536	4,536	4,536	4,536
Grants	53,391	53,391	53,391	53,391	53,391
Other	5,769	5,769	5,769	5,769	5,769
Total payables	63,696	63,696	63,696	63,696	63,696
Total liabilities administered on behalf of Government	63,696	63,696	63,696	63,696	63,696

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TABLE 3.9: SCHEDULE OF BUDGETED ADMINISTERED CASH FLOWS (FOR THE PERIOD ENDED 30 JUNE)

		Revised	Forward	Forward	Forward
	Actual	Estimate	Estimate	Estimate	Estimate
<i>Note</i>	2004-05	2005-06	2006-07	2007-08	2008-09
	\$'000	\$'000	\$'000	\$'000	\$'000
OPERATING ACTIVITIES					
Cash received					
Other taxes, fees and fines	6	1,233	1,379	1,420	1,463
Rendering of services		4,467	1,206	2,638	1,216
Interest		4	3	1	-
Other	7	30,104	30,104	30,104	30,104
Total cash received		32,638	32,692	34,163	32,783
Cash used					
Grant payments	8	449,278	432,337	414,160	198,335
Suppliers	9	59,790	118,590	125,600	-
Other	9	24,966	24,764	25,423	25,653
Total cash used		404,493	575,691	565,183	223,988
Net cash from or (used by) operating activities		(371,855)	(542,999)	(531,020)	(191,205)
INVESTING ACTIVITIES					
Cash received					
Other		10	11	9	5
Total Cash Received		3,020	11	9	5
Cash used					
Other		-	-	-	-

SECTION 3: DEPARTMENT OF THE ENVIRONMENT AND HERITAGE

TABLE 3.9: SCHEDULE OF BUDGETED ADMINISTERED CASH FLOWS (FOR THE PERIOD ENDED 30 JUNE) (continued)

	Note	Actual 2004-05 \$'000	Revised Budget 2005-06 \$'000	Forward Estimate 2006-07 \$'000	Forward Estimate 2007-08 \$'000	Forward Estimate 2008-09 \$'000
Cash at beginning of reporting period		(340)	435	435	435	435
Cash from Official Public Account for						
Appropriations	10	129,964	198,886	250,927	239,760	198,335
Special Accounts	10	309,859	314,044	303,660	304,319	4,649
Cash to Official Public Account for						
Appropriations	11	32,733	7,900	7,900	7,900	7,900
Special Accounts	11	5,242	6,814	3,699	5,168	3,784
Cash at end of reporting period		435	435	435	435	435

TABLE 3.10: SCHEDULE OF ADMINISTERED CAPITAL BUDGET

	Actual 2004-05 \$'000	Revised budget 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
CAPITAL APPROPRIATIONS					
Administered assets and liabilities appropriation	-	127	2,035	1,868	579
Special appropriations	-	-	-	-	-
Total capital appropriations	-	127	2,035	1,868	579
Represented by:					
Purchase of non-financial assets	-	-	-	-	-
Other	-	127	2,035	1,868	579
Total represented by	-	127	2,035	1,868	579
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation	-	-	-	-	-
Funded internally by Departmental resources	-	-	-	-	-

**TABLE 3.11: SCHEDULE OF ADMINISTERED PROPERTY, PLANT, EQUIPMENT AND INTANGIBLES —
SUMMARY OF MOVEMENT (BUDGET YEAR 2005-06)**

	Land	Investment Property	Buildings	Other infrastructure plant and equipment	Heritage and cultural assets	Computer software	Other intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2005								
Gross book value	-	-	4,750	1,271	-	-	-	6,021
Accumulated depreciation	-	-						
Opening net book value			4,750	1,271	-	-	-	6,021
Additions:								
by purchase	-	-	-	-	-	-	-	-
by finance lease	-	-	-	-	-	-	-	-
internally developed	-	-	-	-	-	-	-	-
from acquisitions of entities or operations (including restructuring)	-	-	-	-	-	-	-	-
Revaluations and impairment through equity	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-
Depreciation/amortisation expense	-	-	-	-	-	-	-	-
Impairments recognised in operating result	-	-	-	-	-	-	-	-
Other movements	-	-	-	-	-	-	-	-
Disposals:								
from disposal of entities or operations (including restructuring)	-	-	-	-	-	-	-	-
other disposals	-	-	-	-	-	-	-	-
As at 30 June 2006								
Gross book value	-	-	4,750	1,271	-	-	-	6,021
Accumulated depreciation	-	-						
Closing net book value			4,750	1,271	-	-	-	6,021

NOTES TO THE FINANCIAL STATEMENTS

DEPARTMENTAL

1. The increase in departmental revenues from the Government and expenses in 2005-06 primarily relate to funding for new measures announced in the 2005-06 Budget. Refer to 2005-06 Portfolio Budget Statements Table 2.2 – Summary of Measures Contained in the 2005–2006 Budget (pages 34–36). The reduction in revenues and expenses in 2008–09 primarily relate to funding for the Climate Change Strategy (2004–05 Budget measure) and recoveries from the Natural Heritage Trust which cease in 2007–08.

There is no direct appropriation from the Government to the Director of National Parks. The revenue from government estimates include funds that will be appropriated directly to DEH and transferred to the DNP. In 2005–06 funding of \$40.808 million will be appropriated to DEH for the DNP.

2. The goods and services revenue estimates mainly relate to the recovery of administration costs for programmes under the Natural Heritage Trust. This funding ceases in 2007–08. As a result, the expense estimates in 2008–09 have also been reduced.

3. The grant expense estimates include payment to the DNP (\$40.8m in 2005-06).

4. 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 is over nine years, with the final repayment being made in 2007-08.

5. On 11 September 2002 the Bureau of Meteorology was prescribed as a new agency and all meteorological functions were transferred from DEH. Unspent non-lapsing appropriations of \$25.464m were transferred to the Bureau of Meteorology. It has now been transpired that a valid section 32 Determination does not exist for the appropriations transferred. A receivable from the Bureau of Meteorology for \$25.464m has therefore been brought to account and included in total assets recognised from restructuring in the 2004-05 financial year.

ADMINISTERED

6. Taxation revenue relates to revenue from Import and Manufacture levies received under the Ozone Protection and Synthetic Greenhouse Gas (Import Levy) Act 1995 and the Ozone Protection and Synthetic Greenhouse Gas (Manufacture Levy) Act 1995.

7. Non-taxation revenue mainly 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. This category of revenue also contains estimates relating to grant repayments from previous years under the Natural Heritage Trust returned to the Official Public Account. Estimates in the Schedule of budgeted administered cash flows include GST input credit receipts relating to administered grant payments.

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. Funding for the Natural Heritage Trust ceases in 2007-08.

9. Suppliers and Other relates 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 Accounts. There are no supplier expenses in 2008-09 as a result of the Natural Heritage Trust funding ceasing in 2007-08. Estimates in the schedule of budgeted administered cash flows include GST payments to suppliers.

10. Administered expenses estimated are to be drawn from the Official Public Account's annual appropriations and Administered Special Accounts.

11. Administered revenue estimated is to be returned to the Official Public Account relating to annual and special appropriations and Special Account items.

