



**PORTFOLIO ADDITIONAL
ESTIMATES STATEMENTS
2006-07**

**THE ENVIRONMENT AND
WATER RESOURCES
PORTFOLIO**

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THE HON MALCOLM TURNBULL MP
Minister for the Environment and Water Resources

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 Portfolio Additional Estimates Statements in support of the 2006-07 Additional Estimates for The Environment and Water Resources Portfolio.

These statements have been developed, and are submitted to the Parliament, as a statement on the funding requirements being sought for the Portfolio.

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

Yours sincerely

A handwritten signature in black ink, appearing to read "Malcolm Turnbull".

MALCOLM TURNBULL

TABLE OF CONTENTS

Introduction.....	ix
Structure of the Portfolio Additional Estimates Statements	x
Styles and conventions used.....	xi
Enquiries	xi
Portfolio Overview	2
Additional estimates and variations – Portfolio level.....	2
Figure 1: Portfolio structure and outcomes	3
Revised appropriations and other revenue – Portfolio summary	4
Revised appropriations and other revenue – Portfolio summary (<i>continued</i>)	5
Agency Additional Estimates Statements	7
Department of the Environment and Water Resources	8
Glossary	51

USER GUIDE
TO THE
PORTFOLIO ADDITIONAL
ESTIMATES STATEMENTS

USER GUIDE

INTRODUCTION

The purpose of the Portfolio Additional Estimates Statements (PAES), like that of the Portfolio Budget Statements, is to inform Senators and Members of Parliament of the proposed allocation of resources to Government outcomes by agencies within the Portfolio. However, unlike the Portfolio Budget Statements, the PAES summarise only the *changes* in resourcing by outcome since the Budget, that is, they do not include a complete resourcing table for the agency. The PAES include new measures, summarise the changes by Appropriation Bill, and, where relevant, by Special Appropriation and Special Account.

The PAES facilitate understanding of the proposed appropriations in Appropriation Bills (Nos. 3 and 4) 2006–07. In this sense, the PAES is declared by the Additional Estimates Appropriation Bills to be a ‘relevant document’ to the interpretation of the Bills according to section 15AB of the *Acts Interpretation Act 1901*.

Whereas the Mid-Year Economic and Fiscal Outlook 2006–07 is a mid-year budget report which provides updated information to allow the assessment of the Government’s fiscal performance against its fiscal strategy, the PAES update the most recent budget appropriations for agencies within the Portfolio.

STRUCTURE OF THE PORTFOLIO ADDITIONAL ESTIMATES STATEMENTS

The PAES are presented in three parts with subsections.

User Guide

Provides an introduction explaining the purpose of the PAES as well as information in relation to the styles and conventions used.

Portfolio Overview

Provides an overview of the Portfolio, including a chart that outlines the outcomes for agencies in the Portfolio.

Agency additional estimates statements

A statement (under the name of the agency) for each agency affected by Additional Estimates.

Section 1: Agency overview, variations and measures

This section details the link between the resources appropriated, savings, the impact of any post-Budget measures, and their application to the outputs and administered items (usually programmes) that contribute to the achievement of outcomes. This section also reports changes to revenue from independent sources; changes to estimates of expenses from Special Appropriations; and changes to estimated Special Account flows.

Section 2: Revisions to outcomes, administered items and outputs

This section details changes to planned Government outcomes, or to the contributing administered items and agency outputs.

Section 3: Budgeted financial statements

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

Glossary

Explains key terms.

STYLES AND CONVENTIONS USED

(a) The following notations may be used:

NEC/nec not elsewhere classified

AEST Australian Eastern Standard Time

- nil

.. not zero, but rounded to zero

na not applicable (unless otherwise specified)

nfp not for publication

\$m \$ million

Figures in tables and in the text may be rounded. 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 OVERVIEW

The Portfolio structure presented in this document reflects the structure that existed as at the 2006–07 Budget. The National Water Commission and the Office of Water Resources (within the Prime Minister and Cabinet Portfolio) were transferred into the Environment and Water Resources Portfolio as part of the machinery of government changes announced by the Prime Minister on 23 January 2007 and approved by the Governor-General on 30 January 2007. A revised Portfolio structure reflecting these changes will be presented in the 2007–08 Portfolio Budget Statements.

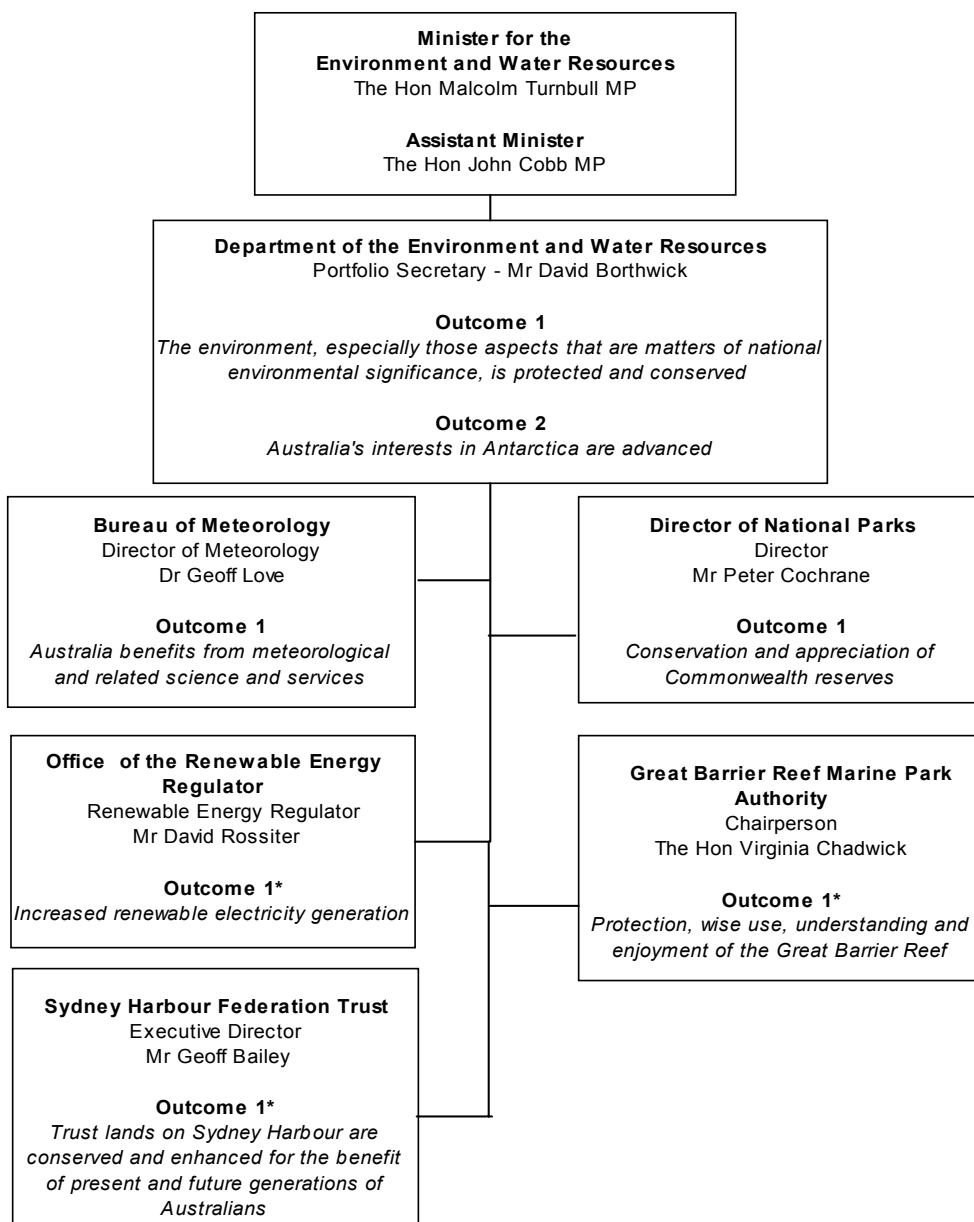
ADDITIONAL ESTIMATES AND VARIATIONS – PORTFOLIO LEVEL

Overall, the Portfolio is seeking a total increase of **\$61.052m** in government appropriations consisting of a **\$59.252m** increase through *Appropriation Bill (No. 3) 2006–07* and **\$1.800m** increase through *Appropriation Bill (No. 4) 2006–07*.

