



Budget 2018-19

Portfolio Budget Statements 2018-19 Budget Related Paper No. 1.6

Environment and Energy Portfolio

Budget Initiatives and Explanations of
Appropriations Specified by Outcomes
and Programs by Entity

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THE HON JOSH FRYDENBERG MP

**PARLIAMENT HOUSE
CANBERRA 2600**

President of the Senate
Australian Senate
Parliament House
CANBERRA ACT 2600

Speaker
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Mr President
Dear Mr Speaker

I hereby submit Portfolio Budget Statements in support of the 2018-19 Budget for the Environment and Energy Portfolio.

These statements have been developed, and are submitted to the Parliament, as a statement on the outcomes for the Portfolio.

I present these statements to provide accountability to the Parliament and, through it, the public.

Yours sincerely

A handwritten signature in blue ink that reads 'Joshua Frydenberg'.

Josh Frydenberg

Abbreviations and conventions

The following notation may be used:

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nfp	not for publication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

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

Enquiries

Should you have any enquiries regarding this publication please contact the Chief Finance Officer in the Department of the Environment and Energy on (02) 6274 2203.

Links to Portfolio Budget Statements (including Portfolio Additional Estimates Statements and Portfolio Supplementary Additional Statements) can be located on the Australian Government Budget website at: www.budget.gov.au.

**USER GUIDE
TO THE
PORTFOLIO BUDGET STATEMENTS**

USER GUIDE

The purpose of the *2018-19 Portfolio Budget Statements* (PB Statements) is to inform Senators and Members of Parliament of the proposed allocation of resources to government outcomes by entities within the portfolio. Entities receive resources from the annual appropriations acts, special appropriations (including standing appropriations and special accounts), and revenue from other sources.

A key role of the PB Statements is to facilitate the understanding of proposed annual appropriations in Appropriation Bills (No. 1 and No. 2) 2018-19 (or Appropriation (Parliamentary Departments) Bill (No. 1) 2018-19 for the parliamentary departments). In this sense, the PB Statements are Budget related papers and are declared by the Appropriation Acts to be 'relevant documents' to the interpretation of the Acts according to section 15AB of the *Acts Interpretation Act 1901*.

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

As required under section 12 of the *Charter of Budget Honesty Act 1998*, only entities within the general government sector are included as part of the Commonwealth general government sector fiscal estimates and produce PB Statements where they receive funding (either directly or via portfolio departments) through the annual appropriation acts.

The Enhanced Commonwealth Performance Framework

The following diagram outlines the key components of the enhanced Commonwealth performance framework. The diagram identifies the content of each of the publications and the relationship between them. Links to the publications for each entity within the portfolio can be found in the introduction to Section 2: Outcomes and planned performance.

Enhanced Commonwealth Performance Framework

- key components of relevant publications

Portfolio Budget Statements (May) *Portfolio based*

Supports Annual Appropriations. Informs Senators and Members of Parliament of the proposed allocation of other resources to **government outcomes and programs**.

Provides links to **relevant programs** undertaken by other Commonwealth entities.

Provides high level performance information for current, ongoing programs, particularly a **forecast of performance for the current year**.

Provides **detailed** prospective performance information for proposed new budget measures that require a **new program** or **significantly change an existing program**.

Corporate Plan (August) *Entity based*

Primary planning document of a Commonwealth entity.

Sets out the **purposes** of the entity, the **activities** it will undertake to achieve its purposes and the **results** it expects to achieve over a minimum four year period.

Describes the **environment** in which the entity **operates**, the **capability** it requires to undertake **activities** and a discussion of **risk**.

Explains how the entity's **performance** will be **measured** and **assessed**.



Annual Performance Statement (October following year) *Entity based*

Included in the Commonwealth entity's Annual Report. Focuses on **recent performance**.

Reports on the **actual performance results** for the year against the **forecasts** made in the **corporate plan** and **Portfolio Budget Statements**, and provides other performance information relevant to the entity.

Provides an **analysis** of the factors that **contributed** to the **entity's performance results**.

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PORTFOLIO OVERVIEW

ENVIRONMENT AND ENERGY PORTFOLIO OVERVIEW

Minister and Portfolio responsibilities

The Environment and Energy Portfolio is led by the Minister for the Environment and Energy, supported by the Assistant Minister for the Environment, and comprises the Department of the Environment and Energy and nine other entities.

Department of the Environment and Energy

The Department of the Environment and Energy advises on, and implements, environment and energy policy to support the Government in achieving a healthy environment, strong economy and thriving community now and into the future. The Department of the Environment and Energy is responsible for the following outcomes:

- Outcome 1: Conserve, protect and sustainably manage Australia's biodiversity, ecosystems, environment and heritage through research, information management, supporting natural resource management, establishing and managing Commonwealth protected areas, and reducing and regulating the use of pollutants and hazardous substances.
- Outcome 2: Reduce Australia's greenhouse gas emissions, adapt to the impacts of climate change, contribute to effective global action on climate change, and support technological innovation in clean and renewable energy, through developing and implementing a national response to climate change.
- Outcome 3: Advance Australia's strategic, scientific, environmental and economic interests in the Antarctic region by protecting, administering and researching the region.
- Outcome 4: Support the reliable, sustainable and secure operations of energy markets through improving Australia's energy efficiency, performance and productivity for the community.

Australian Renewable Energy Agency

The Australian Renewable Energy Agency is a Corporate Commonwealth Entity¹ established under the *Australian Renewable Energy Agency Act 2011*. The Australian Renewable Energy Agency is responsible for the Outcome:

- Support improvements in the competitiveness of renewable energy and related technologies and the supply of renewable energy by administering financial assistance, developing analysis and advice about, and sharing information and knowledge with regard to, renewable energy and related technologies.

The Australian Renewable Energy Agency's responsibilities include providing financial assistance for the research, development, demonstration, deployment and commercialisation of renewable energy and related technologies, and the storage and sharing of knowledge and information about renewable energy technologies. The Agency jointly manages the Clean Energy Innovation Fund with the Clean Energy Finance Corporation. The Australian Renewable Energy Agency collects, analyses, interprets and disseminates information and knowledge relating to renewable energy and related technologies and provides advice to the Minister for the Environment and Energy about these technologies and the renewable energy industry in Australia.

Bureau of Meteorology

The Bureau of Meteorology is a Non-corporate Commonwealth Entity² and an Executive Agency³ operating under the *Meteorology Act 1955* and the *Water Act 2007*. The Bureau of Meteorology is responsible for the Outcome:

- Enabling a safe, prosperous, secure and healthy Australia through the provision of weather, water, climate and ocean services.

The Bureau of Meteorology is Australia's national meteorological authority. Its products and services include a dynamic range of observations, forecasts, warnings, analysis and advice covering Australia's atmosphere, water, oceans and space environments. The Bureau of Meteorology's work supports all Australians, including the Australian Defence Force and key sectors such as emergency management, aviation, transport, water management, agriculture and environmental management.

¹ 'Corporate Commonwealth Entity' as defined under the *Public Governance, Performance and Accountability Act 2013*.

² 'Non-corporate Commonwealth Entity' as defined under the *Public Governance, Performance and Accountability Act 2013*.

³ 'Executive Agency' as defined under the *Public Service Act 1999*.

Clean Energy Finance Corporation

The Clean Energy Finance Corporation is a Corporate Commonwealth Entity established under the *Clean Energy Finance Corporation Act 2012*. The Clean Energy Finance Corporation is responsible for the Outcome:

- Facilitate increased flows of finance into Australia's clean energy sector, applying commercial rigour to investing in renewable energy, low-emissions and energy efficiency technologies, building industry capacity, and disseminating information to industry stakeholders.

The Clean Energy Finance Corporation seeks to mobilise capital investment in renewable energy, low-emissions technology and energy efficiency in Australia through commercial loans, equity investments and in limited circumstances, loan guarantees. This includes three funding programs as directed by the Government through its Investment Mandate. One of these funding programs is the Clean Energy Innovation Fund which is a joint arrangement between the Clean Energy Finance Corporation and the Australian Renewable Energy Agency.

Clean Energy Regulator

The Clean Energy Regulator is a Non-corporate Commonwealth Entity established under the *Clean Energy Regulator Act 2011*. The Clean Energy Regulator is responsible for the Outcome:

- Contribute to a reduction in Australia's net greenhouse gas emissions, including through the administration of market based mechanisms that incentivise reduction in emissions and the promotion of additional renewable electricity generation.

The Clean Energy Regulator provides data and information to Commonwealth organisations for policy development and to meet international reporting obligations. In addition, this information and data is provided to state and territory organisations to reduce their need to duplicate emissions and energy reporting.

Climate Change Authority

The Climate Change Authority is a Non-corporate Commonwealth Entity and a Statutory Agency⁴ operating under the *Climate Change Authority Act 2011*. The Climate Change Authority is responsible for the Outcome:

- Provide expert advice to the Australian Government on climate change mitigation initiatives, including through conducting regular and specifically commissioned reviews and through undertaking climate change research.

⁴ 'Statutory Agency' as defined under the *Public Service Act 1999*.

Director of National Parks

The Director of National Parks is a Corporate Commonwealth Entity operating under the *Environment Protection and Biodiversity Conservation Act 1999*. The Director of National Parks is responsible for the Outcome:

- Management of Commonwealth reserves as outstanding natural places that enhance Australia's well-being through the protection and conservation of their natural and cultural values, supporting the aspirations of Aboriginal and Torres Strait Islander people in managing their traditional land and sea country, and offering world class natural and cultural visitor experiences.

The Director of National Parks manages the Commonwealth's terrestrial and marine reserves and conservation zones and provides national leadership in protected area management.

Great Barrier Reef Marine Park Authority

The Great Barrier Reef Marine Park Authority is a Non-corporate Commonwealth Entity and is a Statutory Agency operating under the *Great Barrier Reef Marine Park Act 1975*. The Great Barrier Reef Marine Park Authority is responsible for the Outcome:

- The long-term protection, ecologically sustainable use, understanding and enjoyment of the Great Barrier Reef for all Australians and the international community, through the care and development of the Marine Park.

The Great Barrier Reef Marine Park Authority works to protect and conserve the World Heritage values of the Great Barrier Reef.

Sydney Harbour Federation Trust

The Sydney Harbour Federation Trust is a Corporate Commonwealth Entity and operates under the *Sydney Harbour Federation Trust Act 2001*. The Sydney Harbour Federation Trust is responsible for the Outcome:

- Enhanced appreciation and understanding of the natural and cultural values of Sydney for all visitors, through the remediation, conservation and adaptive re-use of, and access to, Trust lands on Sydney Harbour.

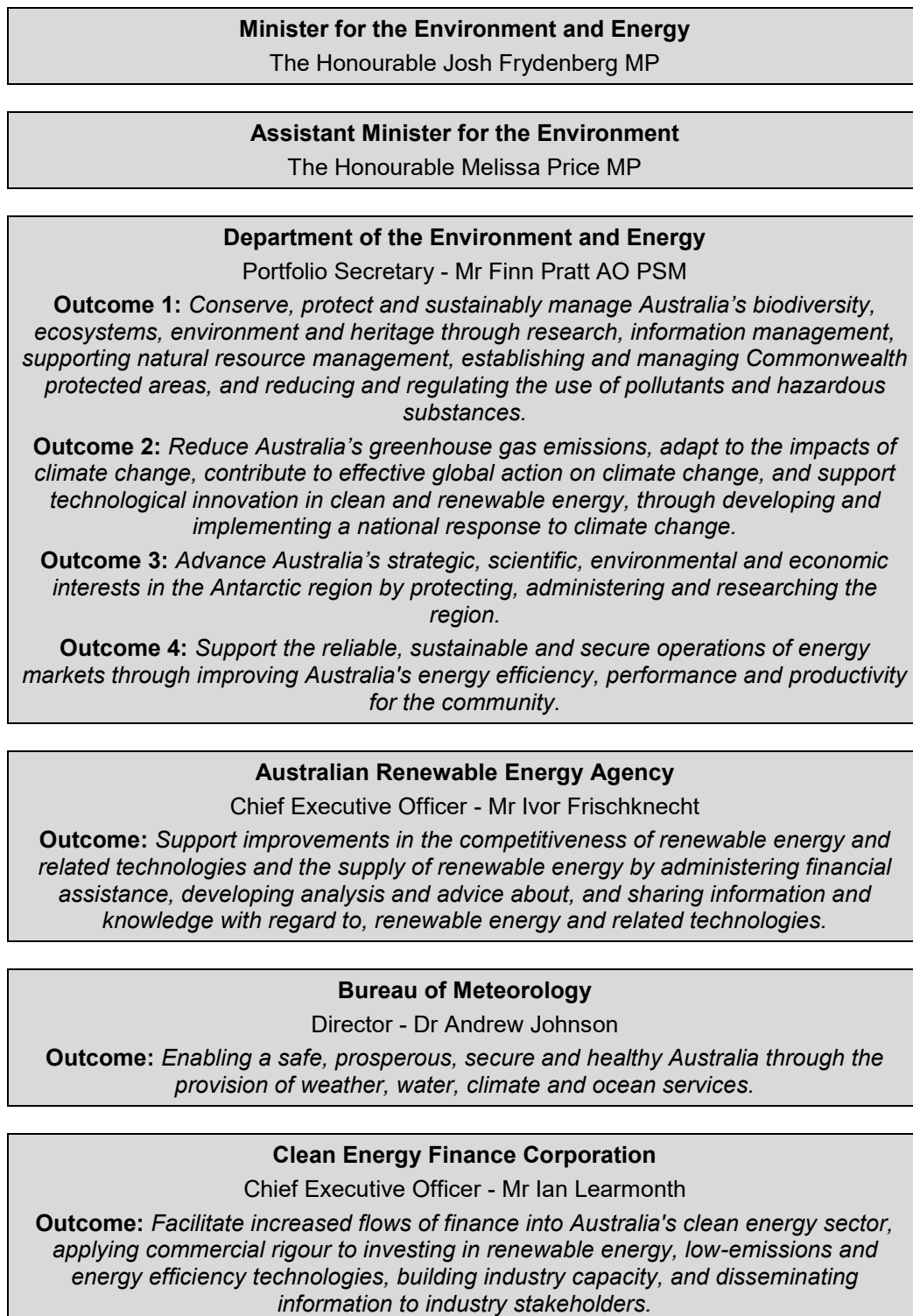
The Sydney Harbour Federation Trust is responsible for conserving and planning the future uses of former military bases and other Commonwealth land around Sydney Harbour.

Snowy Hydro Limited

Snowy Hydro Limited owns and operates 16 power stations with a combined generation capacity of 5,500 megawatts, including the Snowy Mountains Hydro Electricity Scheme, and has more than one million retail customers in the National Electricity Market. Snowy Hydro Limited is a Company operating under the *Corporations Act 2001* with three shareholders, the New South Wales, Victorian and Commonwealth governments. In July 2018 the New South Wales and Victorian government's shares will transfer to the Commonwealth resulting in Snowy Hydro Limited becoming a wholly owned Commonwealth Company.

For information on resourcing across the portfolio, please refer to Part 1: Agency Financial Resourcing in *Budget Paper No. 4: Agency Resourcing*.

Figure 1: Environment and Energy Portfolio structure and outcomes



Clean Energy Regulator

Chair - Mr David Parker

Outcome: *Contribute to a reduction in Australia's net greenhouse gas emissions, including through the administration of market based mechanisms that incentivise reduction in emissions and the promotion of additional renewable electricity generation.*

Climate Change Authority

A/g Chief Executive Officer - Ms Shayleen Thompson

Outcome: *Provide expert advice to the Australian Government on climate change mitigation initiatives, including through conducting regular and specifically commissioned reviews and through undertaking climate change research.*

Director of National Parks

A/g Director - Ms Judy West

Outcome: *Management of Commonwealth reserves as outstanding natural places that enhance Australia's well-being through the protection and conservation of their natural and cultural values, supporting the aspirations of Aboriginal and Torres Strait Islander people in managing their traditional land and sea country, and offering world class natural and cultural visitor experiences.*

Great Barrier Reef Marine Park Authority

Chairperson - Dr Russell Reichelt

Outcome: *The long-term protection, ecologically sustainable use, understanding and enjoyment of the Great Barrier Reef for all Australians and the international community, through the care and development of the Marine Park.*

Sydney Harbour Federation Trust

Executive Director - Ms Mary Darwell

Outcome: *Enhanced appreciation and understanding of the natural and cultural values of Sydney for all visitors, through the remediation, conservation and adaptive re-use of, and access to, Trust lands on Sydney Harbour.*

Snowy Hydro Limited

Chief Executive Officer - Mr Paul Broad

Objective: *To operate as a commercial integrated energy business producing, supplying, trading and retailing energy in the National Electricity Market to create value for and provide returns to its shareholders and to manage the water resources of the Snowy Hydro Scheme in compliance with the Snowy Water Licence.*

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**DEPARTMENT OF THE
ENVIRONMENT AND ENERGY**

**ENTITY RESOURCES AND PLANNED
PERFORMANCE**

DEPARTMENT OF THE ENVIRONMENT AND ENERGY

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DEPARTMENT OF THE ENVIRONMENT AND ENERGY

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Department of the Environment and Energy advises on and implements environment and energy policy to support the Australian Government achieving a healthy environment, strong economy and thriving community now and into the future.

Outcome 1: Conserve, protect and sustainably manage Australia's biodiversity, ecosystems, environment and heritage through research, information management, supporting natural resource management, establishing and managing Commonwealth protected areas, and reducing and regulating the use of pollutants and hazardous substances.

The Department is delivering policies, programs, information and research that enable the conservation, protection and sustainable management of Australia's natural environment and heritage places.

The Australian Government is investing \$1.0 billion over six years from 2017-18 in the next phase of the National Landcare Program. The National Landcare Program is administered collaboratively by the Department, the Department of Agriculture and Water Resources and the Department of the Prime Minister and Cabinet. The Program is the primary funding mechanism for Australian Government investment in environmental conservation and protection, sustainable land management, and implementation of Australia's obligations under international conventions. Under the Regional Land Partnerships component, \$450.0 million is allocated to protect, conserve and provide for the productive use of Australia's water, soil, plants, animals and the ecosystems in which they live. Service Providers across Australia will work in partnership with communities to design and deliver on-ground environment and agriculture projects at a regional scale, that support national priorities for natural resource management. The National Landcare Program provides \$15.0 million for new Indigenous Protected Areas. Indigenous Protected Areas deliver benefits to our environment and our local communities by safeguarding the biodiversity of the nation's remote areas for present and future generations; protecting the cultural heritage of Aboriginal and Torres Strait Islander people in their region; and providing employment, education and training opportunities for Aboriginal and Torres Strait Islander people in remote areas.

The Department is implementing the Reef 2050 Long-Term Sustainability Plan in partnership with the Great Barrier Reef Marine Park Authority and the Queensland

Government to protect and manage the Great Barrier Reef. The Australian Government has significantly boosted investment in Reef protection activities, providing an additional \$500.0 million over seven years from 2017-18 and \$10.2 million ongoing from 2024-25. This investment builds on the funding boost for Reef protection measures agreed in the 2017-18 Mid-Year and Economic and Fiscal Outlook. In 2018-19, the Department will focus efforts on the partnership with the Great Barrier Reef Foundation to deliver further water quality improvements, Crown of Thorns Starfish control, science for reef restoration, increased community engagement and improved monitoring.

The Department is leading the implementation of the Government's Threatened Species Strategy, through science, shaping policy and programs, and building partnerships to ensure threatened species are protected. The Threatened Species Strategy sets out a road map to achieve the long-term goal of reversing species decline and supporting species recovery, including through the activities of the Threatened Species Commissioner. Australian Government investment through the National Environmental Science Program and the National Landcare Program, including the 20 Million Trees program, is assisting to deliver the ambitious one, three and five year targets in the strategy. On 20 February 2017, the Government released Australia's first Threatened Species Prospectus to grow private sector interest and investment in threatened species recovery.

In partnership with heritage managers, organisations and the community, the Department is implementing the Australian Heritage Strategy. The strategy is a ten year action based framework under which Australia's natural, historic and Indigenous heritage places are valued, protected for future generations and cared for by the community. From 2018-19, the Government will invest \$5.3 million per year in a new Australian Heritage Grants program. This program brings together existing heritage funding and will support owners and managers of heritage places, along with community groups, to protect and promote places recognised for their outstanding natural, historic and Indigenous value to the nation.

The Department will continue to support the effective management of Australia's iconic World Heritage properties and contribute to international heritage standard setting and guidance. Australia will work as a member of the World Heritage Committee to strengthen the integrity and implementation of the World Heritage Convention.

The Department administers legislation to give effect to our international obligations and implement national priorities for environmental protection and environmental health. The Department regulates to protect matters of national environmental significance and to support ecologically sustainable development under the *Environment Protection and Biodiversity Conservation Act 1999*. This includes the assessment and listing of threatened species and ecological communities and heritage places, and the protection of internationally traded flora and fauna. The Department will continue to work closely with states and territories to implement a Common

Assessment Method for Listing of Threatened Species, delivering a nationally consistent approach to assessing threatened species.

Australia is committed to the protection of whales and dolphins, continues its work to bring about a permanent end to all forms of commercial whaling, and is a strong supporter of the global moratorium on commercial whaling. The Department is focusing on implementation of two Australian-led resolutions agreed at the 2016 International Whaling Commission meeting – on special permit whaling, and governance reform. The Department will continue to subject the design and implementation of Japan's so-called 'scientific' whaling program to robust scientific scrutiny, and actively support and promote non-lethal research.

The Department supports environmental health through pursuing national approaches to manage hazardous wastes, substances and pollutants. In 2018-19, the Department will work with states and territories to implement a national standard to manage the use and disposal of industrial chemicals in order to reduce impacts on the environment and limit exposure of people to chemicals. The Department will also continue to develop environmental policies related to Per- and poly-fluoroalkyl substances (PFAS) contamination.

The Department will implement the Government's new noxious emission standards for outdoor power equipment and marine engines, which are an important element of the National Clean Air Agreement. The Department will continue to implement the outcomes of the review of the *Ozone Protection and Synthetic Greenhouse Gas Management Act 1989*, including the phase-down of Hydrofluorocarbon imports. This will include further amendments to streamline requirements for businesses, to improve compliance and develop a non-regulatory equipment maintenance regime to further reduce emissions. The Department is managing the review of the National Pollutant Inventory, overseen by a steering committee of senior officials from the Commonwealth, states and territories.

The Department is continuing to strengthen the information and research evidence base to underpin environmental policy and decision-making, including through the National Environmental Science Program and by making the Department's environmental data open access on data.gov.au.

The Department is working with other jurisdictions to implement a common national approach to environmental economic accounting, and with relevant sectors to improve the evidence base for reporting on the condition of Australia's environment and its interaction with economic activity.

The Department will continue the work of the Supervising Scientist to ensure the environment in the Alligator Rivers Region, including Kakadu National Park, remains protected from the potential impacts of uranium mining, with a focus on the successful rehabilitation of the Ranger uranium mine.

The Department, through the Commonwealth Environmental Water Holder, manages Commonwealth environmental water holdings acquired by the Government to protect and restore environmental assets in the Murray-Darling Basin, including rivers, lakes, floodplains, wetlands and aquifers. The Department will continue to manage the water holdings and undertake research, monitoring and evaluation activities so as to give effect to the objects of the *Water Act 2007*, the Basin Plan 2012 and relevant international agreements.

The Department supports the management and protection of Australia's Ramsar wetlands. The Department will conduct assessments on the ecological character of wetlands to meet international obligations under the Ramsar Convention, and provide advice on the significant impacts of developments on Ramsar wetlands under the *Environment Protection and Biodiversity Conservation Act 1999*.

The Department will continue to support the Independent Expert Scientific Committee on Coal Seam Gas and Large Coal Mining Development in providing advice to Australian governments on the water-related impacts of coal seam gas and large coal mining development proposals, to strengthen the science underpinning regulatory decisions. In 2018-19, the Department will continue to deliver targeted geological and bioregional assessments of impacts on water and the environment posed by unconventional gas development in South Australia, Queensland and the Northern Territory.

Outcome 2: Reduce Australia's greenhouse gas emissions, adapt to the impacts of climate change, contribute to effective global action on climate change, and support technological innovation in clean and renewable energy, through developing and implementing a national response to climate change.

The Department provides advice and implements the Government's policies and programs to reduce Australia's greenhouse gas emissions and enable climate change to be considered in decision-making. The Portfolio contributes to the ongoing effort to understand the impacts of climate change to ensure responses are based on the best available science.

The Government completed its review of climate change policies in 2017. The Government's climate change policies position us to meet Australia's 2020 and 2030 target and Paris Agreement commitments. These policies include the Emissions Reduction Fund, with over \$265.0 million remaining for purchasing emissions reductions; making the Safeguard Mechanism fairer and simpler; and establishing the National Energy Guarantee to deliver reliability and emissions reductions in the electricity sector. The Government has allocated an additional \$0.9 million over two years, to undertake modelling for a long-term whole-of-economy emissions reduction strategy as recommended by the *Independent Review into the Future Security of the National Electricity Market* (the Finkel Review). The Department is engaged in international discussions on post-2020 market design following the announcement of the Government's in-principle support for the use of high-quality international

emissions reduction units. The Government will introduce five-yearly climate policy review and refine cycles in line with the Paris Agreement.

The National Carbon offset standard and carbon neutral certification is administered by the Department to enable businesses to undertake voluntary climate action. The Department and certified members will be partnering to increase public awareness of the carbon neutral brand and encourage more businesses and organisations to achieve certification.

Growth in renewable and low emissions energy technologies is facilitated through the Renewable Energy Target and support for technology innovation and deployment is provided through the Australian Renewable Energy Agency and the Clean Energy Finance Corporation. The Department is also working with other government agencies to deliver the \$6.2 million Solar Communities program which supports community groups and food rescue charities to install rooftop solar photovoltaic, solar hot water and battery systems to reduce their electricity costs and reduce emissions.

The Department will provide information to support governments, business and the community to prepare for and respond to the impacts of change in climate. The Government has allocated an additional \$6.1 million from 2018-19 to 2020-21 to improve climate change information for the energy sector. Australian Government departments are working together to better integrate disaster and climate resilience into policies, programs and operations. The National Climate Science Advisory Committee is developing a climate science strategy to ensure investment in science research is as effective as possible. The strategy will be finalised in 2018.

The Department contributes to an effective global response to climate change through the negotiation and implementation of obligations under the United Nations Framework Convention on Climate Change, its Kyoto Protocol and the Paris Agreement. This includes estimating and reporting Australia's emissions and progress towards targets. Following ratification of the Paris Agreement on 4 November 2016, the Department, together with the Department of Foreign Affairs and Trade, is working with other countries on the Paris Agreement 'rulebook' in 2018. The Portfolio, through the Department and the Clean Energy Regulator, is supporting Australia's contribution to developing the rules for the International Civil Aviation Organisation's carbon offsetting scheme. The Department provides support to other countries for emission measurement and reporting, and support for international partnerships that promote climate change action through protection of our natural carbon sinks including terrestrial forests and coastal 'blue carbon' ecosystems (mangroves, tidal marshes and seagrasses).

The Department also leads Australia's engagement in the Intergovernmental Panel on Climate Change. This includes contributions to emission estimation guidance to underpin the Paris Agreement, and coordination of Australian experts' participation in the Intergovernmental Panel on Climate Change's comprehensive assessment of the

state of scientific, technical and socio-economic knowledge on climate change, its causes, potential impacts and response strategies.

Outcome 3: Advance Australia's strategic, scientific, environmental and economic interests in the Antarctic region by protecting, administering and researching the region.

The Department leads a whole of government approach to Antarctic and sub-Antarctic policy development and operations, and contributes to advancing Australia's Antarctic interests within the Antarctic Treaty system. The Department conducts, leads and facilitates research relevant to national policy objectives in high priority areas of Antarctic and Southern Ocean science, particularly in protecting the Antarctic environment and understanding its role in the global climate system. The Department supports Antarctic and sub-Antarctic research by other institutions, including through logistics support.

