

**PORTFOLIO
BUDGET STATEMENTS
2005-2006**

**ENVIRONMENT AND HERITAGE
PORTFOLIO**

BUDGET INITIATIVES AND EXPLANATIONS OF
APPROPRIATIONS 2005-2006

BUDGET RELATED PAPER NO. 1.7

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SENATOR THE HON IAN CAMPBELL

Minister for the Environment and Heritage
Senator for Western Australia

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 2005–06 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

Ian Campbell

Parliament House, Canberra ACT 2600 Australia

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USER GUIDE

PURPOSE OF THE PORTFOLIO BUDGET STATEMENTS

The purpose of the 2005–06 Portfolio Budget Statements (PB Statements) is to inform the Parliament of the proposed allocation of resources to Government outcomes by agencies within the portfolio. Agencies receive financial 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 (No. 1 and No. 2) 2005–06. In this sense the PB Statements are officially a Budget Related Paper and are 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 provide sufficient information, explanation and justification to enable Parliament to understand the purpose of each outcome proposed in the Bills.

As required under Section 12 of the *Charter of Budget Honesty Act 1998*, non-general government sector entities are not consolidated into the Commonwealth general government sector fiscal estimates. Accordingly, these entities are not reported in the PB Statements.

HOW TO READ THE PORTFOLIO BUDGET STATEMENTS

The PB Statements are presented in three sections, aligned to the Budget Papers, as outlined below.

User Guide to the Portfolio Budget Statements

An introduction, explaining the purpose of the PB Statements, the structure of the document, and styles and conventions used.

Portfolio Overview

A brief overview of the portfolio. Portfolio outcomes are depicted in a chart outlining the structure of the outcomes to which the portfolio contributes. This includes a table for Australian Indigenous Expenditures for the portfolio.

Agency Budget Statements

For each agency within the portfolio, a budget statement is presented in five sections:

Section 1: Agency Overview	A brief overview of the agency.
Section 2: Agency resources	A reconciliation of agency resourcing information from the 2004–05 Mid–Year Economic and Fiscal Outlook to the 2005–06 Budget. Includes key changes to the agency’s estimates and a table of appropriations and other revenue sources for both administered and departmental appropriations.
Section 3: Agency outcomes	A brief description of the agency’s outcomes and, where applicable, Budget measures in summary form. Details the contribution of the agency’s outputs to the outcome, performance information for the outcome, outputs and administered items, and planned evaluations. Notes upcoming competitive tendering and contracting that is of a material or sensitive nature. Links the resources appropriated to their application to the agency’s outputs and to administered items.
Section 4: Other reporting requirements	Includes purchaser–provider and cost recovery components.
Section 5: Budgeted financial statements	The agency’s budgeted financial statements in accrual format, covering the budget year, the previous year and three out–years.
Glossary	Explains key terms.

PORTFOLIO BUDGET STATEMENTS ROAD MAP

Comprehensive information on all government decisions announced in the Budget is in Budget Paper No. 2, Budget Measures 2005–06. The PB Statements include Budget appropriations for this Budget in each agency’s Table 2.2, Summary of Measures contained in the 2005–06 Budget.

The following chart shows the links between the Budget papers and the PB Statements.

Budget Paper	PB Statements equivalent
Budget Paper No. 1 Budget Strategy and Outlook	
Statement 1: Fiscal Strategy and Budget Priorities Overview of the fiscal and economic outlook	User Guide Portfolio Overview Portfolio structure Agency Budget Statements Section 1: Agency overview Section 2: Agency resources for 2005–06
Statement 2: Fiscal Outlook Budget aggregates and variations to the fiscal balance	Agency Budget Statements Section 2: Agency resources for 2005–06
Statement 10: Australian Accounting Standards Financial Statements Accrual financial statements for the general government sector	Agency Budget Statements Section 5: Budgeted financial statements
Budget Paper No. 2: Budget Measures	
Budget revenue, expense and capital measures	Agency Budget Statements Section 2: Agency resources for 2005–06
Budget Paper No. 3: Federal Financial Relations	
Information on the Australian Government’s relations with states, territories and local government, in particular, Specific Purpose Payments (SPPs)	Agency Budget Statements Section 2: Agency resources for 2005–06 Section 3: Agency outcomes
Budget Paper No. 4: Agency Resourcing	
Resourcing for Australian Government agencies, including Appropriation Bills	Agency Budget Statements Section 2: Agency resources for 2005–06

DEPARTMENTAL AND ADMINISTERED ITEMS

Under the Australian Government's accrual-based budgeting framework, and consistent with Australian Accounting Standards, transactions that agencies control (departmental transactions) are separately budgeted for and reported on from transactions agencies manage on behalf of the government (administered transactions).

Departmental items

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

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.

APPROPRIATIONS IN THE ACCRUAL BUDGETING FRAMEWORK

In the 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 or loans to agencies, or payments from previous years' outputs;
- 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). The appropriation framework is discussed further in the introduction to Budget Paper No. 4: Agency Resourcing 2005–06.

COMPONENTS OF AGENCY FINANCIAL STATEMENTS

Reporting requirements for budgeted financial statements differ between agencies (for example, according to whether the agency participates in administered transactions). Therefore, not all agencies are required to report against all schedules.

The budgeted financial statements contain the estimates prepared in accordance with the requirements of the government's financial budgeting and reporting framework, including the principles of the Australian Accounting Standards and Statements of Accounting Concepts, as well as specific guidelines issued by the Department of Finance and Administration. They show the planned financial performance for the 2005–06 Budget year and each of the forward years from 2006–07 to 2008–09. The statements also include the estimated actual expenses for 2004–05 for comparative purposes.

The schedules included in the budgeted financial statements for 2005–06 are as follows.

Statement/Schedule	Purpose
Budgeted departmental statement of financial performance	Shows the expected financial results for the agency. Identifies full accrual expenses and revenues, which highlights whether the agency is operating at a sustainable level.
Budgeted departmental statement of financial position	The financial position of the agency. It helps decision makers to track the management of assets and liabilities.
Budgeted departmental statement of cash flows	Provides 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 through capital appropriations for additional equity or borrowings, or from funds from internal sources.
Departmental property, plant, equipment and intangibles — summary of movement	Shows budgeted acquisitions and disposals of non-financial assets during the budget year.
Schedule of budgeted revenues and expenses administered on behalf of government	Identifies the main revenues and expenses administered on behalf of government.
Schedule of budgeted assets and liabilities administered on behalf of government	Shows the assets and liabilities administered on behalf of government.
Schedule of budgeted administered cash flows	Shows cash flows administered on behalf of government.
Schedule of administered capital budget	Shows details of planned administered capital expenditure.
Schedule of property, plant, equipment and intangibles — summary of movement	Discloses details of movements in administered non-financial assets.

ABBREVIATIONS AND CONVENTIONS

The following notation may be used:

NEC/nec	not elsewhere classified
-	nil
..	not zero, but rounded to zero
na	not applicable (unless otherwise specified)
nfp	not for publication
\$m	\$ million
\$b	\$ billion

Figures in tables and in the text may be rounded. Figures in text are generally rounded to one decimal place, whereas figures in tables are generally rounded to the nearest thousand. Discrepancies in tables between totals and sums of components are due to rounding.

ENQUIRIES

A copy of this document can be located on the Australian Government Budget website at:
<http://www.budget.gov.au>.



PORTFOLIO OVERVIEW

PORTFOLIO RESPONSIBILITIES

The Sustainable Environment Committee of the Cabinet, chaired by the Prime Minister, ensures a whole-of-government approach to protecting Australia's environment and heritage.

The Environment and Heritage Portfolio concentrates on issues with a national focus or that are under direct Commonwealth jurisdiction. These issues are identified in the 'Heads of agreement on Commonwealth and State roles and responsibilities for the Environment', signed by the Council of Australian Governments in 1997 (see www.deh.gov.au/epbc/about/agreement.html). The agreement is part of a national approach to protecting Australia's environment and heritage, where achieving outcomes depends on cooperation between local, state and federal governments.

In October 2004 the Australian Government restructured the Environment and Heritage Portfolio. The Australian Greenhouse Office and the National Oceans Office, which were formerly executive agencies within the portfolio, were integrated into the Department of the Environment and Heritage (DEH). In addition, Indigenous programme functions were transferred to the Department of the Environment and Heritage 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.

Currently the portfolio is made up of the Department of the Environment and Heritage and five other agencies (see Figure 1, page 16).

The **Department of the Environment and Heritage** provides national leadership in achieving the following outcomes:

- The environment, especially those aspects that are matters of national significance, is protected and conserved; and
- Australia's interests in Antarctica are advanced.

These responsibilities include conserving Australia's natural and cultural heritage.

DEH administers the Australian Government's main environment and heritage protection laws and programmes, including the *Environment Protection and Biodiversity Conservation Act 1999*, the Climate Change Strategy and the Natural Heritage Trust (Trust). The Trust is established under the *Natural Heritage Trust of Australia Act 1997* and provides funding at the national, regional and local level to conserve, repair and replenish Australia's natural capital infrastructure. In addition, DEH's Australian Antarctic Division administers Australia's Antarctic territories.

The **Bureau of Meteorology** (an executive agency and a prescribed agency) is responsible for the outcome:

- Australia benefits from meteorological and related science and services.

The Bureau of Meteorology (Bureau) is the national meteorological authority. The Bureau makes observations, forecasts the weather and climate, issues warnings, studies climate change and supports international cooperation. This work supports all Australians, including the Australian Defence Force and key sectors such as transport and agriculture. The Bureau operates under the *Meteorology Act 1955*.

The **Office of the Renewable Energy Regulator** (a statutory agency and a prescribed agency) is responsible for the outcome:

- Increased renewable electricity generation.
(This contributes to protecting the environment and is an element of the Department's first outcome.)

The Office of the Renewable Energy Regulator (ORER) is responsible for implementing the Australian Government's mandatory renewable energy target, which is to be achieved over the period 2001 to 2020. ORER operates under the *Renewable Energy (Electricity) Act 2000*.

The **Director of National Parks** (a Commonwealth authority) is responsible for the outcome:

- Conservation and appreciation of Commonwealth reserves.
(This contributes to protecting the environment and is an element of the Department's first outcome.)

The Director of National Parks (DNP) manages the Australian Government's Commonwealth reserves and conservation zones, including Kakadu and Uluru–Kata Tjuta National Parks, and provides national leadership in protected area management. DNP operates under the *Environment Protection and Biodiversity Conservation Act 1999*.

The **Great Barrier Reef Marine Park Authority** (a Commonwealth authority and a statutory agency) is responsible for the outcome:

- Protection, wise use, understanding and enjoyment of the Great Barrier Reef.
(This contributes to protecting the environment and is an element of the Department's first outcome.)

The Great Barrier Reef Marine Park Authority (GBRMPA) protects and conserves the World Heritage values of the Great Barrier Reef. GBRMPA operates under the *Great Barrier Reef Marine Park Act 1975*.

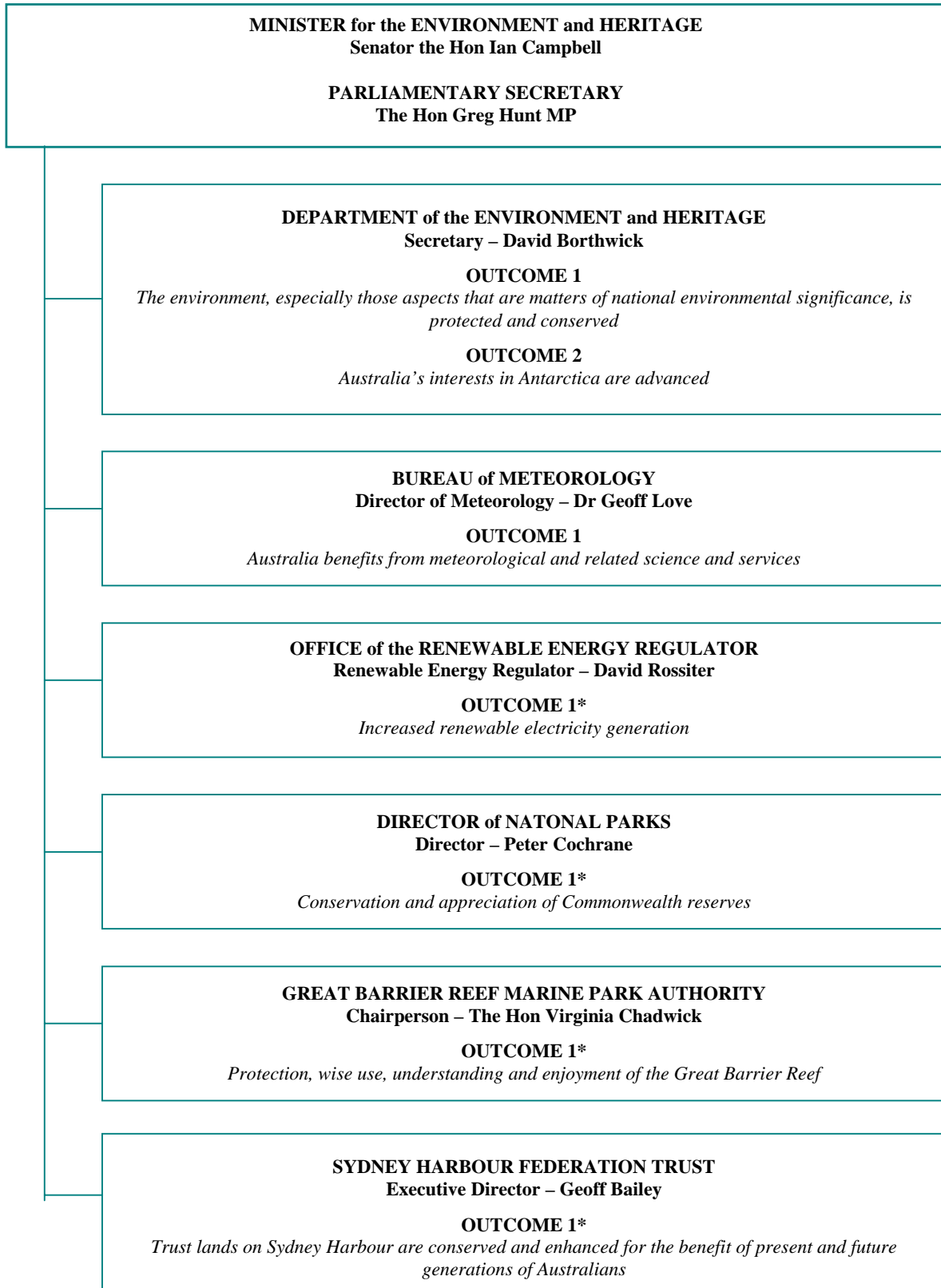
The **Sydney Harbour Federation Trust** (a Commonwealth authority) is responsible for the outcome:

- Trust lands on Sydney Harbour are conserved and enhanced for the benefit of present and future generations of Australians.
(This contributes to protecting the environment and is an element of the Department's first outcome.)

The Sydney Harbour Federation Trust (Harbour trust) is responsible for conserving and planning the future uses of former military bases and other Commonwealth land around Sydney Harbour. The Harbour trust operates under the *Sydney Harbour Federation Trust Act 2001*.

More details about each agency's responsibilities appear in the individual agency statements.

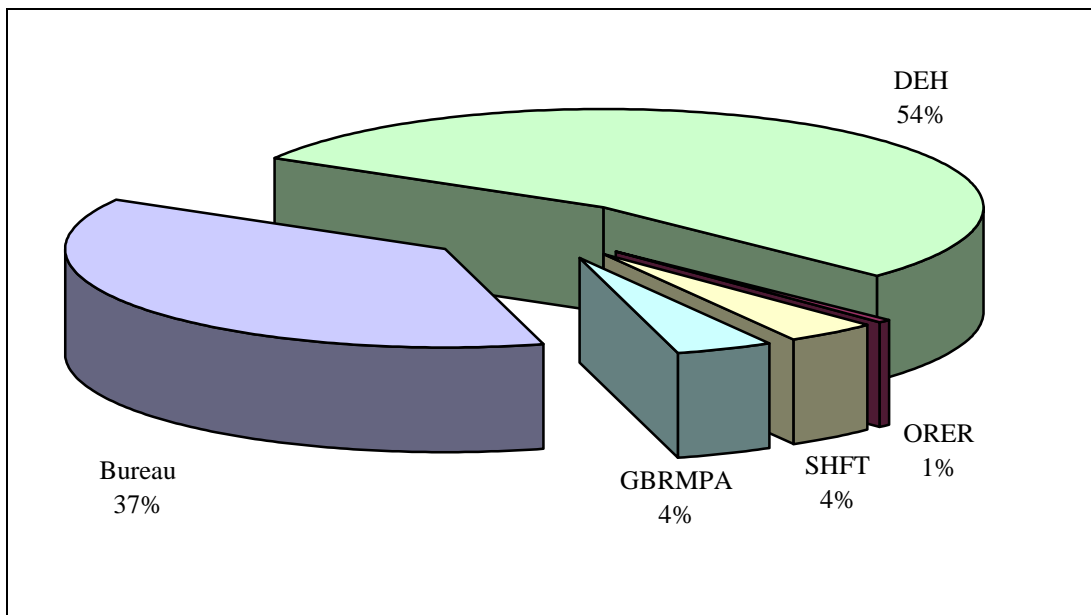
FIGURE 1: PORTFOLIO STRUCTURE AND OUTCOMES



* These outcomes contribute to protecting the environment and are sub-outcomes of the Department’s Outcome 1: The environment, especially those aspects that are matters of national environmental significance, is protected and conserved.

FIGURE 2: DEPARTMENTAL APPROPRIATIONS FOR AGENCIES IN THE PORTFOLIO (\$'000)

Department of the Environment and Heritage (DEH) *	Office of the Renewable Energy Regulator (ORER)	Great Barrier Reef Marine Park Authority (GBRMPA)	Sydney Harbour Federation Trust (SHFT)	Bureau of Meteorology (Bureau)
\$326,243	\$2,687	\$22,844	\$23,651	\$219,831

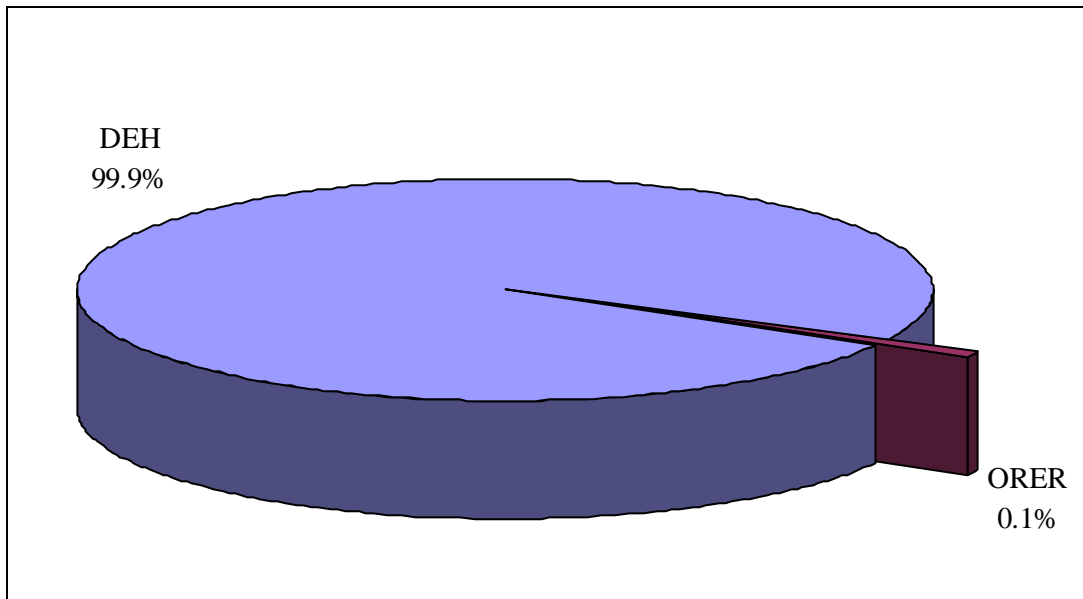


* Includes appropriations for Outcome 1 – Environment (\$226.875m) and Outcome 2 – Antarctic (\$99.368m). Appropriations for Outcome 1 – Environment includes funding for the DNP. Funds of \$40.808m will be appropriated directly to Outcome 1 – Environment and transferred to the DNP.

Appropriations of \$38.410 million for Departmental Capital Equity Injections are also included in the above totals for the DEH Outcome 2 – Antarctic (\$4.805m), the Bureau (\$13.105m) and the SHFT (\$20.5m). (Refer Appropriations and Other Revenue – Portfolio Summary page 19)

FIGURE 3: ADMINISTERED APPROPRIATIONS FOR AGENCIES IN THE PORTFOLIO (\$'000)

Department of the Environment and Heritage (DEH) \$492,316	Office of the Renewable Energy Regulator (ORER) \$208
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APPROPRIATIONS AND OTHER REVENUE – PORTFOLIO SUMMARY

Outcome	Appropriations					Revenue from other sources ⁽⁴⁾		Total Resources ⁽⁶⁾
	\$'000	\$'000	\$'000	\$'000	% ⁽⁵⁾	\$'000	% ⁽⁵⁾	\$'000
	Bill No. 1	Bill No. 2 ⁽¹⁾	Special Approp ⁽²⁾	Total Approp ⁽³⁾				
	(A)	(B)	(C)	(D)=(A)+(B)+(C)	(A)+(C) / (A)+(C)+(E)	(E)	(E) / (A)+(C)+(E)	(F)=(D)+(E)
Outcome 1 – The environment, especially those aspects that are matters of national environmental significance, is protected and conserved								
<i>Environment</i>								
Administered	442,395	27,791	22,130	492,316	na	-	na	492,316
Departmental	226,875	-	-	226,875	88.1%	30,623	11.9%	257,498
<i>Office of the Renewable Energy Regulator</i>								
Administered	-	-	208	208	na	-	na	208
Departmental	2,687	-	-	2,687	100%	-	na	2,687
<i>Director of National Parks</i>								
Departmental	-	-	-	-	na	56,729	na	56,729
<i>Great Barrier Reef Marine Park Authority</i>								
Departmental	15,444	-	7,400	22,844	60.0%	15,201	40.0%	38,045
<i>Sydney Harbour Federation Trust</i>								
Departmental	3,151	-	-	3,151	38.7%	5,000	61.3%	8,151
Departmental equity injection	-	20,500	-	20,500	na	-	na	20,500
Total Outcome 1	690,552	48,291	29,738	768,581	na	107,553	na	876,134
Outcome 2 – Australia's interests in Antarctica are advanced								
<i>Antarctic</i>								
Departmental	94,563	-	-	94,563	99.0%	919	1.0%	95,482
Departmental equity injection	-	4,805	-	4,805	na	-	na	4,805
Total Outcome 2	94,563	4,805	-	99,368	na	919	na	100,287

APPROPRIATIONS AND OTHER REVENUE – PORTFOLIO SUMMARY (continued)

Outcome	Appropriations					Revenue from other sources ⁽⁴⁾		Total Resources ⁽⁶⁾
	\$'000	\$'000	\$'000	\$'000	% ⁽⁵⁾	\$'000	% ⁽⁵⁾	\$'000
	Bill No. 1	Bill No. 2 ⁽¹⁾	Special Approp ⁽²⁾	Total Approp ⁽³⁾				
	(A)	(B)	(C)	(D)=(A)+(B)+(C)	(A)+(C) / (A)+(C)+(E)	(E)	(E) / (A)+(C)+(E)	(F)=(D)+(E)
Outcome 1 – Australia benefits from meteorological and related science and services								
<i>Bureau of Meteorology</i>								
Departmental	206,726	-	-	206,726	92.3%	17,242	7.7%	223,968
Departmental equity injection	-	13,105	-	13,105	na	-	na	13,105
Total Outcome 1	206,726	13,105	-	219,831	na	17,242	na	237,073
Total Portfolio								
Administered	442,395	27,791	22,338	492,524	na	-	na	492,524
Departmental	549,446	38,410	7,400	595,256	81.6%	125,714	18.4%	720,970
TOTAL PORTFOLIO RESOURCES	991,841	66,201	29,738	1,087,780	na	125,714	na	1,213,494

This table has been redesigned to correspond with Budget Paper No. 4 ‘Agency Resourcing’. It now includes (where appropriate) administered revenue from other sources.

- (1) Under the appropriation structure, Bill No. 2 includes Specific Purpose Payments (SPPs), new agency outcomes (NAOs), administered capital and departmental capital via departmental injections and loans.
- (2) Estimated expenses from individual Special Appropriations are shown at Section 3, Tables 3.1.
- (3) Total appropriations = Bill No. 1 + Bill No. 2 + Special appropriations.
- (4) Revenue from other sources includes *Financial Management and Accountability Act 1997* s.31 revenues, Commonwealth Authorities and Companies body revenues that are available to be expensed, special accounts (non–appropriation revenues) and resources received free of charge.
- (5) Percentage figures indicate the percentage contribution of revenue from government (Departmental Appropriations) to the total price of outputs (= Bill No. 1 + Special Appropriation + Revenue from other sources), by outcome, and the percentage contribution of Revenue from other sources (departmental) to the total price of outputs, by outcome.
- (6) Total resources = Total appropriations + Revenue from other sources.

Note: Refer to Budgeted statement of financial performance for application of agency revenue.

AUSTRALIAN GOVERNMENT INDIGENOUS EXPENDITURE (AGIE) ENVIRONMENT AND HERITAGE PORTFOLIO

PORTFOLIO TABLE 1: AUSTRALIAN GOVERNMENT INDIGENOUS EXPENDITURE

Outcome	Appropriations					
	Bill	Bill	Special	Total	Other	Total
	No.1	No.2		App's	resources	resources
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
(A)	(B)	(C)	(D)	(E)	(F)=(D)+(E)	
Outcome 1 – Environment						
<i>The Environment, especially those aspects that are matters of national significance, is protected and conserved</i>						
Administered 2005–06	4,559	-	335	4,894	4,300	9,194
<i>Administered 2004–05</i>	<i>3,934</i>	-	<i>378</i>	<i>4,312</i>	<i>4,300</i>	<i>8,612</i>
Departmental 2005–06	1,914	-	-	1,914	216	2,130
<i>Departmental 2004–05</i>	<i>1,772</i>	-	-	<i>1,772</i>	-	<i>1,772</i>
Total Outcome 1 2005–06	6,473	-	335	6,808	4,516	11,324
<i>Total Outcome 1 2004–05</i>	<i>5,706</i>	-	<i>378</i>	<i>6,084</i>	<i>4,300</i>	<i>10,384</i>
Outcome 1 –Bureau of Meteorology						
<i>Australia benefits from meteorological and related science and services</i>						
Departmental 2005–06	46	-	-	46	-	46
<i>Departmental 2004–05</i>	<i>39</i>	-	-	<i>39</i>	-	<i>39</i>
Total Outcome 1 2005–06	46	-	-	46	-	46
<i>Total Outcome 1 2004–05</i>	<i>39</i>	-	-	<i>39</i>	-	<i>39</i>
Outcome 1 – Great Barrier Reef Marine Park						
<i>Protection, wise use, understanding and enjoyment of the Great Barrier Reef</i>						
Departmental 2005–06	295	-	195	490	10	500
<i>Departmental 2004–05</i>	<i>266</i>	-	<i>161</i>	<i>427</i>	<i>9</i>	<i>436</i>
Total Outcome 1 2005–06	295	-	195	490	10	500
<i>Total Outcome 1 2004–05</i>	<i>266</i>	-	<i>161</i>	<i>427</i>	<i>9</i>	<i>436</i>
Total Administered 2005–06	4,559	-	335	4,894	4,300	9,194
<i>Total Administered 2004–05</i>	<i>3,934</i>	-	<i>378</i>	<i>4,312</i>	<i>4,300</i>	<i>8,612</i>
Total Departmental 2005–06	2,255	-	195	2,450	226	2,676
<i>Total Departmental 2004–05</i>	<i>2,077</i>	-	<i>161</i>	<i>2,238</i>	<i>9</i>	<i>2,247</i>
Total AGIE 2005–06	6,814	-	530	7,344	4,526	11,870
<i>Total AGIE 2004–05</i>	<i>6,011</i>	-	<i>539</i>	<i>6,550</i>	<i>4,309</i>	<i>10,859</i>

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**AGENCY
BUDGET STATEMENTS**

**DEPARTMENT OF THE
ENVIRONMENT AND
HERITAGE**

Department of the Environment and Heritage

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Section 1: Agency Overview

The Department of the Environment and Heritage (DEH) protects Australia's environment and heritage and advances Australia's Antarctic interests on behalf of the Australian Government.

TABLE 1.1: AGENCY OUTCOMES AND OUTPUTS

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 ^(a)	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 ^(b)	Output 2.1 Antarctic policy
		Output 2.2 Antarctic science

^(a) An explanatory list of *matters of national environmental significance*, agreed to by the Council of Australian Governments in 1997, is available at www.deh.gov.au/epbc/about/agreement.html#attachment1.

^(b) 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).

The DEH's responsibilities are stipulated in the Governor-General's Administrative Arrangements Order (see scaleplus.law.gov.au/docs/legtables/aao.htm).

The DEH advises the Australian Government on its policies as they affect the environment, heritage and Australia's Antarctic interests. The DEH administers the Australian Government's main environment, heritage and Antarctic laws and programmes, including the Natural Heritage Trust, the Climate Change Strategy and the *Environment Protection and Biodiversity Conservation Act 1999*.

Protecting the environment is a shared responsibility. Consequently, the success of much of the DEH work depends on other Australian Government agencies, industry sectors, the community, and other levels of government in Australia. In addition, the DEH works directly with other countries' national governments and non-government organisations to develop and support international agreements, including the Convention on Biological Diversity and the Antarctic Treaty System.

Detailed information about the DEH's contribution to addressing key environmental issues is available in the Australian Government's Environment Budget Overview 2005-06 (see www.deh.gov.au/about/budget and www.deh.gov.au).

Section 2: Agency Resources for 2005–06

2.1: APPROPRIATIONS AND OTHER RESOURCES

Table 2.1 shows the total resources from all origins for 2005–06, including appropriations. The table summarises how revenue will be applied by outcome, administered and departmental classification.

The total appropriation for the Department of the Environment and Heritage (DEH) in 2005–06 is \$818.559 million. This comprises \$321.438 million departmental output appropriation, \$4.805 million departmental equity injection, \$470.186 million administered annual appropriations and \$22.130 million administered special appropriation.

TABLE 2.1: APPROPRIATIONS AND OTHER REVENUE – DEPARTMENT OF THE ENVIRONMENT AND HERITAGE

Outcome	Appropriations					Revenue from other sources ⁽⁴⁾		Total Resources ⁽⁶⁾
	\$'000	\$'000	\$'000	\$'000	% ⁽⁵⁾	\$'000	% ⁽⁵⁾	\$'000
	Bill No. 1	Bill No. 2 ⁽¹⁾	Special Approp ⁽²⁾	Total Approp ⁽³⁾				
	(A)	(B)	(C)	(D)= (A)+(B)+(C)	(A)+(C) / (A)+(C)+(E)	(E)	(E)/ (A)+(C)+(E)	(F)=(D)+(E)
Outcome 1 – The environment, especially those aspects that are matters of national environmental significance, is protected and conserved								
Administered	442,395	27,791	22,130	492,316	na	-	na	492,316
Departmental	226,875	-	-	226,875	88.1%	30,623	11.9%	257,498
Total Outcome 1 – Environment	669,270	27,791	22,130	719,191	na	30,623	na	749,814
Outcome 2 – Australia's interests in Antarctica are advanced								
Departmental	94,563	-	-	94,563	99.0%	919	1.0%	95,482
Departmental equity injection	-	4,805	-	4,805	na	-	na	4,805
Total Outcome 2 – Antarctic	94,563	4,805	-	99,368	na	919	na	100,287
Total agency								
Administered	442,395	27,791	22,130	492,316	na	-	na	492,316
Departmental	321,438	4,805	-	326,243	91.1%	31,542	8.9%	357,785
TOTAL AGENCY RESOURCES	763,833	32,596	22,130	818,559	na	31,542	na	850,101

This table has been redesigned to correspond with Budget Paper No. 4 'Agency Resourcing'. It now includes (where appropriate) administered revenue from other sources.

- (1) Under the appropriation structure, Bill No. 2 includes Specific Purpose Payments (SPPs), new agency outcomes (NAOs), administered capital and departmental capital via departmental injections and loans.
- (2) Estimated expenses from individual Special Appropriations are shown at Section 3, Table 3.1.
- (3) Total appropriations = Bill No. 1 + Bill No. 2 + Special appropriations.
- (4) Revenue from other sources includes *Financial Management and Accountability Act 1997* s.31 revenues, Commonwealth Authorities and Companies body revenues that are available to be expended, special accounts (non-appropriation revenues) and resources received free of charge.
- (5) Percentage figures indicate the percentage contribution of Revenue from Government (Departmental Appropriations) to the total price of outputs (= Bill No. 1 + Special Appropriation + Revenue from other sources), by outcome, and the percentage contribution of Revenue from other sources (Departmental) to the total price of outputs, by outcome.
- (6) Total resources = Total appropriations + Revenue from other sources.

Note: Refer to budgeted statement of financial performance for application of agency revenue.

2.2: 2005–06 BUDGET MEASURES

Budget measures relating to the DEH as explained in Budget Paper No.2 are summarised in Table 2.2. The table also identifies the relevant outcomes, administered items and outputs associated with each measure.

TABLE 2.2 – SUMMARY OF MEASURES CONTAINED IN THE 2005–2006 BUDGET

Measure	Outcome	Outputs Affected	Appropriations Budget 2005–06 (\$'000)			Appropriations Forward estimate 2006–07 (\$'000)			Appropriations Forward estimate 2007–08 (\$'000)			Appropriations Forward estimate 2008–09 (\$'000)		
			Admin Expenses	Dept Outputs	Total	Admin Expenses	Dept Outputs	Total	Admin Expenses	Dept Outputs	Total	Admin Expenses	Dept Outputs	Total
Revenue Measures														
Water Efficiency Labelling and Standards Scheme	1	1.5.2	-	(1,992)	(1,992)	-	(404)	(404)	-	(512)	(512)	-	(414)	(414)
Expense Measures														
Water Efficiency Labelling and Standards Scheme	1	1.5.2	-	582	582	-	380	380	-	719	719	-	949	949
Department of the Environment and Heritage - integration of the Australian Greenhouse Office	1	1.1.1, 1.1.2, 1.1.3	-	(1,000)	(1,000)	-	(1,000)	(1,000)	-	-	-	-	-	-
Hydrogen Fuel Depots and Buses – scoping study ⁽¹⁾	1	1.1.2	-	-	-	-	-	-	-	-	-	-	-	-
Commonwealth Environment Research Facilities ⁽²⁾	1	1.5.2	3,000	1,779	4,779	21,020	1,084	22,104	21,020	1,592	22,612	24,020	1,166	25,186
Regional marine planning – extension	1	1.3.3	-	9,400	9,400	-	-	-	-	-	-	-	-	-
Launceston’s air quality	1	1.5.2	280	135	415	335	14	349	203	34	237	-	-	-
Used oil recycling - uptake of technologies ⁽¹⁾	1	1.5.2	-	-	-	-	-	-	-	-	-	-	-	-

TABLE 2.2 – SUMMARY OF MEASURES CONTAINED IN THE 2005–2006 BUDGET (continued)

Measure	Outcome	Outputs Affected	Appropriations Budget 2005–06 (\$'000)			Appropriations Forward estimate 2006–07 (\$'000)			Appropriations Forward estimate 2007–08 (\$'000)			Appropriations Forward estimate 2008–09 (\$'000)		
			Admin Expenses	Dept Outputs	Total	Admin Expenses	Dept Outputs	Total	Admin Expenses	Dept Outputs	Total	Admin Expenses	Dept Outputs	Total
Expense Measures (continued)														
National Recycling Telephone Hotline ⁽¹⁾	1	1.5.2	-	-	-	-	-	-	-	-	-	-	-	-
Green Stamp Programme ⁽¹⁾	1	na	(183)	-	(183)	-	-	-	183	-	183	-	-	-
National Pollutant Inventory - continuation ⁽⁴⁾	1	1.5.2	-	-	-	-	-	-	-	-	-	-	-	-
Wildlife programme and biodiversity conservation responsibilities ⁽⁴⁾	1	1.2.1	-	-	-	-	-	-	-	-	-	-	-	-
Efficiency dividend - increase in the rate from 1 per cent to 1.25 per cent ⁽³⁾	1	All	-	(483)	(483)	-	(980)	(980)	-	(1,491)	(1,491)	-	(1,491)	(1,491)
Photovoltaic Rebate Programme - extension ⁽¹⁾	1	1.1.2	-	-	-	-	-	-	-	-	-	-	-	-
National Heritage Investment Initiative	1	1.4	2,200	300	2,500	3,450	300	3,750	3,450	300	3,750	200	300	500
St Mary's Cathedral and the church of St Mary's Star of the Sea - restoration	1	na	5,000	-	5,000	-	-	-	-	-	-	-	-	-

TABLE 2.2 – SUMMARY OF MEASURES CONTAINED IN THE 2005–2006 BUDGET (continued)

Measure	Outcome	Outputs Affected	Appropriations Budget 2005–06 (\$'000)			Appropriations Forward estimate 2006–07 (\$'000)			Appropriations Forward estimate 2007–08 (\$'000)			Appropriations Forward estimate 2008–09 (\$'000)		
			Admin Expenses	Dept Outputs	Total	Admin Expenses	Dept Outputs	Total	Admin Expenses	Dept Outputs	Total	Admin Expenses	Dept Outputs	Total
Australia-Antarctica Airlink ⁽⁵⁾	2	All	-	6,820	6,820	-	10,669	10,669	-	10,858	10,858	-	10,989	10,989
Australia-Antarctica Airlink - equity injection	2	All	-	4,805	4,805	-	2,195	2,195	-	-	-	-	-	-
Efficiency dividend - increase in the rate from 1 per cent to 1.25 per cent ⁽³⁾	2	All	-	(218)	(218)	-	(440)	(440)	-	(664)	(664)	-	(664)	(664)

- (1) The cost of this measure is being fully absorbed within existing resources of the Department of the Environment and Heritage. The funding profiles are:
- Hydrogen Fuel Depots and Buses – scoping study \$1.0 million over three years.
 - Used oil recycling - uptake of technologies \$2.0 million over three years (including \$0.7 million in 2004–05).
 - National Recycling Telephone Hotline \$0.3 million over three years.
 - Green Stamp Programme \$0.9 million over three years.
 - Photovoltaic Rebate Programme – extension \$11.4 million over two years.
- (2) The government will provide \$100.0 million over 5 years, ending with \$25.319 million in 2009–10.
- (3) This is a cross portfolio measure and impacts on all agencies within the Environment and Heritage Portfolio (includes the Director of National Parks).
- (4) Provision of \$1.3 million per annum from 2005–06 to 2008–09 for National Pollutant Inventory - continuation and \$0.6 million per annum from 2005–06 to 2008–09 for Wildlife programme and biodiversity conservation responsibilities has already been included in the forward estimates.
- (5) Excludes funding for depreciation (\$0.581m for 2005–06, \$0.774m for 2006–07, \$0.764m for 2007–08 and \$0.711m in 2008–09) that will be met through departmental output appropriation (Appropriation Bill No.1).