Of the total increase in appropriations, the Department of the Environment and Water Resources (DEW) is seeking **\$59.252m** through *Appropriation Bill (No. 3) 2006–07*. The increase relates primarily to additional appropriations DEW (Outcome 1 – Environment) is receiving for the Great Barrier Marine Park Structural Adjustment Package of \$84.033m, comprising \$56.660m additional funding for existing elements of the programme and \$27.373m for enhancements to the programme. The change to appropriations reflects a transfer of funding for the Product Stewardship for Oil programme to the Australian Taxation Office (\$15.114m) and a movement of funds for Maintaining Australia’s Biodiversity Hotspots to 2007-08 (\$11.670m).

The remaining Portfolio’s additional estimates represent a net increase of **\$1.800m** for DEW through *Appropriation Bill (No. 4) 2006–07* for the purchase of land adjacent to the Blackburn Lake Sanctuary, Melbourne.

FIGURE 1: PORTFOLIO STRUCTURE AND OUTCOMES AS AT 2006-07 BUDGET



* These outcomes contribute to protecting the environment under DEW's Outcome 1: the environment, especially those aspects that are matters of national environmental significance, is protected and conserved.

Note : The Portfolio structure outlined in this table and elsewhere in the document reflects the structure that existed as at the 2006-07 Budget. The document does not reflect the administrative arrangements announced by the Prime Minister on 23 January 2007 and approved by the Governor-General on 30 January 2007. A revised Portfolio structure will be presented in the 2007-08 Portfolio Budget Statements.

REVISED APPROPRIATIONS AND OTHER REVENUE — PORTFOLIO SUMMARY (CONTINUED)

Agency/Outcome/ Non-operating	Departmental ⁽¹⁾				Administered ⁽¹⁾				Total ⁽³⁾
	Appropriation Bill No. 1 \$'000	Appropriation Bill No. 2 \$'000	Special Appropriation \$'000	Receipts (4) \$'000	Appropriation Bill No. 1 \$'000	SPPs \$'000	Other (4) \$'000	Special Receipts Appropriation \$'000	
Outcome 1 - Australia benefits from meteorological and related science and services									
Bureau of Meteorology	214,412	16,672	-	16,692	-	-	-	-	247,776
Total Outcome 1	214,412	16,672	-	16,692	-	-	-	-	247,776
SUBTOTAL	576,189	40,226	7,500	124,154	622,202	36,639	4,806	23,547	1,438,504
Director of National Parks ⁽²⁾	-	-	-	43,766	-	-	-	-	43,766
TOTAL PORTFOLIO RESOURCES ⁽⁵⁾	576,189	40,226	7,500	80,388	622,202	36,639	4,806	23,547	1,394,738

(1) Under the appropriation structure, Bill No. 2 include Specific Purpose Payments (SPPs), new agency outcomes (NAOs), administered capital and departmental capital via departmental injections and loans.

(2) DNP resourcing is appropriated to DEW and is included in Outcome 1 appropriation totals. To avoid double counting DNP's resourcing is not again counted in total resourcing figures.

(3) Total appropriations = Bill No. 1 and Bill No. 2 + Special Appropriations.

(4) Departmental and administered receipts from independent sources that are available to be spent. This amount may differ from 'other resources available to be used' due to timing of cash flows.

(5) Total resources = Total appropriations + Revenue from other sources.

Note : The Portfolio structure outlined in this table and elsewhere in the document reflects the structure that existed as at the 2006-07 Budget. The document does not reflect the administrative arrangements announced by the Prime Minister on 23 January 2007 and approved by the Governor-General on 30 January 2007. A revised Portfolio structure will be presented in the 2007-08 Portfolio Budget Statements.

AGENCY ADDITIONAL ESTIMATES STATEMENTS

DEPARTMENT OF THE ENVIRONMENT AND WATER RESOURCES

Section 1: Agency overview and resources; variations and measures	11
Overview	11
Additional estimates and variations to outcomes	12
annual appropriations	12
Measures — Agency summary	15
Breakdown of additional estimates by appropriation bill	16
Summary of staffing changes	17
Summary of agency savings	18
Other receipts available to be used.....	18
Estimates of expenses from special appropriations	19
Estimates of special account flows	20
Section 2: Revisions to agency outcomes	23
Outcomes, administered items and outputs.....	23
Section 3: Budgeted financial statements	32
Analysis of budgeted financial statements	32
Budgeted financial statements	32
Notes to the financial statements	48

DEPARTMENT OF THE ENVIRONMENT AND WATER RESOURCES

Section 1: Agency overview and resources; variations and measures

OVERVIEW

The structure of the department outlined below and elsewhere in this document, reflects the structure as at the 2006–07 Budget, handed down on 9 May 2006. The document does not reflect the administrative arrangements announced on 23 January 2007 by the Prime Minister and approved by the Governor General on 30 January 2007. A revised Portfolio structure will be provided in the 2007–08 Portfolio Budget Statements.

Table 1.1: Agency outcomes and output groups

Outcome	Description	Output
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 Oceans 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 <http://www.deh.gov.au/epbc/about/agreement/attachment-1.html>

^(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).

ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

ANNUAL APPROPRIATIONS

The Department of the Environment and Water Resources (DEW) is seeking additional estimates totalling \$59.252m in Appropriation Bill (No.3) 2006–07, and \$1.800m in Appropriation Bill (No.4) 2006–07 comprising:

\$2.979m in departmental outputs appropriation through Appropriation Bill (No. 3) 2006–07 for the following items:

- \$2.626m for the Great Barrier Marine Park Structural Adjustment Package, comprising \$1.397m additional funding for existing elements of the programme and \$1.229m for enhancements to the programme.
- \$0.203m increase in appropriation for Wildlife Protection Import and Export Fees collected during 2005–06 (Environment Protection Biodiversity Conservation Act 1999 Part 13A).
- \$0.150m transferring Commonwealth Environment Research Facilities funds from administered appropriation (including a transfer of \$0.151m in 2007–08, \$0.151m in 2008–09, and \$0.154m in 2009–10).

\$56.273m in administered expenses through Appropriation Bill (No.3) 2006–07 for the following items:

- \$81.407m for the Great Barrier Marine Park Structural Adjustment Package, comprising \$55.3m additional funding for existing elements of the programme and \$26.1m for enhancements to the programme.
- (\$15.114m) transfer of funding for the temporary additional benefit provided under the Product Stewardship for Oil programme to the Australian Taxation Office (including a transfer of \$10.0m in 2007–08 and \$5.0m in 2008–09).
- (\$11.670m) relating to a movement of funds to 2007–08 for Protecting Australia’s Biodiversity Hotspots.
- \$1.000m representing funding to assist in the restoration and return to Australia of the first Qantas 707 Jet.
- \$0.800m representing funds to assist the purchase of the Eugene von Guerard painting, *View of Geelong*.

- (\$0.150m) transferring Commonwealth Environment Research Facilities (CERF) funds to departmental (including a transfer of \$0.151m in 2007–08, \$0.151m in 2008–09, and \$0.154m in 2009–10).
- \$5.0m fully offset from within existing resources for St Patrick’s Cathedral, Bunbury¹.
- \$1.500m fully offset from within existing resources for St Peter and Paul’s Old Cathedral, Goulburn².