The Australian Antarctic Strategy and 20 Year Action Plan set out the Government's national interests in Antarctica and actions to support these interests over the next 20 years. The Australian Government is progressing implementation of key priorities identified under Year Two of the 20 Year Action Plan. This includes the investigation of options to deliver year-round aviation access between Hobart and Antarctica, revitalising and augmenting science research funding, including by working with the recently created Antarctic Science Foundation and the development of over snow traverse capability enabling access to the interior of the Australian Antarctic Territory. This capability will build Australia's scientific leadership in Antarctica, including by involvement in major international scientific research undertaking to retrieve a million-year old ice core.

The Australia Government will invest \$107.1 million over 11 years from 2018-19 in Antarctic research through two new initiatives - The Australian Research Council's Special Research Initiative in Excellence in Antarctic Science and the Antarctic Science Collaboration Initiative - to deliver a revitalised Australian Antarctic Science Program.

The Department is continuing to support the Australian Government's commitment to a continuation of a year-round presence on Macquarie Island with funding of \$49.8 million over 11 years from 2016-17. Macquarie Island is located in the Southern Ocean around 1,500 kilometres southeast of Tasmania. The Island's location makes it important for Australia's contribution to a range of international scientific monitoring and Southern Ocean research programs. The Australian Government's continued operation of a year-round research station will ensure that high priority scientific research and monitoring programs conducted on Macquarie Island continue. This includes continuing meteorological observations at the island which contribute to weather forecasting and international climate science programs.

The Department is managing the construction of a new world-class icebreaker which represents the single biggest investment in the history of Australia's Antarctic

Program. Construction is now underway and the new icebreaker is expected to be commissioned in 2020-21. Hobart will be its home port.

Outcome 4: Support the reliable, sustainable and secure operations of energy markets through improving Australia's energy efficiency, performance and productivity for the community.

The Government is committed to maintaining a competitive and reliable energy system as Australia transitions to a lower emissions future. In 2018-19, the Environment and Energy Portfolio is continuing to support the Government's Energy agenda through delivering important reforms across Australia's energy markets to address immediate challenges, while laying the foundations for long term reforms to maintain the security and affordability of the energy market.

The Government's Powering Forward - delivering more affordable, reliable and sustainable energy measure will support long-term energy affordability, security and governance through assisting in the design and delivery of the National Energy Guarantee and implementing recommendations from the *Independent Review into the Future Security of the National Electricity Market* (the Finkel Review). This measure includes:

- \$11.7 million over five years from 2017-18 to support recommendations from the Finkel Review and the Energy Security Board, including:
 - establishing the National Energy Guarantee which will deliver a more affordable, more reliable and lower emissions energy system;
 - developing a distributed energy register to improve and lower the costs of system security and grid management, and allow consumers to receive a benefit from their demand reduction;
 - developing a consumer data access platform to help consumers compare offers and get a better energy deal.
- \$2.5 million over two years from 2018-19 to improve gas pipeline regulations, and to improve the national gas law and rules.
- \$7.5 million over two years from 2018-19 to fund the Council of Australian Governments Energy Council agreed work program through the Energy Special Account.
- \$12.8 million over six years from 2018-19, with ongoing funding of \$4.9 million every three years from 2024-25 to deliver periodic national energy security assessments.

Department of the Environment and Energy Budget Statements

The Government has reached an agreement with the New South Wales and Victorian Governments to take full ownership of Snowy Hydro Limited, the energy generation, storage and retailing company responsible for the Snowy Mountains Hydro-electric Scheme. The agreement will pave the way for the Snowy 2.0 pumped hydro project.

The Department will also continue to assist the Government by implementing measures agreed through the Prime Minister's roundtable meetings with energy retailers, and responding to the Australian Competition and Consumer Commission's inquiry into retail electricity supply and pricing.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the entity for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the entity's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: Department of the Environment and Energy resource statement — Budget estimates for 2018-19 as at Budget May 2018

	2017-18 Estimated actual \$'000	2018-19 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available	57,071	56,489
Departmental appropriation (c)	401,068	388,662
Payments to corporate entities (d, e)	46,548	-
s74 retained revenue receipts (f)	43,399	34,566
Departmental capital budget (g)	24,592	24,478
Annual appropriations - other services - non-operating (h)		
Prior year appropriations available	69,953	107,800
Equity injection	146,656	86,249
Total departmental annual appropriations	789,287	698,244
Special accounts		
Opening balance	14,048	8,305
Appropriation receipts	1,345	3,541
Non-appropriation receipts	6,428	-
Total special accounts	21,821	11,846
Total departmental resourcing	811,108	710,090
Administered		
Annual appropriations - ordinary annual services (a, c)		
Prior year appropriations available (b)	7,833	-
Outcome 1	395,114	365,118
Outcome 2	3,678	2,388
Outcome 4	16,477	16,274
Payments to corporate entities (e)	2,073	49,897
Annual appropriations - other services - non-operating (h)		
Payments to corporate entities (e)	376	181
Total administered annual appropriations	425,551	433,858
Administered special appropriations	2,258,010	235,396
Special accounts (i)		
Opening balance	6,458,460	6,435,439
Appropriation receipts	2,302,883	282,429
Non-appropriation receipts	20,571	15,187
Total special account receipts	8,781,914	6,733,055
<i>less administered appropriations drawn from annual/special appropriations and credited to special accounts (j)</i>	<i>(2,302,883)</i>	<i>(282,429)</i>
<i>less payments to corporate entities from annual/special appropriations</i>	<i>(260,374)</i>	<i>(285,374)</i>
<i>less special account balances for corporate entities</i>	<i>(7,979,000)</i>	<i>(5,979,000)</i>
Total administered resourcing	923,218	855,506
Total resourcing for the Department of the Environment and Energy	1,734,326	1,565,596
	2017-18	2018-19
Average staffing level (number)	1,980	1,993

Table 1.1: Department of the Environment and Energy resource statement — Budget estimates for 2018-19 as at Budget May 2018 (continued)

Third party payments from and on behalf of other entities		
	2017-18 Estimated actual \$'000	2018-19 Estimate \$'000
Payments made to other entities for the provision of services	7,693	8,325
Payments made to corporate entities within the Portfolio		
Australian Renewable Energy Agency (Appropriation Bill (No. 1) 2018-2019)	2,073	2,463
Australian Renewable Energy Agency (<i>Australian Renewable Energy Agency Act 2011</i>) (k)	245,235	310,943
Clean Energy Finance Corporation (<i>Clean Energy Finance Corporation Act 2012</i>)	2,000,000	530,000
Director of National Parks (Appropriation Bill (No. 1) 2018-2019) (d)	46,548	47,434
Director of National Parks (Appropriation Bill (No. 2) 2018-2019)	376	181

Prepared on a resourcing (i.e. appropriations available) basis.

Please note: All figures shown above are GST exclusive - these may not match figures in the cash flow statement.

- (a) Appropriation Bill (No. 1) 2018-2019.
- (b) Excludes \$214.699 million subject to administrative quarantine by Finance or withheld under section 51 of the *Public Governance, Performance and Accountability Act (PGPA) 2013*.
- (c) Amounts proposed through Appropriation Bill (No. 5) are excluded as the Bill has not received Royal Assent at the time the Portfolio Statements are tabled. For further information please see the Department of the Environment and Energy 2017-18 Portfolio Supplementary Additional Estimates Statements.
- (d) Following the *Environment Protection and Biodiversity Conservation Act 1999* section 514S, the Department of the Environment and Energy is directly appropriated the Director of National Parks' appropriations, which is then allocated to the Director of National Parks by the Secretary. This funding arrangement has been reclassified as an appropriation to the Department for payment to the Director of National Parks as a corporate entity item in the annual Appropriation Acts. This change is consistent with payment arrangements applying to all other Commonwealth Corporate entities.
- (e) 'Corporate entities' are corporate Commonwealth entities and Commonwealth companies as defined under the *Public Governance, Performance and Accountability (PGPA) Act 2013*.
- (f) Estimated retained revenue receipts under section 74 of the *Public Governance, Performance and Accountability (PGPA) Act 2013*.
- (g) Departmental capital budgets are not separately identified in Appropriation Bill (No.1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.
- (h) Appropriation Bill (No. 2) 2018-2019. Amounts proposed through Appropriation Bill (No. 6) are excluded as the Bill has not received Royal Assent at the time the Portfolio Statements are tabled. For further information please see the Department of the Environment and Energy 2017-18 Portfolio Supplementary Additional Estimates Statements.
- (i) Excludes 'other CRF money' held in accounts such as Services for Other Entities and Trust Moneys accounts (SOETM). For further information on special appropriations and special accounts, please refer to Budget Paper No. 4 - Agency Resourcing. Please also see Section 2: Outcomes and Planned Performance for further information on outcome and program expenses broken down by various funding sources, e.g. annual appropriations, special appropriations and special accounts.
- (j) Amounts credited to the special accounts from the Department of the Environment and Energy's annual and special appropriations.
- (k) Includes a re-profiling of Special Appropriation funding paid to the Australian Renewable Energy Agency due to fluctuations in the timing of grant payments by the agency.

1.3 BUDGET MEASURES

Budget measures in Part 1 relating to the Department of the Environment and Energy are detailed in Budget Paper No. 2 and are summarised below.

**Table 1.2: Department of the Environment and Energy 2018-19 Budget measures
Part 1: Measures announced since the 2017-18 Mid-Year Economic and Fiscal
Outlook (MYEFO)**

	Program	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000
Revenue measures						
Snowy Hydro Limited Acquisition	4.1					
Administered revenue		-	140,700	247,950	282,750	269,700
Total		-	140,700	247,950	282,750	269,700
Total revenue measures						
Administered		-	140,700	247,950	282,750	269,700
Total		-	140,700	247,950	282,750	269,700
Expense measures (a)						
Australian Heritage Grants Program - establishment (b)	1.4					
Administered expenses		-	-	-	-	-
Total		-	-	-	-	-
Per-and Poly-Fluorinated Alkyl Substances – research and associated activities (c)	1.6					
Departmental expenses		-	3,596	5,132	4,575	4,410
Total		-	3,596	5,132	4,575	4,410
Powering Forward - delivering more affordable, reliable and sustainable energy (d)	2.1, 2.2, 4.1					
Administered expenses		-	1,950	1,950	1,950	-
Departmental expenses		-	11,403	9,151	1,849	1,771
Total		-	13,353	11,101	3,799	1,771
Great Barrier Reef 2050 Partnership Program (e)	1.1					
Administered expenses		-	8,500	-	-	-
Departmental expenses		-	1,585	729	545	548
Total		-	10,085	729	545	548
Total expense measures						
Administered		-	10,450	1,950	1,950	-
Departmental		-	16,584	15,012	6,969	6,729
Total		-	27,034	16,962	8,919	6,729

Prepared on a Government Finance Statistics (fiscal) basis. Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

(a) Funding under the Australian Antarctic Science measure is reported in the Portfolio Budget Statements for the Education and Training Portfolio and the Industry, Innovation and Science Portfolio.

(b) This measure provides \$5.3 million ongoing from 2018-19. This measure is offset by the termination of the National Trusts Partnership Program and the Protecting National Historic Sites Program.

**Table 1.2: Department of the Environment and Energy 2018-19 Budget measures
Part 1: Measures announced since the 2017-18 Mid-Year Economic and Fiscal
Outlook (MYEFO) (continued)**

- (c) This measure includes funding of \$4.4 million ongoing from 2022-23. Funding of \$0.2 million was provided in 2017-18 as reported in Table 1.1 of the 2017-18 Portfolio Supplementary Additional Estimates Statements.
- (d) This measure includes funding of \$2.2 million in 2022-23, \$1.7 million in 2023-24 and \$4.9 million every three years ongoing from 2024-25. This measure also includes \$7.6 million in 2017-18, as reported in Table 1.1 of the 2017-18 Portfolio Supplementary Additional Estimates Statements.
- (e) This measure includes \$0.6 million in 2022-23 and \$1.0 million in 2023-24 and \$443.8 million in 2017-18 as reported in Table 1.1 of the 2017-18 Portfolio Supplementary Additional Estimates Statements. This measure also provides \$22.3 million over three years from 2019-20 and \$10.2 million ongoing from 2022-23 to the Great Barrier Reef Marine Park Authority and this is reflected in Table 1.2 of the Great Barrier Reef Marine Park Authority's Budget Statements. This measure builds on the Investing in the Future of our Great Barrier Reef measure reported in the Portfolio Additional Estimates Statements 2017-18 for the Environment and Energy Portfolio and the Industry, Innovation and Science Portfolio.

Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide an entity's complete performance story.

The most recent corporate plan for the Department of the Environment and Energy can be found at: <http://www.environment.gov.au/about-us/publications/corporate-plan-2017-18>.

The most recent annual performance statement can be found at: <http://www.environment.gov.au/annual-report-2016-17/annual-performance-statements>.

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Conserve, protect and sustainably manage Australia's biodiversity, ecosystems, environment and heritage through research, information management, supporting natural resource management, establishing and managing Commonwealth protected areas, and reducing and regulating the use of pollutants and hazardous substances.

Linked programs

Australian Fisheries Management Authority
Programs <ul style="list-style-type: none">• Program 1.1 – Australian Fisheries Management Authority
Contribution to Outcome 1 made by linked programs <p>The Department of the Environment and Energy and Australian Fisheries Management Authority engage on sustainable management of Commonwealth fisheries.</p>

Australian Institute of Marine Science
Programs <ul style="list-style-type: none">• Program 1.1 – Marine Research
Contribution to Outcome 1 made by linked programs <p>The Department of the Environment and Energy and the Australian Institute of Marine Science work together on implementation of the Reef 2050 Plan to protect and conserve the Great Barrier Reef.</p>

Australian Pesticides and Veterinary Medicines Authority
Programs <ul style="list-style-type: none">• Program 1.1 – Australian Pesticides and Veterinary Medicines Authority
Contribution to Outcome 1 made by linked programs <p>The Department of the Environment and Energy and the Australian Pesticides and Veterinary Medicines Authority work together to ensure regulation of pesticide and veterinary medicines protects Australia's environment and our environmental health.</p>

Australian Taxation Office
Programs <ul style="list-style-type: none"> • Program 1.9 – Product Stewardship for Oil program
Contribution to Outcome 1 made by linked programs <p>The Department of the Environment and Energy works with the Australian Taxation Office, which administers financial aspects of the Product Stewardship for Oil program, pays the benefits on recycled motor oil and collects the levy on new oil entering the market from domestic sources.</p>

Bureau of Meteorology
Programs <ul style="list-style-type: none"> • Program 1.1 – Bureau of Meteorology
Contribution to Outcome 1 made by linked programs <p>The Bureau of Meteorology is a partner in the Earth Systems and Climate Change Hub in the National Environmental Science Program.</p> <p>The Bureau of Meteorology is a collaborator in the delivery of the Geological and Bioregional Assessments program, contributing expertise in information technology and data management.</p> <p>In addition, the Bureau of Meteorology’s water information services inform Commonwealth environmental water planning and decision making in relation to water resource availability and environmental water requirements.</p>

Clean Energy Finance Corporation
Programs <ul style="list-style-type: none"> • Program 1.1 – Clean Energy Finance Corporation
Contribution to Outcome 1 made by linked programs <p>The Department of the Environment and Energy has responsibility for policies that reduce Australia’s greenhouse gas emissions. The Clean Energy Finance Corporation contributes to these programs by facilitating increased flows of finance into the clean energy sector, including through the funding it makes available to the Clean Energy Innovation Fund and Reef Funding Program.</p>

Commonwealth Scientific and Industrial Research Organisation
Programs <ul style="list-style-type: none">• Program 1.1 – Research - Science, Services and Innovation Fund
Contribution to Outcome 1 made by linked programs <p>The Commonwealth Scientific and Industrial Research Organisation contributes to Outcome 1 through the delivery of research to support the implementation of the Reef 2050 Plan to protect and conserve the Great Barrier Reef.</p> <p>The Commonwealth Scientific and Industrial Research Organisation is the lead organisation in the Earth Systems and Climate Change Hub and a partner in other Hubs in the National Environmental Science Program.</p> <p>The Commonwealth Scientific and Industrial Research Organisation is a collaborator in the delivery of the Geological and Bioregional Assessments program, contributing expertise in ecology, ecotoxicology, hydrology, hydrogeology, informatics and risk analysis.</p>

Department of Agriculture and Water Resources
Programs <ul style="list-style-type: none">• Program 1.1 – Agricultural Adaptation• Program 1.2 – Sustainable Management - Natural Resources• Program 1.4 – Fishing Industry• Program 2.1 – Biosecurity and Export Services• Program 2.2 – Plant and Animal Health• Program 3.1 – Water Reform
Contribution to Outcome 1 made by linked programs <p>The Departments of the Environment and Energy and Agriculture and Water Resources work together under a memorandum of understanding to deliver the National Landcare program and work collaboratively to implement the Murray-Darling Basin Plan and the Commonwealth's water reform policy agenda.</p> <p>The Departments of the Environment and Agriculture and Water Resources engage on forests (Regional Forest Agreements), biosecurity, wildlife trade and fisheries policy.</p> <p>The Departments of the Environment and Energy, Agriculture and Water Resources, and Industry, Innovation and Science work collaboratively in the planning phase of the National Carp Control Plan.</p>

Department of Foreign Affairs and Trade
Programs <ul style="list-style-type: none"> • Program 1.1 – Foreign Affairs and Trade Operations • Program 1.2 – Official Development Assistance
Contribution to Outcome 1 made by linked programs <p>The Department of Foreign Affairs and Trade provides support to the Department of the Environment and Energy on matters relating to the implementation of the Reef 2050 Plan to protect and conserve the Great Barrier Reef.</p> <p>The Department of the Environment and Energy receives funding from the Department of Foreign Affairs and Trade for a number of international engagement activities.</p>

Department of Health
Programs <ul style="list-style-type: none"> • Program 5.1 – Protect the Health and Safety of the Community through Regulation
Contribution to Outcome 1 made by linked programs <p>The Department of the Environment and Energy and the Department of Health work together to manage policy and regulatory issues that have combined human and environmental health implications.</p>

Department of Home Affairs
Programs <ul style="list-style-type: none"> • Program 1.1 – Border Enforcement • Program 1.2 – Border Management
Contribution to Outcome 1 made by linked programs <p>The Departments of the Environment and Energy and Home Affairs work together to prevent illegal wildlife trade, control transboundary movements of hazardous wastes and their disposal and share information on imports of products subject to air quality standards.</p>

Department of Infrastructure, Regional Development and Cities
Programs <ul style="list-style-type: none"> • Program 3.3 – Cities
Contribution to Outcome 1 made by linked programs <p>The Department of the Environment and Energy is supporting the Government's Cities agenda led by the Department of Infrastructure, Regional Development and Cities, through the delivery of the National Landcare Program, including the 20 Million Trees program, the use of strategic assessments under the <i>Environment Protection and Biodiversity Conservation Act 1999</i> and national approaches to managing wastes and hazardous substances and air quality in cities.</p>

Department of the Prime Minister and Cabinet
Programs <ul style="list-style-type: none"> • Program 2.1 – Indigenous Advancement - Jobs, Land and Economy program
Contribution to Outcome 1 made by linked programs <p>The Departments of the Environment and Energy, the Prime Minister and Cabinet, and Agriculture and Water Resources work together to provide opportunities for Indigenous communities and land managers to engage with the National Landcare Program. The Departments of the Environment and Energy and the Prime Minister and Cabinet work cooperatively on Indigenous Protected Areas.</p>

Department of the Treasury
Programs <ul style="list-style-type: none"> • Program 1.9 – National Partnerships Payments to the States
Contribution to Outcome 1 made by linked programs <p>The Department of the Treasury contributes to Outcome 1 by making payments on behalf of the Department of the Environment and Energy. A number of payments are made to states and territories for heritage management and species conservation.</p>

Director of National Parks
Programs <ul style="list-style-type: none"> • Program 1.1 – Parks and Reserves
Contribution to Outcome 1 made by linked programs <p>The Department of the Environment and Energy and the Director of National Parks work together through engagement on policy direction, science, heritage management and species conservation within Commonwealth managed marine and terrestrial reserves.</p>

Geoscience Australia
Programs <ul style="list-style-type: none"> • Program 1.1 – Geoscientific and spatial information services
Contribution to Outcome 1 made by linked programs Geoscience Australia is a collaborator and provider of geoscience expertise in the delivery of the Geological and Bioregional Assessments program and the National Environmental Science Program Marine Biodiversity Hub. Geoscience Australia's Digital Earth Australia Program is working with the Department to deliver new, continental-scale environmental monitoring capabilities using satellite imagery.
Great Barrier Reef Marine Park Authority
Programs <ul style="list-style-type: none"> • Program 1.1 – Improving the outlook for the Great Barrier Reef
Contribution to Outcome 1 made by linked programs The Department of the Environment and Energy and the Great Barrier Reef Marine Park Authority work together on heritage management, environment health, species conservation and fisheries management as well as joint implementation of the Reef 2050 Plan to protect and conserve the Great Barrier Reef.
Murray-Darling Basin Authority
Programs <ul style="list-style-type: none"> • Program 1.1 – Equitable and Sustainable Use of the Murray-Darling Basin
Contribution to Outcome 1 made by linked programs The Department of the Environment and Energy and the Murray Darling Basin Authority work together on implementation of the Basin Plan, operation of the River Murray System, shared natural resource management programs, research, information, advice and Basin Plan reporting obligations, all of which contribute to the management of Commonwealth environmental water.

National Offshore Petroleum Safety and Environmental Management Authority
Programs <ul style="list-style-type: none">• Program 1 - Regulatory oversight of Safety Cases, Well Operations Management Plans and Environment Plans coupled with effective monitoring, investigation and enforcement
Contribution to Outcome 1 made by linked programs <p>The National Offshore Petroleum Safety and Environmental Management Authority contributes to the work of the Department of the Environment and Energy through its policies and program relating to the effective management and administration of the <i>Offshore Petroleum and Greenhouse Gas Storage Act 2006</i> and environment associated regulations.</p>

Sydney Harbour Federation Trust
Programs <ul style="list-style-type: none">• Program 1.1 - Sydney Harbour Federation Trust
Contribution to Outcome 1 made by linked programs <p>The Department of the Environment and Energy and the Sydney Harbour Federation Trust collaborate through engagement on policy direction and site management to conserve and enhance the natural and cultural heritage of Sydney Harbour Federation Trust land and maximise public access and enjoyment of its sites.</p>

Budgeted expenses for Outcome 1

This table shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.

Table 2.1.1: Budgeted expenses for Outcome 1

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
Outcome 1: Conserve, protect and sustainably manage Australia's biodiversity, ecosystems, environment and heritage through research, information management, supporting natural resource management, establishing and managing Commonwealth protected areas, and reducing and regulating the use of pollutants and hazardous substances.					
Program 1.1: Sustainable Management of Natural Resources and the Environment					
Administered expenses					
Ordinary annual services (Appropriation Bill No.1)					
National Landcare Program:					
Natural Heritage Trust (a)	243,480	176,518	166,021	151,217	146,990
<i>Less special account</i>	<i>(243,480)</i>	<i>(176,518)</i>	<i>(166,021)</i>	<i>(151,217)</i>	<i>(146,990)</i>
Environmental Stewardship Program	9,918	9,980	9,713	9,179	9,397
Green Army	24,377	-	-	-	-
Reef 2050 Plan	486,792	80,709	40,000	15,000	15,000
<i>Less special account</i>	<i>(485,636)</i>	<i>(72,123)</i>	<i>(40,000)</i>	<i>(15,000)</i>	<i>(15,000)</i>
Commonwealth Marine Reserves	-	20,837	7,496	-	-
Improving your Local Parks and Environment	5,982	5,436	2,073	-	-
Biodiversity Fund	1,997	-	-	-	-
Special accounts					
Natural Heritage Trust of Australia Account	241,801	186,731	166,771	151,217	146,990
Reef Trust Special Account	487,924	75,731	43,242	16,947	16,720
Payments to corporate entities (b)	-	47,434	45,838	44,231	44,499
Administered total	773,155	354,735	275,133	221,574	217,606
Departmental expenses					
Departmental appropriation (c, d)	27,069	20,687	19,454	19,099	17,770
Payments to corporate entities (b)	46,548	-	-	-	-
Expenses not requiring appropriation in the Budget year (e)	8,610	11,345	11,002	10,170	10,120
Departmental total	82,227	32,032	30,456	29,269	27,890
Total expenses for Program 1.1	855,382	386,767	305,589	250,843	245,496

Table 2.1.1: Budgeted expenses for Outcome 1 (continued)

Outcome 1: Conserve, protect and sustainably manage Australia's biodiversity, ecosystems, environment and heritage through research, information management, supporting natural resource management, establishing and managing Commonwealth protected areas, and reducing and regulating the use of pollutants and hazardous substances.					
	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
Program 1.2: Environmental Information and Research					
Administered expenses					
Ordinary annual services (Appropriation Bill No.1)					
National Environmental Science Program	25,520	25,520	25,520	24,352	24,352
Australian Biological Resources Study	2,030	2,030	2,030	2,030	2,030
Independent Expert Scientific Committee on Coal Seam Gas and Large Coal Mining	1,035	1,035	1,035	1,035	1,035
Administered total	28,585	28,585	28,585	27,417	27,417
Departmental expenses					
Departmental appropriation (c, d)	32,729	27,668	28,896	27,810	27,133
Expenses not requiring appropriation in the Budget year (e)	39	39	39	39	38
Departmental total	32,768	27,707	28,935	27,849	27,171
Total expenses for Program 1.2	61,353	56,292	57,520	55,266	54,588
Program 1.3: Commonwealth Environmental Water					
Administered expenses					
Ordinary annual services (Appropriation Bill No.1)					
MDB Environmental Knowledge and Research	1,900	1,900	1,900	2,500	2,500
Commonwealth Environmental Water Office	16,568	33,292	41,216	43,142	44,127
<i>Less special account</i>	<i>(16,568)</i>	<i>(33,292)</i>	<i>(41,216)</i>	<i>(43,142)</i>	<i>(44,127)</i>
Special accounts					
Environmental Water Holdings Special Account	44,561	40,923	43,722	43,142	44,127
Administered total	46,461	42,823	45,622	45,642	46,627
Departmental expenses					
Departmental appropriation (c, d)	17,757	17,636	17,859	17,948	17,613
Expenses not requiring appropriation in the Budget year (e)	42	42	42	42	41
Departmental total	17,799	17,678	17,901	17,990	17,654
Total expenses for Program 1.3	64,260	60,501	63,523	63,632	64,281

Table 2.1.1: Budgeted expenses for Outcome 1 (continued)

Outcome 1: Conserve, protect and sustainably manage Australia's biodiversity, ecosystems, environment and heritage through research, information management, supporting natural resource management, establishing and managing Commonwealth protected areas, and reducing and regulating the use of pollutants and hazardous substances.