2.3: OTHER RECEIPTS AVAILABLE TO BE USED

Table 2.3 provides details of other receipts available to be used and include *Financial Management and Accountability Act 1997* s.31 receipts, Commonwealth Authorities and Companies body receipts that are available to be spent, special accounts (non-appropriation) and resources received free of charge.

TABLE 2.3 – OTHER RECEIPTS AVAILABLE TO BE USED

	Estimated Receipts 2004–2005 \$'000	Budget Estimate 2005–2006 \$'000
DEPARTMENTAL OTHER RECEIPTS		
Goods and services ⁽¹⁾	33,133	31,187
Other	365	355
Total departmental other receipts available to be used	33,498	31,542
ADMINISTERED OTHER RECEIPTS		
<i>Ozone Protection and Synthetic Greenhouse Gas Management Act 1989</i> – levies and fees	2,960	3,251
Total administered other receipts available to be used	2,960	3,251
TOTAL ESTIMATED OTHER RECEIPTS	36,458	34,793

(1) Includes revenue from other sources provided from the Natural Heritage Trust and National Action Plan for Salinity and Water Quality.

2.4: MOVEMENT OF ADMINISTERED FUNDS FROM 2004–05***TABLE 2.4 – MOVEMENT OF ADMINISTERED FUNDS FROM 2004–05**

Movements of funding between years	2004–05	2005–06	2006–07	2007–08	2008–09	2009–10
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Advanced Electricity Storage Technologies Programme	(500)	-	-	-	500	-
Renewable Energy Commercialisation Programme	(1,900)	1,200	700	-	-	-
Greenhouse Gas Abatement Programme	(3,297)	(6,717)	4,945	5,069	-	-
Solar Cities	(600)	600	-	-	-	-
Low Emission Technology and Abatement Programme	(1,000)	1,000	-	-	-	-
Photovoltaic Rebate Programme	(500)	500	-	-	-	-
Protecting Australia's Biodiversity Hotspots	(4,335)	2,650	1,685	-	-	-
Regional Natural Heritage Programme	(3,171)	3,171	-	-	-	-
Renewable Remote Power Generation Programme	(4,300)	(3,786)	2,100	2,200	-	3,786

* Table 2.4 reflects the movement of administered funds from 2004–05 to 2005–06 and the forward year to 2009–10.

2.5: SPECIAL APPROPRIATIONS

The estimates of expenses from Special Appropriation below represents interest earned in accordance with Sub-section 6(2) of the *Natural Heritage Trust of Australia Act 1997*.

TABLE 2.5 – ESTIMATES OF EXPENSES FROM SPECIAL APPROPRIATIONS

	Outcome Affected	Estimated Expenses 2004–2005 \$'000	Budget Estimate 2005–2006 \$'000
ADMINISTERED SPECIAL APPROPRIATIONS			
Natural Heritage Trust of Australia Interest	<i>1</i>	20,439	22,130
TOTAL ESTIMATED EXPENSE		20,439	22,130

2.6: SPECIAL ACCOUNTS

TABLE 2.6 – ESTIMATES OF SPECIAL ACCOUNT FLOWS AND BALANCES

Estimate – 2005–06, Heavy Figures

Estimated Actual – 2004–05, Light figures

		Opening Balance	Receipts (3)	Payments (1) (2)	Adjustments	Closing Balance
	Notes	2005–06 (4) 2004–05	2005–06 2004–05	2005–06 2004–05	2005–06 2004–05	2005–06 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)	413,673 389,320	335,552 334,353	310,000 310,000	- -	439,225 413,673
OZONE PROTECTION AND SYNTHETIC GREENHOUSE GAS ACCOUNT – <i>Ozone Protection and Synthetic Greenhouse Gas Management Act 1989, s.65C & 65D</i>	(1), (3) (5)	11,104 10,409	3,251 2,960	3,280 2,265	- -	11,075 11,104
NATIONAL CULTURAL HERITAGE ACCOUNT – <i>Protection of Moveable Cultural Heritage Act 1986, s.25</i>	(1), (3)	441 441	182 185	182 185	- -	441 441
ENVIRONMENT – FEDERATION FUND ACCOUNT – <i>Financial Management and Accountability Act 1997, s.20</i>	(6)	- 31,043	- -	- -	- 31,043	- -
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
ENVIRONMENT – SERVICES FOR OTHER GOVERNMENTS AND NON-AGENCY BODIES ACCOUNT* – <i>Financial Management and Accountability Act 1997, s.20</i>	(2)	3,321 3,372	255 255	306 306	- -	3,270 3,321

TABLE 2.6 – ESTIMATES OF SPECIAL ACCOUNT FLOWS AND BALANCES (continued)**Estimate – 2005–06, Heavy Figures***Estimated Actual – 2004–05, Light figures*

		Opening Balance	Receipts (3)	Expenses (1) (2)	Adjustments	Closing Balance
		2005–06	2005–06	2005–06	2005–06	2005–06
<i>Notes</i>	(4)	2004–05	2004–05	2004–05	2004–05	2004–05
		\$'000	\$'000	\$'000	\$'000	\$'000
OTHER TRUST MONEYS ACCOUNT*	(2)	11	2	2	-	11
– <i>Financial Management and Accountability Act 1997, s.20</i>		<i>11</i>	<i>2</i>	<i>2</i>	<i>-</i>	<i>11</i>
TOTAL SPECIAL ACCOUNTS		428,562	339,242	313,770	-	454,034
		<i>434,608</i>	<i>337,755</i>	<i>312,758</i>	<i>31,043</i>	<i>428,562</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.
- (4) The opening balance for 2004–05 is the closing balance for 2003–04 as per the DEH 2003–04 Annual Report (page 299).
- (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 s.65C and 65D of the Act. Receipts include the Halon Bank balance transferred from the DEH bank account to the Ozone Protection and Synthetic Greenhouse Gas Management Account (revised receipts for this Account are also reflected in Table 2.3 Other receipts available to be used on page 37).
- (6) The 2002–03 closing balance for the Environment Federation Fund Account was increased by \$30.2 million (refer to the DEH 2002–03 Annual Report page 378). This account was abolished on 9 July 2004 under a Determination made by the Minister for Finance and Administration. The balance of funds is expected to be returned to the Official Public Account before 30 June 2005.

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

* Special Public Monies Special Accounts

2.7: ADMINISTERED CAPITAL AND DEPARTMENTAL EQUITY INJECTIONS AND LOANS

The DEH (outcome 1 – Environment) has not been appropriated any administered capital for 2005–06 and will not receive any departmental equity injections or loans in 2005–06.

The DEH (Outcome 2 – Antarctic) will receive a departmental equity injection of \$4.805 million in 2005–06 under the Australia-Antarctica Airlink Budget measure.

Section 3: Agency Outcomes

This section explains how resources identified in Section 2 will be used to deliver outputs and administered items to contribute to the two outcomes for the Department of the Environment and Heritage (DEH).

3.1: SUMMARY OF OUTCOMES, OUTPUTS AND ADMINISTERED ITEMS

The relationship between activities of the DEH and the outcomes is summarised in Figure 4.

FIGURE 4: OUTCOMES AND OUTPUTS AND ADMINISTERED ITEMS

	Total price of Administered outputs appropriation	Departmental outputs appropriation
	\$'000	\$'000
TOTAL ENVIRONMENT AND HERITAGE (A + B)	352,980	492,316
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	62,907	61,854
Sub-output 1.1.1 International engagement	3,869	3,809
Sub-output 1.1.2 Emissions management	36,450	35,800
Sub-output 1.1.3 Understanding of climate change	22,588	22,245
Output 1.2 Conservation of the land and inland waters	87,183	71,955
Sub-output 1.2.1 Wildlife protection	10,771	9,369
Sub-output 1.2.2 Land and water strategies	11,298	7,745
Sub-output 1.2.3 Land and water investments	14,931	6,930
Sub-output 1.2.4 Terrestrial parks and reserves	48,948	47,037
Sub-output 1.2.5 Tropical wetlands research	1,235	874
Output 1.3 Conservation of the coasts and oceans	26,160	20,942
Sub-output 1.3.1 Coastal strategies	5,166	3,910
Sub-output 1.3.2 Coastal investments	1,609	543
Sub-output 1.3.3 Marine conservation	19,385	16,489
Output 1.4 Conservation of natural, indigenous and historic heritage (includes Australian Heritage Council, \$5.577 million)*	22,912	22,210
Output 1.5 Response to the impacts of human settlements	58,336	49,914
Sub-output 1.5.1 Environmental assessments	13,832	12,688
Sub-output 1.5.2 Pollution prevention strategies	36,923	31,979
Sub-output 1.5.3 Supervision of uranium mines	7,581	5,247
TOTAL OUTCOME 1** (A)	257,498	226,875

FIGURE 4: OUTCOMES AND OUTPUTS AND ADMINISTERED ITEMS (*continued*)

		Total price of outputs \$'000	Administered appropriation \$'000	Departmental outputs appropriation \$'000
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	63,495	-	62,884
TOTAL OUTCOME 2 (B)		95,482	-	94,563

* The Australian Heritage Council is an advisory body to the Minister for the Environment and Heritage (the Minister). It assesses nominations of places to the National and Commonwealth Heritage Lists and advises the Minister on whether places meet national heritage criteria in accordance with its statutory obligations.

** In 2005–06 the Natural Heritage Trust expenses of \$310 million will be met from new appropriations (\$324.246 million) and existing Special Account funds (*refer Table 2.6 Estimates of Special Accounts Flows and Balances and Table 2.1.1 Total Resources for Outcome 1*). Funding for the National Action Plan for Salinity and Water Quality (the NAP) is appropriated directly to the Department of Agriculture, Fisheries and Forestry. In 2005–06, \$1.048 million will be provided to Outcome 1 – Environment, through revenue from other sources, for administration costs incurred by the department in the joint implementation of the NAP.

CHANGES TO OUTCOMES AND OUTPUTS

Following the incorporation of the Australian Greenhouse Office (AGO) and the National Oceans Office (NOO) into the DEH, the list of outputs that contribute to Outcomes 1 and 2 have been revised in consultation with the Minister for the Environment and Heritage and the Department of Finance and Administration. The number of outputs has been reduced from eighteen to seven.

The new outputs closely relate to the DEH's broad environment management themes – climate change, land, oceans, heritage and human settlements. The description of the new outputs reflect the broad services the DEH provides on behalf of the Australian Government.

Figure 4.1 illustrates how the previous outputs relate to the new outputs. As part of the grouping process, the marine species and marine parks components of the former 'biodiversity' and 'parks and reserves' outputs now form part of the 'conservation of the coasts and oceans' output. In addition, aspects of Antarctic scientific research that were previously attributed to all four Antarctic outputs are now aggregated into a single output 'Antarctic science'.

OUTPUT COST ATTRIBUTION

Direct costs incurred by the DEH (salaries, suppliers and grants, etc) are coded directly to appropriate activities within the DEH's Financial Management Information System.

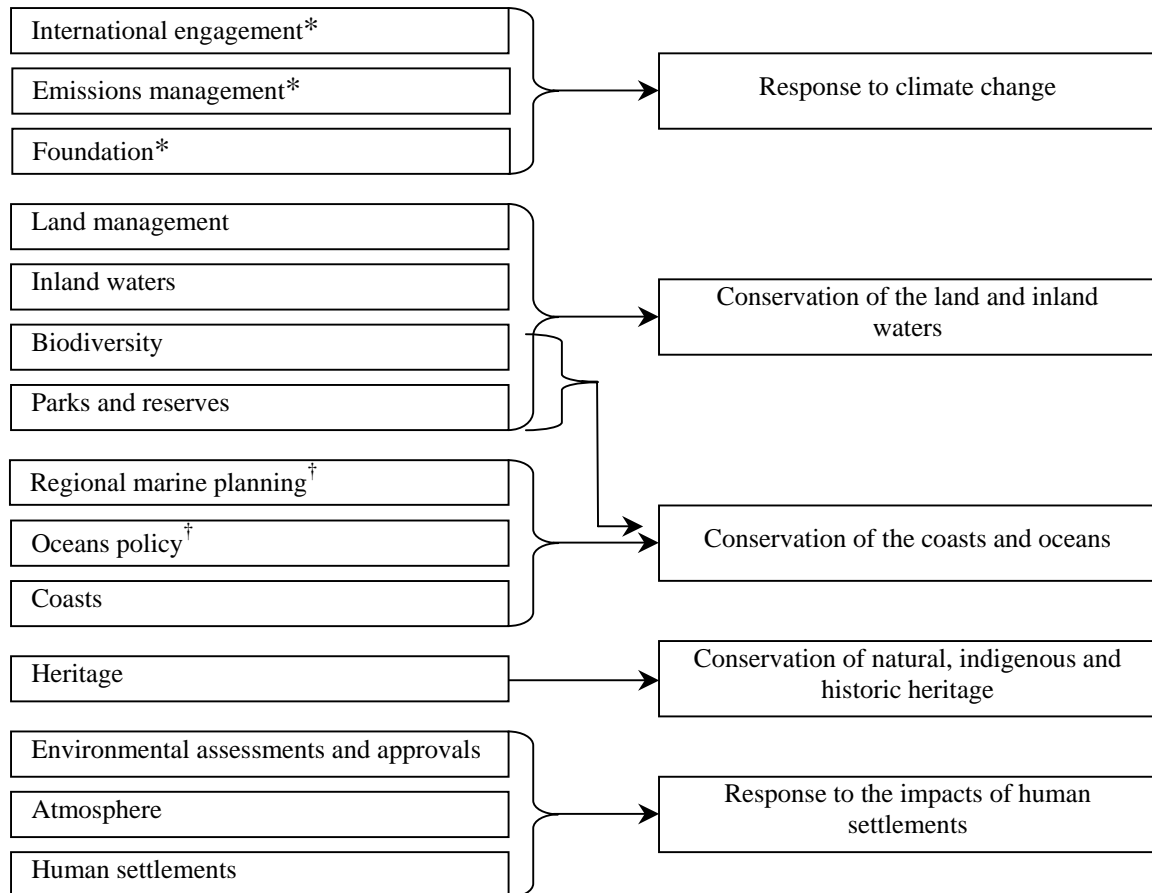
The DEH, in implementing the Budget Estimates and Framework Review has changed the allocation of corporate overheads. Indirect costs include corporate overheads – such as rent and electricity – and activities that cut across all outputs – such as State of the Environment reporting. These are allocated to outputs using 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).

FIGURE 4.1: RELATIONSHIP BETWEEN PREVIOUS AND CURRENT OUTPUTS

Previous outputs¹

Current outputs²

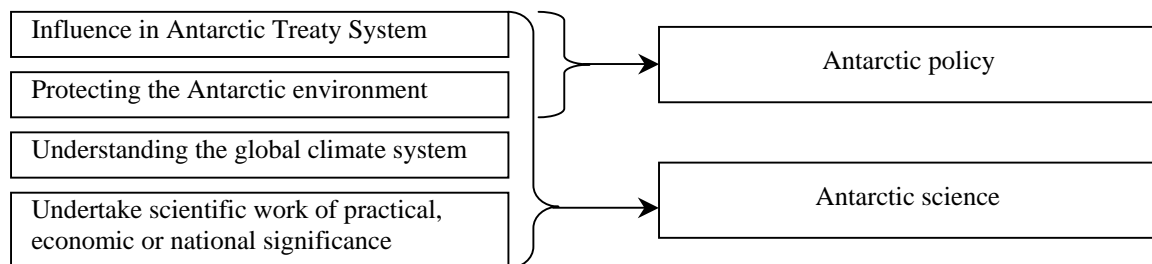
Outcome 1: *The environment, especially those aspects that are matters of national environmental significance, is protected and conserved*



* Inherited from the Australian Greenhouse Office

† Inherited from the National Oceans Office

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



¹ Output structure reflected in the 2004–05 Portfolio Additional Estimates Statements

² Revised output structure from 2005–06 Portfolio Budget Statements

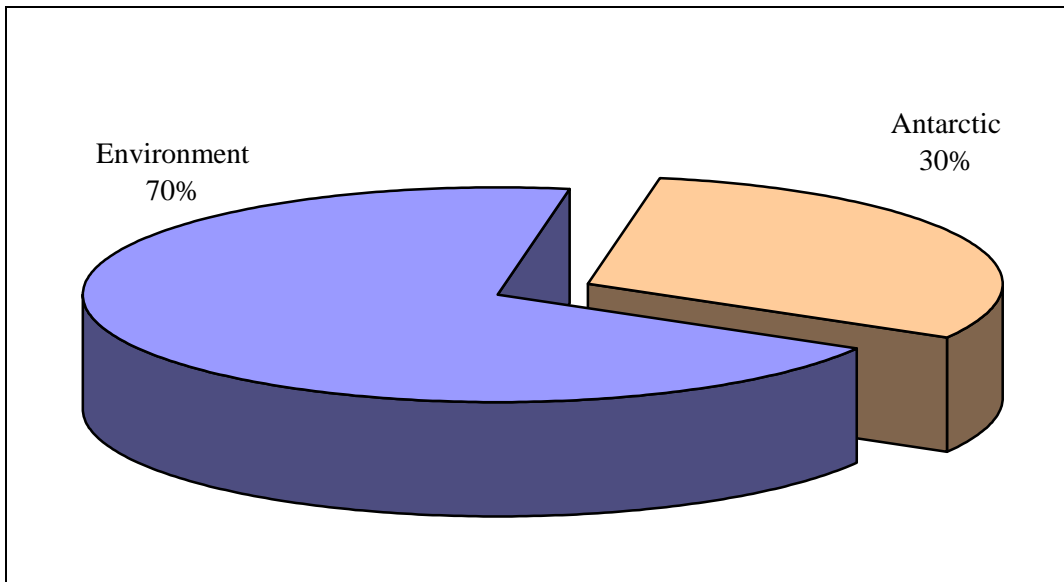
3.2: OUTCOMES – DEPARTMENTAL AND ADMINISTERED

DEPARTMENTAL APPROPRIATIONS BY OUTCOME

Figure 5 shows Departmental Appropriations by outcome for 2005–06.

FIGURE 5: DEPARTMENTAL APPROPRIATIONS BY OUTCOME 2005–06 (\$'000)

Outcome 1 Environment	Outcome 2 Antarctic *
\$226,875	\$99,368



* Includes Departmental Capital Equity Injection of \$4.805 million provided under Appropriation Bill No. 2.

ADMINISTERED APPROPRIATIONS BY OUTCOME

There is only one administered outcome for the DEH (Outcome 1 – Environment) comprising appropriations totalling \$492.316 million.

3.3: OUTCOMES RESOURCING – OUTCOME 1 ENVIRONMENT**OUTCOME 1 RESOURCING**

Table 3.1 shows how the 2005–06 Budget appropriations translate to total resourcing for Outcome 1, including administered expenses, Revenue from Government (appropriation), Revenue from other sources (departmental) and the total price of outputs.

TABLE 3.1 – TOTAL RESOURCES FOR OUTCOME 1

	Estimated Actuals 2004–05	Budget Estimate 2005–06
	\$'000	\$'000
ADMINISTERED APPROPRIATIONS		
Special Appropriation		
Natural Heritage Trust Interest ⁽¹⁾	20,439	22,130
Sub-total Special Appropriation	20,439	22,130
Annual appropriations		
Bill 1 Grants and other payments		
Payment to National Cultural Heritage Account ⁽¹⁾	185	182
Regional Natural Heritage Programme	1,608	7,363
Grants-in-Aid – National Trust	822	842
Great Barrier Reef – Representative Areas Programme Structural Adjustment Package	49,125	5,575
Australian Biological Resources Study Participatory Grants Programme	1,827	1,869
National Environment Protection Council (NEPC) Service Corporation	429	429
Payment to Natural Heritage Trust of Australia Account ⁽¹⁾	302,607	302,116
Maintenance and Protection of Indigenous Heritage Programme	1,934	3,359
Acquisition of leases and legal costs	9,850	-
Protecting Australia's Biodiversity Hotspots	6,665	12,150
Australian Government's Community Water Grants Programme	1,000	48,210
Commonwealth Environment Research Facilities	-	3,000
Launceston's air quality	-	280
National Heritage Investment Initiative	-	2,200
St Mary's Cathedral, Perth	-	3,000
Church of St Mary's Star of the Sea, Melbourne	-	2,000
Renewable Energy Equity Fund	3,165	1,465
Alternative Fuels Conversion Programme	2,796	2,602
Photovoltaic Rebate Programme	200	1,500
Renewable Energy Commercialisation Programme	1,821	2,333
Renewable Remote Power Generation Programme	2,372	2,316

TABLE 3.1 – TOTAL RESOURCES FOR OUTCOME 1 (continued)

	Estimated Actuals 2004–05	Budget Estimate 2005–06
	\$'000	\$'000
Greenhouse Gas Abatement Programme	11,840	14,650
Action on Energy Efficiency	750	800
Local Greenhouse Action	392	400
Greenhouse Action to Enhance Sustainability in Regional Australia	3,165	3,353
Low Emissions Technology and Abatement	400	4,501
Influencing International Climate Change Policy	1,414	1,450
Climate Change Science Programme	6,000	6,000
Advanced Electricity Storage Technologies	-	3,350
Solar Cities	-	5,100
Sub-total Appropriation Bill 1	410,367	442,395
Bill 2 Specific Payments to the States and Territories		
Development of Sewerage Schemes for Boat Harbour and Sisters Beach, Tasmania	1,000	-
Renewable Remote Power Generation Programme	18,587	22,241
Photovoltaic Rebate Programme	3,638	4,450
Strengthening Tasmania – Tamar River Pylons	500	1,000
Strengthening Tasmania – Low Head Precinct	50	100
Sub-total Appropriation Bill 2	23,775	27,791
TOTAL ADMINISTERED APPROPRIATIONS	454,581	492,316
ADMINISTERED SPECIAL ACCOUNTS		
Estimated payments from Special Account balances ⁽¹⁾		
Natural Heritage Trust of Australia Account ⁽²⁾	310,000	310,000
Ozone Protection and Synthetic Greenhouse Gas Account	2,265	3,280
National Cultural Heritage Account	182	182
Total estimated payments from Special Accounts	312,447	313,462

(1) Administered Special Appropriation expenses are also shown in Table 2.5 Estimates of Expenses from Special Appropriations page 39. Administered expenses from Special Accounts also appear in Table 2.6 Estimates of Special Account Flows and Balances pages 40-41.

(2) For 2005–06 this amount includes estimated Specific Payments to the States and Territories of approximately \$138.637m. Payment amounts may vary and are dependant on Ministerial approval of Regional Investment Plans and ability of service providers to undertake and complete contracted projects.

TABLE 3.1 – TOTAL RESOURCES FOR OUTCOME 1 (continued)

	Estimated Actuals 2004–05	Budget Estimate 2005–06
	\$'000	\$'000
DEPARTMENTAL APPROPRIATIONS		
Output 1.1 – Response to climate change	46,425	61,854
Output 1.2 – Conservation of the land and inland waters	72,777	71,955
Output 1.3 – Conservation of the coasts and oceans	15,459	20,942
Output 1.4 – Conservation of natural, indigenous and historic heritage	23,417	22,210
Output 1.5 – Response to the impacts of human settlements	49,897	49,914
TOTAL REVENUE FROM GOVERNMENT (Appropriations)	207,975	226,875
<i>Contributing to Price of Departmental Output</i>	<i>86.5%</i>	<i>88.1%</i>
REVENUE FROM OTHER SOURCES		
Output 1.1 – Response to climate change	968	1,053
Output 1.2 – Conservation of the land and inland waters	18,510	15,228
Output 1.3 – Conservation of the coasts and oceans	4,707	5,218
Output 1.4 – Conservation of natural, indigenous and historic heritage	1,097	702
Output 1.5 – Response to the impacts of human settlements	7,297	8,422
TOTAL REVENUE FROM OTHER SOURCES	32,579	30,623
TOTAL PRICE OF DEPARTMENTAL OUTPUTS	240,554	257,498
DEPARTMENTAL SPECIAL ACCOUNTS	-	-
TOTAL ESTIMATED RESOURCING FOR OUTCOME 1	695,135	749,814

	2004–2005	2005–2006
AVERAGE STAFFING LEVEL (NUMBER)	1,072.0	1,220.0

MEASURES AFFECTING OUTCOME 1

Measures affecting the DEH (as reflected in Budget Paper No. 2) Outcome 1 are listed below:

Revenue Measure*Water Efficiency Labelling and Standards Scheme*

	2005–06	2006–07	2007–08	2008–09
	\$'000	\$'000	\$'000	\$'000
Department of the Environment and Heritage	(1,992)	(404)	(512)	(414)

Expense Measures*Water Efficiency Labelling and Standards Scheme*

	2005–06	2006–07	2007–08	2008–09
	\$'000	\$'000	\$'000	\$'000
Department of the Environment and Heritage	582	380	719	949

Department of the Environment and Heritage - integration of the Australian Greenhouse Office

	2005–06	2006–07	2007–08	2008–09
	\$'000	\$'000	\$'000	\$'000
Department of the Environment and Heritage	(1,000)	(1,000)	-	-

*Hydrogen Fuel Depots and Buses – scoping study **

	2005–06	2006–07	2007–08	2008–09
	\$'000	\$'000	\$'000	\$'000
Department of the Environment and Heritage	-	-	-	-

* The cost of this measure is being fully absorbed within existing resources of DEH.

Commonwealth Environment Research Facilities

	2005–06	2006–07	2007–08	2008–09
	\$'000	\$'000	\$'000	\$'000
Department of the Environment and Heritage	4,779	22,104	22,612	25,186

Regional marine planning – extension

	2005–06	2006–07	2007–08	2008–09
	\$'000	\$'000	\$'000	\$'000
Department of the Environment and Heritage	9,400	-	-	-

Launceston's air quality

	2005–06	2006–07	2007–08	2008–09
	\$'000	\$'000	\$'000	\$'000
Department of the Environment and Heritage	415	349	237	-

Used oil recycling - uptake of technologies*

	2005–06	2006–07	2007–08	2008–09
	\$'000	\$'000	\$'000	\$'000
Department of the Environment and Heritage	-	-	-	-

* The cost of this measure is being fully absorbed within existing resources of DEH.

National Recycling Telephone Hotline*

	2005–06	2006–07	2007–08	2008–09
	\$'000	\$'000	\$'000	\$'000
Department of the Environment and Heritage	-	-	-	-

* The cost of this measure is being fully absorbed within existing resources of DEH.

Green Stamp Programme *

	2005-06	2006-07	2007-08	2008-09
	\$'000	\$'000	\$'000	\$'000
Department of the Environment and Heritage	(183)	-	183	-

* The cost of this measure is being fully absorbed within existing resources of the DEH.

National Pollutant Inventory – continuation*

	2005-06	2006-07	2007-08	2008-09
	\$'000	\$'000	\$'000	\$'000
Department of the Environment and Heritage	-	-	-	-

* Provision of \$1.3 million per annum from 2005-06 to 2008-09 has already been included in the forward estimates.

Wildlife programme and biodiversity conservation responsibilities*

	2005-06	2006-07	2007-08	2008-09
	\$'000	\$'000	\$'000	\$'000
Department of the Environment and Heritage	-	-	-	-

* Provision of \$0.6 million per annum from 2005-06 to 2008-09 has already been included in the forward estimates.

Efficiency dividend – increase in the rate from 1 per cent to 1.25 per cent*

	2005-06	2006-07	2007-08	2008-09
	\$'000	\$'000	\$'000	\$'000
Department of the Environment and Heritage	(483)	(980)	(1,491)	(1,491)

* This is a cross portfolio measure and impacts on all agencies within the Environment and Heritage Portfolio (includes Director of National Parks).

Photovoltaic Rebate Programme – extension*

	2005–06	2006–07	2007–08	2008–09
	\$'000	\$'000	\$'000	\$'000
Department of the Environment and Heritage	-	-	-	-

* The cost of this measure is being fully absorbed within existing resources of the DEH.

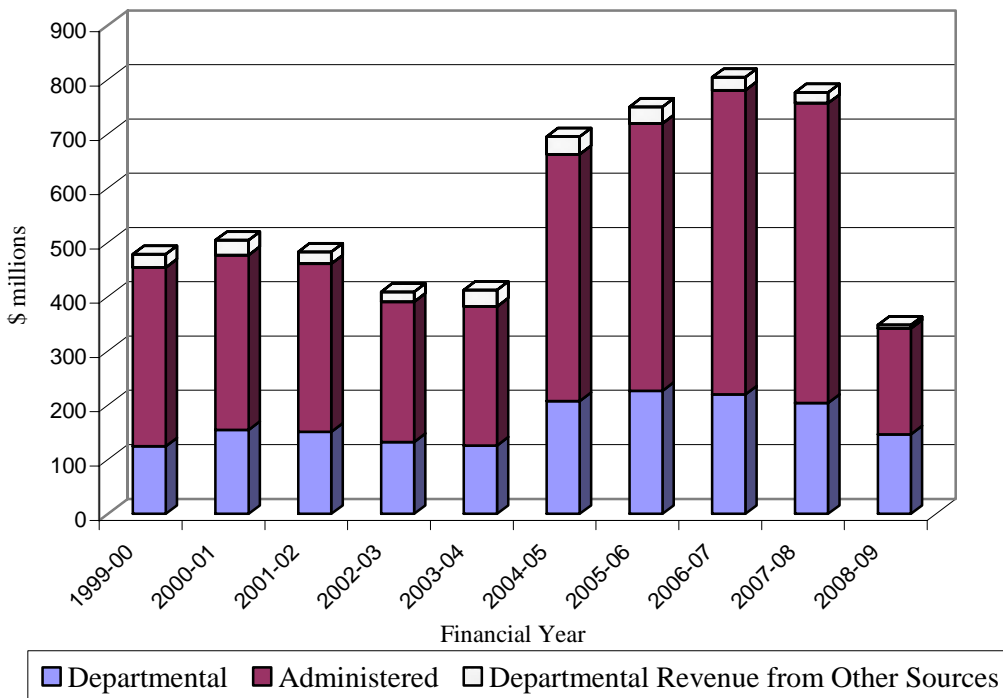
National Heritage Investment Initiative

	2005–06	2006–07	2007–08	2008–09
	\$'000	\$'000	\$'000	\$'000
Department of the Environment and Heritage	2,500	3,750	3,750	500

St Mary's Cathedral and the church of St Mary's Star of the Sea - restoration

	2005–06	2006–07	2007–08	2008–09
	\$'000	\$'000	\$'000	\$'000
Department of the Environment and Heritage	5,000	-	-	-

TRENDS IN RESOURCING FOR OUTCOME 1

CHART 1: TRENDS IN RESOURCES FOR OUTCOME 1 – Departmental Outputs, Administered Expenses and Departmental Revenue from Other Sources (\$m)

This graph shows the trend in resources allocated to Outcome 1 Environment over the period 1999-2000 to 2005-06, and the forward estimates through to 2008-09. The graph excludes funding for the National Oceans Office (NOO) between the 2001-02 and 2003-04 financial years and the Australian Greenhouse Office (AGO) for the financial years 1999-2000 to 2003-04. The NOO and the AGO operated as Executive Agencies under the *Public Service Act 1999* and as Prescribed Agencies under the *Financial Management and Accountability Act 1997*. The budget estimates for the NOO and the AGO have been incorporated into the DEH from 4 November 2004. In addition, funding for the Indigenous programme functions have been incorporated into the DEH from 1 July 2004.

Funding for the Natural Heritage Trust and Climate Change Strategy programmes ceases in 2007-08.

CHART 2: 2005–06 TOTAL REVENUE FOR OUTCOME 1

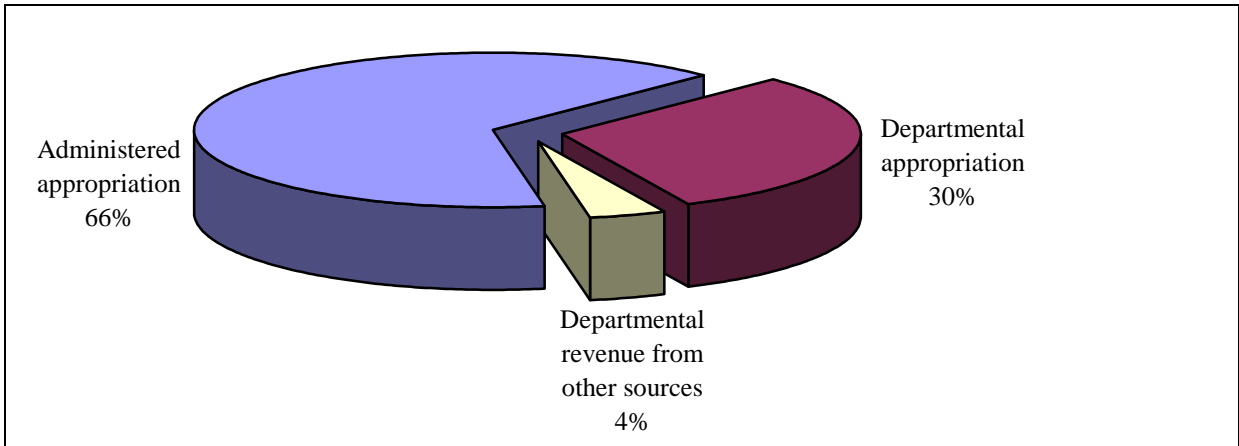


CHART 3: 2005–06 DEPARTMENTAL APPROPRIATION ACROSS OUTPUTS FOR OUTCOME 1

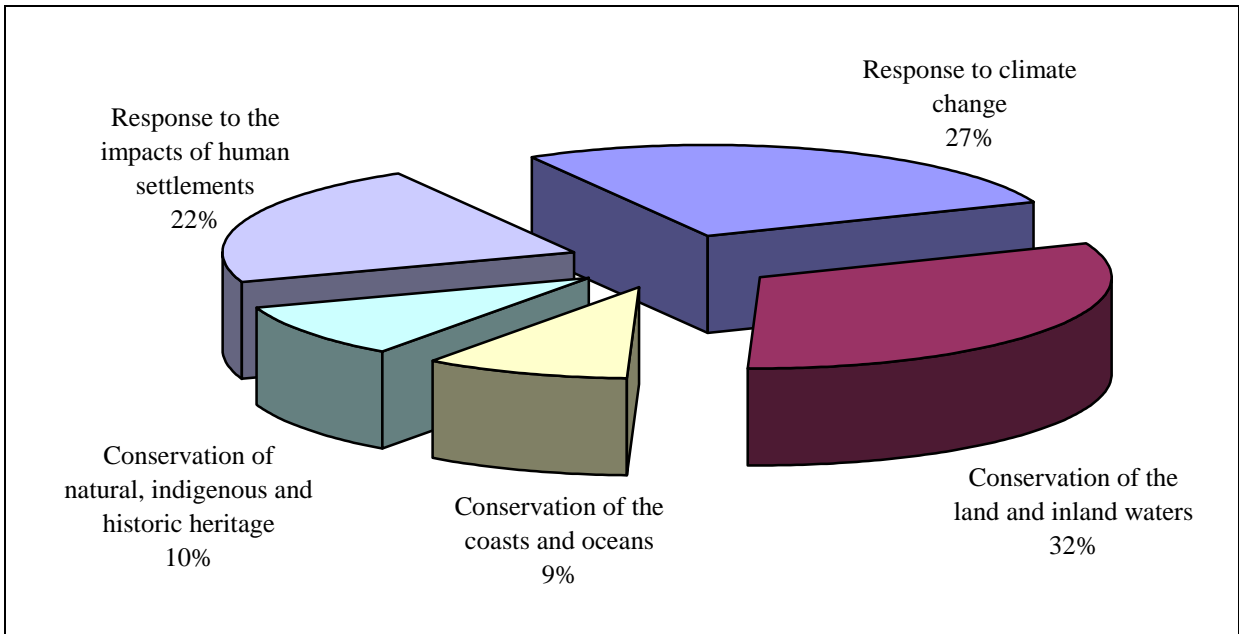
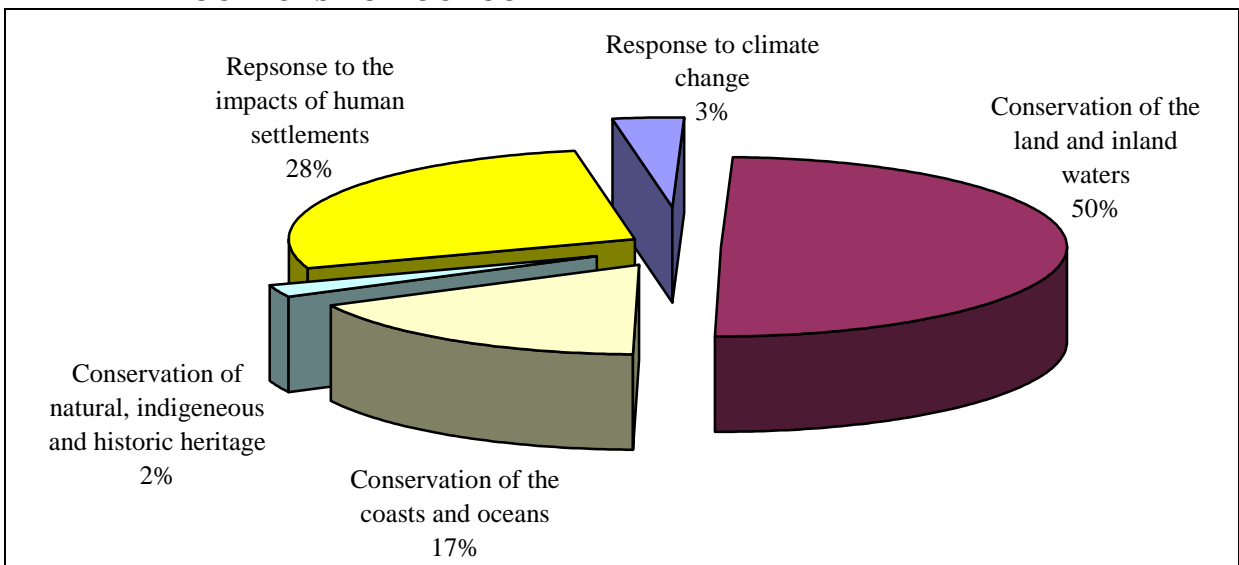


CHART 4: 2005–06 DEPARTMENTAL REVENUE FROM OTHER SOURCES ACROSS OUTPUTS FOR OUTCOME 1



PERFORMANCE INFORMATION FOR OUTCOME 1

The DEH reports on its performance in annual reports to the Minister for the Environment and Heritage and the Parliament, as required by the *Public Service Act 1999* and the *Financial Management and Accountability Act 1997*. Reporting will show inter-annual trends, where results are available.