\$1.800m in administered expenses through Appropriation Bill (No. 4) 2006–07 is funding for the purchase of land adjacent to the Blackburn Lake Sanctuary, Melbourne.

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

Table 1.2: Additional estimates and variations to outcomes – measures

	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)	2009-10 (\$'000)
Outcome 1 - Measures variations in administered appropriations				
von Guerard Painting	800	-	-	-
Return of Qantas 707 Jet	1,000	-	-	-
Blackburn Lake Sanctuary, Melbourne	1,800	-	-	-
Renewable Remote Power Generation Programme - extension	-	30,000	30,000	30,000
Great Barrier Reef Marine Park Structural Adjustment Package- Enhancements	26,144	-	-	-
Product Stewardship for Oil programme transitional funding	-	-	-	-
St Patrick's Cathedral, Bunbury	-	-	-	-
St Peter & Paul's Old Cathedral, Goulburn	-	-	-	-
Increase in administered appropriations for Outcome 1 - measures	29,744	30,000	30,000	30,000
Outcome 1 - Measures variations in departmental appropriations				
Renewable Remote Power Generation Programme - extension	-	870	879	887
Great Barrier Reef Marine Park Structural Adjustment Package - Enhancements	1,229	-	-	-
Increase in departmental appropriations for Outcome 1 - measures	1,229	870	879	887
Total Measures Variations	30,973	30,870	30,879	30,887

¹ No fiscal impact as fully offset from within existing resources

² No fiscal impact as fully offset from within existing resources

Table 1.3: Additional estimates and variations to outcomes – other variations

	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)	2009-10 (\$'000)
Outcome 1 - Other variations in administered appropriations				
Great Barrier Reef Marine Park Structural Adjustment Package- Additional Funding	55,263	-	-	-
Movement of Funds - Protecting Australia's Biodiversity Hotspots	(11,670)	12,794	-	-
Commonwealth Environment Research Facilities (CERF) - reduction of Appropriation Bill 3 following reclassification to Departmental	(150)	(151)	(151)	(154)
Oil Recyclers transitional funding - reduction of Appropriation Bill 3 to transfer funding to Australian Taxation Office.	(15,114)	(10,000)	(5,000)	-
Indexation for National Trusts Partnership Programme, Indigenous Heritage Programme, and ABRS	-	19	25	32
Other variations in administered appropriations for Outcome 1	28,329	2,662	-5,126	-122
Outcome 1 - Other variations in departmental appropriations				
Commonwealth Environment Research Facilities (CERF) - increase following reclassification from Administered	150	151	151	154
Transfer of Whales Programme funding from Australian Government Antarctic Divison, Outcome 2.	191	191	191	191
Wildlife Protection Import & Export Fees	203	190	190	190
Protecting Australia's Biodiversity Hotspots	-	500	-	-
Great Barrier Reef Marine Park Structural Adjustment Package - Additional Funding	1,397	-	-	-
Indexation	-	962	844	946
Other variations in departmental appropriations for Outcome 1	1,941	1,994	1,376	1,481
Outcome 2 - Variations in departmental appropriations				
Transfer of Whales Programme funding to Outcome 1.	(191)	(191)	(191)	(191)
Indexation	-	412	499	588
Other variations in departmental appropriations for Outcome 2	(191)	221	308	397
Total All Other Variations	30,079	4,877	(3,442)	1,756
Total Variations Measures and Other Variations	61,052	35,747	27,437	32,643

MEASURES — AGENCY SUMMARY

Table 1.4: Summary of measures since the 2006–07 Budget

Measure	Outcome	Output groups affected	2006-07 (\$'000)			2007-08 (\$'000)			2008-09 (\$'000)			2009-10 (\$'000)		
			Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total
von Guerard Painting	1		800	-	800	-	-	-	-	-	-	-	-	-
Return of Qantas 707	1		1,000	-	1,000	-	-	-	-	-	-	-	-	-
Blackburn Lake Sanctuary, Melbourne	1		1,800	-	1,800	-	-	-	-	-	-	-	-	-
Renewable Remote Power Generation Programme - extension	1		-	-	-	30,000	870	30,870	30,000	879	30,879	30,000	887	30,887
Great Barrier Reef Marine Park Structural Adjustment Package - Enhancements	1		26,144	1,229	27,373	-	-	-	-	-	-	-	-	-
St Patrick's Cathedral, Bunbury	1		-	-	-	-	-	-	-	-	-	-	-	-
St Peter & Paul's Old Cathedral, Goulburn	1		-	-	-	-	-	-	-	-	-	-	-	-
Total of All measures			29,744	1,229	30,973	30,000	870	30,870	30,000	879	30,879	30,000	887	30,887

BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

Table 1.5: Appropriation Bill (No. 3) 2006–07

	2005-06 Available \$'000	2006-07 Budget \$'000	2006-07 Revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
ADMINISTERED ITEMS					
Outcome 1 - The environment, especially those aspects that are matters of national environmental significance, is protected and conserved ⁽¹⁾	476,380	565,929	622,202	56,273	-
Outcome 2 - Australia's interests in Antarctica are advanced	320	-	-	-	-
Total	476,700	565,929	622,202	56,273	-
DEPARTMENTAL OUTPUTS					
Outcome 1 - The environment, especially those aspects that are matters of national environmental significance, is protected and conserved	234,795	238,531	241,701	3,170	-
Outcome 2 - Australia's interests in Antarctica are advanced	94,563	99,741	99,550	(191)	-
Total	329,358	338,272	341,251	2,979	-
Total administered and departmental	806,058	904,201	963,453	59,252	-

Note 1: Represents administered funds drawn down against Appropriation Bill (Nos. 1 and 3) 2006-07.

Table 1.6: Appropriation Bill (No. 4) 2006–07

	2005-06 Available \$'000	2006-07 Budget \$'000	2006-07 Revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
SPECIFIC PAYMENTS TO THE STATES AND TERRITORIES					
Outcome 1 - The environment, especially those aspects that are matters of national environmental significance, is protected and conserved ⁽¹⁾	38,413	34,839	36,639	1,800	-
Outcome 2 - Australia's interests in Antarctica are advanced	-	-	-	-	-
OTHER ADMINISTERED ITEMS					
Outcome 1 - The environment, especially those aspects that are matters of national environmental significance, is protected and conserved	-	-	-	-	-
Outcome 2 - Australia's interests in Antarctica are advanced	-	-	-	-	-
Total	38,413	34,839	36,639	1,800	-
Non-operating					
Equity injections	4805	2195	2195		
Loans	-	-	-		
Previous years' outputs	-	-	-		
Administered assets and liabilities	2,665	2,611	2,611	-	-
Total capital	7,470	4,806	4,806	-	-
Department of the Environment and Water Resources					
Total	7,470	4,806	4,806	-	-

Note 1: Represents administered funds drawn down against Appropriation Bill (Nos. 2 and 4) 2006-07.

SUMMARY OF STAFFING CHANGES

Table 1.7: Average Staffing Level (ASL)

	2006-07 Budget	2006-07 Revised	Variation
Outcome 1 - The environment, especially those aspects that are matters of national environmental significance, is protected and conserved ⁽¹⁾	1,265	1271	6
Outcome 2 - Australia's interests in Antarctica are advanced	380	380	-
Total	1,645	1,651	6

SUMMARY OF AGENCY SAVINGS

There are no agency savings.

OTHER RECEIPTS AVAILABLE TO BE USED

Table 1.9 provides details of other receipts available to be used and include *Financial Management and Accountability Act 1997* s.31 receipts, Commonwealth Authorities and Companies body receipts that are available to be spent, special accounts (non-appropriation receipts) and resources received free of charge.