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
Program 1.4: Conservation of Australia's Heritage and Environment					
Administered expenses					
Ordinary annual services (Appropriation Bill No.1)					
Protecting National Historic Sites	4,420	-	-	-	-
National Trusts Partnership Program	927	-	-	-	-
Australian Heritage Grants Program - establishment	-	5,347	5,347	5,347	5,347
Giant Pandas	1,308	1,284	-	-	-
Administered total	6,655	6,631	5,347	5,347	5,347
Departmental expenses					
Departmental appropriation (c, d)	30,180	30,810	30,909	30,546	30,330
Expenses not requiring appropriation in the Budget year (e)	4,203	68	68	68	65
Departmental total	34,383	30,878	30,977	30,614	30,395
Total expenses for Program 1.4	41,038	37,509	36,324	35,961	35,742
Program 1.5: Environmental Regulation					
Administered expenses					
Ordinary annual services (Appropriation Bill No.1)					
<i>Environment Protection and Biodiversity Conservation Act - Water Resources Amendment</i>	259	259	259	259	259
Administered total	259	259	259	259	259
Departmental expenses					
Departmental appropriation (c, d)	50,084	49,153	50,584	52,439	48,418
Expenses not requiring appropriation in the Budget year (e)	850	796	745	696	770
Departmental total	50,934	49,949	51,329	53,135	49,188
Total expenses for Program 1.5	51,193	50,208	51,588	53,394	49,447

Table 2.1.1: Budgeted expenses for Outcome 1 (continued)

Outcome 1: Conserve, protect and sustainably manage Australia's biodiversity, ecosystems, environment and heritage through research, information management, supporting natural resource management, establishing and managing Commonwealth protected areas, and reducing and regulating the use of pollutants and hazardous substances.					
	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
Program 1.6: Management of Hazardous Wastes, Substances and Pollutants					
Administered expenses					
Ordinary annual services (Appropriation Bill No.1)					
National Environment Protection Council	502	496	429	429	429
Less special account	(502)	(496)	(429)	(429)	(429)
Biofuels - Monitoring, Compliance and Enforcement of Fuel Quality	100	100	100	100	100
Surf Life Saving Cleaner Outboard Engines Scheme	205	375	375	-	-
Special accounts					
Ozone Protection & Synthetic Greenhouse Gas Account	13,840	14,252	14,480	14,711	14,962
National Environment Protection Council Special Account	1,652	960	680	680	680
Administered total	15,797	15,687	15,635	15,491	15,742
Departmental expenses					
Departmental appropriation (c, d)	49,699	47,985	51,264	50,544	45,302
Expenses not requiring appropriation in the Budget year (e)	443	664	584	581	553
Departmental total	50,142	48,649	51,848	51,125	45,855
Total expenses for Program 1.6	65,939	64,336	67,483	66,616	61,597
Outcome 1 Totals by appropriation type					
Administered expenses					
Ordinary annual services (Appropriation Bill No.1)	81,134	82,689	55,848	44,802	45,020
Special accounts	789,778	318,597	268,895	226,697	223,479
Payments to corporate entities (b)	-	47,434	45,838	44,231	44,499
Administered total	870,912	448,720	370,581	315,730	312,998
Departmental expenses					
Departmental appropriation (c, d)	207,518	193,939	198,966	198,386	186,566
Payments to corporate entities (b)	46,548	-	-	-	-
Expenses not requiring appropriation in the Budget year (e)	14,187	12,954	12,480	11,596	11,587
Departmental total	268,253	206,893	211,446	209,982	198,153
Total expenses for Outcome 1	1,139,165	655,613	582,027	525,712	511,151

Table 2.1.1: Budgeted expenses for Outcome 1 (continued)

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
Movement of administered funds between years (f)					
Outcome 1:					
Natural Heritage Trust of Australia Account	(5,200)	5,200	-	-	-
Total movement of administered funds	(5,200)	5,200	-	-	-

	2017-18	2018-19
Average staffing level (number)	1,091	1,081

- (a) Funding for components of the National Landcare Program will be directly appropriated to the Department of the Treasury and the Department of Prime Minister and Cabinet.
- (b) Further information on payments to corporate entities can be found in the "Third Party Payments" section of Table 1.1: Department of the Environment and Energy Resource Statement.
- (c) Outcome 1 also has a departmental capital budget of \$11.041 million in 2018-19.
- (d) Includes estimated expenses incurred in relation to retained revenue receipts under section 74 of the *Public Governance, Performance and Accountability (PGPA) Act 2013*.
- (e) Expenses not requiring appropriation comprise depreciation expenses, amortisation expenses, audit fees and an approved operating loss.
- (f) Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.

Table 2.1.2: Performance criteria for Outcome 1

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2018-19 Budget measures have created new programs or materially changed existing programs.

Outcome 1 – Conserve, protect and sustainably manage Australia’s biodiversity, ecosystems, environment and heritage through research, information management, supporting natural resource management, establishing and managing Commonwealth protected areas, and reducing and regulating the use of pollutants and hazardous substances.		
Program 1.1 – Sustainable Management of Natural Resources and the Environment The objective of this program is to improve the extent, condition and connectivity of Australia’s unique biodiversity and natural resources, including the Great Barrier Reef, through protection of habitats and mitigation of threats to threatened species and ecological communities.		
Delivery	Program 1.1 will be delivered by: <ul style="list-style-type: none">• Delivering biodiversity conservation and natural resource management programs, including the Reef Trust, 20 Million Trees, the National Landcare Program and Improving Your Local Parks and Environment Program.• Implementing initiatives to improve the health of the Great Barrier Reef, including the Reef 2050 Plan and Reef 2050 Water Quality Improvement Plan.• Implementing the Threatened Species Strategy and the Threatened Species Recovery Fund.• Representing Australia’s interests at international forums on biodiversity matters and meeting obligations under international agreements.	
Performance information		
Year	Performance criteria (a)	Targets
2017-18	Australia meets its obligations under international environmental agreements. On track	In collaboration with the Queensland Government, by June 2018, improve the quality of water entering the Great Barrier Reef from broad scale land use by reducing pollutant loads in priority areas, relative to 2008–09 baseline levels. On track
		Continued implementation of the Reef 2050 Plan. Continued stakeholder engagement through the Reef 2050 Plan governance structures, including the Reef 2050 Advisory Committee and Independent Expert Panel. On track

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Program 1.1 – Sustainable Management of Natural Resources and the Environment The objective of this program is to improve the extent, condition and connectivity of Australia's unique biodiversity and natural resources, including the Great Barrier Reef, through protection of habitats and mitigation of threats to threatened species and ecological communities.		
Year	Performance criteria (a)	Targets
	Australia's biodiversity, including priority threatened species, ecological communities, cetaceans and migratory species, and significant heritage places, are identified, conserved and protected. On track	Reef Trust continues investment through phased investment strategies to deliver projects that address key threats to the Great Barrier Reef, with a focus on improving water quality and coastal habitats, and protecting biodiversity. On track
		Contracted projects to plant 20 million trees in place by June 2020. On track
		<i>Threatened Species Strategy</i> targets are met. On track
		56 regional natural resource management organisations have delivered against National Landcare Program objectives. On track
		Improving Your Local Parks and Environment Program projects deliver against program objectives. On track
		Green Army program objectives delivered. On track
		95 per cent of Biodiversity Fund projects substantially complete, delivering 53,800 ha of revegetation to improve vegetation condition and/or increase extent. On track
2018-19 (b)	<i>Together with the Queensland Government and Great Barrier Reef Marine Park Authority, build the Great Barrier Reef's resilience to respond to threats through implementation of the Reef 2050 Plan.</i>	
	Australia's biodiversity, including priority threatened species, ecological communities, cetaceans and migratory species, and significant heritage places, are identified, conserved and protected.	
2019-20 and beyond	As per 2018-19	

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Program 1.1 – Sustainable Management of Natural Resources and the Environment		
The objective of this program is to improve the extent, condition and connectivity of Australia's unique biodiversity and natural resources, including the Great Barrier Reef, through protection of habitats and mitigation of threats to threatened species and ecological communities.		
Year	Performance criteria (a)	Targets
Purposes	Conserve, protect and sustainably manage Australia's biodiversity and heritage	
Material changes to Program 1.1 resulting from the following measures:		
Measure title – Great Barrier Reef 2050 Partnership Program		

- (a) New or modified performance criteria that reflect new or materially changed programs are shown in *italics*.
- (b) A more comprehensive suite of measures, including targets, are detailed in the Department's Corporate Plan, and are reported in the Annual Performance Statement included in the Department's Annual Report.

Program 1.2 – Environmental Information and Research		
The objective of this program is to improve understanding of Australia's environment and inform environmental decision-making through collaborative research and enhanced discovery of, access to and use of environmental information; and improve the knowledge of, and inform decision-making on, the environmental impacts of unconventional gas and coal mining development.		
Delivery	<p>Program 1.2 will be delivered by:</p> <ul style="list-style-type: none">• Providing information to assist decision-makers to understand, manage and conserve Australia's environment, including through a national approach to environmental-economic accounting.• Supporting the discovery and classification of Australia's plants, animals and other organisms by providing taxonomic information to the public, funding taxonomic research and building Australia's taxonomic capacity.• Collating, managing and making fundamental biodiversity information openly accessible to the public, science, industry and government, to assist decision-makers to understand, manage and conserve Australia's environment.• Providing data and information to decision-makers and the community that addresses critical gaps in the scientific understanding of the environmental impacts of unconventional gas and large coal mining development.• Providing technical and secretariat support to the Independent Expert Scientific Committee on Coal Seam Gas and Large Coal Mining Development (IESC) to ensure delivery of timely and robust advice on the water-related impacts of coal seam gas and large coal mining development to government regulators.	
Performance information		
Year	Performance criteria (a)	Targets
2017-18	Data and information generated by the Department are used by stakeholders and/or support evidence-based decision-making. On track	All environmental datasets owned by the Department are published under Creative Commons and in accordance with the Australian Government Public Data Policy. On track

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Program 1.2 – Environmental Information and Research The objective of this program is to improve understanding of Australia's environment and inform environmental decision-making through collaborative research and enhanced discovery of, access to and use of environmental information; and improve the knowledge of, and inform decision-making on, the environmental impacts of unconventional gas and coal mining development.		
Year	Performance criteria (a)	Targets
		A national approach to environment economic accounts is developed with jurisdictions by December 2017. Achieved
		All advice provided to regulators by the IESC is delivered within statutory timeframes and made publicly available. On track
		The bioregional assessments of the potential water-related impacts of coal and coal seam gas for all 13 bioregions are completed by 30 September 2017. On track for completion by 30 June 2018
		Priority regions are identified and work is underway for new combined geological and bioregional assessments of the impacts of unconventional gas extraction, including shale and tight gas. On track
		650 taxa revised or newly described under the Australian Biological Resources Study. On track
		At least 100 researchers, including early career researchers, supported under the Australian Biological Resources Study. On track
2018-19 (a)	Data and information generated by the Department are used by stakeholders and/or support evidence-based decision-making.	
2019-20 and beyond	As per 2018-19	
Purposes	Relates to 'Conserve, protect and sustainably manage Australia's biodiversity and heritage' and supports all other purposes	

(a) A more comprehensive suite of measures, including targets, are detailed in the Department's Corporate Plan, and are reported in the Annual Performance Statement included in the Department's Annual Report.

Program 1.3 – Commonwealth Environmental Water The objective of the program is to: protect and restore water-dependent ecosystems in the Murray–Darling Basin through the management and use of Commonwealth environmental water and manage Australia’s obligations under the Ramsar Convention; and improve the knowledge of, and inform decision-making on, the impacts to and management of water-dependent ecosystems consistent with international and national obligations.		
Delivery	Program 1.3 will be delivered by: <ul style="list-style-type: none">• Planning for the use, carryover and trade of Commonwealth environmental water (integrated portfolio management plans).• Managing, delivering, monitoring and reporting on Commonwealth environmental water.• Engaging Murray–Darling Basin communities, Indigenous groups, irrigation industries and others to incorporate local experience and knowledge in the management of Commonwealth environmental water.• Contributing to the development of the National Carp Control Plan.• Undertaking research, conducting assessments, compiling information and providing advice to improve the management of water-dependent ecosystems, including Ramsar wetlands.• Representing Australia and the Oceania region at meetings, and undertaking the role of Vice Chair of the Ramsar Standing Committee.	
Performance information		
Year	Performance criteria	Targets
2017-18	Environmental watering improves the condition of water-dependent ecosystems in the Murray–Darling Basin, contributing to achievement of targets in the <i>Basin-wide environment watering strategy</i> . <div>On track</div>	All Commonwealth environmental water is actively and adaptively managed, including through use, trade, and carry over. <div>On track</div>
	Australia meets its obligations under international environmental agreements. <div>On track</div>	All required assessments under Article 3.2 of the Ramsar Convention (change in the ecological character of Ramsar wetlands) are completed consistent with obligations under the Convention. <div>On track</div>
2018-19 (a)	Environmental water is managed to protect and restore water-dependent ecosystems in the Murray-Darling Basin.	
	Australia’s priority wetlands are identified, conserved and protected.	
2019-20 and beyond	As per 2018-19	
Purposes	Conserve, protect and sustainably manage Australia’s biodiversity and heritage	

(a) A more comprehensive suite of measures, including targets, are detailed in the Department’s Corporate Plan, and are reported in the Annual Performance Statement included in the Department’s Annual Report.

Program 1.4 – Conservation of Australia’s Heritage and Environment		
The objective of this program is to: (a) identify and protect our world and nationally significant natural, Indigenous and historic heritage places; (b) identify, protect and conserve Australia’s threatened species, ecological communities, cetaceans and migratory species; and (c) protect internationally traded flora and fauna consistent with national and international obligations.		
Delivery	Program 1.4 will be delivered by: <ul style="list-style-type: none">Administering regulation and providing advice on the delivery of funding programs to support the identification and protection of threatened species and ecological communities and significant natural, Indigenous and historic heritage places.Regulating wildlife trade (imports and exports) to protect Australia’s biodiversity and Convention on International Trade in Endangered Species listed species and allowing sustainable use of wildlife resources.Providing advice and representing Australia’s interests on heritage, wildlife and biodiversity matters and meeting obligations under international agreements.	
Performance information		
Year	Performance criteria (a)	Targets
2017-18	Australia’s biodiversity, including priority threatened species, ecological communities, cetaceans and migratory species, and significant heritage places, are identified, conserved and protected. <div>On track</div>	Activities required by legislation are conducted within statutory timeframes. Not on track— 98 per cent of assessments of threatened species and ecological communities completed by the Threatened Species Scientific Community were provided to the Minister within statutory timeframes. 84 per cent of recovery plans required for listed threatened species and ecological communities are within statutory timeframes.
	Data and information generated or commissioned by the Department are used by stakeholders and/or support evidence-based decision-making. <div>On track</div>	
	Australia meets its obligations under international environmental agreements. <div>On track</div>	
	All Australian property included on the list of World Heritage is well managed. <div>On track</div>	
2018-19 (b)	Australia’s biodiversity, including priority threatened species, ecological communities, cetaceans and migratory species, and significant heritage places, are identified, conserved and protected.	
2019-20 and beyond	As per 2018-19	
Purposes	Conserve, protect and sustainably manage Australia’s biodiversity and heritage	

Program 1.4 – Conservation of Australia’s Heritage and Environment		
The objective of this program is to: (a) identify and protect our world and nationally significant natural, Indigenous and historic heritage places; (b) identify, protect and conserve Australia’s threatened species, ecological communities, cetaceans and migratory species; and (c) protect internationally traded flora and fauna consistent with national and international obligations.		
Material changes to Program 1.4 resulting from the following measures:		
Measure title – Australian Heritage Grants Program - establishment		
(a) New or modified performance criteria that reflect new or materially changed programs are shown in italics.		
(b) A more comprehensive suite of measures, including targets, are detailed in the Department’s Corporate Plan, and are reported in the Annual Performance Statement included in the Department’s Annual Report.		
Program 1.5 – Environmental Regulation		
The objective of this program is to support sustainable development outcomes by delivering efficient and effective regulation of matters of national environmental significance.		
Delivery	Program 1.5 will be delivered by: <ul style="list-style-type: none">• Undertaking individual and strategic environmental assessments and approvals and implementing a risk-based approach to compliance and enforcement activities under the <i>Environment Protection and Biodiversity Conservation Act 1999</i> and <i>Environment Protection (Sea Dumping) Act 1981</i>.• Significant progress on implementing government reforms and effective and efficient delivery of government policies, programs and priorities in relation to environmental protection.• Overseeing, and participating in, arrangements for the regulation of uranium mining in the Alligator Rivers Region to ensure regulation is adequate, effective and consistent with statutory requirements under the <i>Environment Protection (Alligator Rivers Region) Act 1978</i>.• Undertake annual scientific research and monitoring programs into the environmental effects of uranium mining to address key knowledge needs and contribute to the development of scientifically rigorous environmental performance criteria for the operational, rehabilitation and closure phases of mining under the <i>Environment Protection (Alligator Rivers Region) Act 1978</i>.	
Performance information		
Year	Performance criteria	Targets
2017-18	Australia’s biodiversity, including priority threatened species, ecological communities, cetaceans and migratory species, and significant heritage places, are identified, conserved and protected. <div>On track</div>	Activities required by legislation are conducted within statutory timeframes. Not on track—The Department continues to work to complete referrals, assessments and approvals within statutory timeframes. In this reporting period various factors have affected our ability to meet timeframes including the complexity of assessments and related consultation with business and the community, and resource and administrative constraints.

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Program 1.5 – Environmental Regulation The objective of this program is to support sustainable development outcomes by delivering efficient and effective regulation of matters of national environmental significance.		
Year	Performance criteria	Targets
		The number of hectares of habitat protected by offsets is equal to or greater than the area impacted for approved projects. Data/information not available— The Department continues to implement the EPBC Act Offsets Policy to compensate for significant impacts on the environment. To date, approved projects that have conditions requiring offsets either have those offsets in place, or those offsets are in the process of being secured. However, the Department does not maintain a consolidated set of statistics on either the number of hectares of habitat currently protected by offsets, or the area impacted by approved projects. One complication is that there can be long lead times between when an offset is listed as a condition on an approval, and when that offset is actually secured or its benefits realised.
		Increase in the use of strategic assessments for environmental assessments and approvals. On track
		Increase in the proportion of approved assessments that apply streamlining policy initiatives, including outcomes based conditions, conditions setting policy, and bilateral assessment agreements. Data/information not available— The Department does try to apply these initiatives when there is opportunity, but the application of these initiatives is dependent on the proponent's willingness in many cases. In addition, the collection of data for reporting on the use of these initiatives is not supported by the current business systems.

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Program 1.5 – Environmental Regulation		
The objective of this program is to support sustainable development outcomes by delivering efficient and effective regulation of matters of national environmental significance.		
Year	Performance criteria	Targets
	Data and information generated or commissioned by the Department are used by stakeholders and/or support evidence-based decision-making. <div style="text-align: right;">On track</div>	
	Improved compliance with national environmental legislation. <div style="text-align: right;">On track</div>	
	The Alligator Rivers Region environment remains protected from uranium mining impacts consistent with statutory requirements. <div style="text-align: right;">On track</div>	Ensure the concentrations of mine derived contaminants in surface water downstream of Ranger Mine do not exceed statutory water quality objectives. <div style="text-align: right;">Achieved</div>
		Annual research and monitoring programs are endorsed by the Alligator Rivers Region Technical Committee. <div style="text-align: right;">Achieved</div>
2018-19 (a)	Australia's biodiversity, including priority threatened species, ecological communities, cetaceans and migratory species, and significant heritage places, are identified, conserved and protected.	
	The Alligator Rivers Region environment remains protected from uranium mining effects consistent with statutory requirements.	
	The Department's compliance activities support environmental outcomes.	
2019-20 and beyond	As per 2018-19	
Purposes	Conserve, protect and sustainably manage Australia's biodiversity and heritage	

(a) A more comprehensive suite of measures, including targets, are detailed in the Department's Corporate Plan, and are reported in the Annual Performance Statement included in the Department's Annual Report.

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Program 1.6 – Management of Hazardous Wastes, Substances and Pollutants		
The objective of this program is to protect the environment through national approaches to effectively and efficiently manage hazardous wastes, substances and pollutants.		
Delivery	Program 1.6 will be delivered by: <ul style="list-style-type: none">Discharge of legislative and regulatory functions and effective and efficient delivery of government policies, programs and priorities in relation to environmental health.Significant progress on implementing government reforms in relation to environmental health.Implementing a risk-based approach to compliance and enforcement activities to support regulation under the <i>Fuel Quality Standards Act 2000</i>, the <i>Ozone Protection and Synthetic Greenhouse Gas Management Act 1989</i> and the <i>Product Emissions Standards Act 2017</i>.	
Performance information		
Year	Performance criteria (a)	Targets
2017-18	Australia meets its obligations under international environmental agreements On track	Activities required by legislation are conducted within statutory timeframes On track
	Data and information generated or commissioned by the Department are used by stakeholders and/or support evidence-based decision-making On track	
	Improved compliance with national environmental legislation On track	
2018-19 (b)	The Department's compliance activities support environmental outcomes	
	<i>Reforms in relation to environmental health support the effective and efficient management of hazardous wastes, substances and pollutants</i>	
2019-20 and beyond	As per 2018-19	
Purposes	Conserve, protect and sustainably manage Australia's biodiversity and heritage	
Material changes to Program 1.6 resulting from the following measures:		
Measure title – Per- and Poly-Fluorinated Alkyl Substances – research and associated activities		

(a) New or modified performance criteria that reflect new or materially changed programs are shown in italics

(b) A more comprehensive suite of measures, including targets, are detailed in the Department's Corporate Plan, and are reported in the Annual Performance Statement included in the Department's Annual Report.

2.2 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 2

Outcome 2: Reduce Australia's greenhouse gas emissions, adapt to the impacts of climate change, contribute to effective global action on climate change, and support technological innovation in clean and renewable energy, through developing and implementing a national response to climate change.

Linked programs

Australian Renewable Energy Agency
Programs <ul style="list-style-type: none">• Program 1.1 – Australian Renewable Energy Agency
Contribution to Outcome 2 made by linked programs <p>The Department of the Environment and Energy has responsibility for developing and implementing policies that reduce Australia's greenhouse gas emissions. The Australian Renewable Energy Agency contributes to implementing these policies by providing financial assistance for the research, development, demonstration, deployment and commercialisation of clean energy technologies. This provides options to meet future emission reduction targets at lower cost.</p>

Australian Taxation Office
Programs <ul style="list-style-type: none">• Program 1.1 – Australian Taxation Office
Contribution to Outcome 2 made by linked programs <p>The Department of the Environment and Energy shares information on Emissions Reduction Fund tree planting projects with the Australian Taxation Office which administers the Carbon Sink Forest Tax measure, a tax deduction available to these projects.</p>

Bureau of Meteorology
Programs <ul style="list-style-type: none">• Program 1.1 – Bureau of Meteorology
Contribution to Outcome 2 made by linked programs <p>The Bureau of Meteorology works collaboratively with the Department of the Environment and Energy to provide weather and climate information and to engage with other climate science providers to identify priority investment areas and research needs.</p>

Clean Energy Finance Corporation
Programs <ul style="list-style-type: none"> • Program 1.1 – Clean Energy Finance Corporation
Contribution to Outcome 2 made by linked programs The Department of the Environment and Energy has responsibility for policies that reduce Australia’s greenhouse gas emissions. The Clean Energy Finance Corporation contributes to these programs by facilitating increased flows of finance into the clean energy sector.
Clean Energy Regulator
Programs <ul style="list-style-type: none"> • Program 1.1 – Clean Energy Regulator
Contribution to Outcome 2 made by linked programs The Department of the Environment and Energy has policy responsibility for the Emissions Reduction Fund, the Safeguard Mechanism, the Renewable Energy Target, the National Greenhouse and Energy Reporting Scheme and the Australian National Registry of Emissions Units. The Clean Energy Regulator works collaboratively with the Department as the delivery agency and regulator for these schemes.
Climate Change Authority
Programs <ul style="list-style-type: none"> • Program 1.1 – Reviewing Climate Change Mitigation Policies
Contribution to Outcome 2 made by linked programs The Climate Change Authority supports the Department of the Environment and Energy in reducing Australia's greenhouse gas emissions by providing independent climate change mitigation policy advice to the Government.
Commonwealth Scientific and Industrial Research Organisation
Programs <ul style="list-style-type: none"> • Program 1.1 – Research - Science, Services and Innovation Fund
Contribution to Outcome 2 made by linked programs The Department of the Environment and Energy is collaborating with the Commonwealth Scientific and Industrial Research Organisation on climate science research needs including through the Climate Science Centre.

Department of Foreign Affairs and Trade
Programs <ul style="list-style-type: none">• Program 1.1 – Foreign Affairs and Trade Operations
Contribution to Outcome 2 made by linked programs <p>The Department of Foreign Affairs and Trade leads for the Government on international climate change negotiations under the United Nations Framework Convention on Climate Change. The Department of the Environment and Energy works with the Department of Foreign Affairs and Trade in formulating advice to Government on these matters and representing Australia at United Nations Framework Convention on Climate Change meetings. The Department of the Environment and Energy also delivers a number of Australian Government funded projects that support climate change capacity development projects in developing countries.</p>

Department of Home Affairs
Programs <ul style="list-style-type: none">• Program 1.2 – National Security and Criminal Justice
Contribution to Outcome 2 made by linked programs <p>The Department of Home Affairs provides joint secretariat with the Department of Environment and Energy for the Australian Government Disaster and Climate Resilience Reference Group. The Group is a senior forum to progress policy on disaster and climate resilience.</p>

Department of Industry, Innovation and Science
Programs <ul style="list-style-type: none"> • Program 3 – Program Support
Contribution to Outcome 2 made by linked programs The Department of Industry, Innovation and Science is represented on the National Climate Science Advisory Committee. The Committee advise the Australian Government on a nationally integrated approach to climate change impacts and inform the direction and sustainability of Australia’s climate science capacity and research priorities.

Department of Infrastructure, Regional Development and Cities
Programs <ul style="list-style-type: none"> • Program 2.2 – Surface Transport
Contribution to Outcome 2 made by linked programs The Department of Infrastructure, Regional Development and Cities is consulting on a proposal to implement fuel efficiency standards for new light vehicles and other measures to support the uptake of low emissions vehicles. Fuel efficiency standards and increased uptake of low emissions vehicles would contribute to reducing Australia's greenhouse gas emissions by reducing emissions from light vehicles.

Great Barrier Reef Marine Park Authority
Programs <ul style="list-style-type: none"> • Program 1.1 – Improving the outlook for the Great Barrier Reef
Contribution to Outcome 2 made by linked programs Climate Change is the most significant threat to the Great Barrier Reef. The Department of the Environment and Energy is responsible for policy to support an effective global response to climate change and for adapting to climate change.

Budgeted expenses for Outcome 2

This table shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.

Table 2.2.1: Budgeted expenses for Outcome 2

Outcome 2: Reduce Australia's greenhouse gas emissions, adapt to the impacts of climate change, contribute to effective global action on climate change, and support technological innovation in clean and renewable energy, through developing and implementing a national response to climate change.					
	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
Program 2.1: Reducing Australia's Greenhouse Gas Emissions					
Administered expenses					
Ordinary annual services (Appropriation Bill No.1)					
Independent Scientific Committee on Wind Turbines	29	15	-	-	-
Solar Programs	3,649	423	-	-	-
Administered total	3,678	438	-	-	-
Departmental expenses					
Departmental appropriation (a, b)	41,852	40,440	40,411	41,084	40,792
Expenses not requiring appropriation in the Budget year (c)	4,701	4,257	2,012	84	60
Departmental total	46,553	44,697	42,423	41,168	40,852
Total expenses for Program 2.1	50,231	45,135	42,423	41,168	40,852
Program 2.2: Adapting to Climate Change					
Administered expenses					
Ordinary annual services (Appropriation Bill No.1)					
Implementing the Finkel Review	-	1,950	1,950	1,950	-
Administered total	-	1,950	1,950	1,950	-
Departmental expenses					
Departmental appropriation (a)	2,849	2,342	2,309	2,441	2,533
Expenses not requiring appropriation in the Budget year (c)	5	5	5	5	-
Departmental total	2,854	2,347	2,314	2,446	2,533
Total expenses for Program 2.2	2,854	4,297	4,264	4,396	2,533

Table 2.2.1: Budgeted expenses for Outcome 2 (continued)

Outcome 2: Reduce Australia's greenhouse gas emissions, adapt to the impacts of climate change, contribute to effective global action on climate change, and support technological innovation in clean and renewable energy, through developing and implementing a national response to climate change.					
	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
Program 2.3: Renewable Energy Technology Development					
Administered expenses					
Ordinary annual services (Appropriation Bill No.1)	2,073	2,463	2,868	3,006	3,145
Less payments to corporate entities (d)	(2,073)	(2,463)	(2,868)	(3,006)	(3,145)
Special appropriations <i>Australian Renewable Energy Agency Act 2011</i>	245,235	310,943	279,093	153,999	132,474
Less payments to corporate entities (d)	(245,235)	(310,943)	(279,093)	(153,999)	(132,474)
Payments to corporate entities (d)	247,308	313,406	281,961	157,005	135,619
Administered total	247,308	313,406	281,961	157,005	135,619
Departmental expenses					
Departmental appropriation (a)	6,640	5,982	4,016	4,030	4,038
Departmental total	6,640	5,982	4,016	4,030	4,038
Total expenses for Program 2.3	253,948	319,388	285,977	161,035	139,657
Outcome 2 Totals by appropriation type					
Administered expenses					
Ordinary annual services (Appropriation Bill No.1)	3,678	2,388	1,950	1,950	-
Payments to corporate entities (d)	247,308	313,406	281,961	157,005	135,619
Administered total	250,986	315,794	283,911	158,955	135,619
Departmental expenses					
Departmental appropriation (a, b)	51,341	48,764	46,736	47,555	47,363
Expenses not requiring appropriation in the Budget year (c)	4,706	4,262	2,017	89	60
Departmental total	56,047	53,026	48,753	47,644	47,423
Total expenses for Outcome 2	307,033	368,820	332,664	206,599	183,042
Average staffing level (number)					
	2017-18	2018-19			
	285	288			

- (a) Outcome 2 also has a departmental capital budget of \$0.450 million in 2018-19.
- (b) Includes estimated expenses incurred in relation to retained revenue receipts under section 74 of the *Public Governance, Performance and Accountability (PGPA) Act 2013*.
- (c) Expenses not requiring appropriation comprise depreciation expenses, amortisation expenses, audit fees and an approved operating loss.
- (d) Further information on payments to the Australian Renewable Energy Agency corporate entity can be found in the "Third Party Payments" section of Table 1.1: Department of the Environment and Energy Resource Statement.