The following caveats apply to reporting on the achievement of the outcome:

- external influences, including community behaviour and the actions of other levels of government, significantly affect the overall achievement of the outcome; and
- it may take many years to detect discernible changes. At present it is not feasible to monitor many key indicators of the condition of the environment on an annual basis. The DEH's main avenue for reporting on the condition of the environment is through State of the Environment reports, required every five years under the *Environment Protection and Biodiversity Conservation Act 1999* (see www.deh.gov.au/soe).

The Government remains committed to developing a robust and comprehensive global response to climate change. The performance information provided shows how Australia is progressing towards this objective. Long-term achievement will be measured by the improvement in Australia's greenhouse signature and the 2008–12 Kyoto target, accompanied by continuing strong economic growth.

The major sources of national investment in protecting and conserving the environment are the Natural Heritage Trust (Trust) and the National Action Plan for Salinity and Water Quality (NAP). The cross-jurisdictional Natural Resource Management Ministerial Council has developed a monitoring and evaluation framework for the Trust and the NAP, which acknowledges the long time scales involved in meeting environmental targets (see www.nrm.gov.au/monitoring). When the outcomes of the Trust funding become available, the DEH will report them in the annual reports on the operation of the *Natural Heritage Trust of Australia Act 1997*.

The DEH also publishes other annual reports on the operation of environment and heritage legislation. These other reports contain detailed performance for programmes administered under the *Environment Protection and Biodiversity Conservation Act 1999* and the Trust.

The DEH's annual reports and the other annual reports are available electronically at www.deh.gov.au/about/annual-report.

TABLE 3.2 – PERFORMANCE INFORMATION FOR OUTCOME 1**(A) Effectiveness – overall achievement of the outcome ^(a)**

Focus of work	Performance indicator
Climate change	
Greenhouse gas emissions	<p>Percentage of total emissions in Australia by sector: (i) stationary energy, (ii) transport, (iii) fugitive emissions, (iv) industrial processes, (v) agriculture, (vi) land use change and forestry, and (vii) waste</p> <p>Actual and projected greenhouse emissions in Australia (megatonnes of carbon dioxide equivalent) from 1990 base compared with business as usual</p>
Land and inland waters	
Recovery of threatened terrestrial wildlife ^(b)	<p>Number of recovery plans (i) being prepared and (ii) in operation</p> <p>Percentage of listed threatened terrestrial species and ecological communities with recovery plans in operation</p>
Key threats to terrestrial biodiversity ^(b)	<p>Number of threat abatement plans (i) being prepared or revised, and (ii) in operation</p> <p>Of those listed key threatening processes on the land that require a threat abatement plan, the percentage that have threat abatement plans in operation</p>
Native vegetation (including forests)	Percentage change in native vegetation cover, using the National Carbon Accounting System
Protected wetlands ^(b)	<p>Area of Ramsar-listed wetlands</p> <p>Percentage of Ramsar-listed wetlands with management plans in operation</p>
Parks and other terrestrial protected areas ^(c)	<p>Area of land protected and managed through the National Reserve System Programme, including area of declared Indigenous protected areas</p> <p>Percentage of protected areas (other than Indigenous protected areas) that have been gazetted</p>

^(a) Additional effectiveness indicators are listed for each administered item, including the Trust (below). Some of the indicators shown (e.g. numbers of plans, numbers of assessments) are proxy indicators for the environmental outcomes of departmental activities. It is not feasible to monitor all of the environmental outcomes of departmental activities on an annual basis. However the DEH publishes many reports that contain subject-specific information about the outcomes of particular projects.

^(b) Detailed performance results will appear in annual reports on the operation of the *Environment Protection and Biodiversity Conservation Act 1999*.

^(c) Detailed performance results for Commonwealth reserves will appear in annual reports of the Director of National Parks (DNP).

TABLE 3.2 – PERFORMANCE INFORMATION FOR OUTCOME 1 (continued)

Focus of work	Performance indicator
Coasts and oceans	
Estuaries and coastal waters	Number of water quality improvement plans and associated interim projects completed or under development Number of Australian Government obligations under the Great Barrier Reef Water Quality Protection Plan either completed or in progress ^(d)
Recovery of threatened marine wildlife ^(e)	Number of recovery plans (i) being prepared and (ii) in operation Percentage of listed threatened terrestrial species and ecological communities with recovery plans in operation
Key threats to marine biodiversity ^(e)	Number of threat abatement plans (i) being prepared or revised, and (ii) in operation Of those listed key threatening processes in the oceans that require a threat abatement plan, the percentage that have threat abatement plans in operation
Fisheries	Percentage of environmental recommendations implemented under the strategic assessments of fisheries management
Integrated management of the oceans	Percentage of environmental actions implemented under regional marine plans
Marine protected areas ^(f)	Area of Commonwealth reserves and conservation zones managed by the DEH for the DNP Percentage of protected areas managed by the DEH for the DNP with management plans in operation

^(d) Detailed performance results will appear in annual reports on the implementation of the Great Barrier Reef Water Quality Protection Plan.

^(e) Detailed performance results will appear in annual reports on the operation of the *Environment Protection and Biodiversity Conservation Act 1999*.

^(f) Detailed performance results for Commonwealth reserves will appear in annual reports of the DNP.

TABLE 3.2 – PERFORMANCE INFORMATION FOR OUTCOME 1 (continued)

Focus of work	Performance indicator
Heritage	
Protected heritage areas	<p>Number of nominations for heritage listing assessed and decisions taken on listing</p> <p>Total area and numbers of (i) world heritage areas, (ii) national heritage places, (iii) Commonwealth heritage places and (iv) areas declared for protection of Indigenous heritage</p> <p>Percentage of (i) world heritage areas, (ii) national heritage places and (iii) Commonwealth heritage places with management plans in operation</p>
Protected heritage objects ^(g)	Number of assessments of protected objects completed and decisions on protection

^(g) Detailed performance results will appear in annual reports on the operation of the *Protection of Movable Cultural Heritage Act 1986*.

TABLE 3.2 – PERFORMANCE INFORMATION FOR OUTCOME 1 (*continued*)

Focus of work	Performance indicator
Human settlements	
Environmental assessments ^(h)	Number of actions affecting matters protected by Part 3 of the <i>Environment Protection and Biodiversity Conservation Act 1999</i> whose adverse environmental impacts have been addressed
Air pollution	Number of occasions where concentrations of key air pollutants exceeded the standards for ambient air quality in major urban areas National Environment Protection Measures for air quality are implemented and reviewed to provide world best-practice in the protection of community health Australian Fuel Quality Standards are implemented, and further harmonised with international standards
Packaging waste ⁽ⁱ⁾	Number of company signatories to the National Packaging Covenant Agreement is reached by 2006 to phase out plastic bags by 2008
Waste oil ⁽ⁱ⁾	Number of waste oil collection facilities under the Product Stewardship for Oil Programme Area serviced by collection facilities
Ozone depleting substances ^(k)	Mass of imports compared to Montreal Protocol limits
Hazardous substances and new organisms	Number of environmental risk assessments of (i) industrial chemicals and (ii) agricultural pesticides and veterinary medicines completed Number of genetically modified organism release proposals for which environmental risk advice was prepared
Uranium mining ^(l)	Percentage measured as (i) median and (ii) maximum annual concentrations of the limit of uranium concentrations allowed downstream of the Ranger mine (5.8 micrograms per litre) Number of times limit exceeded

^(h) Detailed performance results will appear in annual reports on the operation of the *Environment Protection and Biodiversity Conservation Act 1999*.

⁽ⁱ⁾ Detailed performance results will appear in annual reports on the operation of the *National Environment Protection Council Act 1994* (these reports are submitted to the Parliament early in the calendar year).

^(j) Detailed performance results will appear in annual reports on the operation of the *Product Stewardship (Oil) Act 2000*.

^(k) Detailed performance results will appear in annual reports on the operation of the *Ozone Protection and Synthetic Greenhouse Gas Management Act 1989*.

^(l) Detailed performance results will appear in annual reports on the operation of the *Environment Protection (Alligator Rivers Region) Act 1978*.

TABLE 3.2 – PERFORMANCE INFORMATION FOR OUTCOME 1 (*continued*)**(B) Performance indicators for administered items including third party outputs** ^(m)

Administered items related to climate change ⁽ⁿ⁾	Performance indicator
Emissions management	
<i>Low Emissions Technology Demonstration Fund</i> <i>Effect</i>	Effectiveness of support for greenhouse response within sectors
Solar Cities	Reported abatement activity including emissions reductions and energy savings
Advanced Electricity Storage Technologies	Extent of engagement of key stakeholders
<i>Wind forecasting capability</i>	Extent of support for long-term low emission technology uptake
Action on Energy Efficiency	Estimated cost (Government funds) of greenhouse abatement (\$ per tonne)
<i>Challenge Plus</i>	
Local Greenhouse Action	
Low Emissions Technology and Abatement	
Greenhouse Gas Abatement Programme	<i>Quality</i> Reporting systems are appropriately targeted Risks to programme delivery identified and managed
Alternative Fuels Conversion Programme	
Renewable Remote Power Generation Programme	
Renewable Energy Commercialisation Programme	<i>Quantity</i> Investment dollars (or contributory funding) leveraged by projects and programmes from other parties
Photovoltaic Rebate Programme	
Renewable Energy Equity Fund	<i>Price</i> Refer Table 3.1 for 2005–06 Budget Estimates
Greenhouse Action to Enhance Sustainability in Regional Australia	

^(m) The table shows only those items receiving an appropriation for 2005–06.

⁽ⁿ⁾ Programmes listed under the headings ‘Emissions management’ and ‘Understanding of climate change’ share the adjacent indicators shown in the right hand column. The programmes shown in *italics* are funded entirely through Departmental Appropriations. The DEH will include these results when reporting on the performance of the administered items.

TABLE 3.2 – PERFORMANCE INFORMATION FOR OUTCOME 1 (*continued*)

Administered items related to climate change ^(o)		Performance indicator
International engagement		
Influencing International Climate Change Policy	<i>Effect</i>	Extent of influence in key international, regional and bilateral climate change processes on issues for which the DEH has lead responsibility
	<i>Quantity</i>	Number of initiatives delivered through key international, regional and bilateral processes
	<i>Price</i>	Refer Table 3.1 for 2005–06 Budget Estimates
Understanding of climate change		
Climate Change Science Programme	<i>Effect</i>	Investment dollars (or in-kind contribution) leveraged from other parties for climate change science priorities
<i>National Climate Change Adaptation Programme</i>		Extent to which climate change policy is integrated in national policies and programmes and inter-jurisdictional processes
<i>Emissions Measurement and Analysis</i>		Trends in community responses to key policy issues
<i>Strategic National Response</i>		Climate change publications that meet targeted stakeholder needs
	<i>Quality</i>	Comprehensiveness and timeliness of monitoring and public reporting on the implementation of programmes Development of consistent measurement of abatement across programmes
	<i>Quantity</i>	Number of reports and submissions made in accordance with national and international commitments and level of user interest
	<i>Price</i>	Refer Table 3.1 for 2005–06 Budget Estimates

^(o) The programmes shown in italics are funded entirely through Departmental Appropriations and are not administered items but the DEH will include their results when reporting on the performance of the administered items.

TABLE 3.2 – PERFORMANCE INFORMATION FOR OUTCOME 1 (*continued*)

Administered items related to land and inland waters		Performance indicator
Australian Biological Resources Study Participatory Grants Programme	<i>Effect</i>	Number of taxa revised or newly described under the programme
		Number of peer reviewed taxonomic information products produced or funded by the programme
	<i>Quality</i>	Percentage of payments that are consistent with the terms and conditions of funding (Target: 100%)
	<i>Quantity</i>	Number of projects funded
	<i>Price</i>	Refer Table 3.1 for 2005–06 Budget Estimates
Protecting Australia's Biodiversity Hotspots	<i>Quality</i>	Percentage of payments that are consistent with the terms and conditions of funding (Target: 100%)
	<i>Quantity</i>	Number of interventions to protect identified hotspots Number of projects funded
	<i>Price</i>	Refer Table 3.1 for 2005–06 Budget Estimates
Natural Heritage Trust (Landcare, Bushcare and Rivercare Programmes) ^(p)	<i>Effect</i>	Percentage of natural resource management regions that have an accredited natural resource management plan Percentage of natural resource management regions that have an approved investment strategy
	<i>Quality</i>	Percentage of payments that are consistent with the terms and conditions of funding (Target: 100%)
	<i>Quantity</i>	Number of projects funded
	<i>Price</i>	Refer Table 3.1 for 2005–06 Budget Estimates
Australian Government's Community Water Grants Programme	<i>Quality</i>	Percentage of payments that are consistent with the terms and conditions of funding (Target: 100%)
	<i>Quantity</i>	Number of projects funded
	<i>Price</i>	Refer Table 3.1 for 2005–06 Budget Estimates
Strengthening Tasmania – Tamar River Pylons	<i>Quality</i>	Percentage of payments that are consistent with the terms and conditions of funding (Target: 100%)
	<i>Price</i>	Refer Table 3.1 for 2005–06 Budget Estimates

^(p) Detailed performance results will appear in annual reports on the operation of the *Natural Heritage Trust of Australia Act 1997*. The Natural Heritage Trust funding is invested at three levels – national, regional and local. These levels accommodate the Landcare, Bushcare, Rivercare and Coastcare investment themes.

TABLE 3.2 – PERFORMANCE INFORMATION FOR OUTCOME 1 (*continued*)

Administered items related to coasts and oceans		Performance indicator
Great Barrier Reef – Representative Areas Programme Structural Adjustment Package (Package)	<i>Effect</i>	The Package measures are effective in assisting fishers, fishery related businesses and communities impacted by the rezoning of the Great Barrier Reef Marine Park
	<i>Quality</i>	Applications are processed and payments made to eligible recipients according to specified timeframes Full Business Restructuring Assistance (FBRA) applicants are provided with information to assist them in developing their applications. FBRA enables restructuring of business operations to assist them to manage the impacts of the rezoning
	<i>Quantity</i>	Number of payments made under each component of the Package
	<i>Price</i>	Refer Table 3.1 for 2005–06 Budget Estimates
Natural Heritage Trust (Coastcare Programme) ^(q)	<i>Effect</i>	(See the indicators for the Trust related to land and inland waters)
	<i>Quality</i>	Percentage of payments that are consistent with the terms and conditions of funding (Target: 100%)
	<i>Quantity</i>	Number of projects funded
	<i>Price</i>	Refer Table 3.1 for 2005–06 Budget Estimates
Development of Sewerage Schemes for Boat Harbour and Sisters Beach, Tasmania	<i>Effect</i>	Extent to which the project will achieve Government objectives
	<i>Quantity</i>	Number of milestones achieved compared with those specified in the contract
	<i>Price</i>	Refer Table 3.1 for 2005–06 Budget Estimates

Administered items related to heritage		Performance indicator
Grants-in-Aid – National Trust	<i>Effect</i>	Extent to which National Trust activities support the new National Heritage system
	<i>Quality</i>	Percentage of payments that are consistent with the terms and conditions of funding (Target: 100%)
	<i>Quantity</i>	Number of projects funded
	<i>Price</i>	Refer Table 3.1 for 2005–06 Budget Estimates

^(q)Detailed performance results will appear in annual reports on the operation of the *Natural Heritage Trust of Australia Act 1997*. Natural Heritage Trust funding is invested at three levels – national, regional and local. These levels accommodate the Landcare, Bushcare, Rivercare and Coastcare investment themes.

TABLE 3.2 – PERFORMANCE INFORMATION FOR OUTCOME 1 (*continued*)

Administered items related to heritage (<i>continued</i>)	Performance indicator	
Regional Natural Heritage Programme	<i>Effect</i>	Extent to which conservation of biodiversity hotspots in South–East Asia and the Pacific region is enhanced
	<i>Quality</i>	Percentage of payments that are consistent with the terms and conditions of funding (Target: 100%)
	<i>Quantity</i>	Number of projects funded
	<i>Price</i>	Refer Table 3.1 for 2005–06 Budget Estimates
Maintenance and Protection of Indigenous Heritage Programme	<i>Effect</i>	Extent to which support for Indigenous people increases the awareness and management of Indigenous heritage nationally
	<i>Quality</i>	Percentage of payments that are consistent with the terms and conditions of funding (Target: 100%)
	<i>Quantity</i>	Number of projects funded
	<i>Price</i>	Refer Table 3.1 for 2005–06 Budget Estimates
National Cultural Heritage Account	<i>Effect</i>	Extent to which the preservation of heritage objects is increased by assisting their acquisition by Australian collecting institutions
	<i>Quantity</i>	Number of objects acquired.
	<i>Price</i>	Refer Table 3.1 for 2005–06 Budget Estimates
Protecting Australia’s Biodiversity Hotspots (Daintree Conservation Initiative)	<i>Quality</i>	Extent to which recovery of the cassowary and protection of Daintree lowlands is improved
	<i>Quantity</i>	Number of cassowary conservation activities funded Number of rainforest conservation activities funded
	<i>Price</i>	Refer Table 3.1 for 2005–06 Budget Estimates
Strengthening Tasmania – Low Head Precinct	<i>Quality</i>	Percentage of payments that are consistent with the terms and conditions of funding (Target: 100%)
	<i>Price</i>	Refer Table 3.1 for 2005–06 Budget Estimates
National Heritage Investment Initiative	<i>Effect</i>	Extent to which conservation of places of outstanding heritage value to the nation is improved, particularly places on the National Heritage list
	<i>Quality</i>	Percentage of payments that are consistent with the terms and conditions of funding (Target: 100%)
	<i>Quantity</i>	Number of projects funded
	<i>Price</i>	Refer Table 3.1 for 2005–06 Budget Estimates

TABLE 3.2 – PERFORMANCE INFORMATION FOR OUTCOME 1 (*continued*)

Administered items related to heritage (<i>continued</i>)		Performance indicator
Churches and cathedrals	<i>Quality</i>	Percentage of payments that are consistent with the terms and conditions of funding (Target: 100%)
	<i>Quantity</i>	Number of projects funded
	<i>Price</i>	Refer Table 3.1 for 2005–06 Budget Estimates

Administered items related to human settlements		Performance indicator
Commonwealth Environment Research Facilities	<i>Effect</i>	The extent to which funded projects successfully contribute to furthering Australia's understanding of critical areas of environment research
	<i>Quality</i>	Percentage of projects delivered to a satisfactory standard in accordance with the terms and conditions of the project contract (Target: 100%)
	<i>Quantity</i>	Number of projects funded
	<i>Price</i>	Refer Table 3.1 for 2005–06 Budget Estimates
Commonwealth contribution to the National Environment Protection Council Service Corporation	<i>Quality</i>	Percentage of payments that are consistent with the terms and conditions of funding (Target: 100%)
	<i>Price</i>	Refer Table 3.1 for 2005–06 Budget Estimates
Ozone Protection and Synthetic Greenhouse Gas Account ^(r)	<i>Effect</i>	The Australian Government's obligations under the <i>Ozone Protection and Synthetic Greenhouse Gas Management Act 1989</i> (the Act) are met, including effective administration of the Act, management of the Halon Bank and programmes to phase out ozone depleting substances and minimise emissions of ozone depleting substances and synthetic greenhouse gas
	<i>Quality</i>	License and enforcement actions are undertaken within statutory timeframes
		Supplies of essential use halon are provided within the requested timeframe
		Number of facility inspections meets local ordinance requirements
	<i>Quantity</i>	Number of projects funded
<i>Price</i>	Refer Table 3.1 for 2005–06 Budget Estimates	

^(r) Detailed performance results will appear in annual reports on the operation of the *Ozone Protection and Synthetic Greenhouse Gas Management Act 1989*.

TABLE 3.2 – PERFORMANCE INFORMATION FOR OUTCOME 1 (*continued*)

Administered items related to human settlements (<i>continued</i>)		Performance indicator
Launceston's air quality	<i>Effect</i>	Reduction in particle emissions from industry facilities funded under the Tamar Clean Air Industry Programme
	<i>Price</i>	Refer Table 3.1 for 2005–06 Budget Estimates

(C) *Performance indicators for individual outputs*

Output		Performance indicator
For each output (see Table 1.1 (page 29) and Figure 4 (page 44))	<i>Quality</i>	<p>Policy advisor role The Minister is satisfied with the timeliness and accuracy of briefs and draft ministerial correspondence provided by the Department</p> <p>Provider role ^(s) Percentage of payments that are consistent with the terms and conditions of funding (Target: 100%)</p> <p>Regulator role Percentage of statutory timeframes triggered that are met (Target: >90%) ^(t)</p>
	<i>Price</i>	<p>1.1 – Response to climate change \$62.907m</p> <p>1.2 – Conservation of the land and inland waters \$87.183m</p> <p>1.3 – Conservation of the coasts and oceans \$26.160m</p> <p>1.4 – Conservation of natural, indigenous and historic heritage \$22.912m</p> <p>1.5 – Response to the impacts of human settlements \$58.336m</p>

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

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

CHANGES TO PERFORMANCE INDICATORS

DEH reviewed its performance indicators for this budget, taking experiences with annual reports into consideration, and using Department of Finance and Administration guidance (Performance Reporting Under Outcomes & Outputs) published at www.finance.gov.au.

The objective of this exercise was to:

- increase the proportion of indicators that report on effectiveness and efficiency, not just the volume of work processed, while recognising that capacity to infer environmental outcomes from departmental activity is limited;
- discontinue any indicators for which data is not routinely collected; and
- distinguish between effectiveness (outcomes achieved) and efficiency (the quality, quantity and cost of outputs).

The list of effectiveness indicators under each of the outcomes has been extended. The extended list provides broader coverage of key programmes and focuses on their effect on the environment, heritage and Australia's Antarctic interests.

The list of efficiency indicators under each output has been refined. The changes eliminate indicators of the volume of work processed in certain types of activity under each output, which could not be used to estimate efficiency, for example by calculating a cost-per-unit of production. The revised indicators focus on measuring the quality of departmental work based on available information.

EVALUATIONS FOR OUTCOME 1

There are no evaluations planned for 2005–06 for the DEH.

OUTCOME 2 RESOURCING

Table 3.1 shows how the 2005–06 Budget appropriations translate to total resourcing for Outcome 2, including administered expenses, revenue from Government (appropriation), revenue from other sources (departmental) and the total price of outputs.

TABLE 3.1 – TOTAL RESOURCES FOR OUTCOME 2

	Estimated Actuals 2004–05 \$'000	Budget Estimates 2005–06 \$'000
ADMINISTERED APPROPRIATION	-	-
ADMINISTERED SPECIAL ACCOUNTS	-	-
DEPARTMENTAL APPROPRIATIONS		
Output 2.1 – Antarctic Policy	28,968	31,679
Output 2.2 – Antarctic Science	57,504	62,884
TOTAL REVENUE FROM GOVERNMENT (Appropriation)	86,472	94,563
<i>Contributing to Price of Departmental Output</i>	<i>98.9%</i>	<i>99.0%</i>
REVENUE FROM OTHER SOURCES		
Output 2.1 – Antarctic Policy	308	308
Output 2.2 – Antarctic Science	611	611
TOTAL REVENUE FROM OTHER SOURCES	919	919
TOTAL PRICE OF DEPARTMENTAL OUTPUTS	87,391	95,482
DEPARTMENTAL SPECIAL ACCOUNTS	-	-
TOTAL ESTIMATED RESOURCING FOR OUTCOME 2	87,391	95,482
AVERAGE STAFFING LEVEL (NUMBER)	392.0	392.0

MEASURES AFFECTING OUTCOME 2

Measures affecting Antarctic (as reflected in Budget Paper 2) outcome 2 are listed below:

Australia–Antarctica Airlink *

	2005–06	2006–07	2007–08	2008–09
	\$'000	\$'000	\$'000	\$'000
Department of the Environment and Heritage	6,820	10,669	10,858	10,989

* Excludes funding for depreciation (\$0.581m for 2005–06, \$0.774m for 2006–07, \$0.764m for 2007–08 and \$0.711m for 2008–09) that will be met through departmental output appropriation (Appropriation Bill No.1).

Australia–Antarctica Airlink – equity injection

	2005–06	2006–07	2007–08	2008–09
	\$'000	\$'000	\$'000	\$'000
Department of the Environment and Heritage	4,805	2,195	-	-

Efficiency dividend – increase in the rate from 1 per cent to 1.25 per cent*

	2005–06	2006–07	2007–08	2008–09
	\$'000	\$'000	\$'000	\$'000
Antarctic	(218)	(440)	(664)	(664)

* This is a cross portfolio measure and impacts on all agencies within the Environment and Heritage Portfolio.

PERFORMANCE INFORMATION FOR OUTCOME 2**TABLE 3.2 – PERFORMANCE INFORMATION FOR OUTCOME 2****(A) Effectiveness – overall achievement of the outcome**

Antarctic policy	
Antarctic Treaty System	The degree to which Australia's policy interests are advanced through international forums, particularly: (i) the Antarctic Treaty Consultative Meetings; (ii) the Commission for the Conservation of Antarctic Marine Living Resources; and (iii) the Committee for Environmental Protection
Illegal, unregulated and unreported fishing	The extent of Australia's impact within the Commission for the Conservation of Antarctic Marine Living Resources on measures to combat illegal fishing for toothfish
International seabird conservation	The extent of Australia's impact in changing fishery practices, including reduction in the number of albatrosses caught by fishing gear
International whaling	The degree to which Australia's policy interests are advanced through the International Whaling Commission
Protecting the Antarctic Environment	No outbreaks of introduced diseases, pests or weeds Number and extent of oil spills and remediation action taken Number of environmental impact assessments: (i) completed by the Department; and (ii) submitted by third parties and assessed by the Department Percentage of completed environmental impact assessments that are subsequently audited under Australia's Antarctic Environmental Management System

TABLE 3.2 – PERFORMANCE INFORMATION FOR OUTCOME 2 (continued)

Antarctic science	
Support for Antarctic science	Successful completion of the elements of the Antarctic Science Strategy 2004/05 – 2008/09 Number of peer-reviewed scientific papers produced by scientists participating in the Antarctic science programme Number of scientists active in Antarctica and the Southern Ocean

(B) Performance indicators for administered items including third party outputs

There are no administered items for this outcome.

(C) Performance indicators for individual outputs

Both outputs (see Table 1.1 and Figure 4)	<i>Quality</i>	<i>Policy advisor role</i> The Minister is satisfied with the timeliness and accuracy of briefs and draft ministerial correspondence provided by the DEH <i>Provider role</i> ^(a) Percentage of payments that are consistent with the terms and conditions of funding (Target: 100%) Percentage of participants in the Australian Antarctic programme whose participation is consistent with the terms and conditions of logistic support (Target: 100%)
	<i>Price</i>	2.1 Antarctic Policy \$31.987 million 2.2 Antarctic Science \$63.495 million

CHANGES TO PERFORMANCE INDICATORS

See the explanation at the end of Table 3.2 (under Outcome 1, Page 70).

3.6: EVALUATIONS FOR OUTCOME 2

There are no evaluations planned for 2005–06 for Outcome 2.

^(a) Applies to the administration of grants programmes funded entirely from the appropriation for the output.

Section 4: Other Reporting Requirements

4.1: PURCHASER-PROVIDER ARRANGEMENTS

**DEPARTMENT OF THE ENVIRONMENT AND HERITAGE
DEPARTMENT OF AGRICULTURE, FISHERIES AND FORESTRY
NATURAL HERITAGE TRUST**

CROSS AGENCY OVERVIEW

The Australian Government has provided over \$1.3 billion to extend the Natural Heritage Trust (Trust) for six years from 2002-03 to 2007-08. The 2005-06 Budget provides for expenditure of \$310.0 million for the Trust in 2005-06.

The Departments of the Environment and Heritage (DEH) and Agriculture, Fisheries and Forestry (DAFF) have a cross-portfolio arrangement to administer the Trust. The Trust expenditure package is a \$3 billion investment which is promoting an integrated long-term approach to the conservation and sustainable management of Australia's land, water, native vegetation and biodiversity.

The Trust has three overarching objectives. These are:

- i. biodiversity Conservation – the conservation of Australia's biodiversity through the protection and restoration of terrestrial, freshwater, estuarine and marine ecosystems and habitat for native plants and animals;
- ii. sustainable Use of Natural Resources – the sustainable use and management of Australia's land, water and marine resources to maintain and improve the productivity and profitability of resource based industries; and
- iii. community Capacity Building and Institutional Change – support for individuals, landholders, industry and communities with skills, knowledge, information and institutional frameworks to promote biodiversity conservation and sustainable resource use and management.

RESPONSIBILITY

The Minister for the Environment and Heritage and the Minister for Agriculture, Fisheries and Forestry jointly determine policy and major funding allocations from within the Trust.

The DEH and the DAFF have established a cross-portfolio unit, the Australian Government Natural Resource Management Team, to jointly implement the Trust.

CONTROL ARRANGEMENTS

The DEH and the DAFF are jointly responsible for the administration of the Trust, through the joint Australian Government Natural Resource Management Team.

RESOURCING

All the Trust's financial resources are included in the agency report of the Environment and Heritage portfolio.

Total funding for the Trust in 2005–06 is \$310.0 million. The DEH will provide to the DAFF (through Section 31 of the *Financial Management and Accountability Act 1997*) \$7.6 million in 2005–06 to fund the administration costs incurred in implementing the Trust.

PERFORMANCE AGAINST OUTCOMES AND OUTPUTS

Quantity

- All investments approved by Ministers in 2005–06 are provided with funding, in accordance with Trust accountability and acquittal procedures, to meet the Trust's objectives.
- The number of investment strategies that are prepared, evaluated and for which funding is agreed and specified in Financial agreements. The number of individuals/community groups supported through Australian Government Envirofund grants. The number of on-ground actions funded by the Trust.

Quality

- Investment strategies reflect agreed priorities and delivery arrangements for the Trust.
- Integrated Natural Resource Management Regional Plans meet agreed accreditation criteria.

Efficiency

- The administration of the Trust is consistent with comparable grants and natural resource management programmes.
- A monitoring and evaluation strategy is in place at each level of the Trust delivery framework.

**DEPARTMENT OF THE ENVIRONMENT AND HERITAGE
DEPARTMENT OF AGRICULTURE, FISHERIES AND FORESTRY
NATIONAL ACTION PLAN FOR SALINITY AND WATER QUALITY**

The DEH and the DAFF have a cross–portfolio arrangement in respect of the administration of the National Action Plan Salinity and Water Quality (NAP). The NAP is a \$1.4 billion Commonwealth–State Territory programme that, over eight years, will continue to fund the development of integrated regional/catchment natural resource management plans and implementation of targeted high priority actions to address salinity, particularly dryland salinity, and deteriorating water quality in priority regions across Australia.

The goal of the NAP is to motivate and enable regional communities to use coordinated and targeted action to:

- prevent, stabilise and reverse trends in salinity, particularly dryland salinity, affecting the sustainability of production, conservation of biological diversity and the viability of our infrastructure; and
- improve water quality and secure reliable allocations for human uses, industry and the environment.

RESPONSIBILITY

The Minister for Environment and Heritage and the Minister for Agriculture, Fisheries and Forestry jointly determine policy and major funding allocations from within the NAP.

The DEH and the DAFF have established a cross–portfolio unit, the Australian Government Natural Resource Management Team, to jointly implement the NAP.

CONTROL ARRANGEMENTS

The DEH and the DAFF are jointly responsible for the administration of the NAP, through the joint Australian Government Natural Resource Management Team.

RESOURCING

Total funding for the NAP in 2005–06 is \$172.4 million which will be appropriated directly to the DAFF. The DAFF will provide to the DEH (through Section 31 of the *Financial Management and Accountability Act 1997*) \$1.048 million in 2005–06 to fund the administration costs incurred in implementing the NAP.

PERFORMANCE AGAINST OUTCOMES AND OUTPUTS

Quantity

- The number of investment strategies that are prepared, evaluated and for which funding is agreed and specified in Financial agreements.
- Strategic arrangements are in place and being implemented for the non–regional elements of the NAP.

Quality

- Investment strategies reflect agreed priorities and delivery arrangements for the NAP.
- The non–regional activities supported through the NAP meet priority needs defined in strategic arrangements.

Efficiency

A monitoring and evaluation strategy is in place for NAP delivery in each State and Territory. The administration of the NAP is consistent with comparable grants and natural resource management programmes.

DEPARTMENT OF THE ENVIRONMENT AND HERITAGE DIRECTOR OF NATIONAL PARKS
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CROSS AGENCY OVERVIEW

The DEH has a purchaser–provider arrangement for the provision of corporate services under a Memorandum of Understanding with the Director of National Parks (DNP).

The Secretary of the DEH allocates funds to the DNP for the outcome: conservation and appreciation of Commonwealth reserves.

RESPONSIBILITY

The Secretary of the DEH is responsible for ensuring that the funds appropriated for the purchase of the DNP’s outputs are provided to the Australian National Parks Fund. The DNP is responsible to the Minister for the Environment and Heritage and the Parliamentary Secretary to the Minister for the Environment and Heritage.

CONTROL ARRANGEMENTS

The DNP is a Commonwealth authority and is subject to the *Commonwealth Authorities and Companies Act 1997*.

RESOURCING

The DEH funding to the DNP in 2005–06 is \$40.808 million.

PERFORMANCE AGAINST OUTCOMES AND OUTPUTS

Refer to the DNP Section of this document, page 188.

**DEPARTMENT OF THE ENVIRONMENT AND HERITAGE
OFFICE OF THE RENEWABLE ENERGY REGULATOR**

CROSS AGENCY OVERVIEW

The DEH has a cross agency agreement with the Office of the Renewable Energy Regulator (ORER) whereby the DEH provides a range of corporate services on a commercial basis.

RESPONSIBILITY

The Secretary of the DEH is responsible for ensuring that the agreed transactional corporate services are provided to the ORER.

CONTROL ARRANGEMENTS

The DEH is subject to the provisions of *Financial Management and Accountability Act 1997*.

PERFORMANCE AGAINST OUTCOMES AND OUTPUTS

Refer to ORER Section of the document, page 156.