Table 1.9: Other receipts available to be used

	Budget estimate 2006-07 \$'000	Revised estimate 2006-07 \$'000
Outcome		
Departmental other receipts		
Goods and Services	37,106	43,068
Other	462	462
Sub-total departmental other receipts available to be used	37,568	43,530
Administered other receipts		
<i>Ozone Protection and Synthetic Greenhouse Gas Management Act 1989</i> - levies and fees	1,991	1,991
<i>Water Efficiency Labelling and Standards Act 2005</i> - Water Efficiency Labelling Scheme fees	404	150
<i>Natural Heritage Trust of Australia Act 1997, Section 42</i> - Revenue estimated to be received from grants refunded from prior years grant programmes under the Natural Heritage Trust (NHT)*	-	1,100
Sub-total administered other receipts available to be used	2,395	3,241
TOTAL OTHER RECEIPTS AVAILABLE TO BE USED	39,963	46,771

*Not disclosed in Portfolio Budget Statements in 2006-07.

ESTIMATES OF EXPENSES FROM SPECIAL APPROPRIATIONS

Table 1.10: Estimates of expenses from special appropriations

	Outcome No	Budget estimate 2006-07 (\$'000)	Revised estimate 2006-07 (\$'000)
Estimated expenses			
Appropriation (Supplementary Measures) Act (No.2) 1999, Sec 3	1	-	-
Captains Flat (Abatement of Pollution) Agreement Act 1975, Sec 4 (1)	1	-	-
Natural Heritage Trust of Australia Interest * Section 6 - <i>Natural Heritage Trust of Australia Act 1997</i>	1	24,061	23,100
Total estimated expenses		24,061	23,100

* Revised estimate reflects the estimate at Budget. The Department of Finance & Administration advised this should no longer be treated as a Special Appropriation but as a Budget Transfer. Actual interest earned at 30 June 2006 was computed as \$23.1 million with a request to the Department of Finance & Administration to process the \$0.961 million reduction 31 August, 28 September and 9 October 2006 for A.Es.

ESTIMATES OF SPECIAL ACCOUNT FLOWS

Table 1.11: Estimates of special account flows

	Outcome No.	Opening balance 2006-07 2005-06 \$'000	Receipts 2006-07 2005-06 \$'000	Payments 2006-07 2005-06 \$'000	Adjustments 2006-07 2005-06 \$'000	Closing balance 2006-07 2005-06 \$'000
NATURAL HERITAGE TRUST OF AUSTRALIA ACCOUNT (A) - <i>Natural Heritage Trust of Australia Act 1997, s.4.</i>	1	401,744	333,765	310,000	-	425,509
		407,600	342,927	348,783	-	401,744
OZONE PROTECTION AND SYNTHETIC GREENHOUSE GAS ACCOUNT (A) - <i>Ozone Protection and Synthetic Greenhouse Gas Management Act 1989, ss. 65C & 65D</i>	1	14,717	1,991	3,280	-	13,428
		11,583	6,168	3,034	-	14,717
NATIONAL CULTURAL HERITAGE ACCOUNT (A) - <i>Protection of Movable Cultural Heritage Act 1986, s.25</i>	1	500	-	480	-	20
		318	693	511	-	500
AUSTRALIAN ANTARCTIC HERITAGE CONSERVATION SPECIAL ACCOUNT (D) <i>Financial Management and Accountability Act 1997, s.20</i>	2	-	-	-	-	-
		-	-	-	-	-
SEA INSTALLATIONS ACCOUNT (A) <i>Sea Installations Act 1987, s. 38</i>	1	-	-	-	-	-
		-	-	-	-	-

Table 1.11: Estimates of special account flows (continued)

	Outcome No.	Opening balance 2006-07 2005-06 \$'000	Receipts 2006-07 2005-06 \$'000	Payments 2006-07 2005-06 \$'000	Adjustments 2006-07 2005-06 \$'000	Closing balance 2006-07 2005-06 \$'000
WELS ACCOUNT (A) <i>Water Efficiency Labelling and Standards Act 2005, s.64</i>	1	1,027	150	715	-	462
		-	1,232	205	-	1,027
AUSTRALIAN AND NEW ZEALAND ENVIRONMENT AND CONSERVATION COUNCIL FUND TRUST ACCOUNT (D) (S) - <i>Financial Management and Accountability Act 1997, s.20</i>	1	-	-	-	-	-
		12	-	12	-	-
ENVIRONMENT - SERVICES FOR OTHER GOVERNMENTS AND NON-AGENCY BODIES ACCOUNT (D) (S) - <i>Financial Management and Accountability Act 1997, s.20</i>	1	3,213	380	441	-	3,152
		3,335	292	414	-	3,213
OTHER TRUST MONEYS ACCOUNT (D) (S) - <i>Financial Management and Accountability Act 1997, s.20</i>	1	262	112	-	-	374
		123	341	202	-	262
Total special accounts						
2006-07 Budget estimate		421,463	336,398	314,916	-	442,945
Total special accounts 2005-06 estimate actual		422,971	351,653	353,161	-	421,463

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

(A) = Administered

(D) = Departmental

(S) = Special Public Monies Special Accounts

Table 1.12: Movement of administered funds from 2005–06

	2005-06*	2006-07	2007-08	2008-09	2009-10	2010-11
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
<i>Protecting Australia's Biodiversity Hotspots</i>	(1,624)	(11,670)	12,794	-	-	-
	(1,624)	(11,670)	12,794	0	0	0

* \$1.124m Administered funding was moved to 2007-08 and \$0.5m to Departmental funding 2007-08 (see Table 1.3, page 14).

Section 2: Revisions to agency outcomes

OUTCOMES, ADMINISTERED ITEMS AND OUTPUTS

Table 1.1 'Agency outcomes and outputs groups' lists the outcome statements and output groups for the Department of the Environment and Water Resources (DEW).

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

OUTPUT COST ATTRIBUTION

Direct costs incurred by DEW, including salaries, suppliers and grants, are coded directly to appropriate activities within DEW's financial management information system. The individual activities are subsequently attributed to agency outputs based upon established and regularly reviewed parameters, which match the activities of individual cost centres to relevant outputs.

DEW's overheads and activities that cut across all outputs, such as State of the Environment Reporting, are attributed to outputs in accordance with the most appropriate and sound basis of allocation that can be consistently and logically applied. In implementing the Budget Estimates and Framework Review, DEW changed the method for the allocation of corporate overheads. For Outcome 1 (Environment), corporate overheads are allocated to outputs based on the number of 'workpoints' (essentially work stations) occupied by staff and for Outcome 2 (Antarctic) by activity.

EXPLANATION OF VARIATIONS

Variations to Departmental Output Appropriation

The departmental outputs appropriation has been increased through *Appropriation Bill (No. 3) 2006–07* by \$2.979m represented by the following:

- ***Great Barrier Marine Park Structural Adjustment Package***

\$2.626m for the Great Barrier Marine Park Structural Adjustment Package, comprising \$1.397m additional funding for existing elements of the programme and \$1.229m for enhancements to the programme. The package is designed to assist eligible commercial fishers and other businesses adversely affected by the implementation of the rezoning of the Great Barrier Reef Marine Park, which came into effect on 1 July 2004.

Enhancements include changes to ensure that assistance covers the approved full cost of restructuring a business, a further 20 per cent increase in payments for approved applications for business restructuring assistance, extending the provision of financial and relationship counsellors to the region for a further twelve months, and measures to expedite the assessment of applications.

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

\$0.203m increase in appropriation for Wildlife Protection Import and Export Fees collected during 2005–06 (*Environment Protection and Biodiversity Conservation Act 1999 Part 13A*).

