
AGENCY BUDGET STATEMENTS

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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
		2005–06	2005–06	2005–06	2005–06	2005–06
Notes	(4)	2004–05	2004–05	2004–05	2004–05	2004–05
		\$'000	\$'000	\$'000	\$'000	\$'000
NATURAL HERITAGE TRUST OF AUSTRALIA ACCOUNT – <i>Natural Heritage Trust of Australia Act 1997, s.40.</i>	(1), (3)	413,673	335,552	310,000	-	439,225
		389,320	334,353	310,000	-	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	3,251	3,280	-	11,075
		10,409	2,960	2,265	-	11,104
NATIONAL CULTURAL HERITAGE ACCOUNT – <i>Protection of Moveable Cultural Heritage Act 1986, s.25</i>	(1), (3)	441	182	182	-	441
		441	185	185	-	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	255	306	-	3,270
		3,372	255	306	-	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)	<i>2004–05</i>	<i>2004–05</i>	<i>2004–05</i>	<i>2004–05</i>	<i>2004–05</i>
		\$'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	Administered appropriation	Departmental outputs appropriation
		\$'000	\$'000	\$'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.

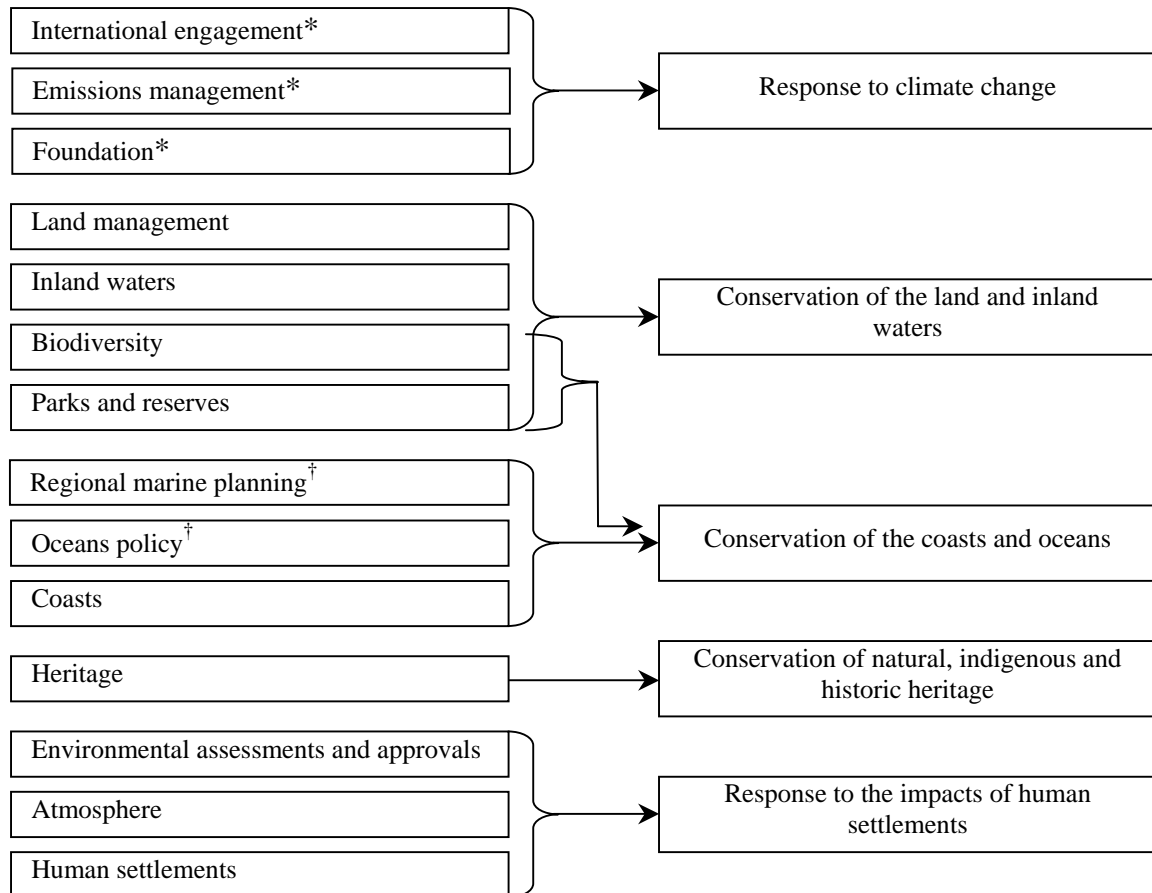
The DEH, in implementing the Budget Estimates and Framework Review has changed the allocation of corporate overheads. Indirect costs include corporate overheads – such as rent and electricity – and activities that cut across all outputs – such as State of the Environment reporting. These are allocated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