4.2: COST RECOVERY ARRANGEMENTS

SUMMARY OF COST RECOVERY IMPACT STATEMENT

The DEH is committed to implementing the Australian Government's formal cost recovery policy. In accordance with this policy the DEH will adhere to the Australian Government's cost recovery guidelines when:

- undertaking reviews consistent with the Australian Government's five-year review schedule for existing cost recovery arrangements;
- new cost recovery arrangements are proposed;
- significant amendments to existing arrangements are being considered; and
- periodic reviews of cost recovery arrangements are required.

Summaries of Cost Recovery Impact Statements completed in 2004–05 are outlined as follows:

End-use regulations for refrigeration and air-conditioning industries under the *Ozone Protection and Synthetic Greenhouse Gas Management Act 1989*

The *Ozone Protection and Synthetic Greenhouse Gas Management Act 1989* introduced a power for the Australian Government to create regulations for the sale, purchase, storage, use or handling of ozone depleting substances (ODS) and synthetic greenhouse gases (SGG). The *Ozone Protection and Synthetic Greenhouse Gas Management Amendment Regulations 2004 (No. 2)* came in to effect on 1 January 2005.

Refrigeration and air-conditioning tradespeople including automotive technicians, persons installing split system domestic air conditioners and people wholesaling refrigerant gas, will be required to have a licence. Additionally, organisations that wish to buy and sell ODS and SGG for use in the refrigeration and air-conditioning industries must hold an authorisation for this.

The new national licensing system will replace State and Territory licensing systems, except in Queensland where no compatible system is in place. The charges will be set at either the same or at a lower level than the existing charges. In addition, technicians that operate across State and Territory borders will require only one national licence or authorisation instead of one in each State and Territory, as well as not being required to be reassessed and relicensed upon moving within Australia.

Imposing cost recovery charges on the businesses and individuals that will be the subject of the regulation is the most cost effective way of recovering costs for these activities. These fees will be recovered by charging an application fee for each licence and authorisation. The scheme proposes a flat rate fee for refrigerant handling licences of \$100 over two years and a flat fee for refrigerant trading authorisations of \$320 over two years. There are approximately 50,000 tradespersons in Australia that will require a licence under this scheme and approximately 15,000 businesses that will require an authorisation. The total revenue expected to be received by the Commonwealth is \$4.92 million.

Water Efficiency Labelling and Standards Scheme Cost Recovery Impact Statement Summary

Objective

The Australian Government is introducing a cost recovery arrangement to place the mandatory national Water Efficiency Labelling and Standards (WELS) Scheme on a long-term sustainable funding platform. The WELS Scheme was announced by the Australian Government in the 2003–04 Budget as part of the Urban Environment initiative. This scheme will inform consumers about the amount of water used by water-consuming devices (eg clothes washing machines) and establish minimum performance requirements.

Description

A single five-year fee of \$1,500 will be charged to manufacturers when registering their products and renewing licenses with the Australian Government Regulator. Initially these products will include clothes washing machines, dishwashers, toilets, showers, taps and urinal systems.

Justification

The new arrangements are efficient and cost effective. Consumers will benefit from knowing the water efficiency of their purchases and also from the information and technical support that will be available through the WELS Scheme.

Legislative Authority

The *Water Efficiency Labelling and Standards Act 2005* includes the provisions for the imposition of fees and charges through regulations.

Review Date

The Australian Government Regulator, in consultation with a State and Territory advisory committee, will review the fees and the costs of administering the WELS Scheme annually. An additional independent review will also be conducted every five years. The WELS Scheme has been approved under the Australian Government's Cost Recovery Policy.

4.3: AUSTRALIAN GOVERNMENT INDIGENOUS EXPENDITURE

Please refer to the Portfolio Table 1: Australian Government Indigenous Expenditure in the Portfolio Overview Section, page 21.

Section 5: Budgeted Financial Statements

5.1: ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

An analysis of the Department of Environment and Heritage (DEH) budgeted financial statements, as reflected in the DEH budgeted departmental financial statements and administered schedules for 2005–06, is provided below.

Budgeted Departmental Statement of Financial Performance

Total departmental revenue in 2005–06 is estimated to be \$352.980 million, a net increase of \$25.035 million from the 2004–05 estimated actual of \$327.945 million. This is represented by an increase in revenues from government of \$26.991 million and a reduction in goods and services revenue of \$1.956 million.

The increase in revenues from government and expenses primarily relates to funding for new measures announced in the 2005–06 Budget. Refer 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 relates to funding for the Climate Change Strategy and the Natural Heritage Trust (Trust) programmes which cease in 2007–08.

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

Budgeted Departmental Statement of Financial Position

The DEH budgeted net asset position of \$291.932 million in 2005–06 represents an increase of \$9.728 million from the 2004–05 estimated actual of \$282.204 million.

Schedule of Budgeted Revenues and Expenses Administered on behalf of Government

Taxation revenue collected under the *Ozone Protection and Synthetic Greenhouse Gas (Import Levy) Act 1995* is expected to remain at a similar level in 2005–06 as 2004–05. The fluctuating nature of the non-taxation revenue is mainly due to the biennial nature of fees collected for licence applications under the *Ozone Protection and Synthetic Greenhouse Gas Management Act 1989*.

Compared to 2004–05, the net increase to administered expenses of \$37.550 million in 2005–06 primarily relates to funding for the Australian Government’s Community Water Grants programme provided in the 2004–05 Additional Estimates process and measures received in the 2005–06 Budget.

Schedule of Budgeted Assets and Liabilities Administered on behalf of Government

The principle administered assets comprise the DEH 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 2001–02.

5.2: BUDGETED FINANCIAL STATEMENTS TABLES

TABLE 5.1 – BUDGETED DEPARTMENTAL STATEMENT OF FINANCIAL PERFORMANCE
(for the period ended 30 June 2006)

		Estimated Actual 2004–05	Budget Estimate 2005–06	FORWARD ESTIMATES		
	<i>Note</i>	\$'000	\$'000	2006–07	2007–08	2008–09
				\$'000	\$'000	\$'000
REVENUES FROM ORDINARY ACTIVITIES						
Revenues from Government	1	294,447	321,438	319,887	305,316	248,573
Goods and services	2	33,133	31,187	24,185	20,514	7,035
Other		365	355	355	355	355
Total revenues from ordinary activities		327,945	352,980	344,427	326,185	255,963
EXPENSES FROM ORDINARY ACTIVITIES 1, 2						
(excluding borrowing costs expense)						
Employees		115,385	119,380	117,594	110,497	84,408
Suppliers		135,248	152,733	147,184	143,035	105,201
Grants	3	55,374	53,911	53,891	46,943	41,610
Depreciation and amortisation		23,840	24,606	24,795	24,747	24,656
Write-down of assets and impairment of assets		68	68	68	68	68
Other		20	20	20	20	20
Total expenses from ordinary activities (excluding borrowing costs expense)		329,935	350,718	343,552	325,310	255,963
Borrowing cost expense	4	180	123	64	-	-
Operating Surplus or (deficit) from ordinary activities		(2,170)	2,139	811	875	-
Gain or (loss) on extraordinary items		-	-	-	-	-
Net Surplus or (deficit) attributable to the Australian Government		(2,170)	2,139	811	875	-
Net credit or (debit) to asset revaluation reserve		4,040	4,040	4,040	-	-
Total changes in equity other than those resulting from transactions with owners as owners		1,870	6,179	4,851	875	-

TABLE 5.2 – BUDGETED DEPARTMENTAL STATEMENT OF FINANCIAL POSITION (as at 30 June 2006)

	Estimated Actual <i>Note</i>	Budget Estimate 2005–06	FORWARD ESTIMATES		
			2006–07	2007–08	2008–09
	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS					
Financial Assets					
Cash	9,304	8,997	10,160	10,149	6,965
Receivables	36,362	43,634	49,584	60,921	75,913
Accrued revenues	754	768	782	782	782
Other financial assets	23	23	23	23	23
Total financial assets	46,443	53,422	60,549	71,875	83,683
Non-financial assets					
Land and buildings	195,513	193,177	190,467	183,251	176,035
Infrastructure, plant and equipment	101,470	100,579	97,403	92,598	87,846
Inventories	8,650	8,787	8,987	9,217	9,452
Intangibles	8,230	8,586	8,945	9,252	9,597
Other non-financial assets	743	817	893	926	646
Total non-financial assets	314,606	311,946	306,695	295,244	283,576
Total assets	361,049	365,368	367,244	367,119	367,259
LIABILITIES					
Interest bearing liabilities					
Loans	4	3,065	2,102	1,082	-
Other		704	704	704	704
Total interest bearing liabilities		3,769	2,806	1,786	704
Provisions					
Employees		36,938	37,289	37,822	37,962
Other provisions		33,484	28,884	24,284	24,284
Total provisions		70,422	66,173	62,106	62,386
Payables					
Suppliers		4,286	4,147	4,147	4,147
Other Payables		368	310	227	169
Total payables		4,654	4,457	4,374	4,316
Total liabilities		78,845	73,436	68,266	67,406

TABLE 5.2 – BUDGETED DEPARTMENTAL STATEMENT OF FINANCIAL POSITION *(continued)*
(as at 30 June 2006)

	Estimated Actual	Budget Estimate	FORWARD ESTIMATES		
<i>Note</i>	2004–05	2005–06	2006–07	2007–08	2008–09
	\$'000	\$'000	\$'000	\$'000	\$'000
EQUITY [*]					
Parent entity interest					
Contributed equity	14,446	19,251	21,446	21,446	21,446
Reserves	133,048	137,088	141,128	141,128	141,128
Retained surpluses or accumulated deficits	134,710	135,593	136,404	137,279	137,279
Total parent entity interest	282,204	291,932	298,978	299,853	299,853
Total equity	282,204	291,932	298,978	299,853	299,853
Current assets	55,093	62,209	69,536	81,092	93,135
Non-current assets	305,956	303,159	297,708	286,027	274,124
Current liabilities	20,235	20,295	20,665	23,271	20,887
Non-current liabilities	58,610	53,141	47,601	43,995	46,519

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

TABLE 5.3 – BUDGETED DEPARTMENTAL STATEMENT OF CASH FLOWS
(for the period ended 30 June 2006)

	Estimated Actual	Budget Estimate	FORWARD ESTIMATES		
<i>Note</i>	2004–05	2005–06	2006–07	2007–08	2008–09
	\$'000	\$'000	\$'000	\$'000	\$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	274,663	314,563	314,327	294,269	230,762
Goods and services	2 34,107	30,761	23,760	20,224	7,712
Other	3,758	3,316	3,301	3,301	5,443
Total cash received	312,528	348,640	341,388	317,794	243,917
Cash used					
Employees	112,423	119,029	117,061	110,357	84,268
Suppliers	143,758	157,761	152,142	143,376	105,176
Grants	3 56,141	53,911	53,891	46,943	41,610
Other	4,097	4,182	3,010	2,946	2,946
Total cash used	316,419	334,883	326,104	303,622	234,000
Net cash from or (used by) operating activities	(3,891)	13,757	15,284	14,172	9,917
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	15,163	17,838	15,228	13,033	13,033
Other	68	68	68	68	68
Total cash used	15,231	17,906	15,296	13,101	13,101
Net cash from or (used by) investing activities	(15,231)	(17,906)	(15,296)	(13,101)	(13,101)

TABLE 5.3 – BUDGETED DEPARTMENTAL STATEMENT OF CASH FLOWS
(continued)
(for the period ended 30 June 2006)

	Estimated Actual <i>Note</i> 2004–05	Budget Estimate 2005–06	FORWARD ESTIMATES		
	\$'000	\$'000	2006–07	2007–08	2008–09
			\$'000	\$'000	\$'000
FINANCING ACTIVITIES					
Cash received					
Appropriations – contributed equity		4,805	2,195		
Other	22,407	-	-	-	-
Total cash received	22,407	4,805	2,195	0	0
Cash used					
Repayment of debt	4 909	963	1,020	1,082	-
Total cash used	909	963	1,020	1,082	-
Net cash from or (used by) financing activities	21,498	3,842	1,175	(1,082)	-
Net increase or (decrease) in cash held	2,376	(307)	1,163	(11)	(3,184)
Cash at the beginning of the reporting period	6,928	9,304	8,997	10,160	10,149
Cash at the end of the reporting period	9,304	8,997	10,160	10,149	6,965

TABLE 5.4 – DEPARTMENTAL CAPITAL BUDGET STATEMENT

	Estimated	Budget	FORWARD		
	Actual	Estimate	ESTIMATES		
<i>Note</i>	2004–05	2005–06	2006–07	2007–08	2008–09
	\$'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–finance 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	15,163	13,033	13,033	13,033	13,033
Total	15,163	17,838	15,228	13,033	13,033

TABLE 5.5 – 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	1,008		229,112	140,708		15,588	2,600	389,016
Accumulated depreciation			(34,608)	(39,238)		(8,732)	(1,225)	(83,803)
Opening net book value	1,008	-	194,504	101,470	-	6,856	1,375	305,213
Additions:								
By purchase			5,360	11,028		1,450		17,838
By finance lease								-
From acquisitions of entities or operations (including restructuring)								-
Net revaluation increment/decrement	26		3,155	806		52	1	4,040
Reclassifications								-
Depreciation/amortisation expense			(10,876)	(12,582)		(1,131)	(17)	(24,606)
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	1,034		237,627	152,399		17,090	2,601	410,751
Accumulated depreciation	0		(45,484)	(51,820)		(9,863)	(1,242)	(108,409)
Closing net book value	1,034	-	192,143	100,579	-	7,227	1,359	302,342

**TABLE 5.6 – SCHEDULE OF BUDGETED REVENUES AND EXPENSES
ADMINISTERED ON BEHALF OF GOVERNMENT
(for the period ended 30 June 2006)**

		Estimated Actual 2004–05	Budget Estimate 2005–06	FORWARD ESTIMATES		
	<i>Note</i>	\$'000	\$'000	2006–07	2007–08	2008–09
				\$'000	\$'000	\$'000
REVENUES ADMINISTERED ON BEHALF OF GOVERNMENT						
Taxation						
Other taxes, fees and fines	5	1,300	1,339	1,379	1,420	1,463
Total Taxation		1,300	1,339	1,379	1,420	1,463
Non-taxation (revenue from Government)						
Goods and services		1,951	2,359	989	2,249	949
Interest		5	4	3	1	-
Other sources of non-taxation revenues		9,000	9,000	9,000	9,000	9,000
Total non-taxation	6	10,956	11,363	9,992	11,250	9,949
Total revenues administered on behalf of the Government		12,256	12,702	11,371	12,670	11,412
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT						
Grants	7	395,535	432,070	499,392	482,730	194,874
Suppliers	8	46,000	46,000	46,000	46,000	-
Other	8	2,265	3,280	3,280	3,600	3,600
Total expenses administered on behalf of the Government		443,800	481,350	548,672	532,330	198,474

TABLE 5.7 – SCHEDULE OF BUDGETED ASSETS AND LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT (as at 30 June 2006)

	Estimated	Budget	FORWARD		
	Actual	Estimate	ESTIMATES		
<i>Note</i>	2004–05	2005–06	2006–07	2007–08	2008–09
	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash	1	1	1	1	1
Receivables	6,804	6,794	6,783	6,774	6,769
Investments under the equity method	118,301	118,301	118,301	118,301	118,301
Accrued revenues	441	441	441	441	441
Other financial assets	74	74	74	74	74
Total financial assets	125,621	125,611	125,600	125,591	125,586
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
Total non-financial assets	6,413	6,413	6,413	6,413	6,413
Total assets administered on behalf of the Government	132,034	132,024	132,013	132,004	131,999
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Payables					
Suppliers	3,027	3,027	3,027	3,027	3,027
Grants and subsidies	32,720	32,720	32,720	32,720	32,720
Other payables	7,684	7,684	7,684	7,684	7,684
Total payables	43,431	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 5.8 – SCHEDULE OF BUDGETED ADMINISTERED CASH FLOWS
(for the period ended 30 June 2006)

		Estimated Actual 2004–05 \$'000	Budget Estimate 2005–06 \$'000	FORWARD ESTIMATES		
	<i>Note</i>			2006–07 \$'000	2007–08 \$'000	2008–09 \$'000
OPERATING ACTIVITIES						
Cash received						
Other taxes, fees and fines	5	1,300	1,339	1,379	1,420	1,463
Rendering of services		1,951	2,359	989	2,249	949
Interest		5	4	3	1	-
Other	6	16,650	16,650	16,650	16,650	9,150
Total cash received		19,906	20,352	19,021	20,320	11,562
Cash used						
Grant payments	7	395,535	432,070	499,392	482,730	194,874
Suppliers	8	46,000	46,000	46,000	46,000	-
Other	8	9,915	10,930	10,930	11,250	3,750
Total cash used		451,450	489,000	556,322	539,980	198,624
Net cash from or (used by) operating activities		(431,544)	(468,648)	(537,301)	(519,660)	(187,062)
INVESTING ACTIVITIES						
Cash received						
Other		8	10	11	9	5
Total cash received		8	10	11	9	5
Net cash from or (used by) investing activities		8	10	11	9	5
Net increase or (decrease) in cash held		(431,536)	(468,638)	(537,290)	(519,651)	(187,057)

TABLE 5.8 – SCHEDULE OF BUDGETED ADMINISTERED CASH FLOWS *(continued)*
(for the period ended 30 June 2006)

	Estimated Actual <i>Note</i>	Budget Estimate 2005–06	FORWARD ESTIMATES			
	2004–05	2005–06	2006–07	2007–08	2008–09	
	\$'000	\$'000	\$'000	\$'000	\$'000	
Cash at the beginning of the reporting period	1	1	1	1	1	
Cash from Official Public Account for						
Appropriations	9	131,350	167,888	245,392	228,730	194,874
Special accounts	9	312,450	313,462	303,280	303,600	3,600
Cash to Official Public Account for						
Appropriations	10	7,900	7,900	7,900	7,900	7,900
Special accounts	10	4,364	4,812	3,482	4,779	3,517
Cash at the end of the reporting period	1	1	1	1	1	

TABLE 5.9 – SCHEDULE OF ADMINISTERED CAPITAL BUDGET

The DEH has not been appropriated any Administered Capital in 2005–06.

**TABLE 5.10 – SCHEDULE OF 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			4,750	1,271				6,021
Accumulated depreciation								
Opening net book value	-	-	4,750	1,271	-	-	-	6,021
Additions:								
By purchase								-
By finance lease								-
From acquisitions of entities or operations (including restructuring)								-
Net revaluation increment/decrement								-
Reclassifications								
Depreciation/amortisation expense								-
Recoverable amount write-downs								-
Other movements								-
Disposals:								
From disposal of entities of 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

5.3: NOTES TO THE FINANCIAL STATEMENTS

1. The increase in departmental revenues from the government and expenses in 2005–06 primarily relates to funding for new measures announced in the 2005–06 Budget. Refer Table 2.2 – Summary of Measures Contained in the 2005–2006 Budget (pages 34–36). The reduction in revenues from the government and expenses in 2008–09 primarily relates to funding for the Climate Change Strategy 2004–05 Budget measure which ceases in 2007–08. There is no direct appropriation from the government to the DNP. The revenue from government estimates include funds that will be appropriated directly to the DEH and transferred to the DNP. In 2005–06 funding of \$40.808 million will be appropriated to the 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 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 will be over nine years, with the final repayment being made in 2007-08.
5. 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*.
6. 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.
7. 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.
8. 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.
9. Administered expenses estimated to be drawn from the Official Public Account’s annual appropriations and Administered Special Accounts.
10. Administered revenue estimated to be returned to the Official Public Account relating to annual appropriations and Special Account items.

**AGENCY
BUDGET STATEMENTS**

**BUREAU
OF
METEOROLOGY**

Bureau of Meteorology

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Section 1: Agency Overview

The Bureau of Meteorology (Bureau) is the national meteorological authority for Australia. Its mission is to observe and understand Australian weather and climate and provide meteorological, hydrological and oceanographic services in support of Australia's national needs and international obligations.

This overall mission involves four separate missions. These are:

- *Monitoring* – observation and data collection to meet the needs of future generations for reliable, homogeneous national climatological data;
- *Research* – research directed to the advancement of meteorological science and the development of a comprehensive description and scientific understanding of Australia's weather and climate;
- *Services* – provision of meteorological and related data, information, forecast, warning, investigation and advisory services on a national basis; and
- *International* – coordination of Australia's involvement in international meteorology.

TABLE 1.1: AGENCY OUTCOMES AND OUTPUTS

Outcome	Description	Outputs
Outcome 1 Australia benefits from meteorological and related science and services	<p>The four basic elements of this outcome are:</p> <ul style="list-style-type: none"> • <i>satisfaction of present and future needs</i> for continuous reliable data on Australian weather and climate; • <i>advancement of meteorological science</i> and understanding of the mechanisms of Australian weather and climate; • <i>enhanced community safety and well-being</i> through preparation of meteorological products and information and the effective use of meteorological and related services by the general public and by shipping, civil aviation, defence, agriculture, industry and other major social and economic sectors; and • <i>international cooperation and goodwill</i> including the benefits of global meteorological cooperation under the Convention of the World Meteorological Organization and related international meteorological treaties and agreements. 	<p>Output 1.1 Meteorological and Related Data</p> <p>Output 1.2 Meteorological and Related Research</p> <p>Output 1.3 Meteorological and Related Services and Products</p> <p>Output 1.4 International Meteorological Activities</p>

Section 2: Agency Resources for 2005–06

2.1: APPROPRIATIONS AND OTHER RESOURCES

Table 2.1 shows the total resources from all origins for 2005–06, including appropriations. The table summarises how revenue will be applied by outcome, administered and departmental classification.

The total appropriation for the Bureau of Meteorology (Bureau) in 2005–06 is \$219.831 million. This comprises \$206.726 million departmental output appropriation and \$13.105 million departmental equity injection.

TABLE 2.1: APPROPRIATIONS AND OTHER REVENUE – BUREAU OF METEOROLOGY

Outcome	Appropriations					Revenue from other sources ⁽⁴⁾		Total Resources ⁽⁶⁾
	\$'000	\$'000	\$'000	\$'000	% ⁽⁵⁾	\$'000	% ⁽⁵⁾	\$'000
	Bill No. 1	Bill No. 2 ⁽¹⁾	Special Approp ⁽²⁾	Total Approp ⁽³⁾	(A)+(C) / (A)+(C)+(E)	(E)	(E) / (A)+(C)+(E)	(F)=(D)+(E)
(A)	(B)	(C)	(D)=(A)+(B)+(C)		(E)	(E) / (A)+(C)+(E)	(F)=(D)+(E)	
Outcome 1								
<i>Australia benefits from meteorological and related science and services</i>								
Departmental	206,726	-	-	206,726	92.3%	17,242	7.7%	223,968
Departmental equity injection	-	13,105	-	13,105	na	-	na	13,105
TOTAL RESOURCES	206,726	13,105	-	219,831	na	17,242	na	237,073

This table has been redesigned to correspond with Budget Paper No. 4 'Agency Resourcing'. It now includes (where appropriate) administered revenue from other sources.

- (1) Under the appropriation structure, Bill No. 2 includes Specific Purpose Payments (SPPs), new agency outcomes (NAOs), administered capital and departmental capital via departmental injections and loans.
- (2) Estimated expenses from individual Special Appropriations are shown at Section 3, Table 3.1.
- (3) Total appropriations = Bill No. 1 + Bill No. 2 + Special Appropriations.
- (4) Revenue from other sources includes *Financial Management and Accountability Act 1997* s.31 revenues, Commonwealth Authorities and Companies body revenues that are available to be expensed, special accounts (non-appropriation revenues) and resources received free of charge.
- (5) Percentage figures indicate the percentage contribution of revenue from government (Departmental Appropriations) to the total price of outputs (= Bill No. 1 + Special Appropriation + Revenue from other sources), by outcome, and the percentage contribution of Revenue from other sources (departmental) to the total price of outputs, by outcome.
- (6) Total resources = Total appropriations + Revenue from other sources.

Note: Refer to budgeted statement of financial performance for application of agency revenue.

2.2: 2005–06 BUDGET MEASURES

Budget measures relating to the Bureau as explained in Budget Paper No. 2 are summarised in Table 2.2. The table also identifies the relevant outcomes, administered items and outputs associated with each measure.

TABLE 2.2 – SUMMARY OF MEASURES CONTAINED IN THE 2005–06 BUDGET

Measure	Outcome	Output Groups Affected	Appropriations Budget			Appropriations Forward estimate			Appropriations Forward estimate			Appropriations Forward estimate		
			2005–06 (\$'000)		Total	2006–07 (\$'000)		Total	2007–08 (\$'000)		Total	2008–09 (\$'000)		Total
			Admin Expenses	Dept Outputs		Admin Expenses	Dept Outputs		Admin Expenses	Dept Outputs		Admin Expenses	Dept Outputs	
Australian–United States Free Trade Agreement	<i>1</i>	<i>All</i>	-	236	236	-	216	216	-	216	216	-	216	216
Field Meteorological Offices – replacement ⁽¹⁾	<i>1</i>	<i>1.1</i>	-	381	381	-	605	605	-	772	772	-	955	955
Field Meteorological Offices - replacement – equity injection ⁽²⁾	<i>1</i>	<i>1.1</i>	-	2,035	2,035	-	1,607	1,607	-	1,969	1,969	-	1,195	1,195
Australian Tsunami Warning System - Indian and Pacific Oceans ⁽³⁾	<i>1</i>	<i>All</i>	-	3,318	3,318	-	4,615	4,615	-	6,868	6,868	-	8,048	8,048
Australian Tsunami Warning System - Indian and Pacific Oceans – equity injection ⁽²⁾	<i>1</i>	<i>1.1</i>	-	1,970	1,970	-	3,965	3,965	-	7,639	7,639	-	4,051	4,051
Efficiency dividend - increase in the rate from 1 per cent to 1.25 per cent ⁽⁴⁾	<i>1</i>	<i>All</i>	-	(461)	(461)	-	(933)	(933)	-	(1,413)	(1,413)	-	(1,412)	(1,412)

(1) The government will provide \$19.8 million over 6 years, including \$5.8 million in 2009–10 and \$4.4 million in 2010–11.

(2) Capital equity injections funded from Appropriation Bill No. 2.

(3) Excludes funding for depreciation (\$0.620m for 2005–06, \$1.347m for 2006–07, \$2.695m for 2007–08 and \$3.430m for 2008–09) that will be met through departmental output appropriation (Appropriation Bill No.1).

(4) This is a cross portfolio measure and impacts on all agencies within the Environment and Heritage Portfolio.

2.3: OTHER RECEIPTS AVAILABLE TO BE USED

Table 2.3 provides details of other receipts available to be used and include *Financial Management and Accountability Act 1997* s.31 receipts, Commonwealth Authorities and Companies body receipts that are available to be spent, special accounts (non-appropriation) and resources received free of charge.

TABLE 2.3 – OTHER RECEIPTS AVAILABLE TO BE USED

	Estimated Receipts 2004–05 \$'000	Budget Estimate 2005–06 \$'000
DEPARTMENTAL OTHER RECEIPTS		
Goods and services	16,702	16,697
Other	540	545
Total departmental other receipts available to be used	17,242	17,242
TOTAL ESTIMATED OTHER RECEIPTS	17,242	17,242

2.4: MOVEMENT OF ADMINISTERED FUNDS FROM 2004–05 TO 2005–06

There are no movements of administered funds from 2004–05 to 2005–06 for the Bureau.

2.5: SPECIAL APPROPRIATIONS

There are no special appropriations for the Bureau in the 2005–06 Budget.

2.6: SPECIAL ACCOUNTS

There are no special accounts for the Bureau in the 2005–06 Budget.

2.7: ADMINISTERED CAPITAL AND DEPARTMENTAL EQUITY INJECTIONS AND LOANS

The Bureau will receive a departmental equity injection of \$13.105 million in 2005–06. This amount includes \$8.8 million and \$0.3 million for measures announced in the 2003–04 Budget and the 2004–05 Additional Estimates respectively. The 2005–06 Budget includes amounts of \$2.035 million under the measure Field Meteorological Offices – replacement and \$1.970 million under the measure Australian Tsunami Warning System – Indian and Pacific Oceans.

The Bureau will not receive any administered capital or departmental loans in 2005–06.

Section 3: Agency Outcomes

This section explains how resources identified in Section 2 will be used to deliver outputs and administered items to contribute to the one outcome for the Bureau of Meteorology (Bureau).

3.1: SUMMARY OF OUTCOMES, OUTPUTS AND ADMINISTERED ITEMS

The relationship between the outputs of the Bureau and the outcome is summarised in Figure 4.

FIGURE 4: OUTCOME AND OUTPUTS

	Total Price of Outputs \$'000	Departmental Outputs Appropriation \$'000
BUREAU OF METEOROLOGY	223,968	206,726
Outcome 1 – <i>Australia benefits from meteorological and related science and services</i>		
Output 1.1 Meteorological and Related Data	128,926	126,554
Output 1.2 Meteorological and Related Research	11,702	10,763
Output 1.3 Meteorological and Related Services and Products	79,803	65,872
Output 1.4 International Meteorological Activities	3,537	3,537
TOTAL OUTCOME	223,968	206,726

This structure shows the relationship between the Government outcome and contributing output groups for the Bureau. Financial details for this outcome by output group appear in Table 3.1 and non-financial information for the outcome appears in Table 3.2.

CHANGES TO OUTCOMES AND OUTPUTS

Since the 2004–05 Budget, the Bureau has revised its internal programme structure and realigned its output structure resulting in a minor redistribution of output funding.

OUTPUT COST ATTRIBUTION

Direct costs incurred by the Bureau (employee expenses, suppliers etc) are coded directly to appropriate cost centres within the Bureau's Financial Management System. These individual cost centres are subsequently attributed to Outputs based upon established, and regularly reviewed, matching of the activities of the individual cost centre to the relevant outputs.

Indirect costs, that is overheads and activities that cut across all outputs, are attributed to outputs on the basis of pro rata allocation against the most appropriate cost driver that can be consistently applied.

3.2: OUTCOMES – DEPARTMENTAL AND ADMINISTERED

Departmental appropriations by outcome

There is only one outcome for the Bureau.

Administered appropriations by outcome

There are no administered appropriations for the Bureau.

3.3: OUTCOMES RESOURCING

Outcome 1 Resourcing

Table 3.1 shows how the 2005–06 Budget appropriations translate to total resourcing for Outcome 1, including revenue from government (appropriation), other resources available to be used (departmental) and the total price of outputs.

TABLE 3.1 – TOTAL RESOURCES FOR THE OUTCOME

	Estimated Actuals 2004–05 \$'000	Budget Estimate 2005–06 \$'000
ADMINISTERED APPROPRIATIONS	-	-
ADMINISTERED SPECIAL ACCOUNTS	-	-
DEPARTMENTAL APPROPRIATIONS		
Output 1.1 – Meteorological and Related Data	116,944	126,554
Output 1.2 – Meteorological and Related Research	10,153	10,763
Output 1.3 – Meteorological and Related Services and Products	61,139	65,872
Output 1.4 – International Meteorological Activities	2,519	3,537
TOTAL REVENUE FROM GOVERNMENT (Appropriations)	190,755	206,726
<i>Contributing to Price of Departmental Output</i>	<i>91.7%</i>	<i>92.3%</i>
REVENUE FROM OTHER SOURCES		
Output 1.1 – Meteorological and Related Data	2,372	2,372
Output 1.2 – Meteorological and Related Research	939	939
Output 1.3 – Meteorological and Related Services and Products	13,931	13,931
TOTAL REVENUE FROM OTHER SOURCES	17,242	17,242
TOTAL PRICE OF DEPARTMENTAL OUTPUTS	207,997	223,968
DEPARTMENTAL SPECIAL ACCOUNTS	-	-
TOTAL ESTIMATED RESOURCING FOR OUTCOME 1	207,997	223,968

	2004–2005	2005–2006
AVERAGE STAFFING LEVEL (NUMBER)	1,413.0	1,355.0

MEASURES AFFECTING OUTCOME 1

Measures affecting the Bureau (as reflected in Budget Paper 2) Outcome 1 are listed below:

Australian–United States Free Trade Agreement

	2005–06	2006–07	2007–08	2008–09
	\$'000	\$'000	\$'000	\$'000
Bureau of Meteorology	236	216	216	216

Field Meteorological Offices – replacement

	2005–06	2006–07	2007–08	2008–09
	\$'000	\$'000	\$'000	\$'000
Bureau of Meteorology	381	605	772	955

Field Meteorological Offices – replacement – equity injection

	2005–06	2006–07	2007–08	2008–09
	\$'000	\$'000	\$'000	\$'000
Bureau of Meteorology	2,035	1,607	1,969	1,195

Australian Tsunami Warning System – Indian and Pacific Oceans

	2005–06	2006–07	2007–08	2008–09
	\$'000	\$'000	\$'000	\$'000
Bureau of Meteorology	3,318	4,615	6,868	8,048

* Excludes funding for depreciation (\$0.620m for 2005–06, \$1.347m for 2006–07, \$2.695m for 2007–08 and \$3.430m for 2008–09) that will be met through departmental output appropriation (Appropriation Bill No.1).

Australian Tsunami Warning System – Indian and Pacific Oceans – equity injection

	2005–06	2006–07	2007–08	2008–09
	\$'000	\$'000	\$'000	\$'000
Bureau of Meteorology	1,970	3,965	7,639	4,051

*Efficiency dividend – increase in the rate from 1 per cent to 1.25 per cent**

	2005–06	2006–07	2007–08	2008–09
	\$'000	\$'000	\$'000	\$'000
Bureau of Meteorology	(461)	(933)	(1,413)	(1,412)

* This is a cross portfolio measure and impacts on all agencies within the Environment and Heritage Portfolio.

PERFORMANCE INFORMATION FOR OUTCOME 1

Table 3.2 lists the performance information that the Bureau will use to assess the level of its achievement of the outcome during 2005–06. It comprises:

- (A) overall achievement – performance information for the effectiveness of the outcome overall; and
- (B) performance information for outputs – quantitative, qualitative, and price for each output.

TABLE 3.2 – PERFORMANCE INFORMATION FOR THE OUTCOME

(A) Effectiveness – Overall Achievement of the Outcome

<p>Satisfaction of present and future needs for continuous reliable data on Australian weather and climate</p>	<p>The extent to which:</p> <ul style="list-style-type: none"> • the density, representativeness, accuracy, homogeneity, continuity and reliability of the national meteorological and related observation network are sufficient to: <ul style="list-style-type: none"> - meet essential future national and international needs for Australian climate data; and - provide the basis for routine nationwide weather watch and numerical prediction operations and provide a common foundation for the provision of basic and special weather services; • the meteorological data from the observational network are transmitted to the National Meteorological and Oceanographic Operations Centre (NMOC) and Regional Forecasting Centres (RFCs) error-free and within cut-off times and meteorological information, forecasts and warnings are communicated promptly and accurately to users; • the central and regional computer systems and computing advisory and consultative services meet the defined requirements of all Bureau programmes and contribute to overall efficiency and productivity gains; and • equipment installations satisfy the requirements of Bureau programmes, are carried out within time and cost estimates and the performance and reliability of operational services are maximised.
<p>Advancement of meteorological science and understanding of the mechanisms of Australian weather and climate</p>	<p>The extent to which:</p> <ul style="list-style-type: none"> • the Bureau of Meteorology Research Centre (BMRC) is recognised for the quality and extent of its contribution to national and international meteorological and related sciences; • progress is achieved in the characterisation and understanding of the processes which determine Australian weather and climate; • progress is achieved on applied research problems addressed to the Bureau or which arise in the course of its operations; • cost effective new applications and services emerge from Bureau research; • Bureau research can be shown to have contributed to improvements in the quality of its operations and services; and • the scientific health and morale of the Bureau are enhanced.