- ***Commonwealth Environment Research Facilities (CERF)***

\$0.150m transferring Commonwealth Environment Research Facilities (CERF) funds from administered appropriation (including a transfer of \$0.151m in 2007–08, \$0.151m in 2008–09, and \$0.154m in 2009–10).

- ***Renewable Remote Power Generation Programme (RRPGP)***

The Government will provide \$3.5m over four years from 2007–08 (\$0.870m in 2007–08, \$0.879m in 2008–09, \$0.887m in 2009–10 and \$0.896m in 2010–11) for administrative costs associated with the management of the package to support the replacement of diesel-powered power generation and water pumping systems, in regional and remote communities, with renewable energy. The funding will also support energy efficiency projects to reduce demand, and industry support activities to increase the update of renewable energy technologies in areas at the fringes of electricity grids and off grid areas of Australia.

Variations to Administered grant programmes

The administered expenses appropriation has been increased through *Appropriation Bill (No. 3) 2006–07* by \$56.273m represented by the following:

- ***Great Barrier Marine Park Structural Adjustment Package***

\$81.407m for the Great Barrier Marine Park Structural Adjustment Package, comprising \$55.3m additional funding for existing elements of the programme and \$26.1m for enhancements to the programme. The package is designed to assist eligible commercial fishers and other businesses adversely affected by the implementation of the rezoning of the Great Barrier Reef Marine Park, which came into effect on 1 July 2004.

Enhancements include changes to ensure that assistance covers the approved full cost of restructuring a business, a further 20 per cent increase in payments for approved applications for business restructuring assistance and extending the provision of financial and relationship counsellors to the region for a further twelve months.

- ***Temporary additional benefit under the Product Stewardship for Oil Programme***

(\$15.114m) transfer of funding for the temporary additional benefit provided under the Product Stewardship for Oil Programme to the Australian Taxation Office in 2006–07 (including a transfer of \$10.0m in 2007–08 and \$5.0m in 2008–09).

The Government will provide \$10.6m over three years, to be appropriated to the Australian Taxation Office, to assist used oil recyclers who produce burner fuel from used oil. This funding is in addition to the \$30.1m mentioned above, which was provided in the 2006–07 Budget.

This additional temporary funding recognised the impact of changed excise arrangements from 1 July 2006 on burner fuel and fuel recovered from used oil. It will be administered under the Product Stewardship for Oil Programme, under which the Australian Taxation Office administers product benefit payments. Funding will be progressively reduced over the three-year period as used oil recyclers adjust to new market conditions.

- ***Protecting Australia's Biodiversity Hotspots***

(\$11.670m) relating to a movement of funds for Protecting Australia's Biodiversity Hotspots to 2007–08.

- ***Commonwealth Environment Research Facilities (CERF)***

(\$0.150m) transferring Commonwealth Environment Research Facilities (CERF) funds to departmental appropriation (including a transfer of \$0.151m in 2007–08, \$0.151m in 2008–09, and \$0.154m in 2009–10).

- ***St Patrick's Cathedral, Bunbury***

The Government will provide \$5.0m in 2006–07 for the reconstruction of St Patrick's Cathedral in Bunbury, Western Australia. This funding will support efforts to rebuild the cathedral and parish centre following their loss in a tornado in 2005. The cost of this measure will be met from within existing resources of the Department of the Environment and Water Resources.

- ***St Peter and Paul's Old Cathedral, Goulburn***

The Government will provide \$1.5m in 2006–07 for the restoration of the St Peter and Paul's Old Cathedral in Goulburn, NSW. This funding will support efforts to repair and preserve this important heritage building. The cost of this measure will be met from within existing resources of the Department of the Environment and Water Resources.

- ***von Guerard Painting***

The Government has provided \$0.800m in 2006–07 to support the acquisition of the Eugene von Guerard painting, *View of Geelong*, by the Geelong Art Gallery because of the painting's significant cultural heritage value. This amount is in addition to the funding of \$0.200m provided from the National Cultural Heritage Account in 2005–06 to support this acquisition.

- ***Return of Qantas 707***

The Government will provide \$1.0m in 2006–07 to Qantas Foundation Memorial Limited to help restore, and bring back to Australia, Qantas' first 707 Aircraft for display at the Qantas Founders Outback Museum in Longreach, Queensland. Part of the arrangement involves the assistance of Qantas Airways in promoting Australia's National Heritage listed properties.

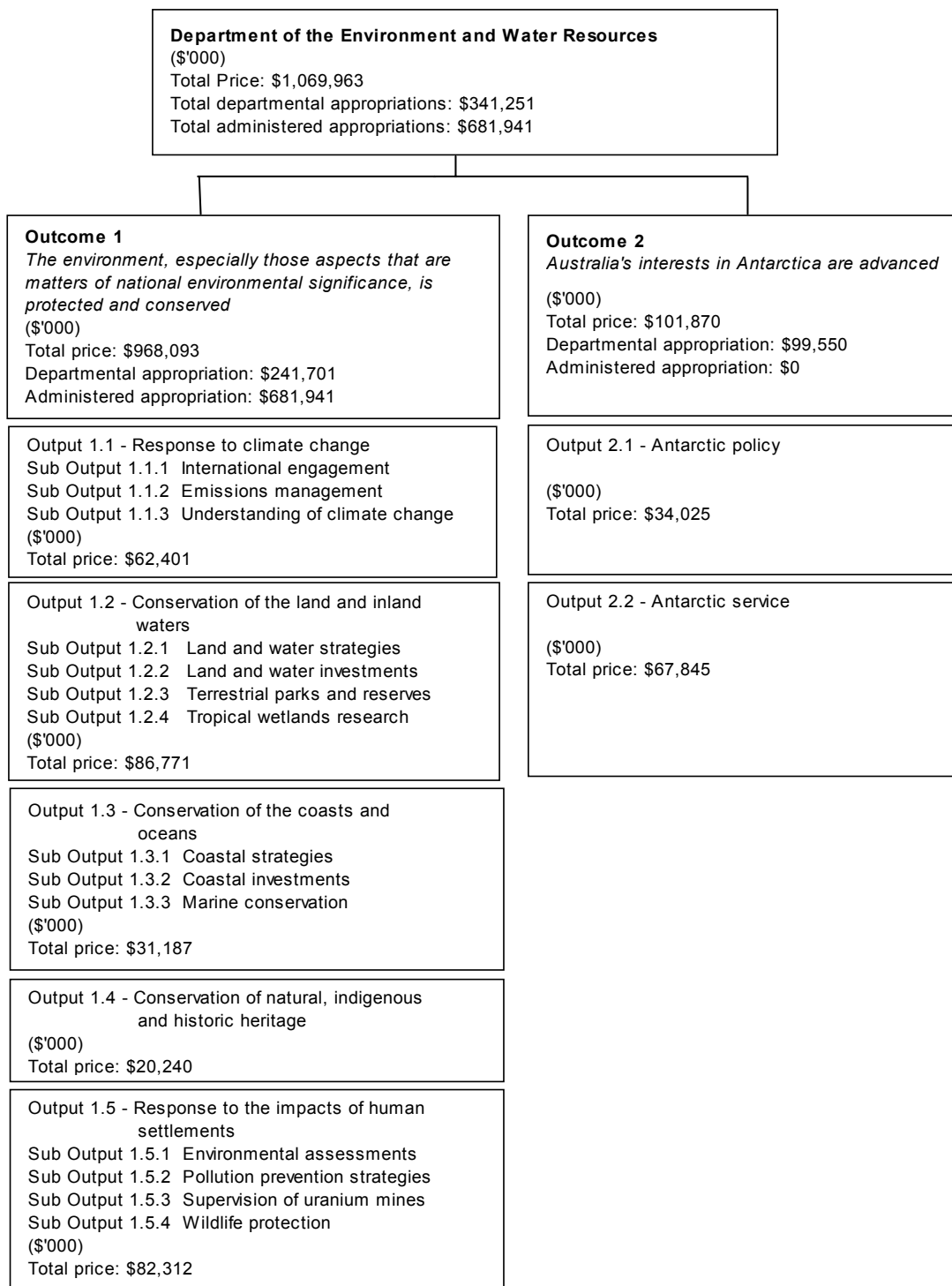
- ***Blackburn Lake Sanctuary (Appropriation Bill 4)***

The Government will provide up to \$1.8m in 2006–07 for the purchase of land adjacent to the Blackburn Lake Sanctuary, Melbourne. This funding will protect and extend the Blackburn Lake Sanctuary area and is conditional on matching funding from both the Victorian Government and the City of Whitehorse, and the Victorian Government publicly releasing the valuation of the site.