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.

Table 2.2.2: Performance criteria for Outcome 2

Table 2.2.2 below details the performance criteria for each program associated with Outcome 2. It also summarises how each program is delivered and where 2018-19 Budget measures have created new programs or materially changed existing programs.

Outcome 2 – Reduce Australia’s greenhouse gas emissions, adapt to the impacts of climate change, contribute to effective global action on climate change, and support technological innovation in clean and renewable energy, through developing and implementing a national response to climate change.		
Program 2.1 – Reducing Australia’s Greenhouse Gas Emissions		
The objective of this program is to shape the global response to climate change and achieve Australia’s greenhouse gas emissions reduction targets through effective emissions reduction mechanisms, including the Emissions Reduction Fund, the Safeguard Mechanism, the Carbon Neutral Program and the Renewable Energy Target.		
Delivery	Program 2.1 will be delivered by: <ul style="list-style-type: none">• Implementing the Emissions Reduction Fund, the Safeguard Mechanism and the Carbon Neutral Program.• Encouraging the uptake of additional renewable energy and energy innovation through the Renewable Energy Target and the Solar Communities program and by supporting and collaborating with the Australian Renewable Energy Agency and the Clean Energy Finance Corporation.	
Performance information		
Year	Performance criteria	Targets
2017-18	Australia meets its obligations under international climate change agreements. On track	Australia meets its 2020 emissions reduction target On track
		Electricity generation from eligible large scale sources reaches the legislated target of 33,000 GWh in 2020 while ensuring ongoing reliability and security of our electricity systems. With support from small scale and other renewable energy generation, such as the Small-scale Renewable Energy Scheme and the Solar programs, this delivers 23.5 per cent from renewable sources in 2020. On track
		A doubling of Australian Government expenditure on clean energy research and development on 2015 levels by 2020 consistent with Australia’s Mission Innovation pledge Data/information not available or incomplete—data will be available to enable reporting at the end of the financial year.

Program 2.1 – Reducing Australia’s Greenhouse Gas Emissions		
The objective of this program is to shape the global response to climate change and achieve Australia’s greenhouse gas emissions reduction targets through effective emissions reduction mechanisms, including the Emissions Reduction Fund, the Carbon Neutral Program and the Renewable Energy Target.		
Year	Performance criteria (a)	Targets
2018-19 (b)	Australia meets its commitments under international climate change agreements.	
2019-20 and beyond	As per 2018–19	
Purposes	Develop and implement a national response to climate change	
Material changes to Program 2.1 resulting from the following measures:		
• Measure title – Powering Forward – delivering more affordable, reliable and sustainable energy		

- (a) New or modified performance criteria that reflect new or materially changed programs are shown in *italics*.
- (b) A more comprehensive suite of measures, including targets, are detailed in the Department’s Corporate Plan, and are reported in the Annual Performance Statement included in the Department’s Annual Report.

Program 2.2 – Adapting to Climate Change		
The objective of this program is to provide the guidance, support and information needed to ensure that Australian Government operations and activities are resilient to climate change impacts, and that businesses and communities are better placed to manage their own risks.		
Delivery	Program 2.2 will be delivered by: <ul style="list-style-type: none">Working with Australian Government agencies to improve understanding and consideration of climate risk to Government operations, programs, and policies.Guiding development of public good climate science, and adaptation information and guidance, to improve understanding of climate change impacts, build capacity, and inform decision-making.	
Performance information		
Year	Performance criteria (a)	Targets
2017-18	Data and information generated or commissioned by the Department are used by stakeholders and/or support evidence-based decision-making. On track	
	The Department supports capability development across Government in adapting to and understanding climate risk. On track	
	National coordination, including collaboration with jurisdictions, leading to identification of cross-cutting climate risks and development of future national climate change adaptation priorities and resilience measures. Not on track— State, territory and local governments play a major role in direct management of climate change risks. The Commonwealth participates in coordination activities through an Adaptation Working Group.	

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Program 2.2 – Adapting to Climate Change		
The objective of this program is to provide the guidance, support and information needed to ensure that Australian Government operations and activities are resilient to climate change impacts, and that businesses and communities are better placed to manage their own risks.		
Year	Performance criteria (a)	Targets
2018-19 (b)	<i>The Department helps build capability of the Australian Government and others to understand and adapt to climate change.</i>	
2019-20 and beyond	As per 2018–19	
Purposes	Develop and implement a national response to climate change	
Material changes to Program 2.2 resulting from the following measures:		
<ul style="list-style-type: none">Measure title – Powering Forward – delivering more affordable, reliable and sustainable energy		

- (a) New or modified performance criteria that reflect new or materially changed programs are shown in *italics*.
- (b) A more comprehensive suite of measures, including targets, are detailed in the Department's Corporate Plan, and are reported in the Annual Performance Statement included in the Department's Annual Report.

Program 2.3 – Renewable Energy Technology Development		
The objective of this program is to support the Australian Renewable Energy Agency and the Clean Energy Finance Corporation.		
Delivery	Program 2.3 will be delivered by encouraging the uptake of additional renewable energy and energy innovation by supporting and collaborating with the Australian Renewable Energy Agency and the Clean Energy Finance Corporation.	
Performance information		
Year	Performance criteria	Targets
2017-18	Support ARENA and the CEFC to increase the investment of funds into the Australian economy supporting clean energy technologies, including the number of projects progressing beyond the research and development phase of the innovation chain. <div>On track</div>	
2018-19 (a)	Support ARENA and the CEFC to increase the investment of funds into the Australian economy supporting clean energy technologies, including the number of projects progressing beyond the research and development phase of the innovation chain.	
2019-20 and beyond	As per 2018–19	
Purposes	Develop and implement a national response to climate change	

- (a) A more comprehensive suite of measures, including targets, are detailed in the Department's Corporate Plan, and are reported in the Annual Performance Statement included in the Department's Annual Report.

2.3 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 3

Outcome 3: Advance Australia's strategic, scientific, environmental and economic interests in the Antarctic region by protecting, administering and researching the region.

Linked programs

Australian Research Council
Programs <ul style="list-style-type: none"> • Program 1.2 – Linkage – cross sector research partnerships
Contribution to Outcome 3 made by linked programs <p>The Australian Research Council is responsible for the management of the Special Research Initiative in Excellence in Antarctic Science. The Department of the Environment and Energy is responsible for the Australian Antarctic Program. As these two programs support the Australian Antarctic Science Strategic Plan 2011–12 to 2020–21, the Australian Research Council and the Department will work together to ensure effective delivery of these initiatives.</p>

Bureau of Meteorology
Programs <ul style="list-style-type: none"> • Program 1.1 – Bureau of Meteorology
Contribution to Outcome 3 made by linked programs <p>The Bureau of Meteorology provides meteorological and related services in support of the Australian Antarctic program under a Memorandum of Understanding.</p>

Commonwealth Scientific and Industrial Research Organisation
Programs <ul style="list-style-type: none"> • Program 1.1 – Research - Science, Services and Innovation Fund
Contribution to Outcome 3 made by linked programs <p>The Commonwealth Scientific and Industrial Research Organisation undertakes scientific research and monitoring in the Southern Ocean and at Australia's Antarctic Stations, as part of the Australian Antarctic program.</p>

Department of Defence
Programs <ul style="list-style-type: none">• Program 2.3 – Chief Finance Officer
Contribution to Outcome 3 made by linked programs <p>The Department of Defence provides a range of logistics support services and advice to the Australian Antarctic program, including hydrographic survey and nautical charting services and heavy lift capability to supplement existing flights in the delivery of cargo and contributing to emergency responses in the region.</p>
Department of Foreign Affairs and Trade
Programs <ul style="list-style-type: none">• Program 1.1 – Foreign Affairs and Trade Operations
Contribution to Outcome 3 made by linked programs <p>The Department of Foreign Affairs and Trade leads, in cooperation with the Department of the Environment and Energy, a whole of government approach to Antarctic policy development and international relations, including through the Antarctic Treaty System.</p>
Department of Industry, Innovation and Science
Programs <ul style="list-style-type: none">• Program 2 – Supporting Science and Commercialisation
Contribution to Outcome 3 made by linked programs <p>As part of the Australian Antarctic Program, the Department of the Environment and Energy works with the Department of Industry, Innovation and Science, which administers the Antarctic Science Collaboration Initiative.</p>
Geoscience Australia
Programs <ul style="list-style-type: none">• Program 1.1 – Geoscience Australia
Contribution to Outcome 3 made by linked programs <p>Geoscience Australia undertakes research, mapping and monitoring in the Australian Antarctic Territory, as part of the Australian Antarctic Program.</p>

Budgeted expenses for Outcome 3

This table shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.

Table 2.3.1: Budgeted expenses for Outcome 3

Outcome 3: Advance Australia's strategic, scientific, environmental and economic interests in the Antarctic region by protecting, administering and researching the region.					
	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
Program 3.1: Antarctica: Science, Policy and Presence					
Administered expenses					
Expenses not requiring appropriation in the Budget year (a)	12	12	12	12	12
Administered total	12	12	12	12	12
Departmental expenses					
Departmental appropriation (b, c)	123,555	120,140	130,832	142,495	142,565
Expenses not requiring appropriation in the Budget year (a)	56,028	55,073	50,915	78,566	99,693
Departmental total	179,583	175,213	181,747	221,061	242,258
Total expenses for Program 3.1	179,595	175,225	181,759	221,073	242,270
Outcome 3 Totals by appropriation type					
Administered expenses					
Expenses not requiring appropriation in the Budget year (a)	12	12	12	12	12
Administered total	12	12	12	12	12
Departmental expenses					
Departmental appropriation (b, c)	123,555	120,140	130,832	142,495	142,565
Expenses not requiring appropriation in the Budget year (a)	56,028	55,073	50,915	78,566	99,693
Departmental total	179,583	175,213	181,747	221,061	242,258
Total expenses for Outcome 3	179,595	175,225	181,759	221,073	242,270

	2017-18	2018-19
Average staffing level (number)	378	382

- (a) Expenses not requiring appropriation in the Budget year comprise depreciation expenses, amortisation expenses, audit fees and an approved operating loss.
- (b) Outcome 3 also has a departmental capital budget of \$12.987 million in 2018-19.
- (c) Includes estimated expenses incurred in relation to retained revenue receipts under section 74 of the *Public Governance, Performance and Accountability (PGPA) Act 2013*.

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.

Table 2.3.2: Performance criteria for Outcome 3

Table 2.3.2 below details the performance criteria for each program associated with Outcome 3. It also summarises how each program is delivered and where 2018-19 Budget measures have created new programs or materially changed existing programs.

Outcome 3 – Advance Australia’s strategic, scientific, environmental and economic interests in the Antarctic region by protecting, administering and researching the region.		
Program 3.1 – Antarctica: Science, Policy and Presence		
The objective of this program is to conduct scientific research in Antarctica and the Southern Ocean that supports Australian Government policy and environmental management priorities.		
Delivery	Program 3.1 will be delivered by: <ul style="list-style-type: none">Implementing the <i>Australian Antarctic Strategy</i> and <i>20 Year Action Plan</i>.Delivering the 2018–19 Australian Antarctic Program including high-priority Australian Antarctic scientific research in accordance with the goals of the <i>Australian Antarctic Science Strategic Plan 2011–12 to 2020–21</i>, the safe operation of four permanent Antarctic and sub-Antarctic research stations, one summer only Antarctic station and an associated logistical network.Administering and protecting the Antarctic environment by undertaking practical work of economic and international significance including compliance with all Australian Antarctic environmental legislation.	
Performance information		
Year	Performance criteria	Targets
2017-18	The Antarctic Treaty system remains in force under sound governance and its values are understood and supported. <div>On track</div>	Implementation of the <i>Australian Antarctic Strategy</i> and <i>20 Year Action Plan</i> . <div>On track</div>
	Antarctica and the Southern Ocean are protected, valued and understood. <div>On track</div>	Australian Antarctic Program complies with relevant environmental legislation. <div>On track</div>
	Australia leads Antarctic science and operations in the Australian Antarctic Territory and consolidates Hobart as the premier Antarctic gateway city for east Antarctica. <div>On track</div>	Scientific research conducted in Antarctica and the Southern Ocean is consistent with the Australian Antarctic science strategic plan and internationally recognised. <ul style="list-style-type: none">At least 100 international institutions collaborating in the Australian Antarctic Program including collaborative agreements or logistics with three to four Antarctic programs of other nations.At least 100 scientific publications published in peer reviewed journals. <div>On track</div>

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Program 3.1 – Antarctica: Science, Policy and Presence		
The objective of this program is to conduct scientific research in Antarctica and the Southern Ocean that supports Australian Government policy and environmental management priorities.		
Year	Performance criteria	Targets
2018-19 (a)	Antarctica and the Southern Ocean are protected, valued and understood.	
2019-20 and beyond	As per 2018–19	
Purposes	Advance Australia’s strategic, scientific and environmental interests in the Antarctic	

(a) A more comprehensive suite of measures, including targets, are detailed in the Department’s Corporate Plan, and are reported in the Annual Performance Statement included in the Department’s Annual Report.

2.4 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 4

Outcome 4: Support the reliable, sustainable and secure operations of energy markets through improving Australia's energy efficiency, performance and productivity for the community.

Linked programs

Australian Competition and Consumer Commission
Programs <ul style="list-style-type: none">• Program 1.1 – Australian Competition and Consumer Commission
Contribution to Outcome 4 made by linked programs <p>The Department of the Environment and Energy works with the Australian Energy Regulator by promoting efficient investment in, and efficient operation and use of, energy services for the long term interests of end users of energy with respect to price, quality, safety, reliability and security. This includes through the development of consumer services such as the Australian Government energy comparator website, Energy Made Easy. The Department of the Environment and Energy facilitates the workstreams of the Council of Australian Government Energy Council in developing electricity gas and retail rules which the Australian Energy Regulator is responsible for enforcing.</p>

Australian Renewable Energy Agency
Programs <ul style="list-style-type: none">• Program 1.1 – Australian Renewable Energy Agency
Contribution to Outcome 4 made by linked programs <p>The Australian Renewable Energy Agency's financial assistance for clean energy technologies includes support for projects on energy market security and reliability matters, such as the integration of variable renewable energy into the electricity system and the role of energy storage technologies. The Department of the Environment and Energy works with the Australian Renewable Energy Agency in formulating advice to the Government on these matters.</p>

Clean Energy Finance Corporation
Programs <ul style="list-style-type: none"> • Program 1.1 – Clean Energy Finance Corporation
Contribution to Outcome 4 made by linked programs The Clean Energy Finance Corporation contributes to the reliable, sustainable and secure operations of energy markets by facilitating increased flows of finance into the clean energy sector, including finance for energy efficiency projects. The Department of the Environment and Energy works with the Clean Energy Finance Corporation in formulating advice to the Government on these matters.
Clean Energy Regulator
Programs <ul style="list-style-type: none"> • Program 1.1 – Clean Energy Regulator
Contribution to Outcome 4 made by linked programs The Department of the Environment and Energy has policy responsibility for the Emissions Reduction Fund and its Safeguard Mechanism, the Renewable Energy Target, the National Greenhouse and Energy Reporting Scheme and the Australian National Registry of Emissions Units. The Clean Energy Regulator works collaboratively with the Department as the delivery agency and regulator for these schemes.
Climate Change Authority
Programs <ul style="list-style-type: none"> • Program 1.1 – Reviewing Climate Change Mitigation Policies
Contribution to Outcome 4 made by linked programs The Climate Change Authority supports the Department of the Environment and Energy in reducing Australia's greenhouse gas emissions by providing independent climate change mitigation policy advice to the Government, including in relation to the energy sector.
Department of Foreign Affairs and Trade
Programs <ul style="list-style-type: none"> • Program 1.1 – Foreign Affairs and Trade Operations
Contribution to Outcome 4 made by linked programs Department of Foreign Affairs and Trade provides diplomatic support to the Department of the Environment and Energy on matters relating to compliance with the International Energy Agency treaty.

Department of Home Affairs
Programs <ul style="list-style-type: none">• Program 1.2 – Border Management• Program 1.7 – National Security and Criminal Justice
Contribution to Outcome 4 made by linked programs <p>The Department of the Environment and Energy and the Department of Home Affairs work together to ensure the reliable, sustainable and secure operations of energy markets through the implementation and enforcement of the Australian Domestic Gas Security Mechanism.</p>

Department of Industry, Innovation and Science
Programs <ul style="list-style-type: none">• Program 2 – Growing Business Investment and Improving Business Capability
Contribution to Outcome 4 made by linked programs <p>The Department of Industry, Innovation and Science contributes to the reliable, sustainable and secure operations of domestic energy markets by working with the Department of the Environment and Energy to deliver more sustainable and competitive gas markets, and more gas supply. The Department of the Environment and Energy assists the Department of Industry, Innovation and Science as it implements the Domestic Gas Strategy, the Australian Domestic Gas Security Mechanism and advances low emissions fossil fuels technology, including carbon capture and storage. The Departments report on energy and resources data and administering oil and gas operations in Commonwealth waters. The Departments work collaboratively on international engagement with Australia’s key energy resource markets.</p>

Department of the Treasury
Programs <ul style="list-style-type: none">• Program 1.1 – Consumer Data Right
Contribution to Outcome 4 made by linked programs <p>In response to the Productivity Commission’s Inquiry into Data Availability and Use, the Treasury supports the reliable, sustainable and secure operations of energy markets through the development and implementation of a consumer data right, creating legal and governance frameworks to support consumer access to energy data, which will promote new energy services, competition and innovation.</p>

National Offshore Petroleum Safety and Environmental Management Authority
Programs <ul style="list-style-type: none">• Program 1.1 - Regulatory oversight of Safety Cases, Well Operations Management Plans and Environment Plans coupled with effective monitoring, investigation and enforcement
Contribution to Outcome 4 made by linked programs <p>The National Offshore Petroleum Safety and Environmental Management Authority contributes to the work of the Department of the Environment and Energy through its policies and program relating to the management and administration of Australia's offshore energy resource through the <i>Offshore Petroleum and Greenhouse Gas Storage Act 2006</i>.</p>

Budgeted expenses for Outcome 4

This table shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.

Table 2.4.1: Budgeted expenses for Outcome 4

Outcome 4: Support the reliable, sustainable and secure operations of energy markets through improving Australia's energy efficiency, performance and productivity for the community.					
	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
Program 4.1: Energy					
Administered expenses					
Ordinary annual services (Appropriation Bill No.1)					
Energy Efficiency Programs	620	620	620	620	620
GEMS National Legislative Framework	5,832	5,832	5,832	5,832	5,832
International Energy Agency Compliance - Collective Action Response	-	7,192	7,318	-	-
Energy Use Data Model for Better Forecasting	-	2,500	2,500	2,500	2,500
Energy for the Future Campaign	9,325	130	80	-	-
Audit of Existing Thermal Generation and Upgrade Potential	700	-	-	-	-
Administered total	16,477	16,274	16,350	8,952	8,952
Departmental expenses					
Departmental appropriation (a)	67,530	56,823	53,367	48,385	44,070
Special account					
Energy Special Account 2015	13,516	3,541	4,306	73	-
Expenses not requiring appropriation in the Budget year (b)	87	79	79	79	77
Departmental total	81,133	60,443	57,752	48,537	44,147
Total expenses for Program 4.1	97,610	76,717	74,102	57,489	53,099
Outcome 4 Totals by appropriation type					
Administered expenses					
Ordinary annual services (Appropriation Bill No.1)	16,477	16,274	16,350	8,952	8,952
Administered total	16,477	16,274	16,350	8,952	8,952
Departmental expenses					
Departmental appropriation (a)	67,530	56,823	53,367	48,385	44,070
Special account	13,516	3,541	4,306	73	-
Expenses not requiring appropriation in the Budget year (b)	87	79	79	79	77
Departmental total	81,133	60,443	57,752	48,537	44,147
Total expenses for Outcome 4	97,610	76,717	74,102	57,489	53,099

	2017-18	2018-19
Average staffing level (number)	226	242

(a) Includes estimated expenses incurred in relation to retained revenue receipts under section 74 of the *Public Governance, Performance and Accountability (PGPA) Act 2013*.

(b) Expenses not requiring appropriation in the Budget year comprise depreciation expenses, amortisation expenses and audit fees.

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.

Table 2.4.2: Performance criteria for Outcome 4

Table 2.4.2 below details the performance criteria for each program associated with Outcome 4. It also summarises how each program is delivered and where 2018-19 Budget measures have created new programs or materially changed existing programs.

Outcome 4 – Support the reliable, sustainable and secure operations of energy markets through improving Australia’s energy efficiency, performance and productivity for the community.		
Program 4.1 – Energy The objective of this program is to: (a) lead energy market reform to support investment and market outcomes in the long term interests of consumers (consistent with our Paris Agreement commitments) through a national approach to the integration of renewable energy and technology into the National Electricity Market, improving the governance of energy markets, implementing the Gas Market Reform Package and delivering on the Government’s response to Chief Scientist’s <i>Independent review into the future security of the National Electricity Market</i> (Finkel review); (b) increase national energy productivity and energy efficiency performance; and (c) support the security of domestic and international supply chains for electricity, gas and liquid fuel.		
Delivery	Program 4.1 will be delivered by: <ul style="list-style-type: none">• Delivering national energy market reforms, including the National Energy Guarantee, for the long term interests of consumers by working with states and territories through the COAG Energy Council's national reform agenda.• Accelerating development of a wholesale gas market that provides improved signals for investment and supply, while ensuring efficient transportation of gas supply.• Implementing reforms to retail markets to make energy more affordable.• Implementing the National <i>Energy Productivity Plan 2015–2030</i>.• Administering regulatory responsibilities under the <i>Greenhouse and Energy Minimum Standards Act 2012</i>, the <i>Building Energy Efficiency Disclosure Act 2010</i> and the Nationwide House Energy Rating Scheme.• Analysing Australia’s electricity, gas and liquid fuels systems and critical infrastructure to identify, monitor and inform responses to domestic energy security challenges.• Supporting bilateral and multilateral arrangements that deliver collaboration to address shared energy interests.• Developing a robust mandatory reporting regime for petroleum statistics that minimises the regulatory burden on industry.• Implementing Australia’s plan to return to compliance with our International Energy Agency oil stockholding obligations.	
Performance information		
Year	Performance criteria (a)	Targets
2017-18	Well-functioning energy markets and a robust governance structure that provides efficient price and investment signals and reliable and secure supply to consumers. On track	Implement energy market reforms. On track

Program 4.1 – Energy The objective of this program is to: (a) lead energy market reform to support investment and market outcomes in the long term interests of consumers (consistent with our Paris agreement commitments) through a national approach to the integration of renewable energy and technology into the National Electricity Market, improving the governance of energy markets, implementing the Gas Market Reform Package and delivering on the Government's response to Chief Scientist's <i>Independent review into the future security of the National Electricity Market</i> (Finkel review); (b) increase national energy productivity and energy efficiency performance; and (c) support the security of domestic and international supply chains for electricity, gas and liquid fuel.		
Year	Performance criteria (a)	Targets
		Implement gas market reforms. On track
		Implement governance reforms. On track
	Improve national energy productivity and energy efficiency performance. On track	Increase energy productivity by 40 per cent by 2030 from 2015 level. On track
		Implement the <i>Building Energy Efficiency Disclosure Act 2010</i> to create a more informed commercial property market and demonstrate improvements in energy efficiency of commercial buildings. On track
		Implement the Minimum Energy Performance Standards and Energy Rating Labelling requirements under the <i>Greenhouse and Energy Minimum Standards Act 2012</i> to improve the energy efficiency of appliances and equipment sold in Australia. On track
	Data and information generated or commissioned by the Department are used by stakeholders and/or support evidence based decision-making. On track	
	Timely, comprehensive and accurate analysis is provided that informs government decisions in relation to energy security. On track	Implement the annual work programs of the National Gas Emergency Response Advisory Committee and the National Oil Supplies Emergency Committee, and represent the Commonwealth in the National Electricity Market Emergency Management Forum. On track

Program 4.1 – Energy		
The objective of this program is to: (a) lead energy market reform to support investment and market outcomes in the long term interests of consumers (consistent with our Paris agreement commitments) through a national approach to the integration of renewable energy and technology into the National Electricity Market, improving the governance of energy markets, implementing the Gas Market Reform Package and delivering on the Government’s response to Chief Scientist’s <i>Independent review into the future security of the National Electricity Market</i> (Finkel review); (b) increase national energy productivity and energy efficiency performance; and (c) support the security of domestic and international supply chains for electricity, gas and liquid fuel.		
Year	Performance criteria (a)	Targets
	Australia progresses towards compliance with its International Energy Agency stockholding obligation. On track	Procurement framework for oil stock tickets developed for Australia to participate in an International Energy Agency collective action. On track
		Mandatory reporting of statistics on petroleum and other fuels to commence in January 2018. Achieved
		Influence the reform and modernisation agenda of the International Energy Agency. On track
2018-19 (b)	<i>Improved national energy productivity and energy efficiency performance.</i>	
	<i>National energy market reforms support the long-term interests of consumers, including affordable, reliable and secure supply in gas and electricity markets.</i>	
	<i>Timely, comprehensive and accurate analysis is provided that informs government decisions in relation to energy security.</i>	
	Australia progresses towards compliance with its International Energy Agency stockholding obligation.	
	<i>Robust and transparent governance arrangements for Snowy Hydro Limited in place.</i>	
2019-20 and beyond	As per 2018-19	
Purposes	Support the reliable, affordable, sustainable and secure operations of energy markets	
Material changes to Program 4.1 resulting from the following measures:		
<ul style="list-style-type: none">Measure title – Powering Forward - delivering more affordable, reliable and sustainable energyMeasure title – Snowy Hydro Acquisition		

(a) New or modified performance criteria that reflect new or materially changed programs are shown in italics.

(b) A more comprehensive suite of measures, including targets, are detailed in the Department's Corporate Plan, and are reported in the Annual Performance Statement included in the Department's Annual Report.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2018-19 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

Departmental

The Agency Resource Statement (Table 1.1) is prepared on a cash basis and provides a consolidated view of all the cash resources available to the Department of the Environment and Energy in 2018-19. For departmental items this includes equity injections and appropriation receivable that is yet to be drawn down to cover payables and provisions on the Departmental Balance Sheet (Table 3.2). The Comprehensive Income Statement (Table 3.1) shows only the operating appropriation provided each year and excludes the appropriation shown in the Departmental Capital Budget statement (Table 3.5).

Administered

The resourcing provided to the Clean Energy Finance Corporation (CEFC) Special Account in Table 1.1 is accounted for as equity funding and there is no impact on the Schedule of Budgeted Income and Expenses Administered on Behalf of Government (Table 3.7). The draw downs from the Special Account result in a corresponding increase to Administered Investments in the Schedule of Budgeted Assets and Liabilities Administered on Behalf of Government (Table 3.8).