(A) Effectiveness – Overall Achievement of the Outcome (continued)

<p>Enhanced community safety and well-being through preparation of meteorological and related products and information and the effective use of meteorological and related services by the general public and other major social, environmental and economic sectors</p>	<p>The extent to which:</p> <ul style="list-style-type: none"> • meteorological and related services contribute to minimising loss of life and property and community disruption from bushfires, tropical cyclones, severe storms and tsunamis; minimising economic and other costs of disaster preparedness; the safety, comfort, convenience and general welfare and economic benefit of the public and major community groups; the safety and efficiency of shipping, small craft and maritime industries; the safety, regularity and efficiency of air navigation; the efficiency and effectiveness of the Australian Defence Force; government and community planning; the management of the environment, including natural resources; and the economy and efficiency of primary and secondary industry; • forecasts, warnings, information and advice are accurate and timely; • user needs (including the needs of specific users of special weather services on a cost recovery basis) are identified and, within available resources, are satisfied and new services and products are developed as opportunities arise; • the public, major user groups and specialised users receive, understand and make optimum use of the services and express satisfaction with the services; • the data stored in the National Climate Centre (NCC) are appropriate in terms of types of parameters included; comply with relevant national and international guidelines in respect of density, frequency and length of period of observations stored; have been subject to appropriate quality control; are of acceptable quality; and are stored optimally in terms of security and accessibility; • the NMOC provides reliable, timely analysis and forecast guidance products that impact positively on the quality of services; • the NMOC and the RFCs provide, in combination, a sufficiently comprehensive and responsive nationwide and regional scale weather watch operation to detect and react immediately to the first evidence of developing dangerous weather and provide a foundation for the provision of routine basic and special weather services; and • the National Tidal Centre (NTC): <ul style="list-style-type: none"> - provides reliable and timely predictions of tides at major and secondary ports; and - provides sea level monitoring advice for tsunami detection.
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(A) Effectiveness – Overall Achievement of the Outcome (continued)

<p>International cooperation and goodwill including the benefits of global meteorological cooperation under the Convention of the World Meteorological Organization and related international meteorological treaties and agreements</p>	<p>The extent to which:</p> <ul style="list-style-type: none"> • Australia meets agreed international requirements for data exchange; the NMOC in Melbourne provides the products and services prescribed for a World Meteorological Centre, two Regional Specialised Meteorological Centres (RSMCs) and a Joint WMO/IOC Commission for Oceanography and Marine Meteorology (JCOMM) Specialised Oceanographic Centre; and the Darwin RFC provides the products and services prescribed for a RSMC; • Australia can use its standing in international meteorology to influence international developments to national advantage; • participation in international activities can be shown to contribute to the effectiveness and efficiency of Bureau operations and services; and • the contribution of Australian expertise and support improves the quality and performance of National Meteorological and Hydrological Services (NMHSs) in the South–West Pacific and South–East Asia.
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(B) Performance Information for Departmental Outputs**OUTPUT GROUP 1.1 – METEOROLOGICAL AND RELATED DATA**

<i>Quality</i>	<p>95% of scheduled regular surface, space-based and upper air (radiosonde and upper wind) observations received on time and within prescribed error limits.</p> <p>Field equipment outages not greater than 24 hours for essential equipment, 7 working days for operationally backed-up infrastructure, and 22 days for other field equipment.</p> <p>Computer and communications systems outages not greater than 8 hours per annum for key operational systems.</p> <p>90% of users surveyed are satisfied with the functional capacity and availability of mission critical communications system components.</p> <p>90% of users surveyed are satisfied with the functional capacity and availability of mission critical computing system components.</p>
<i>Quantity</i>	<p>Numbers of fully operational observing stations – 50 upper-air stations, 860 synoptic (including automatic weather) stations, 7,500 rainfall stations, 12 drifting buoys, 100 voluntary observing ships, 6 Argo floats, 12 tide gauge stations, 745 river height stations, 60 weather watch radars, 18 satellite ground stations, 17 solar & terrestrial radiation stations; 5 total ozone stations; 2 ozone profile and 1 Baseline station.</p> <p>28 Australian Integrated Forecast System (AIFS) equipped offices.</p> <p>98 inter-office communications links operational, 910 automated data collection links operational and 12 international communications circuits operational.</p>
<i>Price</i>	<p>\$128.926m</p> <p>(Installation, operation and maintenance of operational observational data networks \$92.225m; and</p> <p>Operation and maintenance of telecommunications and information technology infrastructure \$36.701m)</p>

(B) Performance Information for Departmental Outputs (continued)

OUTPUT GROUP 1.2 – METEOROLOGICAL AND RELATED RESEARCH

<i>Quality</i>	<p>Bureau of Meteorology Research Centre (BMRC) scientists invited to serve on 65 external advisory committees etc.</p> <p>At least 15 invitations received to present papers at external conferences and workshops.</p> <p>The BMRC annual report and all workshop and contract project reports produced in good time.</p> <p>5 system changes, developed by the BMRC, accepted for implementation by operational units (the National Meteorological and Oceanographic Operations Centre and the National Climate Centre).</p>
<i>Quantity</i>	<p>6 viable research groups focussed on priority research issues.</p> <p>110 research publications including refereed journals, articles, book chapters, conference papers and miscellaneous reports, and missions.</p> <p>75 external collaborative projects undertaken.</p>
<i>Price</i>	<p>\$11.702m</p> <p>(Resources committed to Weather Research \$6.550m; Climate Research \$2.646m; Ocean Research \$1.307m; and Hydrology Research \$1.199m)</p>

(B) Performance Information for Departmental Outputs (continued)**OUTPUT GROUP 1.3 – METEOROLOGICAL AND RELATED SERVICES AND PRODUCTS**

<i>Quality</i>	<p>90% of users surveyed indicate that public weather forecasts and warnings are substantially accurate.</p> <p>90% of users surveyed indicate that public weather forecasts and warnings are becoming more accurate or are maintaining current levels of accuracy.</p> <p>90% of users surveyed indicate that they are 'satisfied' or 'very satisfied' with weather forecast, warning and information services.</p> <p>90% of users surveyed indicate that weather forecasts, warnings and information services are received in time for them to make their decisions.</p> <p>96% of regular observation entries into the national climate data base successfully completed within preset quality control standards.</p> <p>85% of users surveyed are 'satisfied' or 'very satisfied' with climate data services.</p> <p>85% of users surveyed are 'satisfied' or 'very satisfied' with consultative meteorological services.</p> <p>85% of users surveyed are 'satisfied' or 'very satisfied' with hydrological data, information, advisory and flood warning services.</p> <p>90% of users are satisfied with tide prediction services.</p> <p>90% of users indicate that oceanographic services support their activities.</p> <p>90% of users indicate that oceanographic services meet their needs.</p> <p>0.1% downtime for Internet access services.</p> <p>90% of commercial contracts are completed on time.</p> <p>90% of existing clients renew commercial contracts.</p> <p>95% of numerical guidance products are delivered before the scheduled deadlines for dissemination.</p> <p>90% of users surveyed are satisfied with the value of forecast guidance product components.</p> <p>Accuracy of centralised analysis and forecast guidance products as measured by statistical evaluation procedures: S1 skill score of 30 points less than persistence in 24-hour predictions over the Australian region; annual average root mean square [rms] error in the 24-hour statistical guidance for maximum temperature of 3 degrees (2.5 degrees for minimum temperature) averaged over all States; anomaly correlations for 72–120–168-hour sea level pressure predictions for 20° S to 60° S from the global prediction system of 75%, 55% and 40% respectively; and annual average rms error of 0.7m in the 24-hour sea state predictions averaged over all available Australian instrumental wave observations.</p> <p>Accuracy of Seasonal Climate Outlook (SCO) products as measured by SCO skill score exceeds that of climatology.</p>
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(B) Performance Information for Departmental Outputs (continued)**OUTPUT GROUP 1.3 – METEOROLOGICAL AND RELATED SERVICES AND PRODUCTS (continued)**

<i>Quantity</i>	<p>15,000 to 20,000 public weather warnings issued.</p> <p>300,000 to 350,000 public weather forecast and information bulletins issued.</p> <p>36,500 tide predictions issued.</p> <p>430,000 climate data, information, monitoring, prediction and advisory services provided.</p> <p>600,000 hydrological data, information, advisory and flood warning services issued.</p> <p>7,500 consultative services provided.</p> <p>5 to 7 million accesses by telephone/facsimile and 4 to 4.5 billion accesses by the Internet for automated weather service delivery systems.</p> <p>3,000 oceanographic products issued.</p> <p>3 million telephone, facsimile and Internet accesses to automated climate service delivery systems.</p> <p>2 million Internet accesses to automated hydrological service delivery systems.</p> <p>7 Regional Forecasting Centres, 2,400 numerical guidance products issued by the National Meteorological and Oceanographic Operations Centre (NMOC) with 10 systems providing distinctive guidance products.</p>
<i>Price</i>	<p>\$79.803m</p> <p>(Analysis and Prediction Products \$6.200m;</p> <p>Disaster Mitigation Activities \$5.164m;</p> <p>Public Weather Services \$14.127m;</p> <p>Marine Weather Services \$1.488m;</p> <p>Aviation Weather Services \$15.178m;</p> <p>Defence Weather Services \$3.323m;</p> <p>Cost Recovery Services \$3.981m;</p> <p>Climate Data \$9.669m;</p> <p>Climate Monitoring Service \$3.009m;</p> <p>Flood Warning Service \$4.930m;</p> <p>Hydrometeorological Advice \$1.832m;</p> <p>Oceanographic Services \$3.514m; and</p> <p>Commercial Services \$7.388m.)</p>

(B) Performance Information for Departmental Outputs (continued)**OUTPUT GROUP 1.4 – INTERNATIONAL METEOROLOGICAL ACTIVITIES**

<i>Quality</i>	<p>Australian influence is exercised through occupancy of important senior positions in the World Meteorological Organization (WMO).</p> <p>The value achieved from scientific exchange visits and cooperative projects undertaken with other countries is maintained.</p> <p>The flow of accurate observational data to Australia is increased through provision of technical assistance and meteorological training to the National Meteorological and Hydrological Services (NMHSs) of developing countries.</p> <p>100% of the formal obligations of roles for the Melbourne World Meteorological Centre (WMC) and the Melbourne and Darwin Regional Specialised Meteorological Centres (RSMCs), as designated by the WMO, are fulfilled.</p> <p>A high level of demand for Australian officers to participate in WMO activities is maintained.</p> <p>A high level of satisfaction of regional developing NMHSs with Australian technical cooperation is maintained.</p>
<i>Quantity</i>	<p>Australia is represented in all WMO constituent bodies (viz. Congress, Executive Council, Regional Association V, all Technical Commissions).</p> <p>Three or more major international meteorological meetings are hosted in Australia per year.</p> <p>Active bilateral cooperative programs are maintained with the ten countries (China, India, Indonesia, Iran, Japan, Peru, Qatar, Republic of Korea, Russian Federation and Vietnam) with which a Memorandum of Understanding or treaty has been signed.</p> <p>All AusAID projects offering capacity building by the Bureau especially its Training Centre in Melbourne to help develop meteorology in developing countries are supported.</p> <p>WMC Melbourne, RSMCs Melbourne and Darwin and the Joint WMO/IOC Commission for Oceanography and Marine Meteorology (JCOMM) Specialised Oceanographic Centre, Melbourne, are maintained.</p>
<i>Price</i>	\$3.537m

EVALUATIONS FOR OUTCOME 1

There are no evaluations planned for 2005–06 for the Bureau.

Section 4: Other Reporting Requirements

4.1: PURCHASER–PROVIDER ARRANGEMENTS

There are no formal purchaser–provider arrangements for the Bureau of Meteorology (Bureau).

4.2: COST RECOVERY ARRANGEMENTS

The Bureau has undertaken a review of its cost recovery arrangements against the Government’s Cost Recovery Policy, consistent with the Government’s review schedule and included the details in the Portfolio Budget Statements 2004–05, Environment and Heritage Portfolio, on pages 254–255.

4.3: AUSTRALIAN GOVERNMENT INDIGENOUS EXPENDITURE

Please refer to the Portfolio Table 1: Australian Government Indigenous Expenditure in the Portfolio Overview Section, page 21.

Section 5: Budgeted Financial Statements

5.1: ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

An analysis of the Bureau of Meteorology's (Bureau) budgeted financial statements, as reflected in the Bureau's budgeted departmental financial statements and administered schedules for 2005-06, is provided below:

Budgeted Departmental Statement of Financial Performance

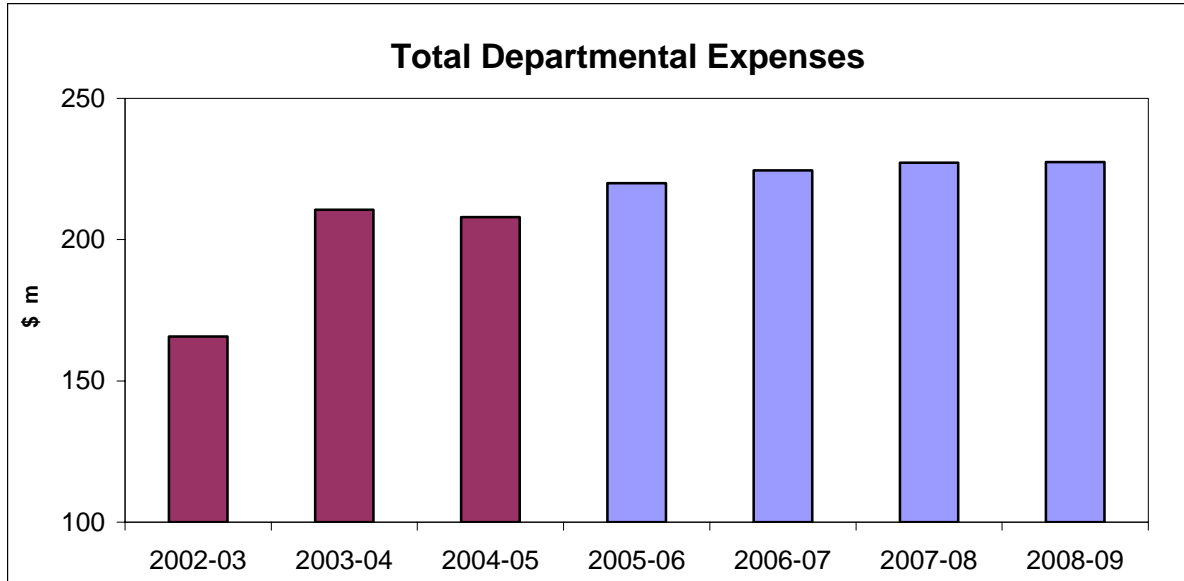
Total revenue to the Bureau in 2005-06 is estimated to be \$224.0 million, an increase of \$16.0 million from the 2004-05 estimated actual. The increase is primarily the result of:

- the funding impact in 2004-05 of the \$4.5 million appropriation advance into the 2003-04 budget to meet urgent additional costs associated with delays in the relocation of the Bureau's Head Office to new premises;
- funding for increased depreciation expense as a result of an increased asset base, the delivery of the second phase of the Bureau's new supercomputer and the fit-out of the Bureau's new premises at 700 Collins Street Melbourne;
- increased funding for ongoing expenses associated with the Meteorological Radars – Replacement and Upgrade measure announced in the 2003-04 Budget;
- increased funding associated with the 2005-06 Budget Measure Replacement of Field Meteorological Offices;
- increased funding associated with the 2005-06 Budget Measure Australian Tsunami Warning System – Indian and Pacific Oceans;
- increased funding associated with the 2005-06 Budget Measure Australian-United States Free Trade Agreement; and
- increased funding for economic parameter adjustments offset by an increase in the efficiency dividend from 1 per cent to 1.25 per cent.

Total expenses are estimated to be \$224.0 million in 2005-06, an increase of \$16.0 million from the 2004-05 estimated actual.

The increase is due to:

- the impact in 2004-05 of the \$4.5 million appropriation advance to 2003-04 as detailed above;
- increased depreciation expense as detailed above; and
- expenses associated with the measures as detailed above.

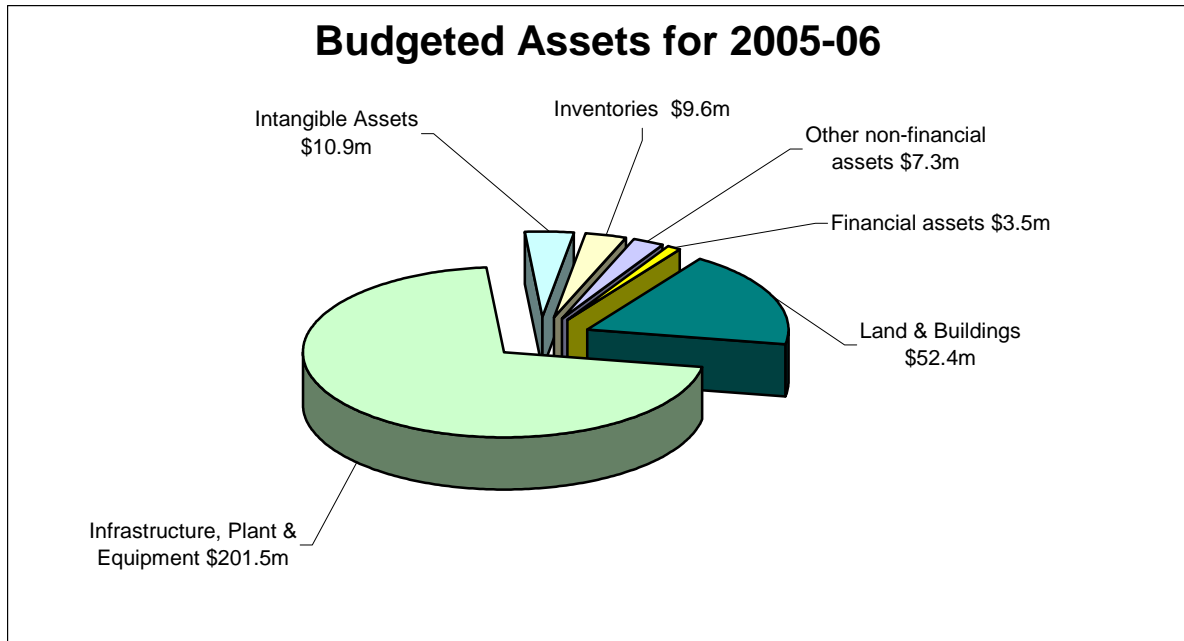


The Bureau was prescribed on 12 September 2002. Revenues shown for 2002–03 are for the period 12 September 2002 to 30 June 2003.

Budgeted Departmental Statement of Financial Position

The Bureau's budgeted equity position of \$216.0 million represents an increase of \$13.105 million from the 2004–05 estimated actual. The increase is attributable to increased expenditure in the Bureau's capital works programme in relation to the ongoing replacement of existing radars combined with the construction and introduction of new Doppler radar technology (\$8.8 million), the replacement of a number of field meteorological offices (\$2.0 million), implementation of the Australian Tsunami Warning System – Indian and Pacific Oceans (\$2.0 million) and upgrade/replacement of equipment for the National Tidal Centre \$0.3 million).

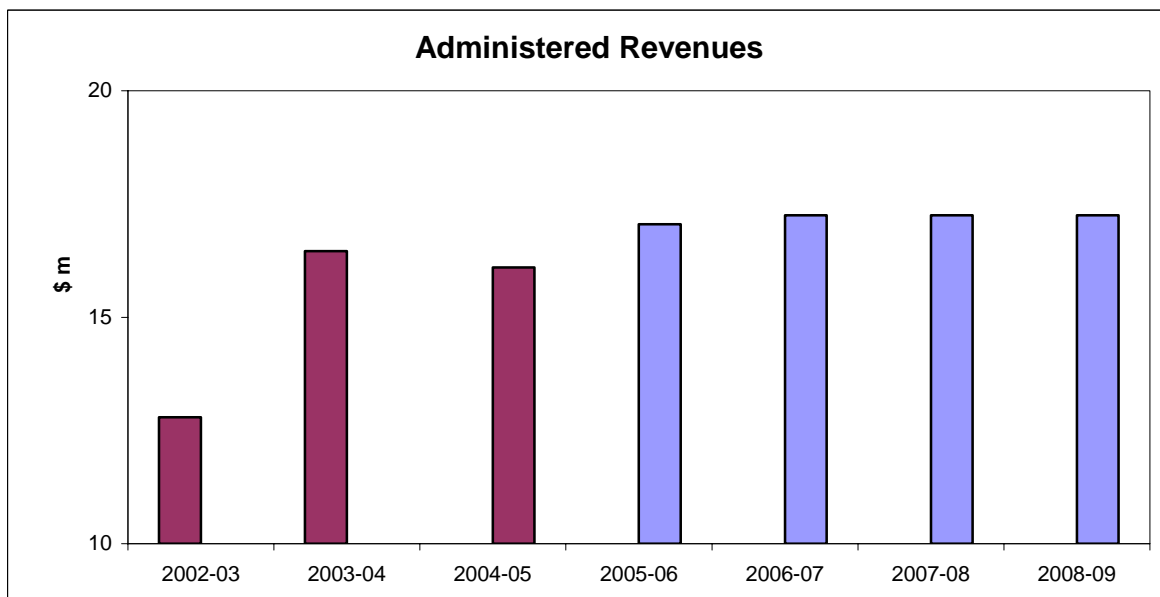
The Bureau's major asset, 'Infrastructure, Plant and Equipment', is projected to increase by \$3.544 million to a total of \$201.472 million in 2005–06 due primarily to increased expenditure in the Bureau's capital works programme as outlined above offset by depreciation of the remainder of the asset base. The projected increase in land and buildings from \$46.043 million to \$52.405 million is associated with investments through the field meteorological office replacement programme.



The Bureau's primary liability continues to be accrued employee entitlements, as a result of accruing leave entitlements, of \$55.280 million.

Schedule of Budgeted Revenues and Expenses Administered on behalf of Government

The Bureau will receive administered revenue of \$17.1 million in 2005-06, an increase of \$1.0 million from the 2004-05 estimated actual. The increase is largely due to recovering additional costs for specialised services provided to the Department of Defence and the aviation industry.



The Bureau was prescribed on 12 September 2002. Revenues shown for 2002-03 are for the period 12 September 2002 to 30 June 2003.

Schedule of Budgeted Assets and Liabilities Administered on behalf of Government

The Bureau's total administered assets are expected to remain stable at \$3.0 million for the 2005–06 financial year. The receivable and accrued revenue will be of the same order of magnitude as the 2004–05 estimated actual.

5.2: BUDGETED FINANCIAL STATEMENTS TABLES

TABLE 5.1 – BUDGETED DEPARTMENTAL STATEMENT OF FINANCIAL PERFORMANCE
(for the period ended 30 June 2006)

	Estimated Actual	Budget Estimate	FORWARD ESTIMATES		
<i>Note</i>	2004–05	2005–06	2006–07	2007–08	2008–09
	\$'000	\$'000	\$'000	\$'000	\$'000
REVENUES FROM ORDINARY ACTIVITIES					
Revenues from Government	190,755	206,726	213,275	219,565	223,073
Goods and services	16,702	16,697	16,692	16,692	15,317
Revenue from sale of assets	325	325	325	325	325
Other	215	220	225	225	225
Total revenues from ordinary activities	207,997	223,968	230,517	236,807	238,940
EXPENSES FROM ORDINARY ACTIVITIES (excluding borrowing costs)					
Employees	111,201	115,592	118,713	119,702	120,293
Suppliers	56,713	63,723	65,411	68,862	69,542
Depreciation and amortisation	38,588	42,736	44,476	46,270	47,114
Write-down of assets and impairment of assets	1	1	1	1	1
Value of assets sold	325	325	325	325	325
Other	1,169	1,591	1,591	1,647	1,665
Expenses from ordinary activities (excluding borrowing costs expense)	207,997	223,968	230,517	236,807	238,940
Operating Surplus or (deficit) from ordinary activities	-	-	-	-	-
Gain or (loss) on extraordinary items					
Net Surplus or (deficit) attributable to the Australian Government	-	-	-	-	-
Net credit or (debit) to asset revaluation reserve	-	-	-	-	-
Total changes in equity other than those resulting from transactions with owners as owners	-	-	-	-	-

TABLE 5.2 – BUDGETED DEPARTMENTAL STATEMENT OF FINANCIAL POSITION (as at 30 June 2006)

	Estimated	Budget	FORWARD		
	Actual	Estimate	ESTIMATES		
<i>Note</i>	2004–05	2005–06	2006–07	2007–08	2008–09
	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS					
Financial assets					
Cash	45	45	45	45	45
Receivables	3,101	3,101	3,101	3,101	3,101
Accrued revenues	379	379	379	379	379
Total financial assets	3,525	3,525	3,525	3,525	3,525
Non-financial assets					
Land and buildings	46,043	52,405	58,115	59,803	60,534
Infrastructure, plant and equipment	197,928	201,472	209,235	224,256	230,513
Inventories	9,551	9,551	9,551	9,551	9,551
Intangibles	12,650	10,908	9,166	7,424	5,682
Other non-financial assets	7,317	7,317	7,317	7,317	7,317
Total non-financial assets	273,489	281,653	293,384	308,351	313,597
Total assets	277,014	285,178	296,909	311,876	317,122
LIABILITIES					
Provisions					
Employees	55,280	55,280	55,280	55,280	55,280
Total provisions	55,280	55,280	55,280	55,280	55,280
Payables					
Suppliers	12,703	7,762	2,821	1,080	1,080
Other payables	6,126	6,126	6,126	6,126	6,126
Total payables	18,829	13,888	8,947	7,206	7,206
Total liabilities	74,109	69,168	64,227	62,486	62,486

**TABLE 5.2 – BUDGETED DEPARTMENTAL STATEMENT OF
FINANCIAL POSITION (continued)**
(as at 30 June 2006)

	Estimated Actual	Budget Estimate	FORWARD ESTIMATES		
<i>Note</i>	2004–05	2005–06	2006–07	2007–08	2008–09
	\$'000	\$'000	\$'000	\$'000	\$'000
EQUITY*					
Parent entity interest					
Contributed equity	160,339	173,444	190,116	206,824	212,070
Reserves	22,342	22,342	22,342	22,342	22,342
Retained surpluses or accumulated deficits	20,224	20,224	20,224	20,224	20,224
Total parent entity interest	202,905	216,010	232,682	249,390	254,636
Total equity	202,905	216,010	232,682	249,390	254,636
Current assets	16,599	16,970	17,435	17,875	17,945
Non-current assets	260,415	268,208	279,474	294,001	299,177
Current liabilities	33,955	31,692	29,427	28,630	28,630
Non-current liabilities	40,154	37,476	34,800	33,856	33,856

*Note: 'equity' is the net assets after deduction of liabilities.

TABLE 5.3 – BUDGETED DEPARTMENTAL STATEMENT OF CASH FLOWS
(for the period ended 30 June 2006)

	Estimated	Budget	FORWARD		
	Actual	Estimate	ESTIMATES		
<i>Note</i>	2004–05	2005–06	2006–07	2007–08	2008–09
	\$'000	\$'000	\$'000	\$'000	\$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	190,755	206,726	213,275	219,565	223,073
Goods and services	18,422	16,697	16,692	16,692	15,317
Other	8,525	8,530	8,535	8,535	8,535
Total cash received	217,702	231,953	238,502	244,792	246,925
Cash Used					
Employees	115,285	115,592	118,713	119,702	120,293
Suppliers	52,918	70,255	71,943	72,250	71,207
Other	4,560	4,560	4,560	4,560	4,560
Total cash used	172,763	190,407	195,216	196,512	196,060
Net cash from or (used by) operating activities	44,939	41,546	43,286	48,280	50,865
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	325	325	325	325	325
Total cash received	325	325	325	325	325
Cash used					
Purchase of property, plant and equipment	54,023	51,225	56,532	61,562	52,685
Other	3,751	3,751	3,751	3,751	3,751
Total cash used	57,774	54,976	60,283	65,313	56,436
Net cash from or (used by) investing activities	(57,449)	(54,651)	(59,958)	(64,988)	(56,111)

TABLE 5.3 – BUDGETED DEPARTMENTAL STATEMENT OF CASH FLOWS
(continued)
(for the period ended 30 June 2006)

	Estimated Actual	Budget Estimate	FORWARD ESTIMATES		
<i>Note</i>	2004–05	2005–06	2006–07	2007–08	2008–09
	\$'000	\$'000	\$'000	\$'000	\$'000
FINANCING ACTIVITIES					
Cash received					
Appropriations – contributed equity	9,400	13,105	16,672	16,708	5,246
Total cash received	9,400	13,105	16,672	16,708	5,246
Net cash from or (used by) financing activities	9,400	13,105	16,672	16,708	5,246
Net increase or (decrease) in cash held	(3,110)	-	-	-	-
Cash at the beginning of the reporting period	3,155	45	45	45	45
Cash at the end of the reporting period	45	45	45	45	45

TABLE 5.4 – DEPARTMENTAL CAPITAL BUDGET STATEMENT

	Estimated Actual	Budget Estimate	FORWARD ESTIMATES		
<i>Note</i>	2004–05	2005–06	2006–07	2007–08	2008–09
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital Appropriations					
Total equity injections	9,400	13,105	16,672	16,708	5,246
Total loans	-	-	-	-	-
Total capital Appropriations	9,400	13,105	16,672	16,708	5,246
Represented by:					
Purchase of non–financial assets	9,400	13,105	16,672	16,708	5,246
Total Represented by	9,400	13,105	16,672	16,708	5,246
Purchase of non–financial assets					
Funded by capital appropriation	9,400	13,105	16,672	16,708	5,246
Funded internally by Departmental resources	44,623	38,120	39,860	44,854	47,439
Total	54,023	51,225	56,532	61,562	52,685

TABLE 5.5 – 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	5,118		46,873	264,786		33,654		350,431
Accumulated depreciation			(5,948)	(66,858)		(21,004)		(93,810)
Opening net book value	5,118	-	40,925	197,928	-	12,650	-	256,621
Additions:								
By purchase	268		9,916	37,596		3,445		51,225
By finance lease								-
From acquisitions of entities or operations (including restructuring)								-
Net revaluation increment/decrement								-
Gross Value – Disposals for Cash consideration	(100)		(200)	(35)				(335)
Depreciation/amortisation expense			(3,522)	(34,027)		(5,187)		(42,736)
Acc Depn/Amt – Disposals for Cash consideration				10				10
Other movements								-
Disposals:								
From disposal of entities or operations (including restructuring)								-
Other disposals								-
As at 30 June 2006								
Gross book value	5,286		56,589	302,347		37,099		401,321
Accumulated depreciation			(9,470)	(100,875)		(26,191)		(136,536)
Closing net book value	5,286	-	47,119	201,472	-	10,908	-	264,785

**TABLE 5.6 – SCHEDULE OF BUDGETED REVENUES AND EXPENSES
ADMINISTERED ON BEHALF OF GOVERNMENT
(for the period ended 30 June 2006)**

	Estimated Actual <i>Note</i> 2004–05 \$'000	Budget Estimate 2005–06 \$'000	FORWARD ESTIMATES		
			2006–07 \$'000	2007–08 \$'000	2008–09 \$'000
REVENUES ADMINISTERED ON BEHALF OF GOVERNMENT					
Non–taxation (revenue from Government)					
Goods and services	16,100	17,050	17,250	17,250	17,250
Total non–taxation	16,100	17,050	17,250	17,250	17,250
Total revenues administered on behalf of Government	16,100	17,050	17,250	17,250	17,250
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Write down and impairment of assets	25	25	25	25	25
Total expenses administered on behalf of the Government	25	25	25	25	25

TABLE 5.7 – SCHEDULE OF BUDGETED ASSETS AND LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT (as at 30 June 2006)

	Estimated	Budget	FORWARD		
	Actual	Estimate	ESTIMATES		
<i>Note</i>	2004–05	2005–06	2006–07	2007–08	2008–09
	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Receivables	1,709	1,709	1,709	1,709	1,709
Accrued revenues	1,258	1,258	1,258	1,258	1,258
Total financial assets	2,967	2,967	2,967	2,967	2,967
Total assets administered on behalf of the Government	2,967	2,967	2,967	2,967	2,967
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Payables					
Other payables	16	16	16	16	16
Total payables	16	16	16	16	16
Total liabilities administered on behalf of the Government	16	16	16	16	16

TABLE 5.8 – SCHEDULE OF BUDGETED ADMINISTERED CASH FLOWS
(for the period ended 30 June 2006)

	Estimated	Budget	FORWARD		
	Actual	Estimate	ESTIMATES		
	<i>Note</i> 2004–05	2005–06	2006–07	2007–08	2008–09
	\$'000	\$'000	\$'000	\$'000	\$'000
OPERATING ACTIVITIES					
Cash received					
Sales of goods	17,665	18,654	18,854	18,854	18,854
Total cash received	17,665	18,654	18,854	18,854	18,854
Cash used					
Cash to Official Public Account	16,075	17,025	17,225	17,225	17,225
Other	1,590	1,629	1,629	1,629	1,629
Total cash used	17,665	18,654	18,854	18,854	18,854
Net cash from/(used by) operating activities	-	-	-	-	-
Net increase or (decrease) in cash held	-	-	-	-	-
Cash at the beginning of the reporting period	-	-	-	-	-
Cash at the end of the reporting period	-	-	-	-	-

TABLE 5.9 – SCHEDULE OF ADMINISTERED CAPITAL BUDGET

The Bureau will not administer any Administered Capital in 2005–06.

TABLE 5.10 – SCHEDULE OF PROPERTY, PLANT, EQUIPMENT AND INTANGIBLES – SUMMARY OF MOVEMENT (BUDGET YEAR 2005–06)

The Bureau does not administer any non-financial assets on behalf of the Australian Government.

**AGENCY
BUDGET STATEMENTS**

**OFFICE OF THE
RENEWABLE ENERGY
REGULATOR**

Office of the Renewable Energy Regulator

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Section 1: Agency Overview

The Office of the Renewable Energy Regulator (ORER) administers the Government's mandatory renewable energy target. The target is enacted through the *Renewable Energy (Electricity) Act 2000*, the *Renewable Energy (Electricity) (Charge) Act 2000* and the *Renewable Energy (Electricity) Regulations 2001*.

TABLE 1.1: AGENCY OUTCOMES AND OUTPUTS

Outcome	Description	Outputs
Outcome 1 Increased Renewable Electricity Generation	ORER administers the <i>Renewable Energy (Electricity) Act 2000</i> (the Act) which requires liable parties, typically large wholesale purchasers of electricity, to demonstrate they are using additional renewable energy each calendar year from 2001 to 2020 or pay a shortfall charge. Liable parties may use renewable energy certificates to demonstrate their compliance with the Act.	Output 1.1 Renewable Energy Certificate Management Output 1.2 Managing Compliance with Legislation

Section 2: Agency Resources for 2005–06

2.1 APPROPRIATIONS AND OTHER RESOURCES

Table 2.1 shows the total resources from all origins for 2005–06, including appropriations. The table summarises how revenue will be applied by outcome, administered and departmental classification.

The total appropriation for the Office of the Renewable Energy Regulator (ORER) in 2005–06 is \$2.895 million. This comprises \$2.687 million departmental output appropriation, \$0.208 million administered special appropriation.

TABLE 2.1: APPROPRIATIONS AND OTHER REVENUE – OFFICE OF THE RENEWABLE ENERGY REGULATOR

Outcome	Appropriations					Revenue from other sources ⁽⁴⁾		Total Resources ⁽⁶⁾
	\$'000	\$'000	\$'000	\$'000	% ⁽⁵⁾	\$'000	% ⁽⁵⁾	\$'000
	Bill No. 1	Bill No. 2 ⁽¹⁾	Special Approp ⁽²⁾	Total Approp ⁽³⁾	(A)+(C) / (A)+(C)+(E)	(E)	(E) / (A)+(C)+(E)	(F)=(D)+(E)
	(A)	(B)	(C)	(D)=(A)+(B)+(C)		(E)	(E) / (A)+(C)+(E)	(F)=(D)+(E)
Outcome 1								
<i>Increased Renewable Electricity Generation</i>								
Administered	-	-	208	208	na	-	na	208
Departmental	2,687	-	-	2,687	100%	-	0%	2,687
TOTAL RESOURCES	2,687	-	208	2,895	na	-	na	2,895

This table has been redesigned to correspond with Budget Paper No. 4 'Agency Resourcing'. It now includes (where appropriate) administered revenue from other sources.

- (1) Under the appropriation structure, Bill No. 2 includes Specific Purpose Payments (SPPs), new agency outcomes (NAOs), administered capital and departmental capital via departmental injections and loans.
- (2) Estimated expenses from individual Special Appropriations are shown at Section 3, Table 3.1.
- (3) Total appropriations = Bill No. 1 + Bill No. 2 + Special Appropriations.
- (4) Revenue from other sources includes *Financial Management and Accountability Act 1997* s.31 revenues, Commonwealth Authorities and Companies Act body revenues that are available to be expensed, special accounts (non-appropriation revenues) and resources received free of charge.
- (5) Percentage figures indicate the percentage contribution of revenue from government (Departmental Appropriations) to the total price of outputs (= Bill No. 1 + Special Appropriation + Revenue from other sources), by outcome, and the percentage contribution of Revenue from other sources (departmental) to the total price of outputs, by outcome.
- (6) Total resources = Total appropriations + Revenue from other sources.

Note: Refer to budgeted statement of financial performance for application of agency revenue.

2.2: 2005–06 BUDGET MEASURES

Budget measures relating to the ORER as explained in Budget Paper No. 2 are summarised in Table 2.2. The table also identifies the relevant outcomes, administered items and outputs associated with each measure.

TABLE 2.2 – SUMMARY OF MEASURES CONTAINED IN THE 2005–2006 BUDGET

Measure	Outcome	Output Groups Affected	Appropriations Budget			Appropriations Forward estimate			Appropriations Forward estimate			Appropriations Forward estimate		
			2005–06 (\$'000)			2006–07 (\$'000)			2007–08 (\$'000)			2008–09 (\$'000)		
			Admin Expenses	Dept Outputs	Total	Admin Expenses	Dept Outputs	Total	Admin Expenses	Dept Outputs	Total	Admin Expenses	Dept Outputs	Total
Efficiency dividend – increase in the rate from 1 per cent to 1.25 per cent ⁽¹⁾	<i>I</i>	<i>All</i>	-	(7)	(7)	-	(14)	(14)	-	(20)	(20)	-	(20)	(20)

⁽¹⁾ This is a cross portfolio measure and impacts on all agencies within the Environment and Heritage Portfolio.

2.3: OTHER RECEIPTS AVAILABLE TO BE USED

Table 2.3 provides details of other receipts available to be used and include *Financial Management and Accountability 1997 s.31* receipts, Commonwealth Authorities and Companies Act body receipts that are available to be spent, special accounts (non-appropriation) and resources received free of charge.

TABLE 2.3 – OTHER RECEIPTS AVAILABLE TO BE USED

There are no other receipts available to be used for the ORER in the 2005–06 Budget.

2.4: MOVEMENT OF ADMINISTERED FUNDS FROM 2004–05 TO 2005–06

There has been no movement of administered funds from 2004–05 to 2005–06 for the ORER.