- ***Renewable Remote Power Generation Programme (RRPGP)***

The Government will provide \$120.0m over four years from 2007–08 (including \$30.0m in 2010–11) to support the replacement of diesel-powered power generation and water pumping systems, in regional and remote communities, with renewable energy. The funding will also support energy efficiency projects to reduce demand, and industry support activities to increase the update of renewable energy technologies in areas at the fringes of electricity grids and off grid areas of Australia.

Figure 2: Outcomes and Output Groups for the Agency



Note : The Portfolio structure outlined in this table and elsewhere in the document reflects the structure that existed as at the 2006-07 Budget. The document does not reflect the administrative arrangements announced by the Prime Minister on 23 January 2007 and approved by the Governor-General on 30 January 2007. A revised Portfolio structure will be presented in the 2007-08 Portfolio Budget Statements.

Revised performance information — 2006–07

Performance Indicators for Administered Items

Administered Items related to climate change		Performance Indicator
Renewable Remote Power Generation Programme (RRPGP)	Effect	Reported abatement activity including emissions reductions and energy savings; Extent of engagement of key stakeholders; Extent of support for long-term low emission technology uptake.
	Quality	Reporting systems are appropriately targeted; Risks to programme delivery identified and managed
	Quantity	Investment dollars (or contributory funding) leveraged by projects and programmes from other parties
Administered Items related to land and inland waters		
<i>Protecting Australia's Biodiversity Hotspots</i>	Quality	Percentage of payments that are consistent with the terms and conditions of funding (Target: 100%)
	Quantity	Number of interventions to protect identified hotspots Number of projects funded
Blackburn Lake Sanctuary, Melbourne	Effect	Funding provided on budget once arrangements are finalised between governments, supported by a sound management plan to protect the identified conservation values
Administered Items related to human settlements		
Commonwealth Environment Research Facilities	Effect	The extent to which funded projects successfully contribute to furthering Australia's understanding of critical areas of environment research
	Quality	Percentage of projects delivered to a satisfactory standard in accordance with the terms and conditions of the project contract (Target 100%)
	Quantity	Number of projects funded

Performance Indicators for Administered Items (continued)

Administered Items related to Heritage	Performance Indicator
<i>St Patrick's Cathedral, Bunbury; and St Peter and St Paul's Old Cathedral, Goulburn</i>	Effect Extent to which heritage values are restored or conserved.
	Quality Percentage of payments that are consistent with the terms and conditions of funding (Target: 100%)
	Quantity Number of projects funded
Return of Qantas 707	Effect Restoration and return to Australia of the first Qantas 707 for display and public appreciation
	Quality Percentage of payments that are consistent with the terms and conditions of funding (Target: 100%)
	Quantity All required payments made
von Guerard Painting	Effect Assist in the purchase of the Eugene von Guerard painting, <i>View of Geelong</i> , for public display in the Geelong Art Gallery
	Quality Percentage of payments that are consistent with the terms and conditions of funding (Target: 100%)
	Quantity All required payments made

Table 2.1: Performance information for outputs affected by additional estimates — Outcome 1

Output	Performance Indicator	
For each output (see Table 1.1 (page 11) and Figure 2 (pages 28))	Quality: Price advisory role The Minister is satisfied with the timeliness and accuracy of briefs and draft ministerial correspondence provided by the department. Provider role (1) Percentage of payments that are Consistent with the terms and conditions of funding (Target: 100%) Regulator role Percentage of statutory timeframes triggered that are met (Target: >90%)(2)	
	Price: 1.1 - Response to climate change	\$62.342m
	2006-07 1.2 - Conservation of the land and inland waters	\$84.228m
	Budget* 1.3 - Conservation of the coasts and oceans	\$28.186m
	1.4 - Conservation of natural, indigenous and historic heritage	\$23.717m
	1.5 - Response to the impacts of human settlement	\$75.306m
	Price: 1.1 - Response to climate change	\$62.401m
	2006-07 1.2 - Conservation of the land and inland waters	\$86.771m
	Revised 1.3 - Conservation of the coasts and oceans	\$31.187m
	1.4 - Conservation of natural, indigenous and historic heritage	\$20.240m
	1.5 - Response to the impacts of human settlement	\$82.312m

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

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

*Refer to 2006-07 Portfolio Budget Statements page 69

Section 3: Budgeted financial statements

ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

BUDGETED FINANCIAL STATEMENTS

Departmental financial statements

Budgeted departmental income statement

Departmental revenue in 2006–07 is estimated to be \$384.781m, a net increase of \$10.156m from the 2005–06 actual of \$374.625m. This reflects an increase in government revenues of \$11.893m and a reduction in other revenue, including goods and services revenue of \$1.737m.

The increase in revenues from government and expenses primarily relates to funding for new measures announced in the 2006–07 Budget and the 2006–07 Portfolio Additional Estimates. Refer to Portfolio Additional Estimates Table 1.2 and 1.3. The reduction in revenues and expenses in 2008–09 primarily relates to funding for the Climate Change Strategy and The Natural Heritage Trust Programmes which are not funded past 2007–08. The Income Statement does not yet fully reflect adjustments arising from Australian Equivalent for International Financial Reporting System (AEIFRS). The Department of the Environment and Water Resources (DEW) in consultation with the Department of Finance and Administration is working to finalise the accounting and budgetary impacts of AEIFRS on DEW.

There is no direct appropriation from the government to the Director of National Parks (DNP). Funds appropriated directly to DEW will be transferred to DNP. In 2006–07, funding of \$43.8m will be appropriated to DEW for DNP.

Budgeted departmental balance sheet

DEW's budgeted net asset position of in 2006–07 is revised to \$243.915m and represents an increase of \$7.699m from the 2005–06 actual of \$236.216m.

Schedule of administered activity

Schedule of budgeted income and expenses administered on behalf of government

Compared to 2005–06, the net increase to administered expenses of \$185.343m primarily relates to additional funding provided in the 2006–07 Additional Estimates process (the Great Barrier Reef Marine Park Structural Adjustment Package \$81.407m, offset by other appropriation adjustments such as the transfer of the Product Stewardship for Oil programme to the Australian Taxation Office \$15.114m); together with a range of additional funding provided in the 2006–07 Budget (refer to 2006–07 Portfolio Budget Statements Table 3.1, Pages 32 and 33).

Schedule of budgeted assets and liabilities administered on behalf of government

DEW's principal administered assets comprise administered investments relating to the Portfolio's statutory authorities.

Schedule of budgeted administered cash flows

Cash received from the Official Public Account represents receipts of administered appropriations.

Schedule of administered capital budget

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

Schedule of administered property, plant, equipment and intangibles — summary of movement

No change to the 2006–07 Budget.