3.1.2 Explanatory notes and analysis of budgeted financial statements

Departmental

Comprehensive Income Statement

The Revenue from Government estimate for 2018-19 of \$388.7 million includes \$16.6 million in funding for the new measures outlined in Table 1.2, and \$28.7 million across the forward estimates period. The reclassification of funding provided to the Director of National Parks as an Administered item from 2018-19, decreases both Revenue from Government and expenses by \$182 million over 4 years. This funding is now appropriated as a Payment to Commonwealth Corporate entity in the Administered statements.

In relation to expenses the new funding is predominately directed towards suppliers' expenditure with a modest increase in ASL and employee benefits expenditure. Overall total expenses continue to exceed total revenues in each period and the department has approval to budget for an operating loss in 2018-19 and the forward estimates period. Expenses not requiring appropriation are a significant component of

the loss and result from maintaining a make-good provision for the Antarctic. The expenditure of prior year appropriation provided by the Department of Foreign Affairs and Trade also contribute to the loss in 2018-19 and 2019-20.

Budgeted Departmental Balance Sheet

The Department's balance sheet improves in 2018-19 and 2019-20, due to funding received for the construction of new infrastructure assets such as the:

- New icebreaker and essential associated infrastructure to support Antarctic operations (being built over 5 years with a total projected cost of \$529.1 million).
- Research station on Macquarie Island (constructed over 10 years with a total cost of \$48.5 million).

Administered

Schedule of Budgeted Income and Expenses Administered on Behalf of Government

Administered expenses include direct program costs, grants and payments to Commonwealth corporate entities. The program expense tables in section 2 (2.1.1 to 2.4.1) provide a breakdown of total Administered expenses by sub-program and any changes to the expense profile through a movement of funds. The expense result also includes:

- A re-profiling of Special Appropriation payments to the Australian Renewable Energy Agency from 2017-18 to 2018-19 and the two forward years, due to fluctuations in the timing of grant payments.
- The reclassification of payments to the Director of National Parks from Departmental to Administered expenditure totalling \$182.0 million. This change is consistent with payment arrangements applying to all other Commonwealth Corporate entities.

Administered Revenue is primarily comprised of dividends and other gains. The dividends are from the wholly owned Commonwealth company Snowy Hydro Limited and are currently estimated to total \$1.096 billion over the next 4 years. The other gains total \$1.360 billion and represent a non-cash revenue item for water entitlements transferred to the Environmental Water Holder from the Department of Agriculture and Water Resources.

Schedule of Budgeted Assets and Liabilities Administered on Behalf of Government

The budgeted administered net assets position increases from \$15.8 billion in 2017-18 (at Portfolio Additional Estimates) to \$23.2 billion in 2021-22. The increase is primarily attributable to:

- The recognition of Snowy Hydro limited as a wholly owned Commonwealth company.

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- The drawdown of CEFC Special Account funds, which are invested in CEFC for the purpose of making new loans and equity investments in the renewable energy sector.
- The recognition of water entitlements transferred from the Department of Agriculture and Water Resources.

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
EXPENSES					
Employee benefits	229,723	230,888	232,687	243,792	243,747
Suppliers	231,903	195,647	202,711	192,394	176,034
Grants	8,681	1,100	1,050	1,050	1,050
Payments to the Director of National Parks	46,548	-	-	-	-
Depreciation and amortisation	49,205	50,440	45,750	72,488	93,650
Finance costs	17,100	17,100	17,100	17,100	17,100
Other expenses	1,856	400	400	400	400
Total expenses	585,016	495,575	499,698	527,224	531,981
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	44,197	34,566	34,517	34,517	24,242
Other revenue	6,386	687	687	687	668
Total own-source income	50,583	35,253	35,204	35,204	24,910
Net cost of/(contribution by) services	534,433	460,322	464,494	492,020	507,071
Revenue from Government	454,398	388,662	399,739	402,431	396,212
Surplus/(deficit) attributable to the Australian Government	(80,035)	(71,660)	(64,755)	(89,589)	(110,859)
Total comprehensive income/(loss) attributable to the Australian Government	(80,035)	(71,660)	(64,755)	(89,589)	(110,859)

Note: Impact of net cash appropriation arrangements

	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue	(30,830)	(21,220)	(19,005)	(17,101)	(17,209)
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	49,205	50,440	45,750	72,488	93,650
Total comprehensive income/(loss) - as per the statement of comprehensive income	(80,035)	(71,660)	(64,755)	(89,589)	(110,859)

Prepared on Australian Accounting Standards basis.

(a) From 2010-11, the Government introduced net cash appropriation arrangements where Appropriation Bill (No.1) revenue appropriations for the depreciation and amortisation expenses of non-corporate Commonwealth entities were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Appropriation Bill (No.1). For information regarding Departmental Capital Budgets, please refer to Table 3.5 Departmental Capital Budget Statement.

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	9,343	9,343	9,343	9,343	9,343
Trade and other receivables	170,585	58,665	56,760	56,759	56,650
Total financial assets	179,928	68,008	66,103	66,102	65,993
Non-financial assets					
Buildings	234,876	232,969	231,601	227,060	215,061
Property, plant and equipment	344,124	514,407	607,442	577,227	522,649
Intangibles	23,061	22,772	24,178	25,940	28,191
Inventories	8,899	8,899	8,899	8,899	8,899
Prepayments	5,906	5,906	5,906	5,906	5,906
Total non-financial assets	616,866	784,953	878,026	845,032	780,706
Total assets	796,794	852,961	944,129	911,134	846,699
LIABILITIES					
Payables					
Suppliers	11,371	11,371	11,371	11,371	11,371
Grants	20	20	20	20	20
Other payables	7,810	7,810	7,810	7,810	7,810
Total payables	19,201	19,201	19,201	19,201	19,201
Provisions					
Employee provisions	70,215	70,215	70,215	70,215	70,215
Antarctic make good provisions (a)	543,074	560,174	577,274	594,374	611,474
Other provisions	8,394	8,394	8,394	8,394	8,394
Total provisions	621,683	638,783	655,883	672,983	690,083
Total liabilities	640,884	657,984	675,084	692,184	709,284
Net assets	155,910	194,977	269,045	218,950	137,415
EQUITY (b)					
Parent entity interest					
Contributed equity	625,354	736,081	874,904	914,398	943,722
Reserves	315,448	315,448	315,448	315,448	315,448
Accumulated deficit	(784,892)	(856,552)	(921,307)	(1,010,896)	(1,121,755)
Total parent entity interest	155,910	194,977	269,045	218,950	137,415
Total equity	155,910	194,977	269,045	218,950	137,415

Prepared on Australian Accounting Standards basis.

- (a) The Department has a "make good" obligation for the removal and site restoration of buildings and infrastructure located in Antarctica and on sub-Antarctic Macquarie Island; and remediation of past waste disposal sites and areas of ground contamination in Antarctica for which Australia is responsible. These make good provisions are calculated using a net present value methodology. This requires that each year the provision increases by the value of unwinding a discount on the future value of the provisions. This increase results in liabilities that are not covered by assets for the Department. Funding will not be provided to the Department until such time as payments are required to be made, which is beyond the forward estimates.
- (b) Equity is the residual interest in assets after the deduction of liabilities.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2018-19)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2018				
Balance carried forward from previous period	(784,892)	315,448	625,354	155,910
Adjusted opening balance	(784,892)	315,448	625,354	155,910
Comprehensive income				
Deficit for the period	(71,660)	-	-	(71,660)
Total comprehensive income	(71,660)	-	-	(71,660)
of which:				
Attributable to the Australian Government	(71,660)	-	-	(71,660)
Transactions with owners				
Contributions by owners				
Equity Injection - Appropriations	-	-	86,249	86,249
Departmental Capital Budget	-	-	24,478	24,478
Sub-total transactions with owners	-	-	110,727	110,727
Estimated closing balance as at 30 June 2019	(856,552)	315,448	736,081	194,997
Closing balance attributable to the Australian Government	(856,552)	315,448	736,081	194,997

Prepared on Australian Accounting Standards basis.

Department of the Environment and Energy Budget Statements

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	464,307	392,782	401,644	402,432	396,321
Sale of goods and rendering of services	44,197	34,566	34,517	34,517	24,242
Other	5,630	-	-	-	-
Total cash received	514,134	427,348	436,161	436,949	420,563
Cash used					
Employees	229,723	230,888	232,687	243,792	243,747
Suppliers	231,147	194,960	202,024	191,707	175,366
Grants	8,681	1,100	1,050	1,050	1,050
Payments to Director of National Parks	46,548	-	-	-	-
Other	1,856	400	400	400	400
Total cash used	517,955	427,348	436,161	436,949	420,563
Net cash used by operating activities	(3,821)	-	-	-	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	134,757	218,527	138,823	39,494	29,324
Total cash used	134,757	218,527	138,823	39,494	29,324
Net cash used by investing activities	(134,757)	(218,527)	(138,823)	(39,494)	(29,324)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	106,321	194,049	114,263	14,735	4,396
Departmental capital budget	26,514	24,478	24,560	24,759	24,928
Total cash received	132,835	218,527	138,823	39,494	29,324
Net cash from financing activities	132,835	218,527	138,823	39,494	29,324
Net increase/(decrease) in cash held	(5,743)	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	15,086	9,343	9,343	9,343	9,343
Cash and cash equivalents at the end of the reporting period	9,343	9,343	9,343	9,343	9,343

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Departmental Capital Budget - Bill No. 1	24,592	24,478	24,560	24,759	24,928
Equity injections - Bill No. 2	146,656	86,249	114,263	14,735	4,396
Total new capital appropriations	171,248	110,727	138,823	39,494	29,324
Provided for:					
Purchase of non-financial assets	171,248	110,727	138,823	39,494	29,324
Total Items	171,248	110,727	138,823	39,494	29,324
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations (a, b)	108,243	194,049	114,263	14,735	4,396
Funded by capital appropriations-DCB (c)	26,514	24,478	24,560	24,759	24,928
TOTAL	134,757	218,527	138,823	39,494	29,324
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	134,757	218,527	138,823	39,494	29,324
Total cash required to acquire asset	134,757	218,527	138,823	39,494	29,324

Prepared on Australian Accounting Standards basis.

- (a) Includes both current Appropriation Bill (No. 2) and prior Appropriations Act (No. 2/4/6) appropriations.
- (b) Assets funded by capital appropriations in 2017-18 and 2018-19 include expenditure re-profiled for the new Icebreaker through the movement of funds process.
- (c) Includes purchases funded by current and previous years' Departmental Capital Budgets.

Table 3.6: Statement of departmental asset movements (Budget year 2018-19)

	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2018				
Gross book value	333,783	407,465	89,747	830,995
Accumulated depreciation/amortisation and impairment	(98,907)	(63,341)	(66,686)	(228,934)
Opening net book balance	234,876	344,124	23,061	602,061
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity (a)	13,455	72,494	300	86,249
By purchase - non operating (b)	-	107,800	-	107,800
By purchase - appropriation ordinary annual services (c)	9,440	5,763	9,275	24,478
Total additions	22,895	186,057	9,575	218,527
Other movements				
Depreciation/amortisation expense	(24,802)	(15,774)	(9,864)	(50,440)
Total other movements	(24,802)	(15,774)	(9,864)	(50,440)
As at 30 June 2019				
Gross book value	356,678	593,522	99,322	1,049,522
Accumulated depreciation/amortisation and impairment	(123,709)	(79,115)	(76,550)	(279,374)
Closing net book balance	232,969	514,407	22,772	770,148

Prepared on Australian Accounting Standards basis.

- (a) "Appropriation equity" refers to equity injections provided through Appropriation Bill (No. 2) 2018-19.
- (b) Includes approved movements of capital expenses for the acquisition of a new Antarctic Icebreaker.
- (c) "Appropriation ordinary annual services" refers to funding provided through Appropriation Bill (No. 1) 2018-19 for depreciation/amortisation expenses, Departmental Capital Budgets or other operational expenses.

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
EXPENSES					
Suppliers	174,572	157,046	104,135	71,551	70,564
Grants	715,187	261,618	238,908	210,850	206,887
Depreciation and amortisation	12	12	12	12	12
Payments to corporate entities	247,308	360,840	327,799	201,236	180,118
Other expenses	1,308	1,284	-	-	-
Total expenses administered on behalf of Government	1,138,387	780,800	670,854	483,649	457,581
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Taxation revenue					
Other taxes	171	171	171	171	171
Total taxation revenue	171	171	171	171	171
Non-taxation revenue					
Sale of goods and rendering of services	2,878	-	-	-	-
Fees and fines	20,345	23,411	24,105	24,439	24,473
Interest - state and territory government loans	14	2	-	-	-
Dividends	34,450	176,450	285,000	325,000	310,000
Other revenue	6,403	3,870	6,910	419	4,264
Total non-taxation revenue	64,090	203,733	316,015	349,858	338,737
Total own-source revenue administered on behalf of Government	64,261	203,904	316,186	350,029	338,908
Gains					
Other gains	438,007	735,152	250,000	235,000	140,000
Total gains administered on behalf of Government	438,007	735,152	250,000	235,000	140,000
Total own-sourced income administered on behalf of Government	502,268	939,056	566,186	585,029	478,908
Net cost of/(contribution by) services	636,119	(158,256)	104,668	(101,380)	(21,327)
Surplus/(deficit) after income tax	(636,119)	158,256	(104,668)	101,380	21,327
Total comprehensive income/(loss) attributable to the Australian Government	(636,119)	158,256	(104,668)	101,380	21,327

Prepared on Australian Accounting Standards basis.

Department of the Environment and Energy Budget Statements

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	6,435,828	5,884,847	5,261,874	4,906,764	5,155,509
Trade and other receivables	103,333	4,723	4,723	4,723	4,723
Other investments	11,850,310	12,380,491	13,000,846	13,350,846	13,100,846
Total financial assets	18,389,471	18,270,061	18,267,443	18,262,333	18,261,078
Non-financial assets					
Heritage and cultural assets	1,012	1,000	988	976	964
Water assets	3,587,499	4,322,651	4,572,651	4,807,651	4,947,651
Computer software	2	2	2	2	2
Inventories	11,820	11,820	11,820	11,820	11,820
Total non-financial assets	3,600,333	4,335,473	4,585,461	4,820,449	4,960,437
Total assets administered on behalf of Government	21,989,804	22,605,534	22,852,904	23,082,782	23,221,515
LIABILITIES					
Payables					
Suppliers	5,791	5,791	5,791	5,791	5,791
Grants	1,597	1,597	1,597	1,597	1,597
Other	218	218	218	218	218
Total payables	7,606	7,606	7,606	7,606	7,606
Total liabilities administered on behalf of Government	7,606	7,606	7,606	7,606	7,606
Net assets	21,982,198	22,597,928	22,845,298	23,075,176	23,213,909

Prepared on Australian Accounting Standards basis.

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Sales of goods and rendering of services	2,878	-	-	-	-
Interest	14	2	-	-	-
Taxes	171	171	171	171	171
Dividends	34,450	176,450	285,000	325,000	310,000
Fees and fines	20,345	23,411	24,105	24,439	24,473
Other	6,403	3,870	6,910	419	4,264
Total cash received	64,261	203,904	316,186	350,029	338,908
Cash used					
Suppliers	174,572	157,046	104,135	71,551	70,564
Grants	716,495	262,902	238,908	210,850	206,887
Payments to corporate entities	247,308	360,840	327,799	201,236	180,118
Total cash used	1,138,375	780,788	670,842	483,637	457,569
Net cash from/(used by) operating activities	(1,074,114)	(576,884)	(354,656)	(133,608)	(118,661)
INVESTING ACTIVITIES					
Cash received					
Repayments of advances and loans	168	60	-	-	-
Other	-	98,550	-	-	-
Total cash received	168	98,610	-	-	-
Cash used					
Corporate entity investments	8,113,926	530,181	620,355	350,000	(250,000)
Total cash used	8,113,926	530,181	620,355	350,000	(250,000)
Net cash from/(used by) investing activities	(8,113,758)	(431,571)	(620,355)	(350,000)	250,000
FINANCING ACTIVITIES					
Cash received					
Other	6,113,939	-	-	-	-
Total cash received	6,113,939	-	-	-	-
Net cash from/(used by) financing activities	6,113,939	-	-	-	-
Net increase/(decrease) in cash held	(3,073,933)	(1,008,455)	(975,011)	(483,608)	131,339
Cash and cash equivalents at beginning of reporting period	6,458,460	6,435,828	5,884,847	5,261,874	4,906,764
Cash from Official Public Account for:					
- Appropriations	3,095,244	744,901	649,968	466,728	440,636
Total cash from Official Public Account	3,095,244	744,901	649,968	466,728	440,636
Cash to Official Public Account for:					
- Appropriations	(43,943)	(287,427)	(297,930)	(338,230)	(323,230)
Total cash to Official Public Account	(43,943)	(287,427)	(297,930)	(338,230)	(323,230)
Cash and cash equivalents at end of reporting period	6,435,828	5,884,847	5,261,874	4,906,764	5,155,509

Prepared on Australian Accounting Standards basis.

Table 3.10: Administered capital budget statement (for the period ended 30 June)

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Administered Assets and Liabilities - Bill No. 2 (a)	6,113,550	-	-	-	-
Total new capital appropriations	6,113,550	-	-	-	-
Provided for:					
Other Items	6,113,550	-	-	-	-
Total Items	6,113,550	-	-	-	-

Prepared on Australian Accounting Standards basis.

(a) The Commonwealth Government acquired full ownership of Snowy Hydro Limited in 2017-18. The agreed purchase price was funded from a capital appropriation and interim dividends payable from Snowy Hydro Limited in respect of their profits for the half year period to 31 December 2017.

Table 3.11: Statement of administered assets movements (Budget year 2018-19)

	Heritage and cultural assets \$'000	Water assets \$'000	Computer software \$'000	Total \$'000
As at 1 July 2018				
Gross book value	1,060	3,641,144	2,799	3,645,003
Accumulated depreciation, amortisation and impairment	(48)	(53,645)	(2,797)	(56,490)
Opening net book balance	1,012	3,587,499	2	3,588,513
CAPITAL ASSET ADDITIONS				
Other movements				
Assets received free of charge (a)	-	735,152	-	735,152
Depreciation/amortisation expense	(12)	-	-	(12)
Total other movements	(12)	735,152	-	735,140
As at 30 June 2019				
Gross book value	1,060	4,376,296	2,799	4,380,155
Accumulated depreciation, amortisation and impairment	(60)	(53,645)	(2,797)	(56,502)
Closing net book balance	1,000	4,322,651	2	4,323,653

Prepared on Australian Accounting Standards basis.

(a) Water assets received from the Department of Agriculture and Water Resources.

AUSTRALIAN RENEWABLE ENERGY AGENCY

ENTITY RESOURCES AND PLANNED PERFORMANCE

AUSTRALIAN RENEWABLE ENERGY AGENCY

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AUSTRALIAN RENEWABLE ENERGY AGENCY

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Australian Renewable Energy Agency is a Corporate Commonwealth Entity under the *Public Governance, Performance and Accountability Act 2013* and administers Government financial assistance for renewable energy and related technologies in line with the *Australian Renewable Energy Agency Act 2011*.

The Australian Renewable Energy Agency objectives are to improve the competitiveness of renewable energy technologies and increase the supply of renewable energy in Australia. Through this, the Agency provides options to meet future emission reduction targets at lower cost.

The Australian Renewable Energy Agency's functions include providing financial assistance for:

- the research, development, demonstration, deployment and commercialisation of renewable energy and related technologies
- the storage and sharing of knowledge and information about renewable energy technologies.

The Australian Renewable Energy Agency also collects, analyses, interprets and disseminates information and knowledge relating to renewable energy and related technologies and provides advice to the Minister for the Environment and Energy about these technologies and the renewable energy industry.

The Australian Renewable Energy Agency, with the Clean Energy Finance Corporation, jointly manage the Clean Energy Innovation Fund.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the entity for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the entity's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: Australian Renewable Energy Agency resource statement — Budget estimates for 2018-19 as at Budget May 2018

	2017-18 <i>estimated actual</i> \$'000	2018-19 estimate \$'000
Opening balance/cash reserves at 1 July	55,738	60,805
Funds from Government		
Amounts received from related entities		
Amounts from Portfolio Department (a)	247,308	313,406
<i>Total amounts received from related entities</i>	247,308	313,406
Total funds from Government	247,308	313,406
Funds from other sources		
Interest	2,163	2,200
Total funds from other sources	2,163	2,200
Total net resourcing for Australian Renewable Energy Agency	305,209	376,411
<hr/>		
Average staffing level (number) (b)	2	2
<hr/>		
Available appropriations according to the ARENA Act	367,308	357,759
<i>Less: estimated actual expenses</i>	(247,308)	(313,406)
Available appropriations carried forward (c)	120,000	44,353

Prepared on a resourcing (i.e. appropriations available) basis.

Please note: All figures shown above are GST exclusive - these may not match figures in the cash flow statement.

- (a) Funding provided by the portfolio department that is not specified within the Annual Appropriation Bills as a payment to that corporate entity (for example, a grant awarded to a corporate entity from one of its portfolio department's administered programs).
- (b) The Agency only has two employees, the CEO and CFO. Under section 62 of the *Australian Renewable Energy Agency Act 2011* all other staff necessary to assist the Agency must be persons employed under the *Public Services Act 1999* who are employed by the Department and made available to the Agency by the Secretary of the Department.
- (c) Funding provided by the Portfolio Department reflects the Agency's Special Appropriation under section 64 of the *Australian Renewable Energy Agency Act 2011*.

1.3 BUDGET MEASURES

There are no 2018-19 Budget measures relating to the Australian Renewable Energy Agency.

Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide an entity's complete performance story.

The most recent corporate plan and annual performance statement for the Australian Renewable Energy Agency can be found at:
<https://arena.gov.au/about/publications/>

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Support improvements in the competitiveness of renewable energy and related technologies and the supply of renewable energy by administering financial assistance, developing analysis and advice about, and sharing information and knowledge with regard to, renewable energy and related technologies.

Linked programs

Clean Energy Finance Corporation
<ul style="list-style-type: none">• Program 1.1 – Clean Energy Finance Corporation
<p>Contribution to Outcome 1 made by linked programs</p> <p>The Clean Energy Innovation Fund is jointly managed by the Agency and the Clean Energy Finance Corporation, drawing on their complementary experience and expertise. The Clean Energy Innovation Fund has up to \$200 million available for debt and equity investments in emerging clean energy projects and businesses, that should allow projects at the later end of the innovation chain to deliver a financial return to taxpayers, in addition to the public good return of improving competitiveness of renewable energy and related technologies.</p>

Department of the Environment and Energy
<ul style="list-style-type: none">• Program 2.1 – Reducing Australia’s Greenhouse Gas Emissions• Program 2.3 – Renewable Energy Technology Development
<p>Contribution to Outcome 1 made by linked programs</p> <p>The Australian Renewable Energy Agency contributes to implementing policies for the research, development, demonstration, deployment and commercialisation of clean energy technologies. These policies are developed by the Department of the Environment and Energy.</p>

Budgeted expenses for Outcome 1

This table shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.

Table 2.1.1: Budgeted expenses for Outcome 1

Outcome 1: Support improvements in the competitiveness of renewable energy and related technologies and the supply of renewable energy by administering financial assistance, developing analysis and advice about, and sharing information and knowledge with regard to, renewable energy and related technologies.					
	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
Program 1.1: Australian Renewable Energy Agency					
Revenue from Government					
Payment from related entities	239,704	313,083	282,709	216,002	127,574
Expenses not requiring appropriation in the budget year	518	998	917	917	917
Revenues from other independent sources	2,163	2,200	2,250	2,300	200
Total expenses for Program 1.1	242,385	316,281	285,876	219,219	128,691
Outcome 1 totals by resource type					
Revenue from Government					
Payment from related entities	239,704	313,083	282,709	216,002	127,574
Expenses not requiring appropriation in the budget year	518	998	917	917	917
Revenues from other independent sources	2,163	2,200	2,250	2,300	200
Total expenses for Outcome 1	242,385	316,281	285,876	219,219	128,691
	2017-18	2018-19			
Average staffing level (number) (a)	2	2			

(a) The Department provides staff resources to the Agency free of charge under section 62 of the *Australian Renewable Energy Agency Act 2011*. This table does not include these staff resources. Budgeted expenses for staff made available to the Agency by the Secretary of the Department are included in Program 2.3 of the Department.

Table 2.1.2: Performance criteria for Outcome 1

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2018-19 Budget measures have created new programs or materially changed existing programs.

Outcome 1 – Support improvements in the competitiveness of renewable energy and related technologies and the supply of renewable energy by administering financial assistance, developing analysis and advice about, and sharing information and knowledge with regard to, renewable energy and related technologies.		
Program 1.1 – Australian Renewable Energy Agency – to provide funding for research, development and pre-commercial deployment projects that have the potential to lead to the commercialisation of new renewable energy products or services; and to build and support networks, and share the knowledge, insights and data from our funded projects to help participants in Australia’s energy market learn from each other’s experiences.		
Delivery	<p>To deliver this outcome, the Agency:</p> <ul style="list-style-type: none">• Provides financial assistance for the research, development, demonstration, deployment and commercialisation of renewable energy and related technologies• Provides financial assistance for, and undertakes, the collection, storage, analysis and sharing of knowledge and information about renewable energy and related technologies• Provides advice to the Minister for the Environment and Energy about renewable energy and related technologies and the renewable energy industry• Jointly administers the Clean Energy Innovation Fund with the Clean Energy Finance Corporation <p>The Agency’s financial assistance goes primarily to activities that are expected to advance renewable energy technologies towards commercial readiness, improve business models, or reduce overall industry costs. Organisations developing, testing or deploying innovative renewable energy solutions are the immediate beneficiaries of much of the Agency’s activity. In the long term it is Australian energy users who will benefit from the availability of more competitive renewable energy.</p>	
Performance information		
Year	Performance criteria	Targets
2017-18	Strategic Investment: Provide financial assistance to new projects in accordance with the principles and priorities outlined in the Agency’s General Funding Strategy and Investment Plan.	Target: Provide financial assistance to one or more new projects in each of the Agency’s priority areas. Forecast: On Track
	Strong Project Assessment, Negotiation Delivery and Knowledge Sharing: Effectively manage projects in accordance with agreement terms to deliver intended outcomes, learn and improve.	Target: Significant project outcomes and lessons learned disseminated. Forecast: On Track
2018-19	Strategic Investment: Provide financial assistance to new projects in accordance with the principles and priorities outlined in the Agency’s General Funding Strategy and Investment Plan.	Provide financial assistance to one or more new projects in each of the Agency’s priority areas.

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Program 1.1 – Australian Renewable Energy Agency – to provide funding for research, development and pre-commercial deployment projects that have the potential to lead to the commercialisation of new renewable energy products or services; and to build and support networks, and share the knowledge, insights and data from our funded projects to help participants in Australia's energy market learn from each other's experiences.		
Year	Performance criteria	Targets
	Strong Project Assessment, Negotiation Delivery and Knowledge Sharing: Effectively manage projects in accordance with agreement terms to deliver intended outcomes, learn and improve.	Significant project outcomes and lessons learned disseminated.
2019-20 and beyond	As for 2018-19	As for 2018-19
Purposes	To accelerate Australia's shift to an affordable and reliable renewable energy future.	

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2018-19 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

The Australian Renewable Energy Agency's resourcing statement Table 1.1 is directly comparable to the budgeted financial statements.

3.1.2 Explanatory notes and analysis of budgeted financial statements

The budgeted financial statements for 2018-19 and forward years reflect the restored level of the Australian Renewable Energy Agency's legislated funding. In order to have all available funds utilised in the next four years, the Australian Renewable Energy Agency will need to commit the funds to projects in the next two years. Accordingly, the Agency has budgeted for increased level of activity for 2018-19 and 2019-20, as reflected in increased operating expenses.