2.5: SPECIAL APPROPRIATIONS

The special appropriation represents penalty refunds, drawn down from the Official Public Account and paid to companies meeting certain conditions under the *Renewable Energy (Electricity) Act 2000* and able to redeem prior penalty payments

TABLE 2.5 – ESTIMATES OF EXPENSES FROM SPECIAL APPROPRIATIONS

	Outcome affected	Estimated Expense 2004–2005 \$'000	Budget Estimate 2005–2006 \$'000
ADMINISTERED SPECIAL APPROPRIATION			
Renewable energy shortfall refunds	<i>1</i>	502	208
TOTAL ESTIMATED EXPENSE		502	208

2.6: SPECIAL ACCOUNTS

There are no special accounts for the ORER in the 2005–06 Budget.

2.7: ADMINISTERED CAPITAL AND DEPARTMENTAL EQUITY INJECTIONS AND LOANS

The ORER has not been appropriated any administered capital for 2005–06 and will not receive any departmental equity injection or loans in 2005–06.

Section 3: Agency Outcomes

This section explains how resources identified in Section 2 will be used to deliver outputs and administered items to contribute to the one outcome for the Office of the Renewable Energy Regulator (ORER).

3.1: SUMMARY OF OUTCOMES, OUTPUTS AND ADMINISTERED ITEMS

The relationship between activities of the ORER and the outcome is summarised in Figure 4.

FIGURE 4: OUTCOME AND OUTPUTS

	Total Price of Outputs \$'000	Administered Appropriation \$'000	Departmental Outputs Appropriation \$'000
OFFICE OF THE RENEWABLE ENERGY REGULATOR	2,687	208	2,687
Outcome 1 – <i>Increased Renewable Electricity Generation</i>			
Output 1.1 Renewable Energy Certificate Management	1,881		1,881
Output 1.2 Managing Compliance with Legislation	806		806
TOTAL OUTCOME	2,687	208	2,687

This structure shows the relationship between the government outcome and contributing outputs for the ORER, presented here as output groups. Financial details for this outcome, by outputs and output group, appear in Table 2.1. Non-financial information for the outcome appears in Table 2.2.

CHANGES TO OUTCOMES AND OUTPUTS

There have been no changes to the output structure for the ORER since the 2004–05 Budget.

OUTPUT COST ATTRIBUTION

The ORER allocates corporate overheads on the basis of employee costs attributed to each output.

3.2: OUTCOMES – DEPARTMENTAL AND ADMINISTERED

Departmental appropriations by outcome

There is only one outcome for the ORER.

Administered appropriations by outcome

There is only one outcome for the ORER.

3.3: OUTCOMES RESOURCING

Outcome 1 Resourcing

Table 3.1 shows how the 2005–06 Budget appropriations translate to total resourcing for Outcome 1, including administered expenses, revenue from government (appropriation), other resources available to be used (departmental) and the total price of outputs.

TABLE 3.1 – TOTAL RESOURCES FOR THE OUTCOME

	Estimated Actuals 2004–05 \$'000	Budget Estimate 2005–06 \$'000
ADMINISTERED APPROPRIATIONS⁽¹⁾	502	208
ADMINISTERED SPECIAL ACCOUNTS	-	-
DEPARTMENTAL APPROPRIATIONS		
Output 1.1 – Renewable Energy Certificate Management	1,852	1,881
Output 1.2 – Managing Compliance with Legislation	794	806
TOTAL REVENUE FROM GOVERNMENT (Appropriations)	2,646	2,687
<i>Contributing to Price of Departmental Output</i>	<i>100%</i>	<i>100%</i>
REVENUE FROM OTHER SOURCES		
Output 1.1 – Renewable Energy Certificate Management	-	-
Output 1.3 – Managing Compliance with Legislation	-	-
TOTAL REVENUE FROM OTHER SOURCES	-	-
TOTAL PRICE OF DEPARTMENTAL OUTPUTS	2,646	2,687
DEPARTMENTAL SPECIAL ACCOUNTS	-	-
TOTAL ESTIMATED RESOURCING FOR OUTCOME 1	3,148	2,895
AVERAGE STAFFING LEVEL (NUMBER)	10.0	11.0

- (1) The ORER will receive \$0.208m in administered special appropriation in 2005–06. The special appropriation represents penalty refunds, drawn down from the Official Public Account and paid to companies meeting certain conditions under the *Renewable Energy (Electricity) Act 2000* and able to redeem prior penalty payments.

MEASURES AFFECTING OUTCOME 1

Measures affecting the ORER (as reflected in Budget Paper No. 2) Outcome 1 are listed below:

Efficiency dividend – increase in the rate from 1 per cent to 1.25 per cent*

	2005–06	2006–07	2007–08	2008–09
	\$'000	\$'000	\$'000	\$'000
Office of the Renewable Energy Regulator	(7)	(14)	(20)	(20)

* This is a cross portfolio measure and impacts on all agencies within the Environment and Heritage Portfolio.

PERFORMANCE INFORMATION FOR OUTCOME 1

Achievement of planned performance will be reported in the ORER 2005–06 Annual Report.

Table 3.2 lists the performance information that the ORER will use to assess the level of its achievement of the outcome during 2005–06. It comprises:

- (A) overall achievement – performance information for the outcome overall;
- (B) performance information for administered items – qualitative and quantitative information for each administered item; and
- (C) performance information for departmental outputs – quantitative, qualitative and, price for each output.

TABLE 3.2 – PERFORMANCE INFORMATION FOR OUTCOME 1**(A) Effectiveness – Overall Achievement of the Outcome**

Increased Renewable Electricity Generation	The amount of renewable electricity generated in the year and potentially eligible under the <i>Renewable Energy (Electricity) Act 2000</i> , expressed as a percentage of the mandated target for the year.
--	--

(B) Performance Information for Administered Items

Incoming renewable energy certificate (REC) fees: REC management	Quantity	Renewable energy certificate fees collected in line with the <i>Renewable Energy (Electricity) Act 2000</i> and agreed administrative guidelines for the collection of small amounts.
	Quality	All renewable energy certificate fees transferred to the Official Public Account within 5 working days of receipt of fees and verification that amounts are correct.
Incoming penalty fees: Compliance	Quantity	Ensure, through a comprehensive assessment process, that all renewable energy shortfall fees owing to the Commonwealth are recovered from liable parties.
	Quality	All renewable energy shortfall fees transferred to the Official Public Account with 5 working days of receipt of penalty fees and verification that amounts are correct.
Outgoing REC fees: Compliance	Quantity	Ensure that renewable energy shortfall refunds are correctly calculated taking into consideration the relevant administrative charges specified under the <i>Renewable Energy (Electricity) Regulations 2001</i> .
	Quality	All renewable energy shortfall refunds paid to the liable party within 6 weeks of verification that shortfall refunds are legally payable under the <i>Renewable Energy (Electricity) Act 2000</i> and that amounts are correct.

(C) Performance Information for Departmental Outputs**OUTPUT GROUP 1.1 – RENEWABLE ENERGY CERTIFICATE MANAGEMENT**

<i>Quality</i>	<p>Maintain register of registered persons, register of applications for accreditation, register of accredited power stations and register of Renewable Energy Certificates (RECs).</p> <p>Manage accreditation of power stations.</p> <p>Manage creation and validation of RECs.</p> <p>Manage internet based registry facility including updating software.</p>
<i>Quantity</i>	<p>Manage administrative updates to Regulations.</p> <p>Number of RECs validly created in the year.</p> <p>Total REC liability expressed as a percentage of the annual renewable energy target.</p> <p>Total number of RECs surrendered in the year as a percentage of the target.</p>
<i>Price</i>	\$1.881m

OUTPUT GROUP 1.2 – MANAGING COMPLIANCE WITH LEGISLATION

<i>Quality</i>	<p>Assess annual compliance statements.</p> <p>Impose any penalties.</p> <p>Assist participants in providing pertinent information to ORER.</p> <p>Redeem any shortfall charges.</p> <p>Audit participants.</p> <p>Maintain other administrative procedures for effective operation of the <i>Renewable Energy (Electricity) Act 2000</i>.</p>
<i>Quantity</i>	<p>The percentage of accreditation applications assessed within six weeks of receipt of completed applications and other necessary information.</p> <p>The percentage of RECs annually created that are validated.</p> <p>The number of liable parties having shortfalls.</p> <p>The sum of all shortfalls expressed in RECs.</p>
<i>Price</i>	\$0.806m

EVALUATIONS FOR OUTCOME 1

There are no evaluations planned for the ORER in 2005–06.

Section 4: Other Reporting Requirements

4.1: PURCHASER-PROVIDER ARRANGEMENTS

CROSS AGENCY OVERVIEW

The Office of the Renewable Energy Regulator (ORER) has a cross agency agreement with the Department of the Environment and Heritage through which the Department provides a range of corporate services on a commercial basis.

RESPONSIBILITY

The Renewable Energy Regulator is appointed by the Minister for the Environment and Heritage and is responsible for the delivery and management of the ORER's outputs.

CONTROL ARRANGEMENTS

The ORER was established as a statutory agency under the *Public Service Act 1999* on 18 January 2001 and as a prescribed agency under the *Financial Management and Accountability Act 1997* from 1 July 2003.

PERFORMANCE AGAINST OUTCOMES AND OUTPUTS

Refer to the ORER, Section 3, page 156.

4.2: COST RECOVERY ARRANGEMENTS

SUMMARY OF COST RECOVERY IMPACT STATEMENT

The ORER is committed to implementing the Australian Government's cost recovery policy. In accordance with this policy the ORER will adhere to the Australian Government's cost recovery guidelines when:

- undertaking reviews consistent with the Government's five-year review schedule for existing cost recovery arrangements;
- new cost recovery arrangements are proposed;
- significant amendments to existing arrangements are being considered; and
- periodic reviews of cost recovery arrangements are required.

4.3: AUSTRALIAN GOVERNMENT INDIGENOUS EXPENDITURE

There is no Australian Government Indigenous Expenditure for the ORER.

Section 5: Budgeted Financial Statements

5.1: ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

The budgeted departmental financial statements for the Office of the Renewable Energy Regulator (ORER) are presented in this section. Information from the budgeted financial statements, forms part of the financial statements that will appear in the ORER's 2005–06 Annual Report, and is also required as input into the Whole of Government Accounts.

Budgeted Departmental Statement of Financial Performance

The ORER is forecasting a balanced budget for 2005–06. The ORER also estimates a balanced budget for 2004–05.

Total departmental revenue for 2005–06 is slightly increased from previous years and reflects the increasing administration costs of the mandatory renewable energy target as the target grows in size and the numbers of participants increases.

The ORER is anticipating increased costs, particularly in the areas of service provision (relating to operating an internet-based registry for renewable energy certificates) and, to a lesser extent, in staffing costs.

Budgeted Departmental Statement of Financial Position

The ORER's budget displays asset purchases, as a licence to use technical software required to administer the *Renewable Energy (Electricity) Act 2000* is purchased and depreciated.

Schedule of Budgeted Revenues and Expenses Administered on behalf of Government

The ORER is responsible for three types of administered funds, with incoming revenue returned to the Official Public Account. These are:

- Renewable energy certificate related fees (incoming revenue) – these are statutory fees for the creation and surrender of renewable energy certificates under the *Renewable Energy (Electricity) Act 2000*.
- Renewable energy shortfall related fees (incoming revenue) – these are the penalties under the *Renewable Energy (Electricity) Act 2000* which are imposed when a party liable to surrender renewable energy certificates fails to surrender sufficient certificates to discharge their liability (within a certain flexibility margin).

- Renewable energy shortfall related fees (outgoing expenses) – the ORER is appropriated funds to meet the cost of refunding renewable energy shortfall fees. The *Renewable Energy (Electricity) Act 2000* provides that a party paying a renewable energy shortfall fee can recover that shortfall payment if, in the next three years, the party surrenders additional renewable energy certificates to cover the shortfall. In these instances, the ORER draws funds by a special appropriation from the Official Public Account for an amount equal to the refund less any administration fees specified in regulations. The ORER then pays the refund to the party concerned.

5.2: BUDGETED FINANCIAL STATEMENTS TABLES

**TABLE 5.1 – BUDGETED DEPARTMENTAL STATEMENT OF
FINANCIAL PERFORMANCE
(for the period ended 30 June 2006)**

	Estimated	Budget	FORWARD		
	Actual	Estimate	ESTIMATES		
<i>Note</i>	2004–05	2005–06	2006–07	2007–08	2008–09
	\$'000	\$'000	\$'000	\$'000	\$'000
REVENUES FROM ORDINARY ACTIVITIES					
Revenues from Government	2,646	2,687	2,744	2,626	2,661
Total revenues from ordinary activities	2,646	2,687	2,744	2,626	2,661
EXPENSES FROM ORDINARY ACTIVITIES (excluding borrowing costs expense)					
Employees	1,018	1,047	1,112	1,167	1,225
Suppliers	1,479	1,469	1,595	1,459	1,436
Depreciation and amortisation	149	171	37	-	-
Total expenses from ordinary activities (excluding borrowing costs expense)	2,646	2,687	2,744	2,626	2,661
Borrowing cost expense	-	-	-	-	-
Net Surplus or (deficit) from ordinary activities	-	-	-	-	-
Gain or (loss) on extraordinary items	-	-	-	-	-
Net Surplus or (deficit) attributable to the Australian Government	-	-	-	-	-
Net credit or (debit) to asset revaluation reserve	-	-	-	-	-
Total changes in equity other than those resulting from transactions with owners as owners	-	-	-	-	-

TABLE 5.2 – BUDGETED DEPARTMENTAL STATEMENT OF FINANCIAL POSITION (as at 30 June 2006)

	Estimated	Budget	FORWARD		
	Actual	Estimate	ESTIMATES		
<i>Note</i>	2004-05	2005-06	2006-07	2007-08	2008-09
	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS					
Financial assets					
Cash	54	225	262	262	262
Receivables	388	388	388	388	388
Total financial assets	442	613	650	650	650
Non-financial assets					
Intangibles	208	37	-	-	-
Total non-financial assets	208	37	-	-	-
Total assets	650	650	650	650	650
LIABILITIES					
Provisions					
Employees	237	237	237	237	237
Total provisions	237	237	237	237	237
Payables					
Suppliers	125	125	125	125	125
Total payables	125	125	125	125	125
Total liabilities	362	362	362	362	362

TABLE 5.2 – BUDGETED DEPARTMENTAL STATEMENT OF FINANCIAL POSITION *(continued)*
(as at 30 June 2006)

	Estimated	Budget	FORWARD		
	Actual	Estimate	ESTIMATES		
<i>Note</i>	2004–05	2005–06	2006–07	2007–08	2008–09
	\$'000	\$'000	\$'000	\$'000	\$'000
EQUITY [*]					
Parent entity interest					
Retained surpluses or accumulated deficits	288	288	288	288	288
Total parent entity interest	288	288	288	288	288
Total equity	288	288	288	288	288
Current assets	442	613	650	650	650
Non-current assets	208	37	-	-	-
Current liabilities	125	125	125	125	125
Non-current liabilities	237	237	237	237	237

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

TABLE 5.3 – BUDGETED DEPARTMENTAL STATEMENT OF CASH FLOWS
(for the period ended 30 June 2006)

	Estimated	Budget	FORWARD		
	Actual	Estimate	ESTIMATES		
<i>Note</i>	2004–05	2005–06	2006–07	2007–08	2008–09
	\$'000	\$'000	\$'000	\$'000	\$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	2,646	2,687	2,744	2,626	2,661
Total cash received	2,646	2,687	2,744	2,626	2,661
Cash used					
Employees	1,018	1,047	1,112	1,167	1,225
Suppliers	1,479	1,469	1,595	1,459	1,436
Total cash used	2,497	2,516	2,707	2,626	2,661
Net cash from or (used by) operating activities	149	171	37	-	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	240	-	-	-	-
Total cash used	240	-	-	-	-
Net cash from or (used by) investing activities	(240)	-	-	-	-
Net increase or (decrease) in cash held	(91)	171	37	-	-
Cash at the beginning of the reporting period	145	54	225	262	262
Cash at the end of the reporting period	54	225	262	262	262

TABLE 5.4 – DEPARTMENTAL CAPITAL BUDGET STATEMENT

	Estimated	Budget	FORWARD		
	Actual	Estimate	ESTIMATES		
	<i>Note</i> 2004–05	2005–06	2006–07	2007–08	2008–09
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital appropriations					
Total equity injections	-	-	-	-	-
Total loans	-	-	-	-	-
Total Capital appropriations	-	-	-	-	-
Represented by:					
Purchase of non-financial assets	-	-	-	-	-
Total represented by	-	-	-	-	-
Purchase of non-financial assets					
Funded internally by departmental resources	240	-	-	-	-
Total	240	-	-	-	-

TABLE 5.5 – 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						360		360
Accumulated depreciation						(152)		(152)
Opening net book value	-	-	-	-	-	208	-	208
Additions:								
By purchase								-
By finance lease								-
From acquisitions of entities or operations (including restructuring)								-
Net revaluation increment/decrement								-
Reclassifications								-
Depreciation/amortisation expense						(171)		(171)
Recoverable amount write-downs								-
Other movements								-
Disposals:								
From disposal of entities of operations (including restructuring)								-
Other disposals								-
As at 30 June 2006								
Gross book value						360		360
Accumulated depreciation						(323)		(323)
Closing net book value	-	-	-	-	-	37	-	37

**TABLE 5.6 – SCHEDULE OF BUDGETED REVENUES AND EXPENSES
ADMINISTERED ON BEHALF OF GOVERNMENT
(for the period ended 30 June 2006)**

	Estimated	Budget	FORWARD		
	Actual	Estimate	ESTIMATES		
<i>Note</i>	2004–05	2005–06	2006–07	2007–08	2008–09
	\$'000	\$'000	\$'000	\$'000	\$'000
REVENUES ADMINISTERED ON BEHALF OF GOVERNMENT					
Non–taxation (revenues from Government)					
Statutory Fees	464	584	736	896	970
Penalties	208	408	720	1,120	1,130
Total non–taxation	672	992	1,456	2,016	2,100
Total revenues administered on behalf of the Government	672	992	1,456	2,016	2,100
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Refunds of penalties	502	208	408	720	800
Total expenses administered on behalf of the Government	502	208	408	720	800

**TABLE 5.7 – SCHEDULE OF BUDGETED ASSETS AND LIABILITIES
ADMINISTERED ON BEHALF OF GOVERNMENT (as at 30 June 2006)**

There is no schedule of budgeted assets and liabilities administered on behalf of government for the ORER.

TABLE 5.8 – SCHEDULE OF BUDGETED ADMINISTERED CASH FLOWS
(for the period ended 30 June 2006)

	Estimated	Budget	FORWARD		
	Actual	Estimate	ESTIMATES		
<i>Note</i>	2004–05	2005–06	2006–07	2007–08	2008–09
	\$'000	\$'000	\$'000	\$'000	\$'000
OPERATING ACTIVITIES					
Cash received					
Statutory Fees	464	584	736	896	970
Penalties	208	408	720	1,120	1,130
Total cash received	672	992	1,456	2,016	2,100
Cash used					
Refunds of Penalties	502	208	408	720	800
Total cash used	502	208	408	720	800
Net cash from or (used by) operating activities	170	784	1,048	1,296	1,300
Net increase or (decrease) in cash held	170	784	1,048	1,296	1,300
Cash at the beginning of the reporting period	-	-	-	-	-
Cash from Official Public Account for					
Appropriations	502	208	408	720	800
Cash to Official Public Account for					
Appropriations	(672)	(992)	(1,456)	(2,016)	(2,100)
Cash at the end of the reporting period	-	-	-	-	-

TABLE 5.9 – SCHEDULE OF ADMINISTERED CAPITAL BUDGET

The ORER has not been appropriated any Administered Capital in 2005–06.

TABLE 5.10 – SCHEDULE OF PROPERTY, PLANT, EQUIPMENT AND INTANGIBLES – SUMMARY OF MOVEMENT (BUDGET YEAR 2005–06)

The ORER does not administer any non-financial assets on behalf of the Australian Government.

**AGENCY
BUDGET STATEMENTS**

**DIRECTOR OF NATIONAL
PARKS**

Director of National Parks

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Section 1: Agency Overview

The Director of National Parks (DNP) assists the Minister for the Environment and Heritage and the Department of the Environment and Heritage (DEH) in the conservation and appreciation of Australia's biological diversity and associated cultural heritage, through leadership and cooperation in the management of the Commonwealth's protected areas.

The Director's statutory responsibilities are administered under the *Environment Protection and Biodiversity Conservation Act 1999*.

The DNP, assisted by branches of the Parks Australia Division of the DEH and through functions delegated to the Land, Water and Coasts and Australian Antarctic Divisions, within the DEH:

- conserves and manages Commonwealth reserves;
- actively contributes to the conservation of Australia's indigenous cultural heritage;
- provides a framework for safe visitation and associated tourism businesses in Commonwealth reserves;
- develops and disseminates knowledge, information and practical methods to encourage a better understanding of protected areas and their associated values;
- provides the Minister with coordinated, objective policy advice, analysis and research on key biodiversity issues related to the establishment and management of protected areas; and
- coordinates and promotes Australian participation in key environment forums related to national parks and other protected areas and contributes to the development of protected areas nationally and internationally.

DIAGRAM 1: LOCATION OF COMMONWEALTH PARKS AND RESERVES

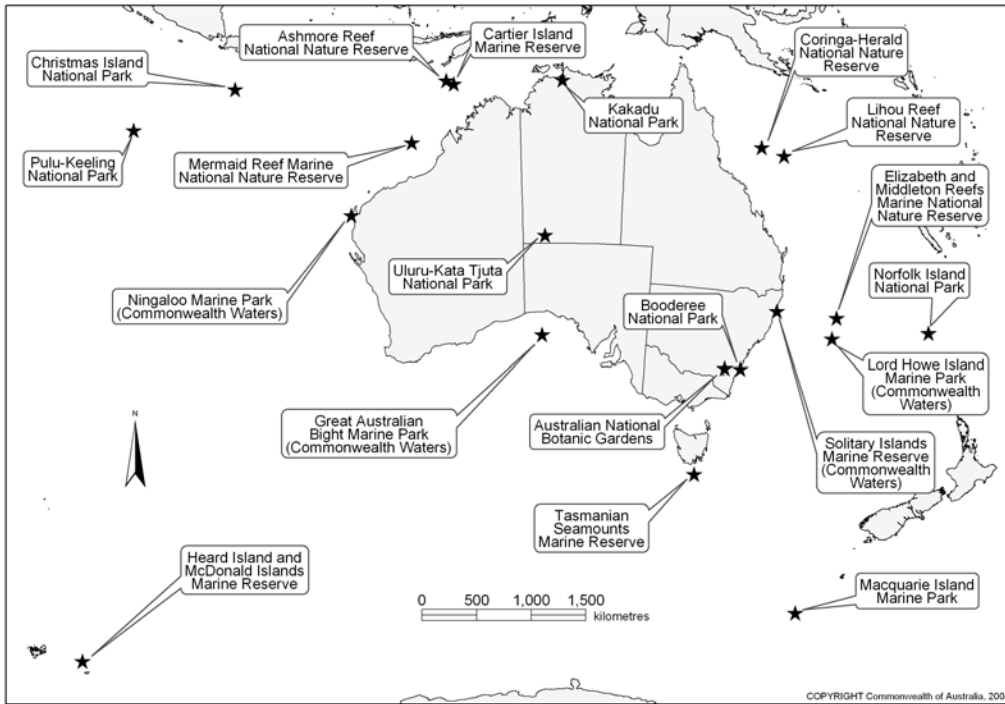


TABLE 1.1: AGENCY OUTCOMES AND OUTPUTS

Outcome	Description	Outputs
Outcome 1 Conservation and appreciation of Commonwealth Reserves	The conservation and appreciation of natural and cultural values, including world class management of nationally significant assets, provision for appropriate recreation and tourism, and better understanding of their values. There are 20 reserves established under the <i>Environment Protection and Biodiversity Conservation Act 1999</i> , with Kakadu, Uluru–Kata Tjuta and Booderee, jointly managed with their indigenous owners.	Output 1.1 Parks and Reserves

Section 2: Agency Resources for 2005–06

2.1 APPROPRIATIONS AND OTHER RESOURCES

Table 2.1 shows the total resources from all origins for 2005–06, including appropriations. The table summarises how revenue will be applied by outcome, departmental and administered classification.

There is no direct appropriation from the Government to the Director of National Parks (DNP). Departmental funds of \$40.808 million will be appropriated directly to the Department of the Environment and Heritage (DEH) and transferred to the DNP.

Table 2.1 on the following page shows the total price of statutory outputs for the DNP outcome – Conservation and appreciation of Commonwealth reserves – which contributes to Outcome 1 – the environment, especially those aspects that are matters of national environmental significance, is protected and conserved.

TABLE 2.1: APPROPRIATIONS AND OTHER REVENUE – DIRECTOR OF NATIONAL PARKS

Outcome	Appropriations					Revenue from other sources ⁽⁴⁾		Total Resources ⁽⁶⁾
	\$'000	\$'000	\$'000	\$'000	% ⁽⁵⁾	\$'000	% ⁽⁵⁾	\$'000
	Bill No. 1	Bill No. 2 ⁽¹⁾	Special Approp ⁽²⁾	Total Approp ⁽³⁾	(A)+(C) / (A)+(C)+(E)	(E)	(E) / (A)+(C)+(E)	(F)=(D)+(E)
(A)	(B)	(C)	(D)=(A)+(B)+(C)		(E)	(E) / (A)+(C)+(E)	(F)=(D)+(E)	
Outcome 1								
<i>Conservation and appreciation of Commonwealth Reserves</i>								
Departmental	–	–	–	–	na	56,729	100%	56,729
TOTAL RESOURCES	–	–	–	–	na	56,729	100%	56,729

This table has been redesigned to correspond with Budget Paper No. 4 'Agency Resourcing'. It now includes (where appropriate) administered revenue from other sources.

- (1) Under the appropriation structure, Bill No. 2 includes Specific Purpose Payments (SPPs), new agency outcomes (NAOs), administered capital and departmental capital via departmental injections and loans.
- (2) Estimated expenses from individual Special Appropriations are shown at Section 3, Table 3.1.
- (3) Total appropriations = Bill No. 1 + Bill No. 2 + Special Appropriations.
- (4) Revenue from other sources includes *Financial Management and Accountability Act 1997* s.31 revenues, Commonwealth Authorities and Companies body revenues that are available to be expensed, special accounts (non-appropriation revenues) and resources received free of charge. The revenue from other sources comprises \$40.808 million appropriated directly to the DEH and transferred to the DNP and \$15,921 other receipts (refer Table 2.3, page 183).
- (5) Percentage figures indicate the percentage contribution of revenue from government (Departmental Appropriations) to the total price of outputs (= Bill No. 1 + Special Appropriation + Revenue from other sources), by outcome, and the percentage contribution of Revenue from other sources (departmental) to the total price of outputs, by outcome.
- (6) Total resources = Total appropriations + Revenue from other sources.

Note: Refer to budgeted statement of financial performance for application of agency revenue.

2.2: 2005–06 BUDGET MEASURES

Budget measures relating to the DNP as explained in Budget Paper No. 2 are summarised in Table 2.2. The table also identifies the relevant outcomes, administered items and outputs associated with each measure.

TABLE 2.2 – SUMMARY OF MEASURES CONTAINED IN THE 2005–2006 BUDGET

Measure	Outcome	Outputs Affected	Appropriations Budget 2005–06 (\$'000)			Appropriations Forward estimate 2006–07 (\$'000)			Appropriations Forward estimate 2007–08 (\$'000)			Appropriations Forward estimate 2008–09 (\$'000)		
			Admin	Dept	Total	Admin	Dept	Total	Admin	Dept	Total	Admin	Dept	Total
			Expenses	Output		Expenses	Outputs		Expenses	Outputs		Expenses	Outputs	
Efficiency dividend – increase in the rate from 1 per cent to 1.25 per cent ⁽¹⁾	<i>1</i>	<i>1.1</i>	-	(102)	(102)	-	(209)	(209)	-	(317)	(317)	-	(317)	(317)

⁽¹⁾ This is a cross portfolio measure and impacts on all agencies within the Environment and Heritage Portfolio.

2.3: OTHER RECEIPTS AVAILABLE TO BE USED

Table 2.3 provides details of other receipts available to be used and include *Financial Management and Accountability Act 1997* s.31 receipts, Commonwealth Authorities and Companies body receipts that are available to be spent, special accounts (non-appropriation) and resources received free of charge.

TABLE 2.3 – OTHER RECEIPTS AVAILABLE TO BE USED

	Estimated Receipts 2004–05 \$'000	Budget Estimate 2005–06 \$'000
DEPARTMENTAL OTHER RECEIPTS		
Goods and Services	10,925	11,471
Interest	450	450
Other	4,400	4,000
TOTAL ESTIMATED OTHER RECEIPTS ⁽¹⁾	15,775	15,921

(1) Excludes \$40.808 million departmental appropriation in 2005–06 transferred from the DEH to the DNP.

2.4: MOVEMENT OF ADMINISTERED FUNDS FROM 2004–05 TO 2005–06

There are no movements of administered funds from 2004–05 to 2005–06 for the DNP.

2.5: SPECIAL APPROPRIATIONS

There are no special appropriations for the DNP in the 2005–06 Budget.

2.6: SPECIAL ACCOUNTS

There are no special accounts for the DNP in the 2005–06 Budget.

2.7: ADMINISTERED CAPITAL AND DEPARTMENTAL EQUITY INJECTIONS AND LOANS

The DNP has not been appropriated any administered capital for 2005–06 and will not receive any departmental equity injection or loans in 2005–06.

Section 3: Agency Outcomes

This section explains how resources identified in Section 2 will be used to deliver outputs and to contribute to the outcome for the Director of National Parks (DNP).

3.1: SUMMARY OF OUTCOMES, OUTPUTS AND ADMINISTERED ITEMS

The relationship between activities of the DNP and the outcome is summarised in Figure 4.

FIGURE 4: OUTCOME AND OUTPUTS

	Total Price of Outputs \$'000	Departmental Outputs Appropriation \$'000
DIRECTOR OF NATIONAL PARKS	56,729	-
Outcome 1 – <i>Conservation and appreciation of Commonwealth Reserves</i>		
Output 1.1 Parks and Reserves	56,729	-
TOTAL OUTCOME	56,729	-

CHANGES TO OUTCOMES AND OUTPUTS

There have been no changes to the output structure for the DNP since the 2004–05 Budget.

OUTPUT COST ATTRIBUTION

Output pricing is based on the direct revenues of the DNP and a corporate services charge, received as resources free of charge from the Department of the Environment and Heritage (DEH) calculated under a Service Level Agreement on a full cost recovery basis.

3.2: OUTCOMES – DEPARTMENTAL AND ADMINISTERED

Departmental appropriations by outcome

There is only one outcome for the DNP.

Administered appropriations by outcome

There are no administered appropriations for the DNP.

3.3: OUTCOMES RESOURCING

Outcome 1 Resourcing

Table 3.1 shows how the 2005–06 Budget appropriations translate to total resourcing for Outcome 1, including administered expenses, revenue from government (appropriation), other resources available to be used (departmental) and the total price of outputs.

TABLE 3.1 – TOTAL RESOURCING FOR THE OUTCOME

	Estimated Actuals 2004–05 \$'000	Budget Estimate 2005–06 \$'000
ADMINISTERED APPROPRIATIONS	-	-
ADMINISTERED SPECIAL ACCOUNTS	-	-
DEPARTMENTAL APPROPRIATIONS		
Output 1.1 – Parks and Reserves	-	-
TOTAL REVENUE FROM GOVERNMENT (Appropriations)*	-	-
<i>Contributing to Price of Departmental Output</i>	<i>0%</i>	<i>0%</i>
REVENUE FROM OTHER SOURCES		
Output 1.1 – Parks and Reserves	55,860	56,729
TOTAL REVENUE FROM OTHER SOURCES	55,860	56,729
TOTAL PRICE OF DEPARTMENTAL OUTPUTS	55,860	56,729
DEPARTMENTAL SPECIAL ACCOUNTS	0	0
TOTAL ESTIMATED RESOURCING FOR OUTCOME 1	55,860	56,729

	2004–2005	2005–2006
AVERAGE STAFFING LEVEL (NUMBER)	275.0	275.0

* There is no direct appropriation from government to the DNP. Funds of \$40.808 million will be appropriated directly to the DEH and transferred to the DNP in 2005–06.

MEASURES AFFECTING OUTCOME 1

Measures affecting the DNP (as reflected in Budget Paper No. 2) Outcome 1 are listed below:

Efficiency dividend – increase in the rate from 1 per cent to 1.25 per cent*

	2005–06	2006–07	2007–08	2008–09
	\$'000	\$'000	\$'000	\$'000
Director of National Parks	(102)	(209)	(317)	(317)

*This is a cross portfolio measure and impacts on all agencies within the Environment and Heritage Portfolio.

PERFORMANCE INFORMATION FOR OUTCOME 1

The following table lists the performance information that the DNP will use to assess the level of its achievement of Outcome 1 during 2005–06. It comprises:

- (A) overall achievement – planned performance information for the outcome overall; and
- (B) performance information for departmental Output – quantitative, qualitative and the price.

TABLE 3.2 – PERFORMANCE INFORMATION FOR THE OUTCOME***(A) Effectiveness – Overall Achievement of the Outcome***

DNP has identified six key result areas (KRAs) against which achievements in relation to this outcome will be assessed.

KRA 1: Effective programmes are in place to identify, control and monitor threats to the natural values of Commonwealth reserves, including a co-ordinated approach to threatened species protection across the estate, with recovery plans being implemented for all species and communities listed as endangered or critically endangered.

KRA 2: Cultural heritage values, both indigenous and non-indigenous, for which the parks were declared and are recognised have been protected and conserved.

KRA 3: In jointly-managed parks there has been an expansion in traditional owners and/or relevant indigenous enterprises providing park services and there is a greater representation of indigenous staff in management positions. We are seen as world leaders in integrating indigenous land ownership, indigenous knowledge and conservation, particularly in our World Heritage property management responsibilities.

KRA 4: Visitors to Commonwealth reserves will increasingly be rewarded with educational, enjoyable and safe experiences with high levels of visitor satisfaction. Understanding and appreciation of Australia's protected areas and their natural and cultural heritage will be increased.

KRA 5: The range of public/private partnerships and volunteers and local communities involved in our management activities has been expanded. There will be increased engagement with and support from key stakeholders (eg the tourism industry) in park planning and management.

KRA 6: Leaders in financial management, valuing staff, service delivery of park management and providing value for money. Performance assessment strategies have been implemented to demonstrate our effectiveness in contributing to the conservation of natural and cultural heritage and community well-being.

Effectiveness in delivering the outcome***Effectiveness Indicator:*** Commonwealth Reserves are protected

<i>Reporting indicators</i>	<p>Natural values for which Commonwealth reserves were declared and/or recognised have been maintained.</p> <p>Populations of species listed in the <i>Environment Protection and Biodiversity Conservation Act 1999</i> and their habitats have been conserved.</p> <p>Management of Commonwealth Reserves is based on best practice principles, measured through:</p> <ul style="list-style-type: none"> - number of Park profiles completed and updated annually; - all fire management plans in place and implemented for relevant reserves; - all weed management plans in place and implemented; - feral species management plans in place and implemented; and - weed and feral species management plans reviewed. <p>Cultural heritage is protected, measured through:</p> <ul style="list-style-type: none"> - completion and implementation of cultural heritage management plans; - completion of inventories of cultural places; - establishment of keeping places; - recording of oral histories; and - inclusion of appropriate questions relating to cultural heritage in visitor satisfaction surveys. <p>Indigenous land ownership, and indigenous knowledge and conservation is successfully integrated into Commonwealth Reserves management, measured through:</p> <ul style="list-style-type: none"> - increasing indigenous park enterprises and indigenous employment in Commonwealth Reserves on indigenous lands; - consultation mechanisms, eg direct consultation and industry consultative committees, are effective in involving stakeholders in developing and implementing Commonwealth Reserve plans of management; and - visitors to Commonwealth Reserves enjoy a satisfying and safe experience.
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*(B) Performance Information for Departmental Outputs***OUTPUT 1 – PARKS AND RESERVES**

Statutory administration	<i>Quantity</i>	Extent to which statutory requirements and timeframes are met under legislation.
	<i>Quantity</i>	Number of permits considered (granted and refused) under legislation.
Policy advising, ministerial and parliamentary	<i>Quality</i>	Parliamentary Secretary is satisfied with the timeliness and quality of briefs provided by the Director.
	<i>Quality</i>	Parliamentary Secretary is satisfied with the timeliness and quality of draft ministerial correspondence by the Director.
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).
Research, analysis and evaluation	<i>Quantity</i>	Number of research reports, articles and papers prepared and publicly released.
	<i>Price</i>	\$56.729m

EVALUATIONS FOR OUTCOME 1

There are no evaluations planned for 2005–06 for the DNP.

Section 4: Other Reporting Requirements

4.1: PURCHASER-PROVIDER ARRANGEMENTS

<p>DIRECTOR OF NATIONAL PARKS DEPARTMENT OF THE ENVIRONMENT AND HERITAGE</p>
--

CROSS AGENCY OVERVIEW

The Director of National Parks (DNP) has a purchaser-provider arrangement for the provision of corporate services under a Memorandum of Understanding with the Department of the Environment and Heritage (DEH).