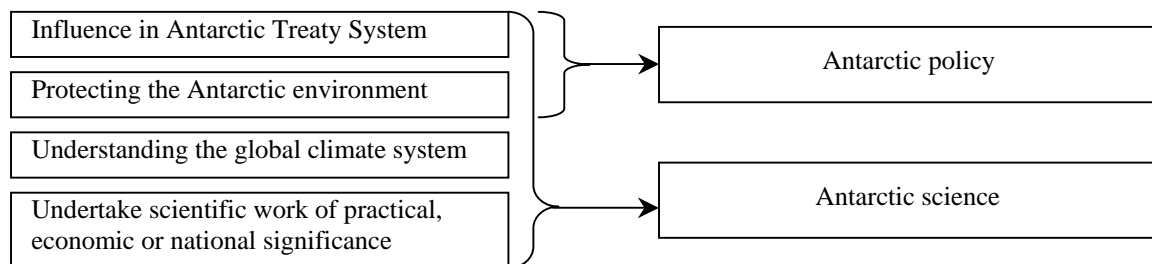
Outcome 1: *The environment, especially those aspects that are matters of national environmental significance, is protected and conserved*



* 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

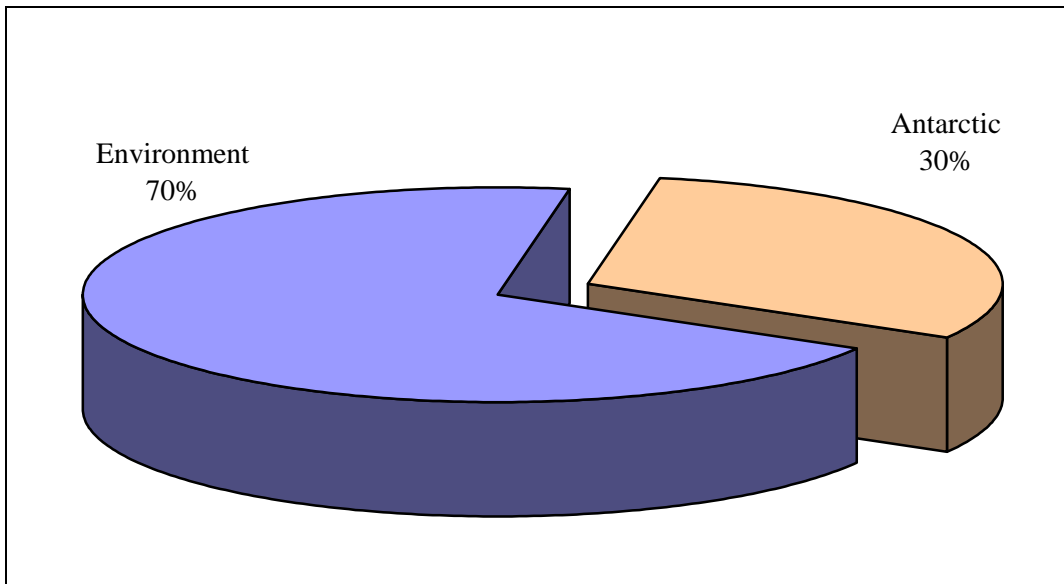
3.2: OUTCOMES – DEPARTMENTAL AND ADMINISTERED

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.