The Australian Renewable Energy Agency had previously budgeted for a deficit in 2017-18 due to an expected outlay of \$41 million in grant expenditure which would not require any drawdown from its appropriation funding. This amount was returned to the Agency from a grant project in 2015-16 and the funds were retained and invested by the Agency for project funding in 2017-18. The project has run into further obstacles and the timing of this funding has been deferred. ARENA has accordingly updated the expected result for 2017-18 to a surplus and budgeted for this transaction in 2019-20.

All other forward years are expected to provide a small surplus. The surplus primarily represents the investment calls on the Australian Renewable Energy Agency made by the Renewable Energy Venture Capital Fund. The Agency does not have a capital appropriation, therefore runs at a surplus when calls are required.

Resources received free of charge represents the cost associated with the resources made available to the Australian Renewable Energy Agency by the Secretary of the Department under s62 of the *Australian Renewable Energy Agency Act 2011*.

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
EXPENSES					
Employee benefits	981	1,400	1,422	1,465	1,507
Suppliers	32,858	33,706	34,537	26,837	19,267
Grants	207,028	279,177	248,000	189,000	106,000
Depreciation and amortisation	518	998	917	917	917
Other expenses	1,000	1,000	1,000	1,000	1,000
Total expenses	242,385	316,281	285,876	219,219	128,691
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Interest	2,163	2,200	2,250	2,300	200
Total own-source revenue	2,163	2,200	2,250	2,300	200
Gains					
Resources received free of charge	6,640	5,976	3,998	4,018	4,029
Total gains	6,640	5,976	3,998	4,018	4,029
Total own-source income	8,803	8,176	6,248	6,318	4,229
Net (cost of)/contribution by services	(233,582)	(308,105)	(279,628)	(212,901)	(124,462)
Revenue from Government	247,308	313,406	281,961	157,005	135,619
Surplus/(deficit) attributable to the Australian Government	13,726	5,301	2,333	(55,896)	11,157
Total comprehensive income/(loss)	13,726	5,301	2,333	(55,896)	11,157
Total comprehensive income/(loss) attributable to the Australian Government	13,726	5,301	2,333	(55,896)	11,157

Prepared on Australian Accounting Standards basis.

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	60,805	61,603	60,756	4,410	15,494
Trade and other receivables	2,586	2,586	2,586	2,586	2,586
Other investments	29,445	34,318	37,915	39,282	40,272
Total financial assets	92,836	98,507	101,257	46,278	58,352
Non-financial assets					
Property, plant and equipment	1,237	867	578	289	-
Intangibles	2,420	2,420	2,292	1,664	1,036
Other non-financial assets	317	317	317	317	317
Total non-financial assets	3,974	3,604	3,187	2,270	1,353
Total assets	96,810	102,111	104,444	48,548	59,705
LIABILITIES					
Payables					
Suppliers	1,479	1,479	1,479	1,479	1,479
Grants	1,815	1,815	1,815	1,815	1,815
Employee	12	12	12	12	12
Total payables	3,306	3,306	3,306	3,306	3,306
Provisions					
Employee provisions	205	205	205	205	205
Other provisions	347	347	347	347	347
Total provisions	552	552	552	552	552
Total liabilities	3,858	3,858	3,858	3,858	3,858
Net assets	92,952	98,253	100,586	44,690	55,847
EQUITY (a)					
Parent entity interest					
Retained surplus (accumulated deficit)	92,952	98,253	100,586	44,690	55,847
Total parent entity interest	92,952	98,253	100,586	44,690	55,847
Total equity	92,952	98,253	100,586	44,690	55,847

Prepared on Australian Accounting Standards basis.

(a) Equity is the residual interest in assets after the deduction of liabilities.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2018-19)

	Retained earnings	Total equity
	\$'000	\$'000
Opening balance as at 1 July 2018		
Balance carried forward from previous period	92,952	92,952
Adjusted opening balance	92,952	92,952
Comprehensive income		
Surplus/(deficit) for the period	5,301	5,301
Total comprehensive income	5,301	5,301
of which:		
Attributable to the Australian Government	98,253	98,253
Closing balance attributable to the Australian Government	98,253	98,253

Prepared on Australian Accounting Standards basis.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Receipts from Government	247,308	313,406	281,961	157,005	135,619
Interest	2,163	2,200	2,250	2,300	200
Total cash received	249,471	315,606	284,211	159,305	135,819
Cash used					
Employees	981	1,400	1,422	1,465	1,507
Suppliers	26,218	27,730	30,539	22,819	15,238
Grants	207,028	279,177	248,000	189,000	106,000
Total cash used	234,227	308,307	279,961	213,284	122,745
Net cash from/(used by) operating activities	15,244	7,299	4,250	(53,979)	13,074
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	2,234	628	500	-	-
Investments	7,943	5,873	4,597	2,367	1,990
Total cash used	10,177	6,501	5,097	2,367	1,990
Net cash from/(used by) investing activities	(10,177)	(6,501)	(5,097)	(2,367)	(1,990)
Net increase/(decrease) in cash held	5,067	798	(847)	(56,346)	11,084
Cash and cash equivalents at the beginning of the reporting period	55,738	60,805	61,603	60,756	4,410
Cash and cash equivalents at the end of the reporting period	60,805	61,603	60,756	4,410	15,494

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
PURCHASE OF NON-FINANCIAL ASSETS					
Funded internally from departmental resources (a)	2,234	628	500	-	-
TOTAL	2,234	628	500	-	-
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	2,234	628	500	-	-
Total cash used to acquire assets	2,234	628	500	-	-

Prepared on Australian Accounting Standards basis.

(a) Includes the following sources of funding:

- funding provided by the Portfolio Department reflecting the Agency's Special Appropriation under section 64 of the *Australian Renewable Energy Agency Act 2011*, including rollover of unspent funds; and
- internally developed assets.

Table 3.6: Statement of asset movements (Budget year 2018-19)

	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2018			
Gross book value	1,584	3,088	4,672
Accumulated depreciation/amortisation and impairment	(347)	(668)	(1,015)
Opening net book balance	1,237	2,420	3,657
Capital asset additions			
Estimated expenditure on new or replacement assets			
By purchase - other	-	628	628
Total additions	-	628	628
Other movements			
Depreciation/amortisation expense	(370)	(628)	(998)
Total other movements	(370)	(628)	(998)
As at 30 June 2019			
Gross book value	1,584	3,716	5,300
Accumulated depreciation/amortisation and impairment	(717)	(1,296)	(2,013)
Closing net book balance	867	2,420	3,287

Prepared on Australian Accounting Standards basis.

BUREAU OF METEOROLOGY

ENTITY RESOURCES AND PLANNED PERFORMANCE

BUREAU OF METEOROLOGY

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BUREAU OF METEOROLOGY

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Bureau of Meteorology provides trusted, reliable and responsive weather, water, climate and ocean services for Australia—all day, every day. The Bureau of Meteorology's work directly informs decisions by governments, industry and the community and supports all Australians, the Australian Defence Force and key sectors such as emergency management, aviation, transport, water management, agriculture and environmental management.

To achieve this, across the domains of weather, water, climate and oceans, the Bureau of Meteorology:

- monitors and reports on current conditions
- provides forecasts, warnings and long-term outlooks
- analyses and explains trends
- fosters greater public understanding and use of information
- extends its understanding of, and ability to forecast, Australian conditions.

To drive competitive advantage for Australian businesses and industries, and accumulate significant benefits for the wider community, the Bureau of Meteorology will pursue the outcome of enabling a safe, prosperous, secure and healthy Australia through the provision of weather, water, climate and ocean services.

To achieve this outcome in an intensely dynamic environment, the Bureau of Meteorology is committed to delivering its Strategy 2017-2022. The four key areas of focus under the Strategy are:

- Impact and Value - products and services that benefit the Australian community and drive competitive advantage for businesses and industries.
- Operational Excellence - outstanding people, science, systems, infrastructure and partnerships working together for maximum simplicity, productivity and agility.
- Insight and Innovation - deep understanding and creative thinking that generates novel solutions for our customers and our organisation.
- The Bureau Way - one enterprise, that is safe and diverse, where our people grow and are empowered to excel, and where our customers come first, trust us and consider that we are a pleasure to work with.

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Under the Stronger Farmers, Stronger Economy – new drought management framework measure from 2015-16, the Bureau of Meteorology is continuing to improve its seasonal climate forecast service for the Australian agricultural sector. Under this initiative the Bureau is developing more regular, detailed and accurate climate forecasts to support farmers in managing Australia’s highly-variable weather and climate for increased competitive advantage.

Following the successful commissioning of the Bureau of Meteorology’s new supercomputer in June 2016, the Bureau of Meteorology will continue to undertake a program of improvements to enhance the frequency, accuracy and certainty of forecasts in the coming years. Funded for seven years in the 2014-15 Budget, the increased computing power will allow the Bureau to enhance its forecast services to meet the growing needs of stakeholders into the future.

Under the measure Bureau of Meteorology – improved security and resilience for ICT systems – tranche two, the Bureau will improve the security and resilience of its Information Communications Technology systems and business processes. This builds upon the measure Bureau of Meteorology – improved security and resilience from 2017-18 and will assist the Bureau to continue to provide reliable, ongoing access to weather, climate, water and oceans information.

The Bureau of Meteorology remains committed to increasing the efficient use of our resources, investing in the skills and capabilities of our staff, and evaluating opportunities to increase impact and revenue consistent with the Australian Government Charging Framework.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the entity for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the entity's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: Bureau of Meteorology resource statement — Budget estimates for 2018-19 as at Budget May 2018

	2017-18 Estimated actual \$'000	2018-19 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available (b)	85,401	84,499
Departmental appropriation (c)	230,389	229,296
s74 Retained revenue receipts (d)	81,160	81,135
Departmental capital budget (e)	48,111	40,695
Annual appropriations - other services - non-operating (f)		
Prior year appropriations available (b)	9,806	-
Equity injection	40,217	135,334
Total departmental annual appropriations	495,084	570,959
Total departmental resourcing	495,084	570,959
Total resourcing for Bureau of Meteorology	495,084	570,959
	2017-18	2018-19
Average staffing level (number)	1,565	1,569

Third party payments from and on behalf of other entities

	2017-18 Estimated actual \$'000	2018-19 Estimate \$'000
Payments made to other entities for the provision of services (disclosed above)	24,923	24,672
Receipts received from other entities for the provision of services (disclosed above in s74 Retained revenue receipts section)	7,344	8,238

Prepared on a resourcing (i.e. appropriations available) basis.

Please note: All figures shown above are GST exclusive - these may not match figures in the cash flow statement.

(a) Appropriation Bill (No. 1) 2018-19.

(b) Excludes \$3.2 million subject to administrative quarantine by Finance or withheld under section 51 of the *Public Governance, Performance and Accountability Act 2013 (PGPA Act)*.

(c) Excludes departmental capital budget (DCB).

(d) Estimated retained revenue receipts under section 74 of the *PGPA Act 2013*.

(e) Departmental capital budgets are not separately identified in Appropriation Bill (No.1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.

(f) Appropriation Bill (No. 2) 2018-19.

1.3 BUDGET MEASURES

Budget measures in Part 1 relating to the Bureau of Meteorology are detailed in Budget Paper No. 2 and are summarised below.

Table 1.2: Bureau of Meteorology 2018-19 Budget measures
Part 1: Measures announced since the 2017-18 Mid-Year Economic and Fiscal Outlook (MYEFO)

	Program	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000
Revenue measures						
Bureau of Meteorology - improved security and resilience for ICT systems - tranche two	1.1					
Departmental revenues		-	nfp	nfp	nfp	nfp
Total		-	nfp	nfp	nfp	nfp
Total revenue measures						
Departmental		-	nfp	nfp	nfp	nfp
Total		-	nfp	nfp	nfp	nfp
Expense measures						
Bureau of Meteorology - improved security and resilience for ICT systems - tranche two	1.1					
Departmental expenses		-	nfp	nfp	nfp	nfp
Total		-	nfp	nfp	nfp	nfp
Total expense measures						
Departmental		-	nfp	nfp	nfp	nfp
Total		-	nfp	nfp	nfp	nfp
Capital measures						
Bureau of Meteorology - improved security and resilience for ICT systems - tranche two	1.1					
Departmental capital		-	nfp	nfp	nfp	nfp
Total		-	nfp	nfp	nfp	nfp
Total capital measures						
Departmental		-	nfp	nfp	nfp	nfp
Total		-	nfp	nfp	nfp	nfp

Prepared on a Government Finance Statistics (fiscal) basis. Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

Table 2: Changes to the outcome and program structures since the last portfolio statement

New Outcome 1	<i>Enabling a safe, prosperous, secure and healthy Australia through the provision of weather, water, climate and ocean services.</i>
Description of change:	
New outcome, created for Budget 2018-19, supersedes the old Outcome 1.	
Old Statement:	
<i>Outcome 1: Informed safety, security and economic decisions by governments, industry and the community through the provision of information, forecasts, services and research relating to weather, climate and water.</i>	

Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide an entity's complete performance story.

The most recent corporate plan for the Bureau of Meteorology can be found at: <http://www.bom.gov.au/inside/Bureau-of-Meteorology-Corporate-Plan-2017-18.pdf>.

The most recent annual performance statement can be found at: <http://www.bom.gov.au/inside/eiab/reports/ar16-17/doc/annual-performance-16-17.pdf>.

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Enabling a safe, prosperous, secure and healthy Australia through the provision of weather, water, climate and ocean services.

Linked programs

Commonwealth Scientific and Industrial Research Organisation
Programs <ul style="list-style-type: none">• Program 1 – Research – Science, Services and Innovation Fund
Contribution to Outcome 1 made by linked programs <p>The CSIRO works with the Bureau of Meteorology to undertake research as part of the Earth Systems and Climate Change Hub through the National Environmental Science Programme.</p>

Department of Agriculture and Water Resources
Programs <ul style="list-style-type: none">• Program 1.1 – Agricultural Adaptation• Program 1.2 – Sustainable Management – Natural Resources• Program 1.11 – Drought Programs• Program 3.1 – Water Reform
Contribution to Outcome 1 made by linked programs <p>The Bureau of Meteorology provides weather, climate and water modelling and information to the Department of Agriculture and Water Resources.</p>

Department of the Environment and Energy
Programs <ul style="list-style-type: none">• Program 1.2 – Environmental Information and Research• Program 1.3 – Commonwealth Environmental Water• Program 2.2 – Adapting to Climate Change• Program 3.1 – Antarctica: Science, Policy and Presence
Contribution to Outcome 1 made by linked programs <p>The Bureau of Meteorology is a partner in the Earth Systems and Climate Change Hub in the National Environmental Science Program and a collaborator in the delivery of the Geological and Bioregional Assessments program.</p> <p>The Bureau of Meteorology’s water information services inform Commonwealth environmental water planning and decision making in relation to water resource availability and environmental water requirements.</p> <p>The Bureau of Meteorology works collaboratively with the Department of the Environment and Energy to provide weather and climate information and to engage with other climate science providers to identify priority investment areas and research needs.</p> <p>The Bureau of Meteorology provides meteorological and related services in support of the Australian Antarctic program under a Memorandum of Understanding.</p>

Department of Foreign Affairs and Trade
Programs <ul style="list-style-type: none">• Program 1.2 - Official Development Assistance
Contribution to Outcome 1 made by linked programs <p>The Bureau of Meteorology develops enhanced climate, ocean and tidal services for Pacific Island communities and governments under the Climate and Ocean Support Program in the Pacific initiative funded by the Department of Foreign Affairs and Trade.</p>

Department of Home Affairs
Programs <ul style="list-style-type: none">• Program 1.10 – Australian Government Disaster Financial Support Payments
Contribution to Outcome 1 made by linked programs <p>The Bureau of Meteorology collaborates with the Department of Home Affairs by providing alerts relating to natural disasters.</p>

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Geoscience Australia
Programs <ul style="list-style-type: none">• Program 1 – Geoscientific and Spatial Information Services
Contribution to Outcome 1 made by linked programs <p>The Bureau of Meteorology collaborates with Geoscience Australia to provide the Joint Australian Tsunami Warning System.</p>

Budgeted expenses for Outcome 1

This table shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.

Table 2.1.1: Budgeted expenses for Outcome 1

Outcome 1: Enabling a safe, prosperous, secure and healthy Australia through the provision of weather, water, climate and ocean services.					
	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
Program 1.1: Bureau of Meteorology					
Departmental expenses					
Departmental appropriation	230,389	229,296	237,704	236,836	216,809
s74 Retained revenue receipts (a)	74,459	72,884	66,816	67,253	61,758
Expenses not requiring appropriation in the Budget year (b)	77,881	81,208	81,208	81,208	81,208
Departmental total	382,729	383,388	385,728	385,297	359,775
Total expenses for program 1.1	382,729	383,388	385,728	385,297	359,775
Outcome 1 Totals by appropriation type					
Departmental expenses					
Departmental appropriation	230,389	229,296	237,704	236,836	216,809
s74 Retained revenue receipts (a)	74,459	72,884	66,816	67,253	61,758
Expenses not requiring appropriation in the Budget year (b)	77,881	81,208	81,208	81,208	81,208
Departmental total	382,729	383,388	385,728	385,297	359,775
Total expenses for Outcome 1	382,729	383,388	385,728	385,297	359,775
Average staffing level (number)					
	2017-18 1,565	2018-19 1,569			

(a) Estimated expenses incurred in relation to receipts retained under section 74 of the *Public Governance, Performance and Accountability Act 2013 (PGPA Act)*.

(b) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses and amortisation expenses.

Table 2.1.2: Performance criteria for Outcome 1

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2018-19 Budget measures have created new programs or materially changed existing programs.

Outcome 1 – Enabling a safe, prosperous, secure and healthy Australia through the provision of weather, water, climate and ocean services.		
Program 1.1 – Bureau of Meteorology		
Provides trusted, reliable and responsive weather, water, climate and ocean services for Australia—all day, every day.		
Delivery	Program 1.1 will be delivered by: <ul style="list-style-type: none">• Weather, water, climate and ocean products and services that benefit the Australian community and drive competitive advantage for businesses and industries.• Outstanding people, science, systems, infrastructure and partnerships working together for maximum simplicity, productivity and agility.• Deep understanding and creative thinking that generates novel solutions for our customers and our organisation.• One enterprise, that is safe and diverse, where our people grow and are empowered to excel, and where our customers come first, trust us and consider that we are a pleasure to work with.	
Performance information		
Year	Performance criteria (a)	Targets
2017-18	<ul style="list-style-type: none">• Financial and social value is delivered to Government, industry and the Australian community.• Delivery of products and services that meet customer requirements, are delivered to budget, meet quality and security specifications and benchmark well in relation to international standards and peer organisations.• The speed, maturity and quality of innovation and novel solutions meets customer needs or enhances internal capability.• Feedback from staff, customers and partners demonstrates alignment of our actual behaviours with our stated intent to create a safe, diverse and empowered enterprise that puts customers first, and provides an outstanding experience every time that they engage with us.	<p>The Bureau is on track to meet the 2017-18 key performance indicators.</p> <p>Evidence of achievement will be described in the Bureau's Annual Performance Statement 2017-18 in line with the evidence targets described in the Corporate Plan 2017-18.</p>

Bureau of Meteorology Budget Statements

Program 1.1 – Bureau of Meteorology		
Provides trusted, reliable and responsive weather, water, climate and ocean services for Australia—all day, every day.		
Year	Performance criteria (a)	Targets
2018-19	<ul style="list-style-type: none">Financial and social value is delivered to Government, industry and the Australian community.Delivery of products and services that meet customer requirements, are delivered to budget, meet quality and security specifications and benchmark well in relation to international standards and peer organisations.The speed, maturity and quality of innovation and novel solutions meets customer needs or enhances internal capability.Feedback from staff, customers and partners demonstrates alignment of our actual behaviours with our stated intent to create a safe, diverse and empowered enterprise that puts customers first, and provides an outstanding experience every time that they engage with us.	The Bureau's enterprise level performance criteria have broad relevance across the agency as a whole. Both quantitative and qualitative targets that collectively demonstrate the achievement of the Bureau's enterprise level performance criteria will be set in the Bureau's Corporate Plan 2018-19 and reported in the Bureau's Annual Performance Statement 2018-19.
2019-20 and beyond	As per 2018-19	As per 2018-19
Purposes	To provide trusted, reliable and responsive weather, water, climate and ocean services for Australia—all day, every day.	
Material changes to Program 1.1 resulting from the following measures:		
<ul style="list-style-type: none">Measure title – Bureau of Meteorology - improved security and resilience for ICT systems - tranche two		

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2018-19 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Explanatory notes and analysis of budgeted financial statements

An analysis of the Bureau of Meteorology's (the Bureau) budgeted financial statements, as reflected in the Bureau's budgeted departmental financial statements and administered schedules for the 2018-19 Budget, is provided below:

Total revised revenue to the Bureau in 2018-19 is estimated to be \$307.3 million, a decrease of \$1.5 million from the 2017-18 Budget estimated actual. The movement in funding is the result of a number of factors including changes in New Policy Proposal (NPP) funding year upon year, increases in the efficiency dividend and movements in other measures.

The overall appropriated revenue includes specific funding related to:

- funding associated with the Budget measure Stronger farmers, Stronger Economy – new drought management framework
- funding associated with the 2016-17 Additional estimates Budget measure – Essential Commonwealth Water Functions
- funding associated with the 2017-18 Budget measure – Improved security and resilience
- funding associated with the 2018-19 Budget measure – Improved security and resilience for ICT systems – tranche two
- reduced funding as a result of the increase in the efficiency dividend.

Total expenses are estimated to be \$383.4 million, an increase of \$0.7 million from the 2017-18 estimated actual. Whilst the Bureau is no longer funded for Depreciation through Appropriation Bill 1 the expenditure is still recognised on the Income Statement.

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
EXPENSES					
Employee benefits	174,826	176,341	173,170	174,648	174,579
Suppliers	126,113	121,934	127,442	125,530	100,071
Depreciation and amortisation (a)	79,842	83,169	83,169	83,169	83,169
Write-down and impairment of assets	1	1	1	1	1
Other expenses	1,947	1,943	1,946	1,949	1,955
Total expenses	382,729	383,388	385,728	385,297	359,775
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	78,297	77,844	70,631	69,785	62,813
Total own-source revenue	78,297	77,844	70,631	69,785	62,813
Gains					
Sale of assets	192	209	91	(84)	-
Total gains	192	209	91	(84)	-
Total own-source income	78,489	78,053	70,722	69,701	62,813
Net (cost of)/contribution by services	(304,240)	(305,335)	(315,006)	(315,596)	(296,962)
Revenue from Government	230,389	229,296	237,704	236,836	216,809
Surplus/(deficit) attributable to the Australian Government	(73,851)	(76,039)	(77,302)	(78,760)	(80,153)
Total comprehensive income/(loss)	(73,851)	(76,039)	(77,302)	(78,760)	(80,153)
Total comprehensive income/(loss) attributable to the Australian Government	(73,851)	(76,039)	(77,302)	(78,760)	(80,153)

Note: Impact of net cash appropriation arrangements

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June (continued)

	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	4,030	5,169	3,906	2,448	1,055
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	77,881	81,208	81,208	81,208	81,208
Total comprehensive income/(loss) - as per the statement of comprehensive income	(73,851)	(76,039)	(77,302)	(78,760)	(80,153)

Prepared on Australian Accounting Standards basis.

- (a) From 2010-11, the Government introduced net cash appropriation arrangements. This involved Bill (No.1) revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) being replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill (No.1) equity appropriations. For information regarding DCBs, please refer to Table 3.5 Departmental Capital Budget Statement.

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	2,791	5,742	8,306	10,230	10,230
Trade and other receivables	95,786	96,536	97,286	97,286	97,286
Other financial assets	1,488	1,488	1,488	1,488	1,488
Total financial assets	100,065	103,766	107,080	109,004	109,004
Non-financial assets					
Land and buildings	100,522	94,483	88,598	84,448	82,492
Property, plant and equipment	380,778	477,806	564,480	592,689	575,600
Intangibles	95,478	101,202	102,833	106,661	110,489
Inventories	6,029	6,029	6,029	6,029	6,029
Other non-financial assets	9,389	9,389	9,389	9,389	9,389
Total non-financial assets	592,196	688,909	771,329	799,216	783,999
Total assets	692,261	792,675	878,409	908,220	893,003
LIABILITIES					
Payables					
Suppliers	21,334	21,334	21,334	21,334	21,334
Other payables	38,996	39,746	40,496	40,496	40,496
Total payables	60,330	61,080	61,830	61,830	61,830
Provisions					
Employee provisions	69,202	69,202	69,202	69,202	69,202
Other provisions	23,315	23,315	23,315	23,315	23,315
Total provisions	92,517	92,517	92,517	92,517	92,517
Total liabilities	152,847	153,597	154,347	154,347	154,347
Net assets	539,414	639,078	724,062	753,873	738,656
EQUITY (a)					
Parent entity interest					
Contributed equity	782,507	958,536	1,121,195	1,230,175	1,295,566
Reserves	275,144	275,144	275,144	275,144	275,144
Retained surplus (accumulated deficit)	(518,237)	(594,602)	(672,277)	(751,446)	(832,054)
Total parent entity interest	539,414	639,078	724,062	753,873	738,656
Total equity	539,414	639,078	724,062	753,873	738,656

Prepared on Australian Accounting Standards basis.

(a) Equity is the residual interest in assets after the deduction of liabilities.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2018-19)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2018					
Balance carried forward from previous period	(518,237)	275,144	-	782,507	539,414
Adjusted opening balance	(518,237)	275,144	-	782,507	539,414
Comprehensive income					
Surplus/(deficit) for the period	(76,039)	-	-	-	(76,039)
Total comprehensive income	(76,039)	-	-	-	(76,039)
Transactions with owners					
Contributions by owners					
Equity injection - Appropriation	-	-	-	135,334	135,334
Departmental Capital Budget (DCB)	-	-	-	40,695	40,695
Other	(326)	-	-	-	(326)
Sub-total transactions with owners	(326)	-	-	176,029	175,703
Estimated closing balance as at 30 June 2019	(594,602)	275,144	-	958,536	639,078
Closing balance attributable to the Australian Government	(594,602)	275,144	-	958,536	639,078

Prepared on Australian Accounting Standards basis.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	321,712	306,064	307,212	306,212	279,167
Sale of goods and rendering of services	78,297	77,844	70,631	69,785	62,813
Other	(1)	(1)	(1)	(1)	(1)
Total cash received	400,008	383,907	377,842	375,996	341,979
Cash used					
Employees	178,299	175,591	172,420	174,648	174,579
Suppliers	126,113	121,934	127,442	125,530	100,071
s74 Retained revenue receipts transferred to OPA	78,297	77,844	70,631	69,785	62,813
Other	1,947	1,943	1,946	1,949	1,955
Total cash used	384,656	377,312	372,439	371,912	339,418
Net cash from/(used by) operating activities	15,352	6,595	5,403	4,084	2,561
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	2,863	3,291	2,845	2,135	1,225
Total cash received	2,863	3,291	2,845	2,135	1,225
Cash used					
Purchase of property, plant and equipment and intangibles	92,371	182,964	168,343	113,275	69,177
Total cash used	92,371	182,964	168,343	113,275	69,177
Net cash from/(used by) investing activities	(89,508)	(179,673)	(165,498)	(111,140)	(67,952)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	76,696	176,029	162,659	108,980	65,391
Total cash received	76,696	176,029	162,659	108,980	65,391
Net cash from/(used by) financing activities	76,696	176,029	162,659	108,980	65,391
Net increase/(decrease) in cash held	2,540	2,951	2,564	1,924	-
Cash and cash equivalents at the beginning of the reporting period	251	2,791	5,742	8,306	10,230
Cash and cash equivalents at the end of the reporting period	2,791	5,742	8,306	10,230	10,230

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	48,111	40,695	34,772	42,310	42,350
Equity injections - Bill 2	28,585	135,334	127,887	66,670	23,041
Total new capital appropriations	76,696	176,029	162,659	108,980	65,391
Provided for:					
Purchase of non-financial assets	76,696	176,029	162,659	108,980	65,391
Total items	76,696	176,029	162,659	108,980	65,391
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations (a)	38,138	135,334	127,887	66,670	23,041
Funded by capital appropriation - DCB (b)	48,111	40,695	34,772	42,310	42,350
Funded internally from departmental resources (c)	6,122	6,935	5,684	4,295	3,786
TOTAL	92,371	182,964	168,343	113,275	69,177
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	92,371	182,964	168,343	113,275	69,177
Total cash used to acquire assets	92,371	182,964	168,343	113,275	69,177

Prepared on Australian Accounting Standards basis.