The Secretary of the DEH allocates funds to the DNP for the outcome: conservation and appreciation of Commonwealth reserves.

RESPONSIBILITY

The DNP is responsible to the Minister for the Environment and Heritage and the Parliamentary Secretary to the Minister for the Environment and Heritage.

CONTROL ARRANGEMENTS

The DNP is a Commonwealth authority and is subject to the *Commonwealth Authorities and Companies Act 1997*.

RESOURCING

The DNP will receive funding of \$40.808 million from the DEH in 2005-06.

4.2: COST RECOVERY ARRANGEMENTS

SUMMARY OF COST RECOVERY IMPACT STATEMENT

The DNP is committed to implementing the Commonwealth's formal cost recovery policy. In accordance with this policy the DNP will adhere to the Commonwealth's cost recovery guidelines when:

- undertaking reviews consistent with the Government's five-year review schedule for existing cost recovery arrangements;
- new cost recovery arrangements are proposed;
- significant amendments to existing arrangements are being considered; and
- periodic reviews of cost recovery arrangements are required.

4.3: AUSTRALIAN GOVERNMENT INDIGENOUS EXPENDITURE

There is no Australian Government Indigenous Expenditure for the DNP.

Section 5: Budgeted Financial Statements

5.1: ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

An analysis of the budgeted financial statements for the Director of National Parks (DNP), as reflected in the budgeted departmental financial statements for 2005–06 for the DNP, is provided below.

Budgeted Departmental Statement of Financial Performance

Revenues for the DNP are expected to increase by \$0.869 million (1.6%) to \$56.729 million primarily due to an increase in base appropriation funding and a modest increase in Park Fee revenues. The Park fees increase due to an expected 3.5% growth in visitors at Uluru-Kata Tjuta National Park.

Expenses for the DNP increase by \$0.992 million (1.8%) primarily due to expected labour rate increases and minor impacts of the consumer price index (CPI) increases with contracted service providers.

Budgeted Departmental Statement of Financial Position

It is expected that the net assets of the DNP will remain steady from 2004–05 to 2005–06 at \$99.030 million.

Budgeted Departmental Statement of Cash flows

Cash reserves are expected to build over time and movements in cash are in line with operational needs.

5.2: BUDGETED FINANCIAL STATEMENTS TABLES

**TABLE 5.1 – BUDGETED DEPARTMENTAL STATEMENT OF FINANCIAL PERFORMANCE
(for the period ended 30 June 2006)**

		Estimated Actual 2004–05 \$'000	Budget Estimate 2005–06 \$'000	FORWARD ESTIMATES		
	<i>Note</i>			2006–07 \$'000	2007–08 \$'000	2008–09 \$'000
REVENUES FROM ORDINARY ACTIVITIES						
Revenues from Government	1	40,085	40,808	42,446	42,976	38,289
Goods and services		10,925	11,471	12,045	12,647	13,279
Interest		450	450	450	450	450
Other	2	4,400	4,000	4,000	4,000	8,432
Total revenues from ordinary activities		55,860	56,729	58,941	60,073	60,450
EXPENSES FROM ORDINARY ACTIVITIES (excluding borrowing costs expense)						
Employees		20,305	20,914	21,542	22,188	22,853
Suppliers		25,841	25,824	27,208	27,294	27,006
Depreciation and amortisation		9,441	9,841	10,041	10,441	10,441
Other		150	150	150	150	150
Total expenses from ordinary activities (excluding borrowing costs expense)		55,737	56,729	58,941	60,073	60,450
Borrowing cost expense		-	-	-	-	-
Operating Surplus or (deficit) from ordinary activities		123	-	-	-	-
Gain or (loss) on extraordinary items		-	-	-	-	-
Net Surplus or (deficit) attributable to the Australian Government		123	-	-	-	-
Net credit or (debit) to asset revaluation reserve		-	-	-	-	-
Total changes in equity other than those resulting from transactions with owners as owners		123	-	-	-	-

TABLE 5.2 – BUDGETED DEPARTMENTAL STATEMENT OF FINANCIAL POSITION (as at 30 June 2006)

	Estimated	Budget	FORWARD			
	Actual	Estimate	ESTIMATES			
<i>Note</i>	2004–05	2005–06	2006–07	2007–08	2008–09	
	\$'000	\$'000	\$'000	\$'000	\$'000	
ASSETS						
Financial assets						
Cash	5,100	6,283	6,174	7,471	8,775	
Receivables	400	400	400	400	400	
Total financial assets	5,500	6,683	6,574	7,871	9,175	
Non-financial assets						
Land and buildings	56,754	56,254	53,754	51,254	50,754	
Infrastructure, plant and equipment	44,959	44,468	47,277	48,686	48,095	
Intangibles	10	10	10	10	10	
Other	303	303	303	303	303	
Total non-financial assets	102,026	101,035	101,344	100,253	99,162	
Total assets	107,526	107,718	107,918	108,124	108,337	
LIABILITIES						
Provisions						
Employees	3	5,496	5,688	5,888	6,093	6,306
Total provisions		5,496	5,688	5,888	6,093	6,306
Payables						
Suppliers		3,000	3,000	3,000	3,000	3,000
Total payables		3,000	3,000	3,000	3,000	3,000
Total liabilities		8,496	8,688	8,888	9,093	9,306

TABLE 5.2 – BUDGETED DEPARTMENTAL STATEMENT OF FINANCIAL POSITION *(continued)*
(as at 30 June 2006)

	Estimated	Budget	FORWARD		
	Actual	Estimate	ESTIMATES		
<i>Note</i>	2004–05	2005–06	2006–07	2007–08	2008–09
	\$'000	\$'000	\$'000	\$'000	\$'000
EQUITY *					
Parent entity interest					
Contributed equity	9,755	9,755	9,755	9,755	9,755
Reserves	26,698	26,698	26,698	26,698	26,698
Retained surpluses or accumulated deficits	62,577	62,577	62,577	62,578	62,578
Total parent entity interest	99,030	99,030	99,030	99,031	99,031
Total equity	99,030	99,030	99,030	99,031	99,031
Current assets	5,813	6,996	6,887	8,184	9,488
Non-current assets	101,713	100,722	101,031	99,940	98,849
Current liabilities	6,023	6,128	6,239	6,351	6,468
Non-current liabilities	2,473	2,560	2,649	2,742	2,838

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

TABLE 5.3 – BUDGETED DEPARTMENTAL STATEMENT OF CASH FLOWS
(for the period ended 30 June 2006)

	Estimated	Budget	FORWARD		
	Actual	Estimate	ESTIMATES		
<i>Note</i>	2004–05	2005–06	2006–07	2007–08	2008–09
	\$'000	\$'000	\$'000	\$'000	\$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	40,085	40,808	42,446	42,976	38,289
Goods and services	11,469	11,471	12,045	12,647	13,279
Interest	450	450	450	450	450
Other	1,100	700	700	700	5,139
Total cash received	53,104	53,429	55,641	56,773	57,157
Cash Used					
Employees	20,620	20,722	21,342	21,982	22,647
Suppliers	25,668	23,024	24,408	24,494	24,206
Total cash used	46,288	43,746	45,750	46,476	46,853
Net cash from or (used by) operating activities	6,816	9,683	9,891	10,297	10,304
INVESTING ACTIVITIES					
Cash received					
Proceeds from sale of property, plant and equipment	500	500	500	500	500
Total cash received	500	500	500	500	500
Cash used					
Purchase of property, plant and equipment	5,000	9,000	10,500	9,500	9,500
Other	30	-	-	-	-
Total cash used	5,030	9,000	10,500	9,500	9,500
Net cash from or (used by) investing activities	(4,530)	(8,500)	(10,000)	(9,000)	(9,000)
Net increase or (decrease) in cash held	2,286	1,183	(109)	1,297	1,304
Cash at the beginning of the reporting period	2,814	5,100	6,283	6,174	7,471
Cash at the end of the reporting period	5,100	6,283	6,174	7,471	8,775

TABLE 5.4 – DEPARTMENTAL CAPITAL BUDGET STATEMENT

	Estimated Actual <i>Note</i> 2004–05 \$'000	Budget Estimate 2005–06 \$'000	ESTIMATED		
			2006–07 \$'000	2007–08 \$'000	2008–09 \$'000
Capital appropriations					
Total equity injections	-	-	-	-	-
Total loans	-	-	-	-	-
Total capital appropriations	-	-	-	-	-
Represented by:					
Purchase of non-current assets	-	-	-	-	-
Total represented by	-	-	-	-	-
Purchase of non-financial assets					
Funded internally by departmental resources	5,000	9,000	10,500	9,500	9,500
Total	5,000	9,000	10,500	9,500	9,500

TABLE 5.5 – 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	8,197		54,906	65,426		13		128,542
Accumulated depreciation			(6,349)	(20,467)		(3)		(26,819)
Opening net book value	8,197	-	48,557	44,959	-	10	-	101,723
Additions:								
By purchase			2,000	7,000				9,000
By finance lease								-
From acquisitions of entities or operations (including restructuring)								-
Net revaluation increment/decrement								-
Reclassifications								-
Depreciation/amortisation expense			(2,500)	(7,341)				(9,841)
Recoverable amount write-downs								-
Other movements								-
Disposals:								-
From disposal of entities of operations (including restructuring)								-
Other disposals				(150)				(150)
As at 30 June 2006								
Gross book value	8,197		56,906	72,276		13		137,392
Accumulated depreciation	-		(8,849)	(27,808)		(3)		(36,660)
Closing net book value	8,197	-	48,057	44,468	-	10	-	100,732

5.3: NOTES TO THE FINANCIAL STATEMENTS

1. There is no direct appropriation from government to the DNP. Funds are appropriated directly to the DEH and transferred to the DNP.
2. Included in the figure is an amount of \$2.8 million being the resources received free of charge for corporate services provided by the DEH.
3. This figure relates to liability for staff seconded to the DNP from the DEH.

**AGENCY
BUDGET STATEMENTS**

**GREAT BARRIER REEF
MARINE PARK AUTHORITY**

Great Barrier Reef Marine Park Authority

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Section 1: Agency Overview

The Great Barrier Reef Marine Park Authority (GBRMPA) is a recognised world leader in marine environmental management with responsibility for managing one of the world's premier natural resources through the care and development of the Great Barrier Reef Marine Park. Protection of the environment, especially those aspects that are matters of national environmental significance is a major aim of the Government.

The GBRMPA works in partnership with Australian Government and Queensland Government agencies, such as Customs – Coastwatch, the Queensland Environment Protection Agency and the Queensland Department of Primary Industries and Fisheries, to undertake a wide range of functions to ensure that the conservation and World Heritage values of the Great Barrier Reef are preserved for future generations.

Conservation of the Great Barrier Reef is the GBRMPA's primary obligation. The GBRMPA's challenge is to ensure that valuable tourist and commercial fishing industries worth respectively, approximately \$4.3 billion per annum and \$130 million per annum and other important uses such as adjacent land use, shipping, recreational activities and research activities continue to operate on an ecologically sustainable basis.

TABLE 1.1: AGENCY OUTCOMES AND OUTPUTS

Outcome	Description	Outputs
Outcome 1 Protection, wise use, understanding and enjoyment of the Great Barrier Reef	The GBRMPA is the Commonwealth Statutory Authority responsible for making recommendations to the Minister of the Environment and Heritage in relation to the care and development of the Great Barrier Reef Marine Park. Seven output groups contribute to the outcome.	Output 1.1 Conservation, Heritage and Indigenous Partnerships Output 1.2 Water Quality and Coastal Development Output 1.3 Fisheries Output 1.4 Tourism and Recreation Output 1.5 Park Management Output 1.6 Information for Park Management Output 1.7 Reef Education and Communication

Section 2: Agency Resources for 2005–06

2.1 APPROPRIATIONS AND OTHER RESOURCES

Table 2.1 shows the total resources from all origins for 2005–06, including appropriations. The table summarises how revenue will be applied by outcome, departmental and administered classification.

The total appropriation for the Great Barrier Reef Marine Park Authority (GBRMPA) in 2005–06 Budget is \$22.844 million. This includes a special appropriation of \$7.4 million which reflects the amount collected from the environmental management charge on permitted commercial operations within the Great Barrier Reef Marine Park.

TABLE 2.1: APPROPRIATIONS AND OTHER REVENUE – GREAT BARRIER REEF MARINE PARK AUTHORITY

Outcome	Appropriations					Revenue from other sources ⁽⁴⁾		Total Resources ⁽⁶⁾
	\$'000 Bill No. 1 (A)	\$'000 Bill No. 2 ⁽¹⁾ (B)	\$'000 Special Approp ⁽²⁾ (C)	\$'000 Total Approp ⁽³⁾ (D)=(A)+(B)+(C)	% ⁽⁵⁾ (A)+(C) / (A)+(C)+(E)	\$'000 (E)	% ⁽⁵⁾ (E)/ (A)+(C)+(E)	\$'000 (F)=(D)+(E)
Outcome 1								
<i>Protection, wise use, understanding and enjoyment of the Great Barrier Reef</i>								
Departmental	15,444	-	7,400	22,844	60.0%	15,201	40.0%	38,045
TOTAL RESOURCES	15,444	-	7,400	22,844	60.0%	15,201	40.0%	38,045

This table has been redesigned to correspond with Budget Paper No. 4 'Agency Resourcing'. It now includes (where appropriate) administered revenue from other sources.

- (1) Under the appropriation structure, Bill No. 2 includes Specific Purpose Payments (SPPs), new agency outcomes (NAOs), administered capital and departmental capital via departmental injections and loans.
- (2) Estimated expenses from individual Special Appropriations are shown at Section 3, Table 3.1.
- (3) Total appropriations = Bill No. 1 + Bill No. 2 + Special Appropriations.
- (4) Revenue from other sources includes *Financial Management and Accountability Act 1997* s.31 revenues, Commonwealth Authorities and Companies body revenues that are available to be expensed, special accounts (non-appropriation revenues) and resources received free of charge.
- (5) Percentage figures indicate the percentage contribution of revenue from government (Departmental Appropriations) to the total price of outputs (= Bill No. 1 + Special Appropriation + Revenue from other sources), by outcome, and the percentage contribution of Revenue from other sources (departmental) to the total price of outputs, by outcome.
- (6) Total resources = Total appropriations + Revenue from other sources.

Note: Refer to budgeted statement of financial performance for application of agency revenue.

2.2: 2005–06 BUDGET MEASURES

Budget measures relating to the GBRMPA as explained in Budget Paper No. 2 are summarised in Table 2.2. The table also identifies the relevant outcomes, administered items and outputs associated with each measure.

TABLE 2.2 – SUMMARY OF MEASURES CONTAINED IN THE 2005–06 BUDGET

Measure	Outcome	Outputs Affected	Appropriations Budget 2005–06			Appropriations Forward estimate 2006–07			Appropriations Forward estimate 2007–08			Appropriations Forward estimate 2008–09		
			Admin Expenses	Dept Output	Total	Admin Expenses	Dept Outputs	Total	Admin Expenses	Dept Outputs	Total	Admin Expenses	Dept Outputs	Total
Townsville Aquarium Reef Headquarters – continuation ⁽¹⁾	<i>I</i>	<i>1.7</i>	-	-	-	-	-	-	-	-	-	-	-	-
Efficiency dividend – increase in the rate from 1 per cent to 1.25 per cent ⁽²⁾	<i>I</i>	<i>All</i>	-	(39)	(39)	-	(78)	(78)	-	(117)	(117)	-	(117)	(117)

(1) The cost of this measure is being fully absorbed within existing resourcing of the GBRMPA. The funding profile is \$2.2 million over four years.

(2) This is a cross portfolio measure and impacts on all agencies within the Environment and Heritage Portfolio.

2.3: OTHER RECEIPTS AVAILABLE TO BE USED

Table 2.3 provides details of other receipts available to be used and include *Financial Management and Accountability Act 1997* s.31 receipts, Commonwealth Authorities and Companies body receipts that are available to be spent, special accounts (non-appropriation) and resources received free of charge.

TABLE 2.3 – OTHER RECEIPTS AVAILABLE TO BE USED

	Estimated Receipts 2004–05	Budget Estimate 2005–06
	\$'000	\$'000
DEPARTMENTAL OTHER RECEIPTS		
Queensland Government contribution to day-to-day management	5,002	4,798
Reef Education and Communication (includes Townsville Aquarium Reef Headquarters)	2,450	2,580
Grant Revenue from Related Entity – Education about the new Zoning Plan	2,200	1,919
Grant Revenue from Related Entity – Enforcement and Compliance for the new Zoning Plan	2,900	2,928
Grant Revenue from Related Entity – Reef Water Quality Protection Plan Monitoring	2,000	2,020
Grant Revenue from Related Entity – Crown of Thorns Starfish Control Programme	300	300
Permit Application Assessment Fees	235	256
Other	430	400
TOTAL ESTIMATED OTHER RECEIPTS	15,517	15,201

2.4: MOVEMENT OF ADMINISTERED FUNDS FROM 2004–05 TO 2005–06

There are no movements of administered funds from 2004–05 to 2005–06 for the GBRMPA.

2.5: SPECIAL APPROPRIATIONS

The Special Appropriation of \$7.4 million below reflects the amount collected from the environmental management charge on permitted commercial operations within the Great Barrier Reef Marine Park. Amounts collected, under the *Great Barrier Reef Marine Park Act 1975*, are paid into the Official Public Account and returned to the GBRMPA as a Special Appropriation.

TABLE 2.5 – ESTIMATES OF EXPENSES FROM SPECIAL APPROPRIATIONS

	Output Affected	Estimated Expense 2004–2005 \$'000	Budget Expense 2005–2006 \$'000
Great Barrier Reef Marine Park management	<i>All</i>	6,160	6,160
Reef Cooperative Research Centre	<i>1.6</i>	1,240	1,240
TOTAL ESTIMATED EXPENSE		7,400	7,400

2.6: SPECIAL ACCOUNTS

There are no special accounts for the GBRMPA in the 2005–06 Budget.

2.7: ADMINISTERED CAPITAL AND DEPARTMENTAL EQUITY INJECTIONS AND LOANS

The GBRMPA has not been appropriated any administered capital and will not receive any departmental equity injection or loan in 2005–06.

Section 3: Agency Outcomes

This section explains how resources identified in Section 2 will be used to deliver outputs to contribute to the outcome for the Great Barrier Reef Marine Park Authority (GBRMPA).

3.1: SUMMARY OF OUTCOMES, OUTPUTS AND ADMINISTERED ITEMS

The relationship between activities of the GBRMPA and the outcome is summarised in Figure 4.

FIGURE 4: OUTCOME AND OUTPUTS

	Total Price of Outputs \$'000	Departmental Outputs Appropriation \$'000
GREAT BARRIER REEF MARINE PARK AUTHORITY	38,045	22,844
Outcome 1 – <i>Protection, wise use, understanding and enjoyment of the Great Barrier Reef</i>		
Output 1.1 Conservation, Heritage and Indigenous Partnerships	1,979	1,939
Output 1.2 Water Quality and Coastal Development	1,798	1,761
Output 1.3 Fisheries	1,262	1,234
Output 1.4 Tourism and Recreation	1,802	1,469
Output 1.5 Park Management	16,626	8,556
Output 1.6 Information for Park Management	7,887	5,738
Output 1.7 Reef Education and Communication	6,691	2,147
TOTAL OUTCOME	38,045	22,844

The structure above, and details on the following page, shows the relationship between the Government's planned outcome and contributing outputs for the GBRMPA, presented here as output groups. Financial details for this outcome by outputs and output groups appear in Table 3.1 while non-financial information for the outcome appears in Table 3.2.

CHANGES TO OUTCOMES AND OUTPUTS

Since the 2004–05 Budget, shipping outputs that were previously part of the Park Management Output Group have been included under Output 1.2, Water Quality and Coastal Development. Indigenous Liaison outputs that were previously part of the Park Management Output Group have been included under Output 1.1 Conservation, Heritage and Indigenous Partnerships. Community involvement in management outputs that were previously part of the Park Management Output Group have been allocated across all outputs.

OUTPUT COST ATTRIBUTION

Costs for corporate management and services, including property operating expenses and information technology, are predominately driven by staffing levels and are allocated to the output groups on this basis. Costs for community involvement in management have been allocated across all groups. Operational overheads for Townsville Aquarium Reef Headquarters are allocated to Output, 1.7 Reef Education and Communication.

3.2: OUTCOMES – DEPARTMENTAL AND ADMINISTERED

Departmental appropriations by outcome

There is only one outcome for the GBRMPA.

Administered appropriations by outcome

There are no administered appropriations for the GBRMPA.

3.3: OUTCOMES RESOURCING

Outcome 1 Resourcing

Table 3.1 shows how the 2005–06 Budget appropriations translate to total resourcing for Outcome 1, including administered expenses, revenue from government (appropriation), other resources available to be used (departmental) and the total price of outputs.

TABLE 3.1 – TOTAL RESOURCES FOR OUTCOME 1

	Estimated Actuals 2004–05 \$'000	Budget Estimate 2005–06 \$'000
ADMINISTERED APPROPRIATIONS	-	-
ADMINISTERED SPECIAL ACCOUNTS	-	-
DEPARTMENTAL APPROPRIATIONS		
<i>Output Group 1.1 – Conservation, Heritage and Indigenous Partnerships</i>		
Output 1.1.1 Natural and cultural values of the Great Barrier Reef Marine Park protected and World Heritage obligations met	1,989	1,939
<i>Output Group 1.2 – Water Quality and Coastal Development</i>		
Output 1.2.1 Protection of the Great Barrier Reef from the adverse effects of water pollution and coastal development	2,076	1,761
<i>Output Group 1.3 – Fisheries</i>		
Output 1.3.1 Progress towards ecologically sustainable fisheries in the Great Barrier Reef Marine Park and World Heritage Area	1,167	1,234
<i>Output Group 1.4 – Tourism and Recreation</i>		
Output 1.4.1 Ecologically sustainable tourism and recreation use of the Park provided for in partnership with the community and industry	1,454	1,469
<i>Output Group 1.5 – Park Management</i>		
Output 1.5.1 Field Management of the Marine Park	4,536	5,202
Output 1.5.2 Planning and Impact Management of the Marine Park	3,362	3,354
<i>Output Group 1.6 – Information for Park Management</i>		
Output 1.6.1 Scientific and technical information available for management	5,575	5,738
<i>Output Group 1.7 – Reef Education and Communication</i>		
Output 1.7.1 Improved Australia-wide profile and understanding of Great Barrier Reef Marine Park and its management (includes Reef Headquarters)	3,635	2,147
TOTAL REVENUE FROM GOVERNMENT (Appropriations)	23,794	22,844
<i>Contributing to Price of Departmental Output</i>	<i>60.5%</i>	<i>60.0%</i>

TABLE 3.1 – TOTAL RESOURCES FOR OUTCOME 1 (continued)

	Estimated Actuals 2004–05	Budget Estimate 2005–06
	\$'000	\$'000
REVENUE FROM OTHER SOURCES		
Output 1.1.1 Natural and cultural values of the Great Barrier Reef Marine Park protected and World Heritage obligations met	47	40
Output 1.2.1 Protection of the Great Barrier Reef from the adverse effects of water pollution and coastal development	45	37
Output 1.3.1 Progress towards ecologically sustainable fisheries in the Great Barrier Reef Marine Park and World Heritage Area	45	28
Output 1.4.1 Ecologically sustainable tourism and recreation use of the Park provided for in partnership with the community and industry	332	333
Output 1.5.1 Field Management of the Marine Park	7,938	7,762
Output 1.5.2 Planning and Impact Management of the Marine Park	294	308
Output 1.6.1 Scientific and technical information available for management	2,106	2,149
Output 1.7.1 Improved Australia-wide profile and community understanding of Great Barrier Reef Marine Park and its management (includes Reef Headquarters)	4,710	4,544
TOTAL REVENUE FROM OTHER SOURCES	15,517	15,201
TOTAL PRICE OF DEPARTMENTAL OUTPUTS	39,311	38,045
DEPARTMENTAL SPECIAL ACCOUNTS	-	-
TOTAL ESTIMATED RESOURCING FOR OUTCOME 1	39,311	38,045
AVERAGE STAFFING LEVEL (NUMBER)	180.0	179.0

MEASURES AFFECTING OUTCOME 1

Measures affecting the GBRMPA (as reflected in Budget Paper No. 2) Outcome 1 are listed below:

Townsville Aquarium Reef Headquarters - continuation*

	2005–06	2006–07	2007–08	2008–09
	\$'000	\$'000	\$'000	\$'000
Great Barrier Reef Marine Park Authority	-	-	-	-

* The cost of this measure is being fully absorbed within existing resources of the GBRMPA.

Efficiency dividend – increase in the rate from 1 per cent to 1.25 per cent**

	2005–06	2006–07	2007–08	2008–09
	\$'000	\$'000	\$'000	\$'000
Great Barrier Reef Marine Park Authority	(39)	(78)	(117)	(117)

** This is a cross portfolio measure and impacts on all agencies within the Environment and Heritage Portfolio.

PERFORMANCE INFORMATION FOR OUTCOME 1

The following Table 3.2 lists the performance information that the GBRMPA will use to assess the level of its achievement of the planned outcome during 2005–06. It comprises:

- (A) overall achievement – planned performance information for the outcome overall; and
- (B) performance information for departmental outputs – quantitative, qualitative and price for each output

TABLE 3.2 – PERFORMANCE INFORMATION FOR OUTCOME 1***(A) Effectiveness – Overall Achievement of the Outcome***

The GBRMPA has identified seven key performance indicators against which achievements in relation to this outcome will be assessed.

KPI 1: The relative numbers of reefs that are ‘healthy’ compared to ‘not healthy’ as assessed by the Australian Institute of Marine Science Long-term Monitoring Programme.

KPI 2: Trends in end of river pollution loads for key Great Barrier Reef catchments.

KPI 3: The proportion of fisheries [total fisheries vs well managed fisheries] with management plans and arrangements that comply with the Commonwealth’s guidelines for ecologically sustainable fisheries.

KPI 4: Trends in number of tourists to the Great Barrier Reef Marine Park and their satisfaction with their experience.

KPI 5: The number of bioregions with adequate levels of protection.

KPI 6: The number of technical and scientific publications published about the Great Barrier Reef by the GBRMPA and the Reef Cooperative Research Centre.

KPI 7: Public understanding of the main threats to the Great Barrier Reef.

(B) Performance Information for Departmental Outputs

OUTPUT GROUP 1.1 – CONSERVATION, HERITAGE AND INDIGENOUS PARTNERSHIPS

1.1.1	Natural and cultural values of the Great Barrier Reef Marine Park protected and World Heritage obligations are met	<i>Quality</i>	<p>Key species and habitats identified and protected whilst minimising any social–economic–cultural impacts.</p> <p>World Heritage values/obligations understood and appreciated.</p> <p>Participation by indigenous people in the development of key management strategies.</p>
		<i>Quantity</i>	<p>Improved management for key threatened species by implementation of arrangements to manage take of protected species.</p> <p>Development of a Heritage Strategy for the Great Barrier Reef Marine Park.</p> <p>Representative areas programme implemented through the new Zoning Plan with continued involvement of stakeholders and high level of community engagement.</p> <p>Arrangements on traditional use of marine resources developed for four Traditional Owner groups.</p>
		<i>Price</i>	\$1.979m

(B) Performance Information for Departmental Outputs (continued)**OUTPUT GROUP 1.2 – WATER QUALITY AND COASTAL DEVELOPMENT**

1.2.1	Protection of the Great Barrier Reef from the adverse effects of water pollution and coastal development	<i>Quality</i>	<p>Sound scientific methods used to manage impacts of pollutants and develop management standards.</p> <p>Quality technical input into environmental assessment and cooperative arrangements in the management of water quality and coastal development, especially in accordance with the Reef Water Quality Protection Plan.</p> <p>Quality input into the cooperative management of shipping in the Great Barrier Reef Marine Park.</p>
		<i>Quantity</i>	<p>Provide input into six Natural Resource Management Plans.</p> <p>Review 50 development projects which may potentially affect the Great Barrier Reef and provide advice to relevant authorities.</p> <p>Coordinate and implement the GBRMPA's responsibilities under the nine actions in the Reef Water Quality Protection Plan.</p>
		<i>Price</i>	\$1.798m

OUTPUT GROUP 1.3 – FISHERIES

1.3.1	Progress towards ecologically sustainable fisheries in the Great Barrier Reef Marine Park and World Heritage Area	<i>Quality</i>	Management arrangements for fisheries in the Great Barrier Reef Marine Park are based on the best available scientific information and meet, as a minimum, the principles and objectives set down in the Commonwealth Government’s “Guidelines for the Ecologically Sustainable Management of Fisheries” and allow performance to be assessed.
		<i>Quantity</i>	<p>The GBRMPA working with fisheries managers and stakeholders to review and improve management arrangements for the reef fin–fish, trawl, crab and inshore net (particularly shark) and line fisheries and the dive–based fisheries for tropical rock lobster, sea cucumber and coral.</p> <p>Provide key input to the Department of Environment and Heritage assessments of fisheries, which occur in the Great Barrier Reef Marine Park, as required under the <i>Environment Protection and Biodiversity Conservation Act 1999</i>.</p>
		<i>Price</i>	\$1.262m

(B) Performance Information for Departmental Outputs (continued)**OUTPUT GROUP 1.4 – TOURISM AND RECREATION**

1.4.1	Ecologically sustainable tourism and recreation use of the Park provided for in partnership with the community and industry	<i>Quality</i>	<p>Management initiatives for tourism and recreation developed and implemented in partnership with the tourism industry, recreational users and other key stakeholders, with partnership arrangements recognised as very high standard.</p> <p>Planning and regulatory systems provide transparency and certainty.</p> <p>Tourism and recreation opportunities in the Marine Park provided in an efficient and equitable manner as rated by Industry satisfaction measures.</p>
		<i>Quantity</i>	<p>Numbers of tourists visiting the Marine Park and their levels of satisfaction maintained or increased. All expiring permits for limited opportunities reviewed for latency.</p> <p>System in place to recognise and reward high standard tourism operators.</p> <p>Information and training for industry and other stakeholders provided.</p>
		<i>Price</i>	\$1.802m

(B) Performance Information for Departmental Outputs (continued)**OUTPUT GROUP 1.5 – PARK MANAGEMENT**

1.5.1	Field management of the Marine Park	<p><i>Quality</i> A risk based compliance programme prevents serious environmental harm.</p> <p>Field programme contributes to the protection of key vulnerable species ecosystems, their habitats and key ecological sites.</p> <p>Visitor facilities maintained to relevant standards for health and safety and to ensure protection of the environment.</p> <p>Indigenous communities engaged in park management.</p> <p><i>Quantity</i> Compliance deterrent impact indicated by a change in risk profiles.</p> <p>Key vulnerable species field protection works completed.</p> <p>Indigenous staff employment programme maintained.</p> <p><i>Price</i> \$12.964m</p>
1.5.2	Planning and Impact Management of the Marine Park	<p><i>Quality</i> All plans effectively maintain or enhance natural and cultural values while providing for wise use.</p> <p>All significant proposals for use of the Marine Park undergo impact assessment.</p> <p><i>Quantity</i> Local area site plans and mooring allocation in place for high use areas.</p> <p>Approximately 700 assessments conducted and decisions made, including 30 major projects.</p> <p><i>Price</i> \$3.662m</p>
<i>Total Price Output Group 1.5</i>		\$16.626m

(B) Performance Information for Departmental Outputs (continued)**OUTPUT GROUP 1.6 – INFORMATION FOR PARK MANAGEMENT**

1.6.1	Coordination and delivery of scientific and technical information for management	<i>Quality</i>	<p>High quality delivery of scientific information for park management.</p> <p>High quality monitoring and reporting programme for Great Barrier Reef health and water quality established.</p> <p>High quality delivery of information technology systems and services for park management.</p> <p>High quality delivery of library and image based information services for park management.</p> <p>High quality delivery of storage, analysis and presentation of spatial information for park management.</p>
		<i>Quantity</i>	<p>A network availability of over 98% with over 0.5 million unique external web visits per year.</p> <p>Same working day response for all image requests, inter-library loan requests and all reference inquiries with 24 hour access to all online services.</p> <p>250 requests for spatial data analysis and mapping products met.</p> <p>Level of community involvement in monitoring of the new Zoning Plan.</p>
		<i>Price</i>	<p>\$7.887m (including a \$1.9m contribution to the Cooperative Research Centre for the Great Barrier Reef World Heritage Area)</p>

(B) Performance Information for Departmental Outputs (continued)**OUTPUT GROUP 1.7 – REEF EDUCATION AND COMMUNICATION**

1.7.1	Effective communications, education and marketing programmes	<i>Quality</i>	Public understanding of the values of and main threats to the Great Barrier Reef is increasing.
		<i>Quantity</i>	100% of all new GBRMPA initiatives supported by an appropriate communications strategy. 25% increase in Reef Guardian School programme participation. New reef related education modules developed. Increased usage of the GBRMPA and Reef websites.
		<i>Price</i>	\$3.412m
	Provide a readily accessible onshore reef environment and interpretive programmes (Reef Headquarters)	<i>Quality</i>	85% of visitors surveyed rate their visit as a satisfactory experience. 85% of visitors surveyed rate an improved understanding of reef related issues.
		<i>Quantity</i>	10 % increase in visitor attendances. Increased community penetration of memberships.
		<i>Price</i>	\$3.279m
<i>Total Price Output Group 1.7</i>			\$6.691m

PERFORMANCE INFORMATION

The GBRMPA has an annual Strategic Work Programme for each output group which clearly sets out, at a more detailed level, objectives, strategies, outputs and relevant performance indicators and targets. The GBRMPA will use the Strategic Work Programme to assess and report on the level of achievement of its overall outcome. Information shown in Table 3.2 is both quantitative and qualitative. Targets for effectiveness have been included where they are applicable and appropriate for performance information for the GBRPMA outcome.

Over a short time frame (one financial year) it is difficult to objectively assess the GBRMPA's effectiveness in protecting the Great Barrier Reef. Therefore, a number of performance measures are listed which indicate milestones in the progress towards achieving the GBRMPA's long-term goal.

Achievement of planned performance will be reported in the GBRMPA's 2005–06 Annual Report.

EVALUATIONS FOR OUTCOME 1

There are no significant evaluations planned for the GBRMPA in 2005–06.

Section 4: Other Reporting Requirements

4.1: PURCHASER-PROVIDER ARRANGEMENTS

There are no formal purchaser-provider arrangements for the Great Barrier Reef Marine Park Authority (GBRMPA).

4.2: COST RECOVERY ARRANGEMENTS

SUMMARY OF COST RECOVERY IMPACT STATEMENT

The GBRMPA is committed to implementing the Commonwealth's formal cost recovery policy. In accordance with this policy the GBRMPA will adhere to the Commonwealth's cost recovery guidelines when:

- undertaking reviews consistent with the Government's five-year review schedule for existing cost recovery arrangements (due in 2005-06);
- new cost recovery arrangements are proposed;
- significant amendments to existing arrangements are being considered; and
- periodic reviews of cost recovery arrangements are required.

Cost recovery arrangements are currently in place for the assessment of permissions for commercial operations in the Great Barrier Reef Marine Park. The GBRMPA aquarium operates with an 80% cost recovery target.

4.3: AUSTRALIAN GOVERNMENT INDIGENOUS EXPENDITURE

Please refer to the Portfolio Table 1: Australian Government Indigenous Expenditure in the Portfolio Overview Section, page 21.

Section 5: Budgeted Financial Statements

5.1: ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

An analysis of the Great Barrier Reef Marine Park Authority's (GBRMPA) budgeted financial statements, as reflected in the GBRMPA's budgeted departmental financial statements for 2005–06, is provided below.

Budgeted Departmental Statement of Financial Performance

The GBRMPA is budgeting for a break even operating result for 2005–06. Total revenue in 2005–06 is estimated to be \$38.045 million, a decrease of \$1.266 million from the 2004–05 estimated actual. The decrease is a result of the completion of measures introduced in the 2001–02 Budget for aquaculture and to offset the impact of Environment Management Charge concessions and a reducing level of funding required for education about the new Great Barrier Reef Marine Zoning Plan for the Marine Park.

Total expenses are estimated to be \$38.045 million, a decrease of \$0.166 million from the 2004–05 estimated actual.

Budgeted Departmental Statement of Financial Position

The GBRMPA's budgeted net asset position is expected to remain unchanged at \$14.306 million.