Table 3.1: Budgeted departmental income statement (for the period ended 30 June)

	Actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
INCOME					
Revenue					
Revenues from Government	329,358	341,251	322,896	265,867	261,734
Goods and services	42,976	43,068	35,770	11,587	12,400
Other revenue	2,291	462	462	462	462
Total revenue	374,625	384,781	359,128	277,916	274,596
Gains					
Net foreign exchange gains					
Reversals of previous asset write-downs	25	-	-	-	-
Net gains from disposal of assets	138	-	-	-	-
Other gains	1,210	-	-	-	-
Total gains	1,373	-	-	-	-
TOTAL INCOME	375,998	384,781	359,128	277,916	274,596
EXPENSES					
Employees	138,812	145,502	133,253	109,616	94,558
Suppliers	155,920	153,253	144,629	95,436	116,327
Grants	66,690	60,657	53,227	47,028	41,489
Depreciation and amortisation	25,822	23,530	24,930	23,960	20,404
Finance costs	9,986	64	-	-	-
Write-down of assets and impairment of assets	7,659	78	68	68	68
Other expenses	332	233	1,590	1,559	1,750
TOTAL EXPENSES	405,221	383,317	357,697	277,667	274,596
Share of operating results of associates and joint ventures accounted for using the equity method	-	-	-	-	-
Operating result before Income Tax	(29,223)	1,464	1,431	249	-
Income Tax expense					
Net operating result	(29,223)	1,464	1,431	249	-
Operating result from discontinued operations	-	-	-	-	-
Gain (loss) on remeasuring discontinued operations	-	-	-	-	-
Operating result					
Minority interest in net surplus or (deficit)	-	-	-	-	-
Net surplus or (deficit) attributable to the Australian Government	(29,223)	1,464	1,431	249	-

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	5,144	4,997	4,470	4,612	3,845
Receivables	66,784	64,469	64,747	71,669	80,158
Accrued revenues	466	466	466	466	466
Total financial assets	72,394	69,932	69,683	76,747	84,469
Non-financial assets					
Land and buildings	254,492	253,259	246,684	240,109	233,534
Infrastructure, plant and equipment	147,678	146,663	143,550	140,755	139,501
Intangibles	11,183	14,066	11,040	7,253	5,482
Inventories	7,360	7,560	7,790	8,025	8,025
Other non-financial assets	298	-	-	-	-
Total non-financial assets	421,011	421,548	409,064	396,142	386,542
Total assets	493,405	491,480	478,747	472,889	471,011
LIABILITIES					
Payables					
Suppliers	1,292	1,292	1,292	1,292	1,292
Grants	842	850	700	695	543
Other payables	14,928	7,864	1,179	1,305	1,305
Total payables	17,062	10,006	3,171	3,292	3,140
Interest bearing liabilities					
Loans	2,102	1,082	-	-	-
Other interest bearing liabilities	498	395	292	189	86
Total interest bearing liabilities	2,600	1,477	292	189	86
Provisions					
Employees	39,534	38,089	31,945	25,820	24,197
Other provisions	197,993	197,993	197,993	197,993	197,993
Total provisions	237,527	236,082	229,938	223,813	222,190
Liabilities included in disposal groups held for sale	-	-	-	-	-
Total liabilities	257,189	247,565	233,401	227,294	225,416

Table 3.2: Budgeted departmental balance sheet (as at 30 June) (continued)

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
EQUITY*					
Parent entity interest					
Contributed equity	37,169	39,364	39,364	39,364	39,364
Reserves	236,903	240,943	240,943	240,943	240,943
Statutory funds					
Retained surpluses or accumulated deficits	(37,856)	(36,392)	(34,961)	(34,712)	(34,712)
Total parent entity interest	236,216	243,915	245,346	245,595	245,595
Minority interest					
Contributed equity					
Reserves					
Statutory funds					
Retained surpluses or accumulated deficits					
Total minority interest	-	-	-	-	-
Total equity	236,216	243,915	245,346	245,595	245,595
Current assets	80,052	77,492	77,473	84,772	92,494
Non-current assets	413,353	413,988	401,274	388,117	378,517
Current liabilities	37,376	29,683	18,861	16,086	15,152
Non-current liabilities	219,813	217,882	214,540	211,208	210,264

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

Table 3.3: Budgeted departmental statement of cash flows (for the period ended 30 June)

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	47,441	50,617	41,895	20,083	23,459
Appropriations	331,440	344,920	323,016	259,124	252,922
Net GST received	12,520	2,956	3,053	3,359	2,455
Other cash received	2,850	(610)	(3,669)	(434)	(477)
Total cash received	394,251	397,883	364,295	282,132	278,359
Cash used					
Employees	119,157	146,947	139,397	115,741	96,181
Suppliers	171,467	152,906	141,108	96,183	114,845
Grants	70,877	60,649	52,683	46,945	41,185
Financing costs	260	64	(12)	-	-
Net GST paid	18,249	18,213	16,690	11,033	14,160
Other cash used	332	233	1,590	1,217	1,883
Total cash used	380,342	379,012	351,456	271,119	268,254
Net cash from or (used by) operating activities	13,909	18,871	12,839	11,013	10,105
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	312	-	-	-	-
Total cash received	312	-	-	-	-
Cash used					
Purchase of property, plant and equipment	16,798	20,125	12,216	10,803	10,804
Other cash used	-	68	68	68	68
Total cash used	16,798	20,193	12,284	10,871	10,872
Net cash from or (used by) investing activities	(16,486)	(20,193)	(12,284)	(10,871)	(10,872)

Table 3.3: Budgeted departmental statement of cash flows (for the period ended 30 June) (continued)

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	4,805	2,195	-	-	-
Total cash received	4,805	2,195	-	-	-
Cash used					
Repayments of debt	963	1,020	1,082	-	-
Total cash used	963	1,020	1,082	-	-
Net cash from or (used by) financing activities	3,842	1,175	(1,082)	-	-
Net increase or (decrease) in cash held	1,265	(147)	(527)	142	(767)
Cash at the beginning of the reporting period	3,879	5,144	4,997	4,470	4,612
Cash at the end of the reporting period	5,144	4,997	4,470	4,612	3,845

Table 3.4: Departmental statement of changes in equity — summary of movement (Budget 2006–07)

	Accumulated results \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2006					
Balance carried forward from previous period	(37,856)	236,903	-	37,169	236,216
Adjustment for changes in accounting policies					
Adjusted opening balance	(37,856)	236,903	-	37,169	236,216
Income and expense					
Income and expenses recognised directly in equity:					
Gain/loss on revaluation of property	-	4,040	-	-	4,040
Sub-total income and expense recognised directly in equity	-	4,040	-	-	4,040
Net operating result	1,464				1,464
Total income and expenses	1,464	4,040	-	-	5,504
Sub-total income and expense attributable to Australian Government					
attributable to minority interest					
Transactions with owners					
<i>Distributions to owners</i>					
Returns on capital					
Dividends					
Returns of capital					
Restructuring					
Other:					
<i>Contribution by owners</i>					
Appropriation (equity injection)	-	-	-	2,195	2,195
Other:					
Sub-total transactions with owners	-	-	-	2,195	2,195
Transfers between equity components					
Closing balance less minority interests	-	-	-	-	-
Estimated closing balance as at 30 June 2007	(36,392)	240,943	-	39,364	243,915

Table 3.5: Departmental capital budget statement

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections	4,805	2,195	-	-	-
Total loans		-	-	-	-
Total capital appropriations	4,805	2,195	-	-	-
Represented by:					
Purchase of non-financial assets	4,805	2,195	-	-	-
Other					
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		17,930	12,216	10,803	10,804
Total	4,805	20,125	12,216	10,803	10,804

Table 3.6: Departmental property, plant, equipment and intangibles — summary of movement (Budget year 2006–07)