- (a) Includes both current Bill (No.2) and prior Appropriations Act (No.2/4/6) appropriations and special capital appropriations.
- (b) Does not include annual finance lease costs. Include purchases from current and previous years' Departmental Capital Budgets (DCBs).
- (c) Includes the following sources of funding:
- Current Bill (No.1) and prior year Appropriations Act (No.1/3/5) appropriations (excluding amounts from the DCB);
 - donations and contributions;
 - gifts;
 - internally developed assets;
 - s 74 Retained revenue receipts;
 - proceeds from the sale of assets.

Table 3.6: Statement of asset movements (Budget year 2018-19)

	Land	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2018					
Gross book value	14,430	94,088	467,065	221,731	797,314
Accumulated depreciation/amortisation and impairment	-	(7,996)	(86,287)	(126,253)	(220,536)
Opening net book balance	14,430	86,092	380,778	95,478	576,778
Capital asset additions					
Estimated expenditure on new or replacement assets					
By purchase - appropriation equity (a)	-	-	135,334	-	135,334
By purchase - appropriation ordinary annual services (b)	-	1,244	16,834	22,617	40,695
By purchase - other	-	-	6,935	-	6,935
Total additions	-	1,244	159,103	22,617	182,964
Other movements					
Depreciation/amortisation expense	-	(4,226)	(62,050)	(16,893)	(83,169)
Disposals (c) From disposal of entities or operations (including restructuring)	-	(3,057)	(25)	-	(3,082)
Total other movements	-	(7,283)	(62,075)	(16,893)	(86,251)
As at 30 June 2019					
Gross book value	14,430	92,275	626,143	244,348	977,196
Accumulated depreciation/ amortisation and impairment	-	(12,222)	(148,337)	(143,146)	(303,705)
Closing net book balance	14,430	80,053	477,806	101,202	673,491

Prepared on Australian Accounting Standards basis.

- (a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2017-18, including CDABs.
- (b) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No.1) 2017-18 for depreciation/amortisation expenses, DCBs or other operational expenses.
- (c) Net proceeds may be returned to the OPA.

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
OWN-SOURCE INCOME					
Own-source revenue					
Non-taxation revenue					
Sale of goods and rendering of services	nfp	nfp	nfp	nfp	nfp
Total non-taxation revenue	nfp	nfp	nfp	nfp	nfp
Total own-source revenue administered on behalf of Government	nfp	nfp	nfp	nfp	nfp
Total own-sourced income administered on behalf of Government	nfp	nfp	nfp	nfp	nfp
Net (cost of)/contribution by services	nfp	nfp	nfp	nfp	nfp

Prepared on Australian Accounting Standards basis.

Table 3.8: Schedule of budgeted administered cash flows (for the period ended 30 June)

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Sales of goods and rendering of services	nfp	nfp	nfp	nfp	nfp
Total cash received	nfp	nfp	nfp	nfp	nfp
Net cash from/(used by) operating activities	nfp	nfp	nfp	nfp	nfp
Net increase/(decrease) in cash held	nfp	nfp	nfp	nfp	nfp
Cash and cash equivalents at beginning of reporting period					
Cash from Official Public Account for:					
- Appropriations	nfp	nfp	nfp	nfp	nfp
Total cash to Official Public Account	nfp	nfp	nfp	nfp	nfp
Cash and cash equivalents at end of reporting period	nfp	nfp	nfp	nfp	nfp

Prepared on Australian Accounting Standards basis.

CLEAN ENERGY FINANCE CORPORATION

ENTITY RESOURCES AND PLANNED PERFORMANCE

CLEAN ENERGY FINANCE CORPORATION

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CLEAN ENERGY FINANCE CORPORATION

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Clean Energy Finance Corporation was established to facilitate increased flows of finance into the clean energy sector. The Corporation invests in accordance with its legislation, the *Clean Energy Finance Corporation Act 2012* and the *Clean Energy Finance Corporation Investment Mandate Direction 2016 (No.2)*, as made by the Minister for the Environment and Energy and the Minister for Finance which took effect on 11 January 2017.

The Corporation is an independent statutory authority - defined as a Corporate Commonwealth Entity under the *Public Governance, Performance and Accountability Act 2013*. The Corporation has access to \$10.0 billion in appropriations via the Clean Energy Finance Corporation Special Account (CEFC Special Account).

The Corporation is governed by an independent Board which has statutory responsibility for decision-making, performance of the Corporation's functions and managing the Corporation's investments, and a Chief Executive Officer who is responsible for the day to day administration of the Corporation. Staff are non-APS and are employed under the *Clean Energy Finance Corporation Act 2012*. The Board reports to Parliament through its responsible Ministers.

The Corporation's investment objectives are to catalyse and leverage an increased flow of funds for the commercialisation and deployment of Australian based renewable energy, energy efficiency and low-emissions technologies.

The Corporation seeks diversity of technology and sector exposure. All sectors of the economy can undertake investments which contribute to emissions reduction and projects are drawn widely. The Corporation's portfolio is expected to evolve over time, noting the *Clean Energy Finance Corporation Act 2012* requirement that on or after 1 July 2018, at least half of the funds invested must be invested in renewable energy.

The Corporation applies commercial rigour to investment decisions and seeks to develop a portfolio across the spectrum of clean energy technologies that, in aggregate, must have an acceptable but not excessive level of risk relative to the sector. The Corporation applies a commercial filter when making its investment decisions, focussing on projects and technologies at the later stages of development. The filter is differentiated from a private sector equivalent, as the Corporation has a public policy purpose and values any positive externalities being generated. The Corporation considers the positive externalities and public policy outcomes when making

investment decisions and also when determining the extent of any concessionality to be provided for an investment.

In the Investment Mandate 2016 (No.2) the responsible Ministers have directed the Board to target an average return of at least the five-year Australian Government bond rate, +3 to +4 per cent per annum as the benchmark return of the core portfolio and the five-year Australian Government bond rate, +1 per cent per annum as the benchmark return of the Clean Energy Innovation Fund portfolio. Performance against these benchmarks is measured before operating expenses. The Portfolio benchmark returns are medium-term targets and expected to be earned across the portfolios and over a period of time. In targeting these benchmark returns:

- The Australian Government is conscious of the risks inherent in investing in a large portfolio of financial assets. It acknowledges that in practice this will involve some short-term volatility in the Corporation's returns, including the possibility of losses in some years.
- The Corporation undertakes rigorous due diligence and financial modelling analysis along with assessments of other key investment risks, including credit risk, to determine appropriate investment structures, financial covenants and the required legal undertakings for an intended investment, all designed to enhance and protect the Corporation's position.

In the Investment Mandate 2016 (No.2) the responsible Ministers have also directed the Board to make available up to:

- \$1.0 billion of investment finance over 10 years for a Reef Funding Program
- \$1.0 billion of investment finance over 10 years for a Sustainable Cities Investment Program
- \$200.0 million for debt and equity investment through the Clean Energy Innovation Fund.

The ways in which the Corporation addresses financial barriers include:

- attracting finance to the Australian market to improve the flow and diversification of funds for investment into the sector
- assisting project proponents as an arranger, helping to develop the business case and introduce the proponents to other financiers to seek transaction close
- building knowledge and capacity within the finance sector by participating in transactions to de-risk the investment, familiarising financiers with new asset types or through reducing their size of exposure
- supporting the fledgling innovation ecosystem surrounding clean energy technologies through direct investment in early stage technologies and developing the venture capital market through the Clean Energy Innovation Fund

- working with the finance sector to develop and deliver new financial products to the market, tailored to the needs, attributes and emerging delivery models for new technologies, which in turn enables small and mid-sized businesses to access finance for energy productivity enhancing capital investment
- building knowledge and capacity within industry through demonstration and case studies to promote successful models and opportunities in energy productivity and clean energy investment
- providing loans at commercial and concessional rates. Where it is necessary and justified, the Corporation may choose to deploy concessional finance to assist in overcoming financial impediments and facilitate realisation of the project.

The first five years of the Corporation's life have been largely focussed on establishing the business and maximising impact through the commitment of new investments across a broad spectrum of clean energy projects. Establishing critical mass of deployed funds in the Corporation's portfolio has been important to generate sufficient revenue to cover both the operational costs and a self-imposed implied cost of capital. The 2017-18 year saw the Corporation achieve critical mass in its deployed portfolio, and therefore the focus for the 2018-19 budget year and beyond is on achieving optimum impact from the capital invested. This includes maximising the contribution to emissions reduction while minimising the amount of capital invested, so as to achieve the greatest impact for the capital deployed.

Under the *Clean Energy Finance Corporation Act 2012*, surplus monies received from repaid principal and investment returns are recycled back into the Clean Energy Finance Corporation Special Account. These funds are thus 'recycled' – that is, made available again for new investment commitments. The Corporation is also exploring the opportunities to accelerate the recycling of its capital through sale or securitisation, for example, of certain of its investments. This recycling is intended to ensure that (a) the investment portfolio is appropriately risk balanced, (b) the Corporation has sufficient available capital to continue to invest in new clean energy opportunities since investments will not naturally recycle at the same rate as forecast new deployment and (c) ensure that investments that have been sufficiently de-risked are able to be re-financed by the private sector, and are made available to them in a manner that will facilitate increased flows of finance into the clean energy sector. The Corporation is forecasting this recycling to start in approximately the 2020-21 financial period.

The rapid growth in the business requires development of systems, people and process to maintain organisational effectiveness. This will ensure the Corporation remains best positioned to support the requisite technical and financial innovation to drive decarbonisation and support the energy transition.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the entity for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the entity's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: Clean Energy Finance Corporation resource statement — Budget estimates for 2018-19 as at Budget May 2018

	2017-18 Estimated actual \$'000	2018-19 Estimate \$'000
Opening balance/cash reserves at 1 July (a, b)	401,974	223,483
Funds from other sources		
Interest and fees	117,210	144,308
Dividends and other equity distributions	10,823	17,377
Total funds from other sources	128,033	161,685
Total net resourcing for Clean Energy Finance Corporation	530,007	385,168
<hr/>		
Average staffing level (number)	101	112

Prepared on a resourcing (i.e. appropriations available) basis.

Please note: All figures shown above are GST exclusive - these may not match figures in the cash flow statement.

- (a) The Corporation is not directly appropriated as it is a corporate Commonwealth entity as defined under the *Public Governance, Performance and Accountability Act 2013*.
- (b) The Corporation does not hold the Special Account itself and therefore does not have a balance carried forward from earlier years. Under the *Clean Energy Finance Corporation Act 2012*, the Corporation is able to draw on the cumulative funds available in the Special Account, which are estimated to be \$5.979 billion at 1 July 2018.

1.3 BUDGET MEASURES

There are no 2018-19 Budget measures relating to the Clean Energy Finance Corporation.

Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide an entity's complete performance story.

The most recent corporate plan for Clean Energy Finance Corporation can be found at: <http://www.cleanenergyfinancecorp.com.au/publications/corporate-plan.aspx>.

The most recent annual performance statement can be found at: <http://annualreport2017.cefc.com.au/performance/>.

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Facilitate increased flows of finance into Australia's clean energy sector, applying commercial rigour to investing in renewable energy, low-emissions and energy efficiency technologies, building industry capacity, and disseminating information to industry stakeholders.

Linked programs

Australian Renewable Energy Agency
Programs <ul style="list-style-type: none"> • Program 1.1 – Australian Renewable Energy Agency
Contribution to Outcome 1 made by linked programs The Clean Energy Innovation Fund is jointly managed by the Corporation and the Australian Renewable Energy Agency, drawing on their complementary experience and expertise. The Clean Energy Innovation Fund has up to \$200.0 million available for debt and equity investments in emerging clean energy projects and businesses, targeting projects at the later end of the innovation chain while delivering a financial return to taxpayers, in addition to the public good return of improving competitiveness of renewable energy and related technologies.

Department of the Environment and Energy
Programs <ul style="list-style-type: none"> • Program 1.1 – Sustainable Management of Natural Resources and the Environment • Program 2.1 – Reducing Australia's Greenhouse Gas Emissions • Program 2.3 – Renewable Energy Technology Development • Program 4.1 – Energy
Contribution to Outcome 1 made by linked programs The Department of the Environment and Energy has responsibility for policies that reduce Australia's greenhouse gas emissions. The Clean Energy Finance Corporation contributes to these programs by facilitating increased flows of finance into the clean energy sector, including through the funding it makes available to the Clean Energy Innovation Fund and Reef Funding Program.

Great Barrier Reef Marine Park Authority
Programs <ul style="list-style-type: none">• Program 1.1 – Improving the outlook for the Great Barrier Reef
Contribution to Outcome 1 made by linked programs <p>The Clean Energy Finance Corporation is making available up to \$1.0 billion of investment finance over 10 years for the Reef Funding Program. The Program will deliver financial investment in clean energy projects delivered in the Great Barrier Reef catchment region. In targeting the financing of clean energy projects and businesses in the region, the Reef Funding Program supports delivery of the Australian and Queensland governments’ Reef 2050 plan.</p>

Budgeted expenses for Outcome 1

This table shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.

Table 2.1.1: Budgeted expenses for Outcome 1

Outcome 1: Facilitate increased flows of finance into Australia's clean energy sector, applying commercial rigour to investing in renewable energy, low-emissions and energy efficiency technologies, building industry capacity, and disseminating information to industry stakeholders.					
	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
Program 1.1: Clean Energy Finance Corporation					
Expenses not requiring appropriation in the budget year (a)	33,382	51,469	52,542	53,627	53,707
Expenses funded by Revenues from other independent sources	37,990	48,321	54,253	58,823	60,928
Total expenses for Program 1.1	71,372	99,790	106,795	112,450	114,635
Outcome 1 Totals by Appropriation type					
Expenses not requiring appropriation in the budget year (a)	33,382	51,469	52,542	53,627	53,707
Expenses funded by Revenues from other independent sources	37,990	48,321	54,253	58,823	60,928
Total expenses for Outcome 1	71,372	99,790	106,795	112,450	114,635
	2017-18	2018-19			
Average staffing level (number)	101	112			

(a) Expenses not requiring appropriation in the budget year are non-cash charges in relation to concessional loans, write-down and impairment of assets, depreciation and amortisation and a share of net loss from associates accounted for under the equity method.

Table 2.1.2: Performance criteria for Outcome 1

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2018-19 Budget measures have created new programs or materially changed existing programs.

Outcome 1 – Facilitate increased flows of finance into Australia’s clean energy sector, applying commercial rigour to investing in renewable energy, low emissions and energy efficiency technologies, building industry capacity, and disseminating information to industry stakeholders.	
Program 1.1 – Clean Energy Finance Corporation. The Clean Energy Finance Corporation’s mission is: “To accelerate Australia’s transformation towards a more competitive economy in a carbon constrained world, by acting as a catalyst to increase investment in emissions reduction” through: <ul style="list-style-type: none"> • investing directly and indirectly, while also attracting private sector investment into clean energy technologies and projects; and • applying commercial rigour and using financial products and structures to address the barriers inhibiting private sector investment in the sector. 	
Delivery	<p>The Corporation helps mobilise investment in renewable energy, low emissions and energy efficiency projects and technologies in Australia, as well as into businesses and services that produce the required inputs. It uses financial products and structures to address the barriers inhibiting investment at the demonstration, commercialisation and deployment stages of innovation.</p> <p>The Corporation works with private sector financiers and project sponsors, to facilitate and leverage increased flows of finance into the clean energy sector. In undertaking its investment activities, the Corporation must consider the potential effect on other market participants and the efficient operation of the Australian financial and energy markets.</p> <p>The Corporation shares knowledge and expertise with project sponsors, lenders and the broader industry, helping build capacity within the private sector.</p> <p>The Corporation is being directed to focus particular attention on investing debt and equity in:</p> <ol style="list-style-type: none"> emerging clean energy projects and businesses that involve technologies that have passed beyond the research and development stages but are not yet established or of sufficient maturity, size or otherwise commercially ready to attract sufficient private sector investment renewable energy, low emissions and energy efficiency projects and businesses that improve liveability, accessibility and productivity of our Cities clean energy technology projects and businesses that support the delivery of the Government’s Reef 2050 Plan supporting emerging and innovative renewable technologies and energy efficiency, such as large scale solar, storage associated with large and small-scale solar, offshore wind technologies, and energy efficiency technologies for the built environment. <p>The Corporation can also provide up to \$300m per annum of concessionality in relation to loans issued at below market interest rates and has a limited scope to provide guarantees where appropriate and unavoidable. The Corporation must ensure the total value of guarantees at any time does not exceed 5% of the total amount that has been credited to the Special Account under section 46 of the Act.</p> <p>The Corporation is not a grants making organisation. It seeks to generate positive financial returns and this is expressed in the Investment Mandate as a target portfolio benchmark rate of return. The Corporation therefore makes investments with a commercial approach, based on careful risk assessment and appropriate terms, with an expectation that such investments will be repaid. The Corporation undertakes its investment activity responsibly and manages risk to minimise the likelihood of losses.</p>

Clean Energy Finance Corporation Budget Statements

Program 1.1 – Clean Energy Finance Corporation. The Clean Energy Finance Corporation's mission is: "To accelerate Australia's transformation towards a more competitive economy in a carbon constrained world, by acting as a catalyst to increase investment in emissions reduction" through: <ul style="list-style-type: none"> • investing directly and indirectly, while also attracting private sector investment into clean energy technologies and projects; and • applying commercial rigour and using financial products and structures to address the barriers inhibiting private sector investment in the sector. 		
Performance information		
Year	Performance criteria	Targets
2017-18	Investment in renewable energy, low emissions and energy efficiency technologies.	Forecast is to exceed the target \$900m to \$1.1bn of new contracted investments during the year.
	Placement of funds into Australia's clean energy sector.	Forecast is to exceed the deployment target of \$650m. Carbon abatement from committed projects at 'cost' to the Corporation of < \$0 is in line with target. On target to achieve financial leverage better than 1:1.
	Performance against portfolio benchmark return set by the government.	The Corporation has taken all reasonable steps to achieve portfolio benchmark return target of the five-year Australian Government bond rate + 3 to + 4 per cent per annum, however portfolio returns are heavily influenced by the Corporation's public policy purpose and market rates and are currently forecast to be in excess of relevant five-year Australian Government bond rate but less than the target PBR. Operating expenditure before concession and impairment is forecast to be less than the target \$40.0m or 4.0% of funds contracted.
	Dissemination of information to industry stakeholders and building industry capacity.	Increase in value and diversity of tangible pipeline opportunities is reflected in the above target level of commitments and deployment. The Corporation has participated in significant marketing and communications activity, media reach, conferences, events, symposiums and industry events and made a number of submissions to industry and government inquiries.

Clean Energy Finance Corporation Budget Statements

Program 1.1 – Clean Energy Finance Corporation. The Clean Energy Finance Corporation's mission is: "To accelerate Australia's transformation towards a more competitive economy in a carbon constrained world, by acting as a catalyst to increase investment in emissions reduction" through: <ul style="list-style-type: none"> investing directly and indirectly, while also attracting private sector investment into clean energy technologies and projects; and applying commercial rigour and using financial products and structures to address the barriers inhibiting private sector investment in the sector. 		
Year	Performance criteria	Targets
2018-19	Investment in renewable energy, low emissions and energy efficiency technologies.	Funds contracted during the year > \$1bn to \$1.2bn.
	Placement of funds into Australia's clean energy sector.	Funds Deployed > \$750m. Expected carbon abatement from committed projects at 'cost' to the Corporation of < \$0. Financial leverage in projects financed >1:1.
	Performance against portfolio benchmark return set by the government in the 2016 Investment Mandate No. 2.	Optimise portfolio returns while recognising the Corporation's public policy purpose, and taking all reasonable steps to achieve portfolio benchmark return targets of the five-year Australian Government bond rate + 3 to + 4 per cent per annum for the core portfolio and the five-year Australian Government bond rate + 1 per cent per annum for the Clean Energy Innovation Fund portfolio. Operating expenditure before concession and impairment < 1.5% of the deployed portfolio balance.
	Dissemination of information to industry stakeholders and building industry capacity.	Increase the value and diversity of the investment pipeline. Significant marketing and communications activity, including media outreach and targeted participation in conferences and industry events. Positive stakeholder awareness and knowledge.
2019-20 and beyond	As per 2018-19.	
Purposes	The CEFC's purpose is to overcome financing barriers to facilitate increased flows of finance into Australia's clean energy sector and in turn to achieve emissions reductions.	

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2018-19 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

The Corporation incurs significant non-cash expenses and income which give rise to a significant difference between the financial information presented in the budgeted financial statements and the underlying cash impact of its operations.

Table 3.1 Comprehensive income statement (showing net cost of services) includes a reconciliation of the impact of the significant non-cash income and charges. Table 3.4 Budgeted Departmental Statement of Cash Flows also shows the net cash from operating activities which is significantly higher than the surplus shown in Table 3.1 Comprehensive Income Statement.

3.1.2 Explanatory notes and analysis of budgeted financial statements

The financial statements, included in Tables 3.1 to 3.6 have been prepared in accordance with the requirements of the *Public Governance, Performance and Accountability Act 2013*, the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*, Australian Accounting Standards issued by the Australian Accounting Standards Board and the Department of Finance guidance for the preparation of financial statements (noting additional disclosure of the reconciliation of the impact of the significant non-cash income and charges is not required by Australian Accounting Standards).

Forward estimates are prepared on the basis of accounting standards currently in force. Adoption of new accounting standards such as *AASB16 - Leases* will impact the measurement and classification of certain assets, liabilities and expenses in future periods. Adoption of *AASB9 - Financial Instruments effective 1 July 2018* will also have an impact on the Opening Retained Surplus that has not been included in these budgeted financial statements, as the adjustment will result from adoption of the fair value rather than amortised cost of certain investments and restatement of impairment liabilities using the new methodology as of the adoption date.

The financial report has been prepared on an accrual basis and is prepared in accordance with the historical cost convention.

Notes to the budgeted financial statements

The budget statements and estimated forward years should be read taking into account the following matters:

Concession loan discount

The Corporation is in the business of making loans, some of which may be at a discount to the prevailing market equivalent rates or terms (or, in the absence of equivalent market rates or terms, an estimate of these). For each investment, the Corporation attempts to maximise its return and provide only the level of discount from market rates/terms that is required to ensure the project proceeds. This may involve the Corporation taking a position that is not generally offered by other market participants (for example, longer term fixed-rate debt or subordinated debt) at rates that may be below those that an equivalent market participant would demand if it were to participate in this market.

The Corporation is required to record a non-cash charge referred to as a concessional loan discount in relation to any such loans and it is a matter of judgment as to the market equivalent rate used to ascertain the extent of the implicit discount attached to the loan.

Concessionality is made available on an individual transaction basis through longer tenor or lower cost of finance or by absorbing additional risk. The Corporation sets terms on a case by case basis, lending at the rate that is commercially reasonable and on the least generous terms possible for the project to proceed (that is, as close to market terms as possible).

Impairment

(a) Loans

The Corporation is required to ascertain the extent to which its portfolio of loans is likely to be recoverable. Given the Corporation is in the business of lending and earning a margin it takes credit risk and it is appropriate to provision for expected credit losses. As the Corporation's portfolio is mainly senior secured debt and secured project finance facilities, and there have been limited specific impairments identified to date, a statistical probability of default must be used in accordance with AASB9 to determine the level of appropriate provisioning. The forecast impairment charge is a provision determined as reasonable and appropriate when looking at the risks within the Corporation's current loans and in particular the current environment faced by the borrowers.

(b) Investments

The Corporation carries its equity investments at fair value. Upon adoption of AASB9 – *Financial Instruments effective 1 July 2018*, any reduction in these fair values is required to be recorded as a charge to the income statement. The Corporation is in the business of investing equity in early stage clean energy technology entities under the Clean

Energy Innovation Fund and expects that a number of these investments will become impaired over the period covered by these financial statements. This is consistent with the design of the Clean Energy Innovation Fund as essentially a venture capital-style offering, where perhaps 40 per cent of investments are expected to fail, 40 per cent expected to yield average returns and the remaining 20% expected to outperform. It is envisaged that the outperforming investments in the Clean Energy Innovation Fund will therefore cover, and ideally exceed, any investment losses – enabling the Fund to meet or exceed its performance benchmark return of the 5 year government bond rate +1 per cent per annum.

Variability in forecasts

The responsible Ministers give guidance to the Board in relation to the performance of the Corporation's investment function in the form of an Investment Mandate issued under subsection 64(1) of the CEFC Act. The current Investment Mandate, *The Clean Energy Finance Corporation Investment Mandate Direction 2016 (No.2)*, was issued on 11 January 2017 by the Hon Josh Frydenberg MP, Minister for the Environment and Energy, and Senator the Hon Mathias Cormann, Minister for Finance. This Investment Mandate includes specific areas of focus. These areas of focus have direct implication on the likely rate of return that is achievable in the portfolio, the amount of risk that the Corporation will be incurring across its portfolio and the variability of earnings from period to period.

For example, the Clean Energy Innovation Fund will likely result in a greater proportion of equity investments than the Corporation's existing portfolio. Similarly, its focus on emerging clean energy projects and businesses that involve technologies that have passed beyond the research and development stages, but are not yet established or of sufficient maturity, size or otherwise commercially ready to attract sufficient private sector investment, will expose the Corporation to a greater risk of loss on individual investments and is likely to result in a greater variability in returns between reporting periods. The Australian Government is conscious of the risks inherent in investing in earlier stage technologies and acknowledges that in practice this will involve some short-term volatility in the Corporation's returns, including the possibility of losses in some years. See also the discussion on the Clean Energy Innovation Fund in the section on "Impairments" above.

Adoption of AASB9 – *Financial Instruments effective 1 July 2018* will result in a greater variability in earnings related to changes in market values of investments. Certain of the Corporation's loans and all of the Corporation's equity investments will be required to be carried at fair value with adjustments resulting in a charge or credit to the Income Statement. Changes in these values may arise for example from a change in interest rates or property prices, neither of which are within the control of the Corporation. It is also not always possible for the Corporation to exit such investments in anticipation of market rate movements, as the public policy purpose of the investment may not have been fully achieved at this time. The Corporation enters into

investments which may need to be held for a longer period to ensure the carbon reduction initiatives and other public policy benefits are fully achieved.

The energy sector as a whole, and particularly the clean energy sector are undergoing a period of transition as the Renewable Energy Target becomes fully contracted and the Government's proposed National Energy Guarantee is under negotiation with the COAG Energy Council. This transition, together with the requirement for the Corporation to ensure that on or after 1 July 2018, at least half of the funds invested must be invested in renewable energy, is likely to cause variability in the level of new investment undertaken by the Corporation and in turn the financial results achieved by the Corporation.

In each of the areas of particular notional allocation for deployment:

- emerging clean energy projects and businesses
- clean energy projects that improve the productivity, accessibility and liveability of cities
- clean energy projects and businesses that support delivery of the Australian and Queensland governments' Reef 2050 plan.

There is likely to be greater variability of earnings and less certainty when forecasting as:

- a) it may take longer than anticipated to scale up the notional sub-portfolios with new investments
- b) the size of individual investments may be smaller than is optimal resulting in a lower net return with higher costs per transaction
- c) it may require a larger than forecast use of (non-cash) concessionality in order to incentivise a change from "business as usual".

The budget and forecasts have been prepared on the basis of the best available estimates as well as an assumption of stability in and continuity of the policy environment.

The private sector has been able to refinance certain of the Corporation's investments once they have been de-risked and the commercial sector is able to confidently invest. Given the current low interest rate environment in particular, there have been a number of the Corporation's investments that, for example having completed construction, or obtained contractual certainty or operated successfully for a period, are then sufficiently de-risked and able to be financed by the commercial banks. This has resulted in some of the Corporation's most profitable loans having been given up to the private sector.