5.2: BUDGETED FINANCIAL STATEMENTS TABLES

**TABLE 5.1 – BUDGETED DEPARTMENTAL STATEMENT OF
FINANCIAL PERFORMANCE
(for the period ended 30 June 2006)**

	Estimated	Budget	FORWARD		
	Actual	Estimate	ESTIMATES		
<i>Note</i>	2004–05	2005–06	2006–07	2007–08	2008–09
	\$'000	\$'000	\$'000	\$'000	\$'000
REVENUES FROM ORDINARY ACTIVITIES					
Revenues from Government	23,794	22,844	22,936	23,068	23,237
Goods and services	3,015	3,136	3,165	3,165	3,165
Interest	100	100	100	100	100
Other	12,402	11,965	10,456	4,892	4,938
Total revenues from ordinary activities	39,311	38,045	36,657	31,225	31,440
EXPENSES FROM ORDINARY ACTIVITIES (excluding borrowing costs expense)					
Employees	12,506	13,299	13,356	13,289	13,387
Suppliers	14,926	14,084	12,546	7,087	7,158
Depreciation and amortisation	1,030	1,030	1,030	1,030	1,030
Other (day-to-day Management)	9,749	9,632	9,725	9,819	9,865
Total expenses from ordinary activities (excluding borrowing costs expense)	38,211	38,045	36,657	31,225	31,440
Borrowing cost expense	-	-	-	-	-
Operating Surplus or (deficit) from ordinary activities	1,100	-	-	-	-
Gain or (loss) on extraordinary items	-	-	-	-	-
Net Surplus or (deficit) attributable to the Australian Government	1,100	-	-	-	-
Net credit or (debit) to asset revaluation reserve	-	-	-	-	-
Total changes in equity other than those resulting from transactions with owners as owners	1,100	-	-	-	-

TABLE 5.2 – BUDGETED DEPARTMENTAL STATEMENT OF FINANCIAL POSITION (as at 30 June 2006)

	Estimated	Budget	FORWARD		
	Actual	Estimate	ESTIMATES		
<i>Note</i>	2004–05	2005–06	2006–07	2007–08	2008–09
	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS					
Financial assets					
Cash	4,886	5,086	5,986	6,686	7,386
Receivables	2,900	2,900	2,900	2,900	2,900
Other	8	8	8	8	8
Total financial assets	7,794	7,994	8,894	9,594	10,294
Non-financial assets					
Land and buildings	11,480	11,762	11,244	10,826	10,408
Infrastructure, plant and equipment	1,571	1,305	1,139	1,023	907
Inventories	100	100	100	100	100
Intangibles	278	232	186	190	194
Other	78	78	78	78	78
Total non-financial assets	13,507	13,477	12,747	12,217	11,687
Total assets	21,301	21,471	21,641	21,811	21,981
LIABILITIES					
Provisions					
Employees	3,065	3,235	3,405	3,575	3,745
Total provisions	3,065	3,235	3,405	3,575	3,745
Payables					
Suppliers	1,270	1,270	1,270	1,270	1,270
Other	2,660	2,660	2,660	2,660	2,660
Total payables	3,930	3,930	3,930	3,930	3,930
Total liabilities	6,995	7,165	7,335	7,505	7,675

TABLE 5.2 – BUDGETED DEPARTMENTAL STATEMENT OF FINANCIAL POSITION *(continued)*
(as at 30 June 2006)

	Estimated	Budget	FORWARD		
	Actual	Estimate	ESTIMATES		
<i>Note</i>	2004–05	2005–06	2006–07	2007–08	2008–09
	\$'000	\$'000	\$'000	\$'000	\$'000
EQUITY *					
Parent entity interest					
Contributed equity	4,204	4,204	4,204	4,204	4,204
Reserves	14,061	14,061	14,061	14,061	14,061
Retained surpluses or accumulated deficits	(3,959)	(3,959)	(3,959)	(3,959)	(3,959)
Total parent entity interest	14,306	14,306	14,306	14,306	14,306
Total equity	14,306	14,306	14,306	14,306	14,306
Current assets	7,972	8,172	9,072	9,772	10,472
Non-current assets	13,329	13,299	12,569	12,039	11,509
Current liabilities	5,428	5,513	5,598	5,683	5,768
Non-current liabilities	1,567	1,652	1,737	1,822	1,907

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

TABLE 5.3 – BUDGETED DEPARTMENTAL STATEMENT OF CASH FLOWS
(for the period ended 30 June 2006)

	Estimated	Budget	FORWARD		
	Actual	Estimate	ESTIMATES		
<i>Note</i>	2004–05	2005–06	2006–07	2007–08	2008–09
	\$'000	\$'000	\$'000	\$'000	\$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	23,794	22,844	22,936	23,068	23,237
Goods and services	3,015	3,136	3,165	3,165	3,165
Interest	100	100	100	100	100
Other	13,012	12,865	11,356	5,792	5,838
Total cash received	39,921	38,945	37,557	32,125	32,340
Cash used					
Employees	12,336	13,129	13,186	13,119	13,217
Suppliers	15,826	14,984	13,446	7,987	8,058
Other	9,749	9,632	9,725	9,819	9,865
Total cash used	37,911	37,745	36,357	30,925	31,140
Net cash from or (used by) operating activities	2,010	1,200	1,200	1,200	1,200
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	500	1,000	300	500	500
Total cash used	500	1,000	300	500	500
Net cash from or (used by) investing activities	(500)	(1,000)	(300)	(500)	(500)
Net increase or (decrease) in cash held	1,510	200	900	700	700
Cash at the beginning of the reporting period	3,376	4,886	5,086	5,986	6,686
Cash at the end of the reporting period	4,886	5,086	5,986	6,686	7,386

TABLE 5.4 – DEPARTMENTAL CAPITAL BUDGET STATEMENT

	Estimated Actual	Budget Estimate	FORWARD ESTIMATES		
<i>Note</i>	2004–05	2005–06	2006–07	2007–08	2008–09
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital appropriations					
Total equity injections	-	-	-	-	-
Total loans	-	-	-	-	-
Total capital appropriations	-	-	-	-	-
Represented by:					
Purchase of non-financial assets	-	-	-	-	-
Total represented by	-	-	-	-	-
Purchase of non-financial assets					
Funded internally by departmental resources	500	1,000	300	500	500
Total	500	1,000	300	500	500

TABLE 5.5 – 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			17,553	4,033		769		22,355
Accumulated depreciation			(6,073)	(2,462)		(491)		(9,026)
Opening net book value	-	-	11,480	1,571	-	278	-	13,329
Additions:								
By purchase			900	50		50		1,000
By finance lease								-
From acquisitions of entities or operations (including restructuring)								-
Net revaluation increment/decrement								-
Reclassifications								-
Depreciation/amortisation expense			(618)	(316)		(96)		(1,030)
Recoverable amount write-downs								-
Other movements								-
Disposals:								
From disposal of entities of operations (including restructuring)								-
Other disposals								-
As at 30 June 2006								
Gross book value			18,453	4,083		819		23,355
Accumulated depreciation			(6,691)	(2,778)		(587)		(10,056)
Closing net book value	-	-	11,762	1,305	-	232	-	13,299

**AGENCY
BUDGET STATEMENTS**

**SYDNEY HARBOUR
FEDERATION TRUST**

Sydney Harbour Federation Trust

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Section 1: Agency Overview

The Sydney Harbour Federation Trust (Harbour Trust) is responsible for the future of certain lands on or near the foreshores of Sydney Harbour. These are former Defence and other special Commonwealth lands that the Harbour Trust is planning, managing, conserving, enhancing and making publicly accessible. The lands are the former Artillery School on North Head, former Defence lands at Middle Head, Georges Heights and Chowder Bay, Woolwich Dock and Parklands, Cockatoo Island, Snapper Island, Macquarie Lightstation and the former Marine Biological Research Station at Camp Cove.

The Harbour Trust's outcome reflects the legislation under which it was established.

TABLE 1.1: AGENCY OUTCOMES AND OUTPUTS

Outcome	Description	Outputs
Outcome 1		
Trust lands on Sydney Harbour are conserved and enhanced for the benefit of present and future generations of Australians	<p>The Harbour Trust will:</p> <ul style="list-style-type: none"> hold Trust land for and on behalf of the Commonwealth; undertake community consultation on the management and conservation of Harbour Trust land; develop management plans for the utilisation of Harbour Trust land and any other Harbour land in furthering the objects of the legislation; rehabilitate, remediate, develop, enhance and manage Harbour Trust lands; promote appreciation of Harbour Trust land, in particular its environmental and heritage values; and grant licences and leases for the use of lands and buildings. <p>The Harbour Trust operates from premises at Chowder Bay, Mosman, NSW.</p>	<p>Output 1.1 Trust Plans</p> <p>Output 1.2 Public Information</p> <p>Output 1.3 Site Conservation</p>

The Harbour Trust outcome will be delivered through three outputs. These are:

- **Trust Plans** – The preparation of detailed management plans consistent with the Harbour Trust’s Comprehensive Plan for the future use and management of the seven lands is a major element of the Harbour Trust’s operation. The management plans are being prepared in consultation with the community, including exhibitions, workshops, site visits and calls for submissions on draft management plans and proposed action plans.
- **Public Information** – Informing the public of the lands and their heritage and environmental significance. This involves informing the public of how and when access to the lands will be available. Educational information, tours, open days and events will be provided to promote knowledge of and access to the lands. Public programmes will be provided to inform people of the conservation values of the lands.
- **Site Conservation** – The lands are to be progressively rehabilitated, conserved and made accessible to the public. This includes the restoration of important heritage items and sites, the decontamination and programmed maintenance of lands and buildings, the development of lands to allow public access and the rehabilitation of buildings and services to make them available for long-term use.

Section 2: Agency Resourcing for 2005–06

2.1 APPROPRIATIONS AND OTHER RESOURCES

Table 2.1 shows the total resources from all origins for 2005–06, including appropriations. The table summarises how revenue will be applied by outcome, administered and departmental classification.

The Sydney Harbour Federation Trust's (Harbour Trust) business plan provides for progressive increases in revenue as buildings are made available for commercial or other uses with the objective that the Harbour Trust will become self-funding at the end of its 10 year life.

The total appropriation for the Harbour Trust in 2005–06 is \$23.651 million. This comprises \$3.151 million departmental output appropriation and \$20.5 million departmental equity injection.

Details of other revenue are shown in Table 2.3.

TABLE 2.1: APPROPRIATIONS AND OTHER REVENUE – SYDNEY HARBOUR FEDERATION TRUST

Outcome	Appropriations					Revenue from other sources ⁽⁴⁾		Total Resources ⁽⁶⁾
	\$'000	\$'000	\$'000	\$'000	% ⁽⁵⁾	\$'000	% ⁽⁵⁾	\$'000
	Bill No. 1	Bill No. 2 ⁽¹⁾	Special Approp ⁽²⁾	Total Approp ⁽³⁾	(A)+(C) / (A)+(C)+(E)	(E)	(E) / (A)+(C)+(E)	(F)=(D)+(E)
(A)	(B)	(C)	(D)=(A)+(B)+(C)		(E)	(E) / (A)+(C)+(E)	(F)=(D)+(E)	
Outcome 1								
<i>Trust lands on Sydney Harbour are conserved and enhanced for the benefit of present and future generations of Australians</i>								
Departmental	3,151	-	-	3,151	38.7%	5,000	61.3%	8,151
Departmental equity injection	-	20,500	-	20,500	na	-	na	20,500
TOTAL RESOURCES	3,151	20,500	-	23,651	na	5,000	na	28,651

This table has been redesigned to correspond with Budget Paper No. 4 'Agency Resourcing'. It now includes (where appropriate) administered revenue from other sources.

- (1) Under the appropriation structure, Bill No. 2 includes Specific Purpose Payments (SPPs), new agency outcomes (NAOs), administered capital and departmental capital via departmental injections and loans.
- (2) Estimated expenses from individual Special Appropriations are shown at Section 3, Table 3.1.
- (3) Total appropriations = Bill No. 1 + Bill No. 2 + Special Appropriations.
- (4) Revenue from other sources includes *Financial Management and Accountability Act 1997* s.31 revenues, Commonwealth Authorities and Companies body revenues that are available to be expended, special accounts (non-appropriation revenues) and resources received free of charge.
- (5) Percentage figures indicate the percentage contribution of revenue from government (Departmental Appropriations) to the total price of outputs (= Bill No. 1 + Special Appropriation + Revenue from other sources), by outcome, and the percentage contribution of Revenue from other sources (departmental) to the total price of outputs, by outcome.
- (6) Total resources = Total appropriations + Revenue from other sources.

Note: Refer to budgeted statement of financial performance for application of agency revenue.

2.2: 2005–06 BUDGET MEASURES

Budget measures relating to the Harbour Trust as explained in Budget Paper No. 2 are summarised in Table 2.2. The table also identifies the relevant outcomes, administered items and outputs associated with each measure.

TABLE 2.2 – SUMMARY OF MEASURES CONTAINED IN THE 2005–2006 BUDGET

Measure	Outcome	Outputs Affected	Appropriations Budget 2005–06 (\$'000)			Appropriations Forward estimate 2006–07 (\$'000)			Appropriations Forward estimate 2007–08 (\$'000)			Appropriations Forward estimate 2008–09 (\$'000)		
			Admin	Dept	Total	Admin	Dept	Total	Admin	Dept	Total	Admin	Dept	Total
			Expenses	Outputs		Expenses	Outputs		Expenses	Outputs		Expenses	Outputs	
Efficiency dividend – increase in the rate from 1 per cent to 1.25 per cent ⁽¹⁾	<i>I</i>	<i>All</i>	-	(8)	(8)	-	(8)	(8)	-	(4)	(4)	-	-	-

⁽¹⁾ This is a cross portfolio measure and impacts on all agencies within the Environment and Heritage Portfolio.

2.3: OTHER RECEIPTS AVAILABLE TO BE USED

Table 2.3 provides details of other receipts available to be used and include *Financial Management and Accountability Act 1997* s.31 receipts, Commonwealth Authorities and Companies body receipts that are available to be spent, special accounts (non-appropriation) and resources received free of charge.

TABLE 2.3 – OTHER RECEIPTS AVAILABLE TO BE USED

	Estimated Receipts 2004–05 \$'000	Budget Estimate 2005–06 \$'000
DEPARTMENTAL OTHER RECEIPTS		
Interest	472	545
Goods and services	6,660	60
Grant revenue from Related Entities	1,000	1,000
Revenue from property rentals	1,968	3,395
TOTAL ESTIMATED OTHER RECEIPTS	10,100	5,000

2.4: MOVEMENT OF ADMINISTERED FUNDS FROM 2004–05 TO 2005–06

There are no movements of administered funds from 2004–05 to 2005–06 for the Harbour Trust.

2.5: SPECIAL APPROPRIATIONS

There are no special appropriations for the Harbour Trust in the 2005–06 Budget.

2.6: SPECIAL ACCOUNTS

There are no special accounts for the Harbour Trust in the 2005–06 Budget.

2.7: ADMINISTERED CAPITAL AND DEPARTMENTAL EQUITY INJECTIONS AND LOANS

The Harbour Trust has not been appropriated any administered capital or loans for 2005–06.

The Harbour Trust will receive a departmental equity injection of \$20.5 million in 2005–06 for remediation and rehabilitation works associated with the Harbour Trust's properties. These funds are accounted for in the Departmental Capital Budget Statement.

Section 3: Agency Outcomes

This section explains how resources identified in Section 2 will be used to deliver outputs and administered items to contribute to the one outcome for the Sydney Harbour Federation Trust (Harbour Trust).

3.1: SUMMARY OF OUTCOMES, OUTPUTS AND ADMINISTERED ITEMS

The relationship between activities of the Harbour Trust and the outcome is summarised in Figure 4 below.

FIGURE 4: OUTCOME AND OUTPUTS

	Total Price of Outputs \$'000	Departmental Outputs Appropriation \$'000
SYDNEY HARBOUR FEDERATION TRUST	8,151	3,151
Outcome 1 – <i>Trust lands on Sydney Harbour are conserved and enhanced for the benefit of present and future generations of Australians</i>		
Output 1.1 Trust Plans	1,590	1,590
Output 1.2 Public Information	1,621	1,561
Output 1.3 Site Conservation	4,940	–
TOTAL OUTCOME	8,151	3,151

This structure shows the relationship between the Government outcome and contributing outputs for the Harbour Trust, presented here as output groups. Financial details for this outcome by outputs and output groups appear in Table 3.1 while non-financial information for the outcome appears in Table 3.2.

CHANGES TO OUTCOMES AND OUTPUTS

There have been no changes to the outcome and output structure for the Harbour Trust since the 2004–05 Budget.

OUTPUT COST ATTRIBUTION

The costs of administrative and operating overheads have been attributed to outputs in proportion to the relative costs of each output.

3.2: OUTCOMES – DEPARTMENTAL AND ADMINISTERED

Departmental appropriations by outcome

There is only one outcome for the Harbour Trust.

Administered appropriations by outcome

There are no administered appropriations for the Harbour Trust.

3.3: OUTCOMES RESOURCING

Outcome 1 Resourcing

Table 3.1 shows how the 2005–06 Budget appropriations translate to total resourcing for outcome 1, including administered expenses, revenue from government (appropriation), other resources available to be used (departmental) and the total price of outputs.

TABLE 3.1 – TOTAL RESOURCES FOR THE OUTCOME

	Estimated Actuals 2004–05 \$'000	Budget Estimate 2005–06 \$'000
ADMINISTERED APPROPRIATIONS	-	-
ADMINISTERED SPECIAL ACCOUNTS	-	-
DEPARTMENTAL APPROPRIATIONS		
Output 1.1 – Trust Plans	1,998	1,590
Output 1.2 – Public Information	1,894	1,561
Output 1.3 – Site Conservation	1,245	-
TOTAL REVENUE FROM GOVERNMENT (Appropriations)	5,137	3,151
<i>Contributing to Price of Departmental Output</i>	<i>33.7%</i>	<i>38.7%</i>
REVENUE FROM OTHER SOURCES		
Output 1.1 – Trust Plans	-	-
Output 1.2 – Public Information	60	60
Output 1.3 – Site Conservation	10,040	4,940
TOTAL REVENUE FROM OTHER SOURCES	10,100	5,000
TOTAL PRICE OF DEPARTMENTAL OUTPUTS	15,237	8,151
DEPARTMENTAL SPECIAL ACCOUNTS	-	-
TOTAL ESTIMATED RESOURCING FOR OUTCOME 1	15,237	8,151
AVERAGE STAFFING LEVEL (NUMBER)	46.0	50.0

MEASURES AFFECTING OUTCOME 1

Measures affecting the Harbour Trust (as reflected in Budget Paper No. 2) Outcome 1 are listed below:

*Efficiency dividend – increase in the rate from 1 per cent to 1.25 per cent**

	2005–06	2006–07	2007–08	2008–09
	\$'000	\$'000	\$'000	\$'000
Sydney Harbour Federation Trust	(8)	(8)	(4)	-

* This is a cross portfolio measure and impacts on all agencies within the Environment and Heritage Portfolio.

PERFORMANCE INFORMATION FOR OUTCOME 1

The following Table 3.2 lists the performance information that the Harbour Trust will use to assess the level of its achievement of the outcome during 2005–06. It comprises:

- (A) overall achievement – performance information for the outcome overall; and
- (B) performance information for departmental outputs – quantitative, qualitative and price for each output.

TABLE 3.2 – PERFORMANCE INFORMATION FOR THE OUTCOME**(A) Effectiveness – Overall Achievement of the Outcome**

Trust lands on Sydney Harbour are conserved and enhanced for the benefit of present and future generations of Australians	Heritage items are identified and essential preservation and maintenance occurs.
	Environmental and safety hazards are identified and management plans prepared.
	The lands are accessible to the public and community and business use occurs.

(B) Performance Information for Departmental Outputs**OUTPUT GROUP 1.1 – TRUST PLANS**

1.1.1 Management plans consistent with the Harbour Trust's Comprehensive Plan are prepared for Harbour Trust lands following community consultation	<i>Quality</i>	Plans conform with 'best practice', have broad community support and reflect input from the consultative process. Management plans will be consistent with the Harbour Trust's Comprehensive Plan approved by the Minister.
	<i>Quantity</i>	Management plans covering three precincts are prepared and drafts are exhibited. Background studies, policies and assessments for significant heritage and transport matters affecting Harbour Trust lands are prepared. The Community Advisory Committee and the broader community provide input into the planning process.
	<i>Price</i>	\$1.590m

(B) Performance Information for Departmental Outputs (continued)**OUTPUT GROUP 1.2 – PUBLIC INFORMATION**

1.2.1 The public is informed of the environmental and heritage significance of the Harbour Trust lands and has access to them	<i>Quality</i>	<p>Sound communications methods are used to promote Harbour Trust lands, activities and values.</p> <p>Community awareness of the Harbour Trust and its activities increases.</p> <p>The media maintains an interest in the Harbour Trust.</p>
	<i>Quantity</i>	<p>The public are informed of the lands and their significance through partnership programmes, education materials and interpretive programmes with neighbours.</p> <p>The public are informed of how and when access to the lands is available; tours, events or open days occur on all lands progressively over the year.</p> <p>The Harbour Trust receives positive media coverage for all significant public events and plan documents.</p> <p>Public education programmes are established.</p>
	<i>Price</i>	\$1.621m

OUTPUT GROUP 1.3 – SITE CONSERVATION

1.3.1 Harbour Trust lands are progressively rehabilitated, conserved and made publicly accessible	<i>Quality</i>	<p>Rehabilitation of land, building, infrastructure and equipment is consistent with conservation, environmental, heritage and cultural values and relevant standards.</p> <p>Harbour Trust lands and facilities meet workplace and public safety standards.</p> <p>Further deterioration of Harbour Trust assets is minimised.</p>
	<i>Quantity</i>	<p>Undertake maintenance works at five sites.</p> <p>Increase accessibility of all the lands.</p> <p>Implement repair, maintenance and public safety work programmes.</p> <p>Harbour Trust facilities are increasingly available for public access and business and community use.</p>
	<i>Price</i>	\$4.940m

EVALUATIONS FOR OUTCOME 1

There are no evaluations planned for 2005–06 for the Harbour Trust.

Section 4: Other Reporting Requirements

4.1: PURCHASER–PROVIDER ARRANGEMENTS

There are no formal purchaser–provider arrangements for the Sydney Harbour Federation Trust (Harbour Trust).

4.2: COST RECOVERY ARRANGEMENTS

SUMMARY OF COST RECOVERY IMPACT STATEMENT

The Harbour Trust is committed to implementing the Australian Government’s formal cost recovery policy. In accordance with this policy the Harbour Trust will adhere to the Australian Government’s cost recovery guidelines when:

- undertaking reviews consistent with the Government’s five–year review schedule for existing cost recovery arrangements;
- new cost recovery arrangements are proposed;
- significant amendments to existing arrangements are being considered; and
- periodic reviews of cost recovery arrangements are required.

The Harbour Trust’s business plan provides for progressive increases in revenue as buildings are made available for commercial or other uses with the objective that the Harbour Trust will become self–funding at the end of its 10 year life.

4.3: AUSTRALIAN GOVERNMENT INDIGENOUS EXPENDITURE

There is no Australian Government Indigenous Expenditure for the Harbour Trust.

Section 5: Budgeted Financial Statements

5.1: ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

An analysis of the Sydney Harbour Federation Trust's (Harbour Trust) budgeted financial statements, as reflected in the Harbour Trust's budgeted departmental financial statements for 2005–06, is provided below.

Budgeted Departmental Statement of Financial Performance

The Harbour Trust is budgeting for a break even operating result for 2005–06.

The Harbour Trust's revenues from government (annual appropriation) decline over the budget and forward estimate years as the Harbour Trust's properties are progressively remediated and become available for leasing. The reduction in revenue from government for 2005–06 is \$2.0 million, while revenues from property leasing (other revenue from ordinary activities) are expected to increase by \$1.4 million.

Budgeted Departmental Statement of Financial Position

The Harbour Trust's major assets are the lands and buildings, which the Harbour Trust holds on behalf of the Commonwealth. The total value increases to \$102.7 million in 2005–06 due to the capital cost of the Harbour Trust's projected works programme of \$21.5 million.

The Inventory figure reduces from \$7.8 million in 2004–05 to \$1.2 million in 2005–06 as former Defence houses at Mosman are progressively sold by the Harbour Trust.

5.2: BUDGETED FINANCIAL STATEMENTS TABLES

TABLE 5.1 – BUDGETED DEPARTMENTAL STATEMENT OF FINANCIAL PERFORMANCE
(for the period ended 30 June 2006)

	Estimated Actual 2004–05	Budget Estimate 2005–06	FORWARD ESTIMATES		
<i>Note</i>			2006–07	2007–08	2008–09
	\$'000	\$'000	\$'000	\$'000	\$'000
REVENUES FROM ORDINARY ACTIVITIES					
Revenues from Government	5,137	3,151	1,616	565	25
Goods and services	6,660	60	60	60	60
Interest	472	545	507	490	493
Other	2,968	4,395	5,933	6,450	7,947
Total revenues from ordinary activities	15,237	8,151	8,116	7,565	8,525
EXPENSES FROM ORDINARY ACTIVITIES (excluding borrowing costs expense)					
Employees	3,700	3,768	3,779	3,849	3,874
Suppliers	9,299	4,345	4,299	3,678	3,613
Depreciation and amortisation	38	38	38	38	38
Total expenses from ordinary activities (excluding borrowing costs expense)	13,037	8,151	8,116	7,565	7,525
Borrowing cost expense	-	-	-	-	-
Operating Surplus or (deficit) from ordinary activities	2,200	0	0	0	1,000
Gain or loss on extraordinary items	-	-	-	-	-
Net Surplus or (deficit) attributable to the Australian Government	2,200	0	0	0	1,000
Net credit or (debit) to asset revaluation reserve	-	-	-	-	-
Total changes in equity other than those resultin from transactions with owners as owners	2,200	0	0	0	1,000

TABLE 5.2 – BUDGETED DEPARTMENTAL STATEMENT OF FINANCIAL POSITION (as at 30 June 2006)

	Estimated	Budget	FORWARD		
	Actual	Estimate	ESTIMATES		
	<i>Note</i> 2004–05	2005–06	2006–07	2007–08	2008–09
	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS					
Financial Assets					
Cash	20,185	19,253	18,319	18,384	18,450
Receivables	264	293	297	300	300
Total financial assets	20,449	19,546	18,616	18,684	18,750
Non-financial assets					
Land and buildings	81,190	102,690	124,690	146,690	168,690
Infrastructure, plant and equipment	829	790	752	714	676
Inventories	7,845	1,227	1,227	1,227	1,227
Total non-financial assets	89,864	104,707	126,669	148,631	170,593
Total assets	110,313	124,253	145,285	167,315	189,343
LIABILITIES					
Provisions					
Employees	629	656	683	711	738
Total provisions	629	656	683	711	738
Payables					
Suppliers	709	740	745	747	748
Total payables	709	740	745	747	748
Total liabilities	1,338	1,396	1,428	1,458	1,486

TABLE 5.2 – BUDGETED DEPARTMENTAL STATEMENT OF FINANCIAL POSITION *(continued)*
(as at 30 June 2006)

	Estimated Actual 2004–05	Budget Estimate 2005–06	FORWARD ESTIMATES 2006–07	2007–08	2008–09
<i>Note</i>	\$'000	\$'000	\$'000	\$'000	\$'000
EQUITY*					
Parent entity interest					
Contributed equity	99,609	113,491	134,491	156,491	177,491
Retained surpluses or accumulated deficits	9,366	9,366	9,366	9,366	10,366
Total parent entity interest	108,975	122,857	143,857	165,857	187,857
Total equity	108,975	122,857	143,857	165,857	187,857
Current assets	28,294	20,773	19,843	19,911	19,977
Non-current assets	82,019	103,480	125,442	147,404	169,366
Current liabilities	1,208	1,239	1,244	1,273	1,292
Non-current liabilities	130	157	184	185	194

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

TABLE 5.3 – BUDGETED DEPARTMENTAL STATEMENT OF CASH FLOWS
(for the period ended 30 June 2006)

	Estimated	Budget	FORWARD		
	Actual	Estimate	ESTIMATES		
<i>Note</i>	2004–05	2005–06	2006–07	2007–08	2008–09
OPERATING ACTIVITIES	\$'000	\$'000	\$'000	\$'000	\$'000
Cash received					
Appropriations	5,137	3,151	1,616	565	25
Goods and services	18,172	66	66	66	66
Interest	562	705	628	590	593
Other	5,023	6,759	8,411	8,994	10,491
Total cash received	28,894	10,681	10,721	10,215	11,175
Cash used					
Employees	3,672	3,741	3,752	3,848	3,874
Suppliers	7,035	6,872	6,903	6,302	6,235
Total cash used	10,707	10,613	10,655	10,150	10,109
Net cash from or (used by) operating activities	18,187	68	66	65	1,066
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	23,500	21,500	22,000	22,000	22,000
Total cash used	23,500	21,500	22,000	22,000	22,000
Net cash from or (used by) investing activities	(23,500)	(21,500)	(22,000)	(22,000)	(22,000)

TABLE 5.3 – BUDGETED DEPARTMENTAL STATEMENT OF CASH FLOWS *(continued)*
(for the period ended 30 June 2006)

	Estimated	Budget	FORWARD		
	Actual	Estimate	ESTIMATES		
<i>Note</i>	2004–05	2005–06	2006–07	2007–08	2008–09
	\$'000	\$'000	\$'000	\$'000	\$'000
FINANCING ACTIVITIES					
Cash received					
Appropriations – contributed equity	16,500	20,500	21,000	22,000	22,000
Total cash received	16,500	20,500	21,000	22,000	22,000
Cash used					
Other	-	-	-	-	1,000
Total cash used	-	-	-	-	1,000
Net cash from or (used by) financing activities	16,500	20,500	21,000	22,000	21,000
Net increase or (decrease) in cash held	11,187	(932)	(934)	65	66
Cash at the beginning of the reporting period	8,998	20,185	19,253	18,319	18,384
Cash at the end of the reporting period	20,185	19,253	18,319	18,384	18,450

TABLE 5.4 – DEPARTMENTAL CAPITAL BUDGET STATEMENT

	Estimated Actual	Budget Estimate	FORWARD ESTIMATES		
<i>Note</i>	2004–05	2005–06	2006–07	2007–08	2008–09
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital appropriations					
Total equity injections	16,500	20,500	21,000	22,000	22,000
Total loans	-	-	-	-	-
Total capital appropriations	16,500	20,500	21,000	22,000	22,000
Represented by:					
Purchase of non-financial assets	16,500	20,500	21,000	22,000	22,000
Total represented by	16,500	20,500	21,000	22,000	22,000
Purchase of non-financial assets					
Funded by capital appropriations	16,500	20,500	21,000	22,000	22,000
Funded internally by departmental resources	7,000	1,000	1,000	-	-
Total	23,500	21,500	22,000	22,000	22,000

TABLE 5.5 – 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	45,617		21,905	985	14,004			82,511
Accumulated depreciation			(336)	(157)				(493)
Opening net book value	45,617	–	21,569	828	14,004	–	–	82,018
Additions:								
By purchase	11,250		10,250					21,500
By finance lease								–
From acquisitions of entities or operations (including restructuring)								–
Net revaluation increment/decrement								–
Reclassifications								–
Depreciation/amortisation expense				(38)				(38)
Recoverable amount write-downs								–
Other movements								–
Disposals:								
From disposal of entities of operations (including restructuring)								–
Other disposals								–
As at 30 June 2006								
Gross book value	56,867	–	32,155	985	14,004	–	–	104,011
Accumulated depreciation	–	–	(336)	(195)	–	–	–	(531)
Closing net book value	56,867	–	31,819	790	14,004	–	–	103,480

GLOSSARY

GLOSSARY

Accrual Accounting	System of accounting where items are brought to account and included in the financial statements as they are earned or incurred, rather than as they are received or paid.
Accumulated Depreciation	The aggregate depreciation recorded for a particular depreciating asset.
Additional Estimates	Where amounts appropriated at Budget time are insufficient, Parliament may appropriate more funds to portfolios through the Additional Estimates Acts.
Additional Estimates Bills or Acts	These are Appropriation Bills Nos. 3 and 4, and a separate Bill for the Parliamentary Departments (Appropriations (Parliamentary Departments) Bill No. 2). These Bills are introduced into Parliament after the Budget Bills.
Administered Items	Expenses, revenues, assets or liabilities managed by agencies on behalf of the Commonwealth. Administered expenses include grants, subsidies and benefits. In many cases, administered expenses fund the delivery of third party outputs.
Appropriation	An authorisation by Parliament to spend moneys from the Consolidated Revenue Fund for a particular purpose.
Annual Appropriation	Two Appropriation Bills (Appropriation Bills 1 and 2) are introduced into Parliament in May and comprise the Budget for the financial year beginning 1 July. Further Bills are introduced later in the financial year as part of the Additional Estimates budget process (Appropriation Bills 3 and 4).
Assets	Future economic benefits controlled by an entity as a result of past transactions or other past events.
Capital expenditure	Expenditure by an agency on capital projects, for example purchasing a building.

Consolidated Revenue Fund	Section 81 of the Constitution stipulates that all revenue raised or money received by the Commonwealth forms the one consolidated revenue fund (CRF). The CRF is not a bank account. The Official Public Account reflects most of the operations of the CRF.
Departmental Items	Assets, liabilities, revenues and expenses that are controlled by the agency in providing its outputs. Departmental items would generally include computers, plant and equipment assets used by agencies in providing goods and services and most employee expenses, supplier costs and other administrative expenses incurred.
Depreciation	Apportionment of an asset's capital value as an expense over its estimated useful life to take account of normal usage, obsolescence, or the passage of time.
Effectiveness Indicators	Measures the joint or independent contribution of outputs and administered items to the achievements of their specific outcome.
Efficiency Indicators	Measures the adequacy of an agency's management of its outputs (and where applicable, administered items). Includes Price, Quality and Quantity indicators. The interrelationship between the three efficiency indicators of any one output should be considered when judging efficiency.
Equity or Net Assets	Residual interest in the assets of an entity after deduction of its liabilities.
Evaluation	A systematic, objective assessment of the appropriateness, effectiveness or efficiency of an intervention. Depending on the purpose of the evaluation and the stage of development of the relevant business, an evaluation may focus on more than one of these issues.

Executive Agency	An agency established under the <i>Public Service Act 1999</i> . Is a non–statutory body headed by a person appointed by and directly accountable to the Minister responsible for the agency. The Head of an Executive Agency, under the agency Minister, is responsible for managing the agency and is accountable to Government, the Parliament and the public in the same way as the Secretary of a Department or the head of a statutory agency (including for the preparation of an annual report).
Expense	Total value of all the resources consumed in producing goods and services or the loss of future economic benefits in the form of reductions in assets or increases in liabilities of an entity.
Fair Value	Valuation methodology: The amount for which an asset could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm’s length transaction. The fair value can be affected by the conditions of the sale, market conditions and the intentions of the asset holder.
Forward Estimates	The estimated revenues, expenses and associated financial statements for the three outyears past the Budget year.
Intermediate outcomes	More specific medium–term impacts (eg. trend data, targets or milestones) below the level of the planned outcomes specified in the Budget. A combination of several intermediate outcomes can at times be considered as a proxy for determining the achievement of outcomes or progress towards outcomes.
Liabilities	What the agency ‘owes’ (obligations to make payments or render services as a result of past transactions).
Measure	A decision by Cabinet or the Prime Minister that has been finalised in the context of the 2005–06 Budget and has resulted in a change in expenditure from 2005–06 onwards.
Operating Result	Equals revenue less expense.
Outcomes	The Government’s objectives in each portfolio area. Outcomes are the desired results, impacts or consequences for the Australian community as influenced by the actions of the Australian Government. Actual outcomes are assessments of the end–results or impacts actually achieved.

Output Groups	A logical aggregation of agency outputs, where useful, based either on homogeneity, type of product, business line or beneficiary target group. Aggregation of outputs may also be needed for the provision of adequate information for performance monitoring; or based on a materiality test.
Outputs	The goods and services produced by agencies on behalf of government for external organisations or individuals. Outputs also include goods and services for other areas of government external to the agency.
Performance	The proficiency of an agency or authority in acquiring resources economically and using those resources efficiently and effectively in achieving outcomes.
Performance Measures	A more precise measure than indicators. Performance measures relate to outcomes, outputs, third party outputs and administered items. They are used when there is a direct causal link between an intervention and a measurable change in performance.
Price	One of the three key efficiency indicators. The amount the government or the community pays for the delivery of agreed outputs.
Prescribed Agency	An agency prescribed under the <i>Financial Management and Accountability (FMA) Act, 1997</i> . The entity receives its appropriation directly, is financially separate and has direct accountability to the Minister.
Quality	One of the three key efficiency indicators. Relates to the characteristics by which customers or stakeholders judge an organisation, product or service. Assessment of quality involves use of information gathered from interested parties to identify differences between user's expectations and experiences.
Quantity	One of the three key efficiency indicators. Size of an output. Count or volume measures. How many or how much.
Revenue	Total value of resources earned or received in respect of goods and services provided.

Special Account	Balances existing within the Consolidated Revenue Fund (CRF), that are supported by standing appropriations (<i>Financial Management and Accountability (FMA) Act 1997</i> , ss.20 and 21). Special accounts allow money in the CRF to be acknowledged as set-aside (hypothecated) for a particular purpose. Amounts credited to a Special Account may only be spent for the purposes of the Special Account. Special Accounts can only be established by a written determination of the Finance Minister (s.20 FMA Act) or through an Act of Parliament (referred to in s.21 of the FMA Act).
Special Appropriation (including Standing Appropriations)	<p>An amount of money appropriated by a particular Act of Parliament for a specific purpose and number of years. For special appropriations the authority to withdraw funds from the Consolidated Revenue Fund does not generally cease at the end of the financial year.</p> <p>Standing appropriations are a sub-category consisting of ongoing special appropriations – the amount appropriated will depend on circumstances specified in the legislation.</p>
Stakeholders	People, organisations or groups with an interest or stake in the line of business.
Total Price of Output	Revenue from the government for departmental items and revenue from other sources, including <i>Financial Management and Accountability Act 1997</i> s.31 revenues, Commonwealth Authorities and Companies body revenues that are available to be expensed, special accounts (non-appropriation revenues) and resources received free of charge. All funds are attributable to the outputs of the agency.