	Land	Investment property	Buildings	Specialist military equipment	Other infrastructure plant and equipment	Heritage and cultural assets	Computer software	Other intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2006									
Gross book value	240	-	257,921	-	150,173	-	22,086	623	431,043
Accumulated depreciation	-	-	(3,669)	-	(2,495)	-	(10,903)	(623)	(17,690)
Opening net book value	240	-	254,252	-	147,678	-	11,183	-	413,353
Additions:									
by purchase	-	-	5,861	-	8,208	-	6,056	-	20,125
by finance lease internally developed from acquisitions of entities or operations (including restructuring)									
Revaluations and impairment through equity	26	-	4,561	-	2,242	-	273	-	7,102
Reclassifications									
Depreciation/amortisation expense	-	-	(11,680)	-	(11,465)	-	(3,447)	-	(26,592)
Impairments recognised in operating result									
Other movements									
Disposals:									
from disposal of entities or operations (including restructuring)									
other disposals									
As at 30 June 2007									
Gross book value	266	-	268,343	-	160,623	-	28,415	623	458,270
Accumulated depreciation	-	-	(15,349)	-	(13,960)	-	(14,350)	(623)	(44,282)
Estimated closing net book value	266	-	252,994	-	146,663	-	14,065	-	413,988

Table 3.7: Schedule of budgeted income and expenses administered on behalf of government (for the period ended 30 June)

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Revenue					
Taxation					
Other taxes, fees and fines	1,270	1,379	1,420	1,463	1,500
Total taxation	1,270	1,379	1,420	1,463	1,500
Non-taxation					
Goods and services	4,666	972	2,279	955	2,279
Interest	108	3	1	-	-
Other sources of non-taxation revenues	13,498	9,100	9,900	9,900	8,800
Total non-taxation	18,272	10,075	12,180	10,855	11,079
Total revenues administered on behalf of Government	19,542	11,454	13,600	12,318	12,579
Gains					
Other Gains	1,484	-	-	-	-
Total gains administered on behalf of Government	1,484	-	-	-	-
Total income administered on behalf of Government	21,026	11,454	13,600	12,318	12,579
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Grants	441,784	623,625	552,938	211,429	151,904
Suppliers	56,342	57,844	62,822	-	-
Other	2,978	4,978	4,255	3,975	3,875
Total expenses administered on behalf of Government	501,104	686,447	620,015	215,404	155,779

Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June)

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash	115	115	115	115	115
Receivables	14,356	13,273	13,264	10,224	9,889
Investments under the equity method	277,597	277,597	277,597	277,597	277,597
Accrued revenues	38	38	38	38	38
Other financial assets					
Total financial assets	292,106	291,023	291,014	287,974	287,639
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	-	-	-	-	-
Other	27,129	22,000	9,470	129	129
Total non-financial assets	33,150	28,021	15,491	6,150	6,150
Total assets administered on behalf of Government	325,256	319,044	306,505	294,124	293,789
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Payables					
Suppliers	987	987	987	987	987
Grants	17,666	17,666	17,666	17,666	17,666
Other	1,448	1,448	1,448	1,448	1,448
Total payables	20,101	20,101	20,101	20,101	20,101
Total liabilities administered on behalf of Government	20,101	20,101	20,101	20,101	20,101

Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
OPERATING ACTIVITIES					
Cash received					
Other taxes, fees and fines	-	1,379	1,420	1,463	1,500
Rendering of services	4,313	972	2,279	955	2,279
Interest	108	3	1	0	0
Other	38,929	26,521	31,004	28,304	29,904
Total cash received	43,350	28,875	34,704	30,722	33,683
Cash used					
Grant payments	500,670	618,496	540,408	206,624	151,904
Suppliers	58,892	57,844	62,822	-4,536	0
Other	31,386	25,099	25,359	25,079	24,979
Total cash used	590,948	701,439	628,589	227,167	176,883
Net cash from or (used by) operating activities	(547,598)	(672,564)	(593,885)	(196,445)	(143,200)
INVESTING ACTIVITIES					
Cash received					
Other	-	994	9	340	335
Total cash received	0	994	9	340	335

Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June) (continued)

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
Cash used					
Other	2,656	2,611	-	-	-
Total cash used	2,656	2,611	-	-	-
Net cash from or (used by) investing activities	(2,656)	(1,617)	9	340	335
FINANCING ACTIVITIES					
Cash received					
Other	1,056	2,611	-	-	-
Total cash received	1,056	2,611	-	-	-
Net cash from or (used by) financing activities	1,056	2,611	-	-	-
Net increase or (decrease) in cash held	(549,198)	(671,570)	(593,876)	(196,105)	(142,865)
Cash at beginning of reporting period	435	115	115	115	115
Cash from Official Public Account for:					
- appropriations	256,079	366,474	292,689	201,449	151,265
- special accounts	334,555	313,995	314,255	3,975	3,875
Cash to Official Public Account for:					
- appropriations	(33,872)	(809)	(4,978)	(1,229)	(4,185)
- special accounts	(7,884)	(8,090)	(8,090)	(8,090)	(8,090)
Cash at end of reporting period	115	115	115	115	115

Table 3.10: Schedule of administered capital budget

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
CAPITAL APPROPRIATIONS					
Administered assets and liabilities	2,665	2,611	-	-	-
Appropriation	-	-	-	-	-
Special appropriations	-	-	-	-	-
Total capital appropriations	2,665	2,611	-	-	-
Represented by:					
Purchase of non-financial assets	-	-	-	-	-
Other	2,665	2,611	-	-	-
Total represented by	2,665	2,611	-	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation	-	-	-	-	-
Funded internally by Departmental resources	-	-	-	-	-
Total	-	-	-	-	-

Table 3.11: Schedule of administered property, plant, equipment and intangibles — summary of movement (Budget year 2006–07)

	Land	Investment Property	Buildings	Specialist military equipment	Other infrastructure plant and equipment	Heritage and cultural assets	Computer software	Other intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2006									
Gross book value	-	-	4,750	-	1,271	-	-	-	6,021
Accumulated depreciation									
Opening net book value	-	-	4,750	-	1,271	-	-	-	6,021
Additions:									
by purchase									
by finance lease									
internally developed									
from acquisitions of entities or									
operations (including restructuring)									
Revaluations and impairment through									
equity									
Reclassifications									
Depreciation/amortisation expense									
Impairments recognised in operating									
result									
Other movements									
Disposals:									
from disposal of entities or									
operations (including restructuring)									
other disposals									
As at 30 June 2007									
Gross book value			4,750	-	1,271	-	-	-	6,021
Accumulated depreciation									
Closing net book value			4,750	-	1,271	-	-	-	6,021

NOTES TO THE FINANCIAL STATEMENTS

Departmental

1. The increase in revenues from government and expenses primarily relates to funding for the Great Barrier Reef Marine Park Structural Adjustment Package (new measure \$1.229m and \$1.397m variation) in the 2006–07 Additional Estimates. Refer to Portfolio Additional Estimates Table 1.2 and 1.3 (pages 11 and 12).

There is no direct appropriation from the government to the Director of National Parks (DNP). Funds appropriated directly to the Department of the Environment and Water Resources (DEW) will be transferred to DNP. In 2006–07, funding of \$43.8m will be appropriated to DEW for DNP.

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

3. The grant expense estimates include payment to the DNP (\$43.8m in 2006–07).

Administered

4. 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*.

5. 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.

6. 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.

7. 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 SGG 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.

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

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

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 No.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 Item	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 Nos. 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 Nos. 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	S.81 of the Constitution stipulates that all revenue raised or money received by the Commonwealth forms the 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 good 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.
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 Act (FMA) 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 Act (FMA) 1997</i> , ss.20 and 21). Special accounts allow money in the CRF to be acknowledged as a 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 by 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)	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.

Standing appropriations are a sub-category consisting of ongoing special appropriations – the amount appropriated will depend on circumstances specified in the legislation.

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 *Financial Management and Accountability Act (FMA) 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. All funds are attributable to the outputs of the agency.