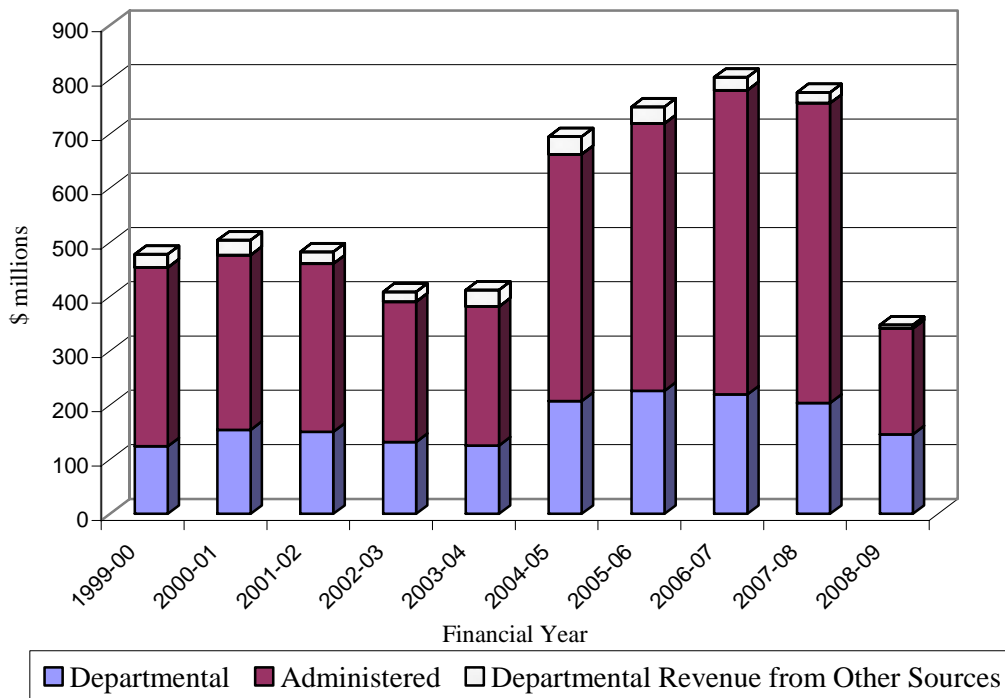
National Heritage Investment Initiative

	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

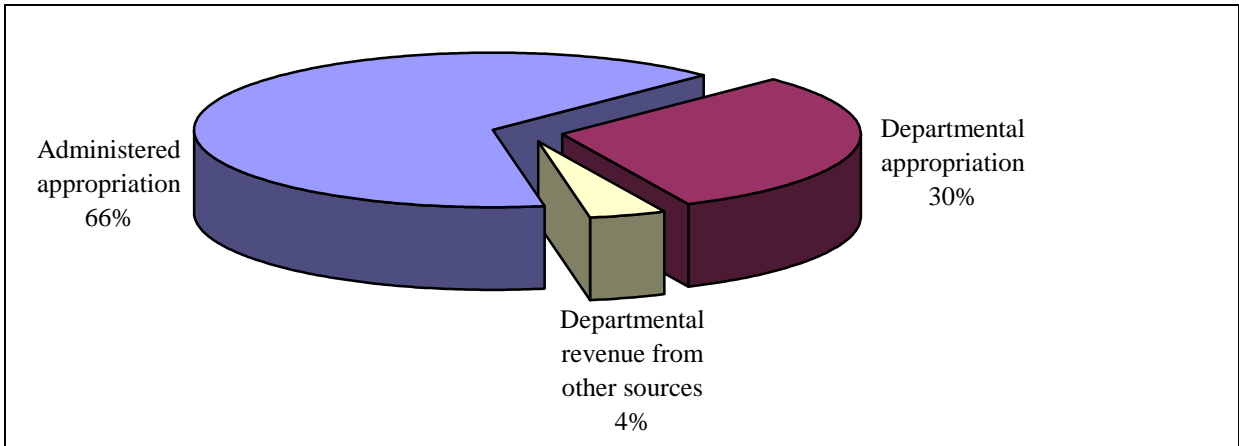


CHART 3: 2005–06 DEPARTMENTAL APPROPRIATION ACROSS OUTPUTS FOR OUTCOME 1

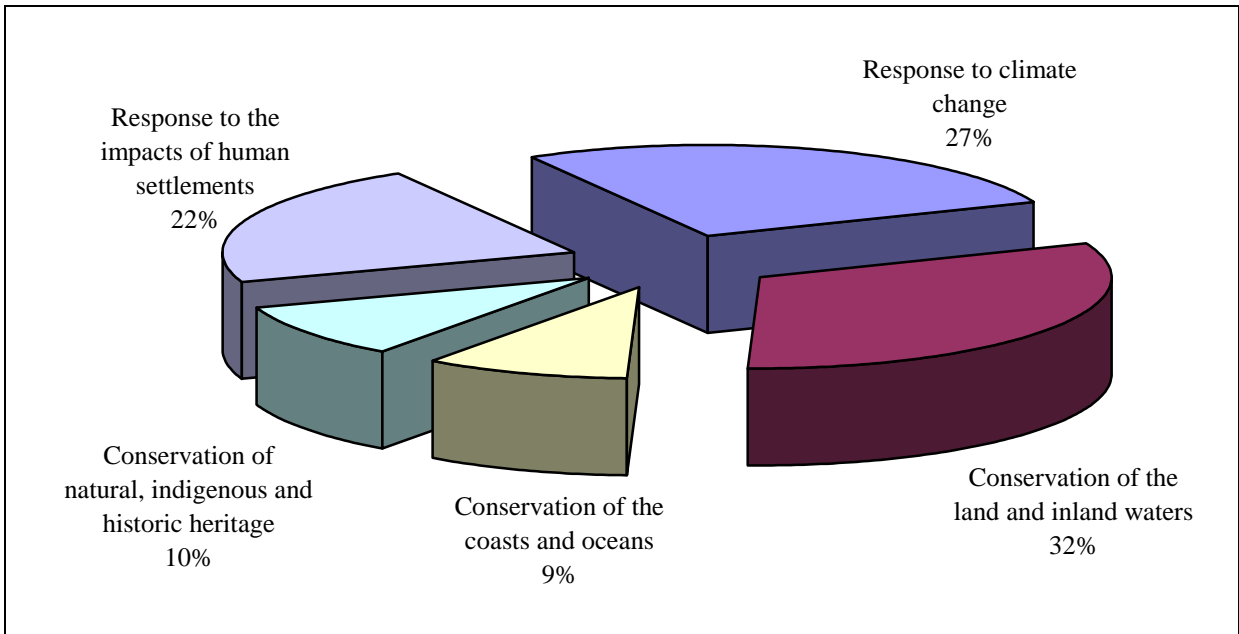
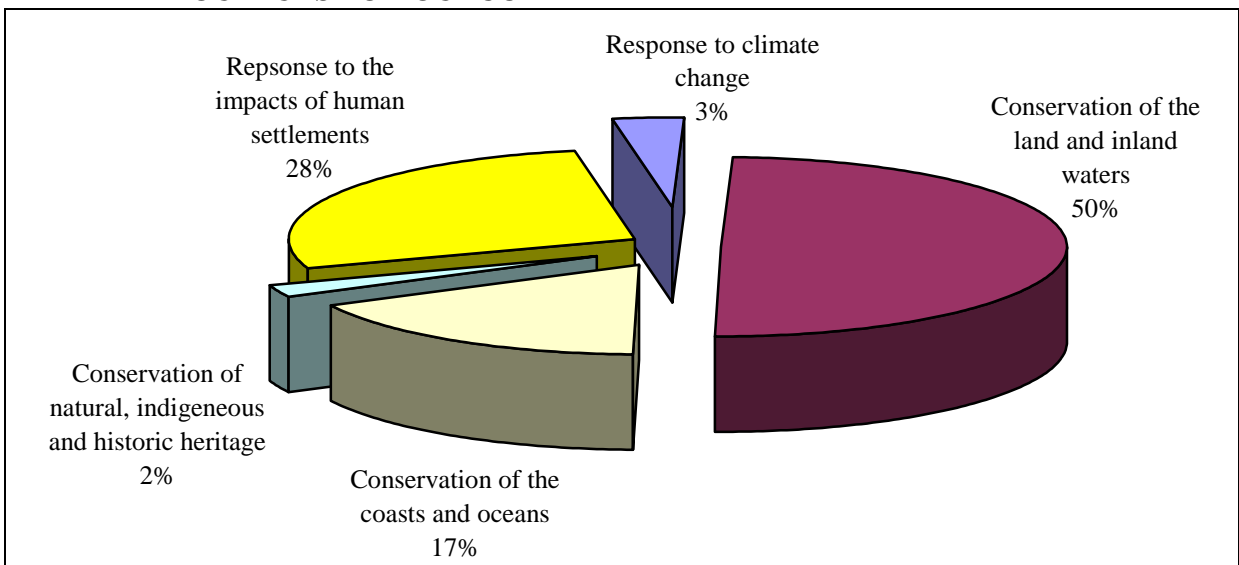


CHART 4: 2005–06 DEPARTMENTAL REVENUE FROM OTHER SOURCES ACROSS OUTPUTS FOR OUTCOME 1



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

^(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 2004–05	Budget Estimate 2005–06	FORWARD ESTIMATES		
<i>Note</i>			2006–07	2007–08	2008–09
	\$'000	\$'000	\$'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	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.