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
EXPENSES					
Employee benefits	27,946	34,966	39,864	43,496	44,669
Suppliers	10,044	13,355	14,389	15,327	16,259
Depreciation and amortisation	860	969	1,042	1,127	1,207
Write-down and impairment of assets	14,000	25,000	25,000	25,000	25,000
Share of net loss from associates using the equity method	522	500	500	500	500
Concessional loan charges	18,000	25,000	26,000	27,000	27,000
Total expenses	71,372	99,790	106,795	112,450	114,635
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Interest and fees	109,953	144,786	156,003	168,221	171,148
Dividends and other equity distributions	8,950	17,377	22,960	24,190	25,515
Unwind of concessional loan discount	4,969	6,627	7,832	10,039	11,472
Total own-source revenue	123,872	168,790	186,795	202,450	208,135
Total own-source income	123,872	168,790	186,795	202,450	208,135
Net contribution by services	52,500	69,000	80,000	90,000	93,500
Surplus attributable to the Australian Government	52,500	69,000	80,000	90,000	93,500
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	14,708	-	-	-	-
Total other comprehensive income	14,708	-	-	-	-
Total comprehensive income	67,208	69,000	80,000	90,000	93,500
Total comprehensive income attributable to the Australian Government	67,208	69,000	80,000	90,000	93,500

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June (continued)

Reconciliation of the impact of significant non-cash income and charges					
	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000
ADD SIGNIFICANT NON-CASH CHARGES					
Depreciation and amortisation	860	969	1,042	1,127	1,207
Share of net loss from associates using the equity method	522	500	500	500	500
Concessional loan charge	18,000	25,000	26,000	27,000	27,000
Provision for asset impairment	14,000	25,000	25,000	25,000	25,000
Total significant non-cash charges	33,382	51,469	52,542	53,627	53,707
LESS SIGNIFICANT NON-CASH REVENUE					
Unwind of concessional loan charge	(4,969)	(6,627)	(7,832)	(10,039)	(11,472)
Changes in asset revaluation surplus	(14,708)	-	-	-	-
Total significant non-cash revenue	(19,677)	(6,627)	(7,832)	(10,039)	(11,472)
Total comprehensive income attributable to the Australian Government after eliminating significant non-cash adjustments	80,913	113,842	124,710	133,588	135,735

Prepared on Australian Accounting Standards basis.

Clean Energy Finance Corporation Budget Statements

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	223,483	237,780	325,171	357,589	342,313
Advances and loans	2,409,565	2,512,005	2,892,944	3,164,696	3,131,040
Available for sale financial assets	1,514,010	1,850,397	1,967,782	2,032,138	1,902,655
Interest and other receivables	6,865	7,082	7,610	7,364	5,959
Other investments	180,193	326,943	443,943	518,443	543,655
Total financial assets	4,334,116	4,934,207	5,637,450	6,080,230	5,925,622
Non-financial assets					
Property, plant and equipment	1,134	1,130	1,083	981	884
Intangibles	589	874	1,179	1,504	1,794
Other non-financial assets	646	646	646	646	646
Total non-financial assets	2,369	2,650	2,908	3,131	3,324
Total assets	4,336,485	4,936,857	5,640,358	6,083,361	5,928,946
LIABILITIES					
Payables					
Suppliers	2,151	2,185	2,185	2,185	2,185
Unearned income and other payables	31,468	31,920	34,374	36,234	37,146
Total payables	33,619	34,105	36,559	38,419	39,331
Provisions					
Employee provisions	7,095	7,981	9,028	10,171	11,344
Other provisions	129	129	129	129	129
Total provisions	7,224	8,110	9,157	10,300	11,473
Total liabilities	40,843	42,215	45,716	48,719	50,804
Net assets	4,295,642	4,894,642	5,594,642	6,034,642	5,878,142
EQUITY (a)					
Parent entity interest					
Contributed equity	4,108,363	4,638,363	5,258,363	5,608,363	5,358,363
Reserves	29,363	29,363	29,363	29,363	29,363
Retained surplus	157,916	226,916	306,916	396,916	490,416
Total parent entity interest	4,295,642	4,894,642	5,594,642	6,034,642	5,878,142
Total equity	4,295,642	4,894,642	5,594,642	6,034,642	5,878,142

Prepared on Australian Accounting Standards basis.

(a) Equity is the residual interest in assets after the deduction of liabilities.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2018-19)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2018					
Balance carried forward from previous period	157,916	29,363	-	4,108,363	4,295,642
Adjusted opening balance	157,916	29,363	-	4,108,363	4,295,642
Comprehensive income					
Surplus for the period	69,000	-	-	-	69,000
Total comprehensive income	69,000	-	-	-	69,000
of which:					
Attributable to the Australian Government	69,000	-	-	-	69,000
Transactions with owners					
Contributions by owners					
Equity injection	-	-	-	530,000	530,000
Sub-total transactions with owners	-	-	-	530,000	530,000
Estimated closing balance as at 30 June 2019	226,916	29,363	-	4,638,363	4,894,642
Closing balance attributable to the Australian Government	226,916	29,363	-	4,638,363	4,894,642

Prepared on Australian Accounting Standards basis.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Interest and fees	117,210	144,308	158,691	171,114	174,374
Dividends and other equity distributions	10,823	17,377	22,960	24,190	25,515
Total cash received	128,033	161,685	181,651	195,304	199,889
Cash used					
Employees	27,055	34,080	38,817	42,353	43,496
Suppliers	10,759	13,320	14,388	15,326	16,259
Total cash used	37,814	47,400	53,205	57,679	59,755
Net cash from operating activities	90,219	114,285	128,446	137,625	140,134
INVESTING ACTIVITIES					
Cash received					
Loans and advances	248,457	381,571	273,194	571,725	728,340
Sale of investments	2,709	9,534	28,672	141,859	342,500
Total cash received	251,166	391,105	301,866	713,584	1,070,840
Cash used					
Purchase of property, plant and equipment and intangibles	1,155	1,250	1,300	1,350	1,400
Loans and advances	1,632,972	519,286	693,131	882,493	733,669
Purchase of Investments	885,749	500,557	268,490	284,948	241,181
Total cash used	2,519,876	1,021,093	962,921	1,168,791	976,250
Net cash from/(used by) investing activities	(2,268,710)	(629,988)	(661,055)	(455,207)	94,590
FINANCING ACTIVITIES					
Cash received					
Contributed equity	2,000,000	530,000	620,000	650,000	650,000
Return of contributed equity	-	-	-	(300,000)	(900,000)
Total cash received	2,000,000	530,000	620,000	350,000	(250,000)
Net cash from/(used by) financing activities	2,000,000	530,000	620,000	350,000	(250,000)
Net increase/(decrease) in cash held	(178,491)	14,297	87,391	32,418	(15,276)
Cash and cash equivalents at the beginning of the reporting period	401,974	223,483	237,780	325,171	357,589
Cash and cash equivalents at the end of the reporting period	223,483	237,780	325,171	357,589	342,313

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
PURCHASE OF NON-FINANCIAL ASSETS					
Funded internally from departmental resources	1,155	1,250	1,300	1,350	1,400
TOTAL	1,155	1,250	1,300	1,350	1,400
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	1,155	1,250	1,300	1,350	1,400
Total cash used to acquire assets	1,155	1,250	1,300	1,350	1,400

Prepared on Australian Accounting Standards basis.

Table 3.6: Statement of asset movements (Budget year 2018-19)

	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2018			
Gross book value	2,300	1,456	3,756
Accumulated depreciation/ amortisation and impairment	(1,166)	(867)	(2,033)
Opening net book balance	1,134	589	1,723
Capital asset additions			
Estimated expenditure on new or replacement assets			
By purchase - other	500	750	1,250
Total additions	500	750	1,250
Other movements			
Depreciation/amortisation expense	(504)	(465)	(969)
Total other movements	(504)	(465)	(969)
As at 30 June 2019			
Gross book value	2,800	2,206	5,006
Accumulated depreciation/ amortisation and impairment	(1,670)	(1,332)	(3,002)
Closing net book balance	1,130	874	2,004

Prepared on Australian Accounting Standards basis.

CLEAN ENERGY REGULATOR

ENTITY RESOURCES AND PLANNED PERFORMANCE

CLEAN ENERGY REGULATOR

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CLEAN ENERGY REGULATOR

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Clean Energy Regulator is a Non-corporate Commonwealth Entity established under the *Clean Energy Regulator Act 2011*. The Clean Energy Regulator is responsible for the Outcome:

Contribute to a reduction in Australia's net greenhouse gas emissions, including through the administration of market based mechanisms that incentivise reduction in emissions and the promotion of additional renewable electricity generation.

The following schemes administered by the Clean Energy Regulator work together to provide economic incentives, backed up by robust data, to reduce greenhouse gas emissions and increase the use of renewable energy to achieve the agency's purpose of '*accelerating carbon abatement for Australia*.' In administering its schemes, the Clean Energy Regulator is actively supporting the Australian Government's commitment to addressing climate change while maintaining energy security and affordability.

- The Emissions Reduction Fund, established under the *Carbon Credits (Carbon Farming Initiative) Act 2011*, provides incentives for a range of organisations and individuals to adopt new practices and technologies to reduce their emissions. Together with the reporting obligations under the *National Greenhouse and Energy Reporting Act 2007*, the Safeguard Mechanism complements the Emissions Reduction Fund through providing a framework for Australia's largest emitters to measure, report and manage their emissions.
- The National Greenhouse and Energy Reporting Scheme, established by the *National Greenhouse and Energy Reporting Act 2007*, is a single national framework for reporting and disseminating company information about greenhouse gas emissions, energy production, energy consumption and other information specified under the legislation.
- The Renewable Energy Target, established by the *Renewable Energy (Electricity) Act 2000*, encourages the additional generation of electricity from renewable sources, reduce emissions of greenhouse gases in the electricity sector and ensures that renewable energy sources are ecologically sustainable.
- The Australian National Registry of Emissions Units, established by the *Australian National Registry of Emissions Units Act 2011*, is a secure electronic registry system that tracks the location and ownership of units issued under the Kyoto Protocol and the Emissions Reduction Fund.

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The Clean Energy Regulator's strategies for delivering its outcome and achieving its purpose are to:

- Invest in knowing our clients and communicating with them in a way which meets their needs. Use client education and guidance materials to help potential clients understand how to participate in and comply with our schemes. Set clear and consistent expectations with our clients. Further develop tools that assist our clients to self-select in only if they have adequate capacity and capability to meet the requirements and achieve the anticipated results. Manage non-compliance and influence client behaviour by communicating the regulatory responses and actions we take to address non-compliance, including the use of targeted enforcements to act as a deterrent.
- Use risk-based and continuous improvement approaches to deploy agency resources to best effect. Maintain and enhance the skills and expertise of our people and encourage innovation to benefit us and our clients.
- Build and sustain the Clean Energy Regulator's reputation and impact through sound stakeholder and client relationships and partnerships with other relevant institutions and regulatory bodies. Promote the value of our assets, the quality of our results and the strength of our capabilities. Place a strong emphasis on using the data we hold to generate insights and make lawful, consistent, transparent and robust decisions. Share the data we hold for the public good, in line with the secrecy and privacy provisions of our legislation.
- Ensure our infrastructure is reliable, resilient and flexible enough to be reused in response to policy or operational change. Protect the integrity and utility of the core elements of our schemes, including greenhouse and energy data, contracts, units and certificates.

Further information on the Clean Energy Regulator's objectives, annual priorities and key performance indicators is detailed in the Clean Energy Regulator Corporate Plan on the Regulator's website at www.cleanenergyregulator.gov.au.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the entity for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the entity's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome' table in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: Clean Energy Regulator resource statement — Budget estimates for 2018-19 as at Budget May 2018

	2017-18 Estimated actual \$'000	2018-19 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available (b)	15,409	16,064
Departmental appropriation (c)	69,969	69,879
Departmental capital budget (d)	1,167	1,161
Total departmental resourcing	86,545	87,104
Administered		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available (b)	61	61
Outcome 1	175,105	205,425
Total administered annual appropriations	175,166	205,486
Total administered special appropriations (e)	136,220	330
Special accounts (e)		
Opening balance	696	696
Non-appropriation receipts	3,500	3,500
Total special account receipts	4,196	4,196
Total administered resourcing	315,582	210,012
Total resourcing for Clean Energy Regulator	402,127	297,116
	2017-18	2018-19
Average staffing level (number)	323	322

Prepared on a resourcing (i.e. appropriations available) basis.

Please note: All figures shown above are GST exclusive - these may not match figures in the cash flow statement.

(a) Appropriation Bill (No. 1) 2018-19.

(b) Excludes \$6.554 million subject to administrative quarantine by Finance or withheld under section 51 of the *Public Governance, Performance and Accountability Act 2013 (PGPA Act)*.

(c) Excludes departmental capital budget (DCB).

(d) Departmental capital budgets are not separately identified in Appropriation Bill (No.1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.

(e) For further information on special appropriations and special accounts, please refer to Budget Paper No. 4 - Agency Resourcing. Please also see Table 2.1 for further information on outcome and program expenses broken down by various funding sources, e.g. annual appropriations, special appropriations and special accounts.

1.3 BUDGET MEASURES

There are no 2018-19 Budget measures relating to the Clean Energy Regulator.

Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide an entity's complete performance story.

The most recent corporate plan Clean Energy Regulator can be found at: www.cleanenergyregulator.gov.au/About/Accountability-and-reporting/Corporate-plans.

The most recent annual performance statement can be found at: www.cleanenergyregulator.gov.au/About/Accountability-and-reporting/Annual-Reports.

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Contribute to a reduction in Australia's net greenhouse gas emissions, including through the administration of market based mechanisms that incentivise reduction in emissions and the promotion of additional renewable electricity generation.

Linked programs

Department of the Environment and Energy
Programs <ul style="list-style-type: none">• Program 2.1 – Reducing Australia’s Greenhouse Gas Emissions• Program 4.1 – Energy
Contribution to Outcome 1 made by linked programs <p>The Department of the Environment and Energy has policy responsibility for the Emissions Reduction Fund, the Renewable Energy Target, the National Greenhouse and Energy Reporting Scheme and the Australian National Register of Emissions Units. The Clean Energy Regulator works collaboratively with the Department as the delivery agency and regulator for these schemes. The Department of the Environment and Energy is responsible for energy policy and the Clean Energy Regulator works collaboratively with the Department to understand the impacts of its regulatory activity on the market.</p>

Budgeted expenses for Outcome 1

This table shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.

Table 2.1.1: Budgeted expenses for Outcome 1

Outcome 1: Contribute to a reduction in Australia's net greenhouse gas emissions, including through the administration of market based mechanisms that incentivise reduction in emissions and the promotion of additional renewable energy generation.					
	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
Program 1.1: Clean Energy Regulator					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	175,105	205,425	255,010	251,210	291,584
Special appropriations <i>Public Governance, Performance and Accountability Act 2013</i>	73	-	-	-	-
<i>Renewable Energy (Electricity) Act 2000</i>	291	330	402	442	482
Administered total	175,469	205,755	255,412	251,652	292,066
Departmental expenses					
Departmental appropriation	69,969	69,879	70,161	70,620	70,939
Expenses not requiring appropriation in the Budget year (a)	9,492	7,089	3,767	2,634	2,728
Departmental total	79,461	76,968	73,928	73,254	73,667
Total expenses for program 1.1	254,930	282,723	329,340	324,906	365,733
Outcome 1 Totals by appropriation type					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	175,105	205,425	255,010	251,210	291,584
Special appropriations	364	330	402	442	482
Administered total	175,469	205,755	255,412	251,652	292,066
Departmental expenses					
Departmental appropriation	69,969	69,879	70,161	70,620	70,939
Expenses not requiring appropriation in the Budget year (a)	9,492	7,089	3,767	2,634	2,728
Departmental total	79,461	76,968	73,928	73,254	73,667
Total expenses for Outcome 1	254,930	282,723	329,340	324,906	365,733

Table 2.1.1: Budgeted expenses for Outcome 1 (continued)

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
Movement of administered funds between years					
Outcome 1:					
Program 1.1: Clean Energy Regulator	(43,557)	(8,799)	26,784	3,356	4,208
Total movement of administered funds	(43,557)	(8,799)	26,784	3,356	4,208

	2017-18	2018-19
Average staffing level (number)	323	322

(a) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, and audit fees.

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.

Table 2.1.2: Performance criteria for Outcome 1

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2018-19 Budget measures have created new programs or materially changed existing programs.

Outcome 1 – Contribute to a reduction in Australia's net greenhouse gas emissions, including through the administration of market based mechanisms that incentivise reduction in emissions and the promotion of additional renewable electricity generation.		
Program 1.1 – Effective and efficient regulation of greenhouse and energy reporting and market based schemes that contribute to a reduction in Australia's net greenhouse gas emissions and promote investment in renewable energy.		
Delivery	The Clean Energy Regulator delivers Program 1.1 by: <ul style="list-style-type: none">• collecting, analysing, assessing and publishing emissions and energy data, to inform government policy and the Australian public, to meet international reporting obligations and to support Australia's emissions and energy data needs;• operating the Australian National Registry of Emissions Units and the Renewable Energy Certificate Registry for market participants;• monitoring, facilitating and enforcing compliance by its clients for the schemes it administers;• issuing Australian carbon credit units to organisations and individuals for approved projects that reduce greenhouse gas emissions;• conducting auctions and managing contracts;• accrediting greenhouse and energy auditors to undertake audit activities under its schemes;• working with other Commonwealth, state and territory law enforcement and regulatory bodies; and• providing education and information to current and potential scheme participants on the schemes it administers and how they work.	
Performance information		
Year	Performance criteria (a)	Targets
2017-18	Proportion of contracted abatement delivered. Expected achievement against criterion: The delivery of abatement contracted through the Emissions Reduction Fund results in emissions reductions and contributes to meeting Australia's emissions reduction targets.	On track. Against a target of: ≥ 80% of contracted abatement is delivered on time

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Program 1.1 – Effective and efficient regulation of greenhouse and energy reporting and market based schemes that contribute to a reduction in Australia's net greenhouse gas emissions and promote investment in renewable energy.		
Year	Performance criteria (a)	Targets
	<p>Compliance levels by regulated and liable entities.</p> <p>Expected achievement against criterion:</p> <p>Regulated entities comply with the National Greenhouse and Energy Reporting Scheme by reporting emissions and energy data which underpins the reduction of net greenhouse gas emissions and supports Australia's emissions and energy data needs.</p> <p>Liable entities support achieving the Renewable Energy Target through compliance with their obligations by surrendering renewable energy certificates, which represent the generation of renewable energy.</p> <p>Emissions Reduction Fund project proponents and safeguard facilities comply with their obligations.</p>	<p>On track.</p> <p>Against a target of: ≥ 95% of regulated and liable entities are materially compliant with their statutory obligations.</p>
2018-19	<p>Proportion of contracted abatement delivered</p> <p>Compliance levels by regulated and liable entities.</p>	<p>≥ 80% of contracted abatement is delivered on time</p> <p>≥ 95% of regulated and liable entities are materially compliant with their statutory obligations</p>
2019-20 and beyond	As for 2018-19.	As for 2018-19.
Purposes	Accelerating carbon abatement for Australia.	

a) Performance criteria for Outcome 1 are derived from the key performance indicators identified in the Clean Energy Regulator Corporate Plan 2017-21.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2018-19 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

The Clean Energy Regulator has no significant differences between the resource information presented in the Budget Papers and the Portfolio Budget Statements.

3.1.2 Explanatory notes and analysis of budgeted financial statements

The Clean Energy Regulator is budgeting to incur departmental expenses of \$77.0 million in 2018-19.

The Clean Energy Regulator is budgeting for a break-even position in 2018-19, excluding non-appropriated expenses relating to depreciation and amortisation.

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
EXPENSES					
Employee benefits	39,210	39,088	39,457	39,829	40,205
Suppliers	31,144	31,176	31,089	31,176	31,119
Depreciation and amortisation (a)	9,107	6,704	3,382	2,249	2,343
Total expenses	79,461	76,968	73,928	73,254	73,667
LESS:					
OWN-SOURCE INCOME					
Gains					
Other	385	385	385	385	385
Total gains	385	385	385	385	385
Total own-source income	385	385	385	385	385
Net (cost of)/contribution by services	(79,076)	(76,583)	(73,543)	(72,869)	(73,282)
Revenue from Government	69,969	69,879	70,161	70,620	70,939
Surplus/(deficit)	(9,107)	(6,704)	(3,382)	(2,249)	(2,343)
Total comprehensive income/(loss)	(9,107)	(6,704)	(3,382)	(2,249)	(2,343)

Note: Impact of net cash appropriation arrangements

	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000
Total comprehensive income / (loss) excluding depreciation / amortisation expenses previously funded through revenue appropriations	-	-	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	9,107	6,704	3,382	2,249	2,343
Total comprehensive income/(loss) - as per the statement of comprehensive income	(9,107)	(6,704)	(3,382)	(2,249)	(2,343)

Prepared on Australian Accounting Standards basis.

(a) From 2010-11, the Government introduced net cash appropriation arrangements. This involved Bill (No.1) revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) being replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill (No.1) equity appropriations. For information regarding DCBs, please refer to Table 3.5 Departmental Capital Budget Statement.

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	345	345	345	345	345
Trade and other receivables	22,406	23,061	23,061	23,061	23,061
Other financial assets	10	10	10	10	10
Total financial assets	22,761	23,416	23,416	23,416	23,416
Non-financial assets					
Land and buildings	4,394	3,272	2,150	1,028	-
Property, plant and equipment	827	279	123	42	7
Intangibles	7,695	3,822	2,880	3,003	2,899
Other non-financial assets	850	850	850	850	850
Total non-financial assets	13,766	8,223	6,003	4,923	3,756
Total assets	36,527	31,639	29,419	28,339	27,172
LIABILITIES					
Payables					
Suppliers	3,893	3,947	3,947	3,947	3,947
Other payables	653	653	653	653	653
Total payables	4,546	4,600	4,600	4,600	4,600
Provisions					
Employee provisions	11,208	11,809	11,809	11,809	11,809
Total provisions	11,208	11,809	11,809	11,809	11,809
Total liabilities	15,754	16,409	16,409	16,409	16,409
Net assets	20,773	15,230	13,010	11,930	10,763
EQUITY (a)					
Parent entity interest					
Contributed equity	86,225	87,386	88,548	89,717	90,893
Reserves	9,622	9,622	9,622	9,622	9,622
Retained surplus (accumulated deficit)	(75,074)	(81,778)	(85,160)	(87,409)	(89,752)
Total equity	20,773	15,230	13,010	11,930	10,763

Prepared on Australian Accounting Standards basis.

(a) Equity is the residual interest in assets after the deduction of liabilities.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2018-19)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2018				
Balance carried forward from previous period	(75,074)	9,622	86,225	20,773
Adjusted opening balance	(75,074)	9,622	86,225	20,773
Comprehensive income				
Surplus/(deficit) for the period	(6,704)	-	-	(6,704)
Contributions by owners				
Departmental Capital Budget (DCB)	-	-	1,161	1,161
Sub-total transactions with owners	-	-	1,161	1,161
Estimated closing balance as at 30 June 2019	(81,778)	9,622	87,386	15,230
Closing balance attributable to the Australian Government	(81,778)	9,622	87,386	15,230

Prepared on Australian Accounting Standards basis.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	69,332	69,224	70,161	70,620	70,939
Total cash received	69,332	69,224	70,161	70,620	70,939
Cash used					
Employees	38,627	38,487	39,457	39,829	40,205
Suppliers	30,705	30,737	30,704	30,791	30,734
Total cash used	69,332	69,224	70,161	70,620	70,939
Net cash from/(used by) operating activities	-	-	-	-	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	1,167	1,161	1,162	1,169	1,176
Total cash used	1,167	1,161	1,162	1,169	1,176
Net cash from/(used by) investing activities	(1,167)	(1,161)	(1,162)	(1,169)	(1,176)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	1,167	1,161	1,162	1,169	1,176
Total cash received	1,167	1,161	1,162	1,169	1,176
Net cash from/(used by) financing activities	1,167	1,161	1,162	1,169	1,176
Net increase/(decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	345	345	345	345	345
Cash and cash equivalents at the end of the reporting period	345	345	345	345	345

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	1,167	1,161	1,162	1,169	1,176
Total new capital appropriations	1,167	1,161	1,162	1,169	1,176
<i>Provided for:</i>					
Purchase of non-financial assets	1,167	1,161	1,162	1,169	1,176
Total items	1,167	1,161	1,162	1,169	1,176
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation – DCB (a)	1,167	1,161	1,162	1,169	1,176
TOTAL	1,167	1,161	1,162	1,169	1,176
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	1,167	1,161	1,162	1,169	1,176
Total cash used to acquire assets	1,167	1,161	1,162	1,169	1,176

Prepared on Australian Accounting Standards basis.

(a) Includes purchases from current and previous years' Departmental Capital Budgets (DCBs).

Table 3.6: Statement of asset movements (Budget year 2018-19)

	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2018				
Gross book value	5,514	1,390	58,604	65,508
Accumulated depreciation/ amortisation and impairment	(1,120)	(563)	(50,909)	(52,592)
Opening net book balance	4,394	827	7,695	12,916
Capital asset additions				
By purchase - appropriation ordinary annual services (a)	-	-	1,161	1,161
Total additions	-	-	1,161	1,161
Other movements				
Depreciation/amortisation expense	(1,122)	(548)	(5,034)	(6,704)
Total other movements	(1,122)	(548)	(5,034)	(6,704)
As at 30 June 2019				
Gross book value	5,514	1,390	59,765	66,669
Accumulated depreciation/ amortisation and impairment	(2,242)	(1,111)	(55,943)	(59,296)
Closing net book balance	3,272	279	3,822	7,373

Prepared on Australian Accounting Standards basis.

(a) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No.1) 2017-18 for depreciation/amortisation expenses, DCBs or other operational expenses.

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
EXPENSES					
Suppliers	4,181	4,147	4,219	4,259	4,299
Other expenses	171,288	201,608	251,193	247,393	287,767
Total expenses administered on behalf of Government	175,469	205,755	255,412	251,652	292,066
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Taxation revenue					
Other taxes	91,465	660	807	734	776
Total taxation revenue	91,465	660	807	734	776
Non-taxation revenue					
Sale of goods and rendering of services	11,921	14,341	14,816	13,291	13,420
Total non-taxation revenue	11,921	14,341	14,816	13,291	13,420
Total own-source revenue administered on behalf of Government	103,386	15,001	15,623	14,025	14,196
Total own-sourced income administered on behalf of Government	103,386	15,001	15,623	14,025	14,196
Net (cost of)/contribution by services	(72,083)	(190,754)	(239,789)	(237,627)	(277,870)
Total comprehensive income/(loss)	(72,083)	(190,754)	(239,789)	(237,627)	(277,870)

Prepared on Australian Accounting Standards basis.

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	757	757	757	757	757
Taxation receivables	3,197	3,197	3,197	3,197	3,197
Trade and other receivables	8,052	8,052	8,052	8,052	8,052
Total financial assets	12,006	12,006	12,006	12,006	12,006
Total assets administered on behalf of Government	12,006	12,006	12,006	12,006	12,006
LIABILITIES					
Payables					
Suppliers	417	417	417	417	417
Other payables	22,850	22,851	22,851	22,851	22,851
Total payables	23,267	23,268	23,268	23,268	23,268
Total liabilities administered on behalf of Government	23,267	23,268	23,268	23,268	23,268
Net assets/(liabilities)	(11,261)	(11,262)	(11,262)	(11,262)	(11,262)

Prepared on Australian Accounting Standards basis.

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Sales of goods and rendering of services	11,921	14,341	14,816	13,291	13,420
Taxes	91,465	660	807	734	776
Total cash received	103,386	15,001	15,623	14,025	14,196
Cash used					
Suppliers	4,181	4,147	4,219	4,259	4,299
Other	307,144	201,608	251,193	247,393	287,767
Total cash used	311,325	205,755	255,412	251,652	292,066
Net cash from/(used by) operating activities	(207,939)	(190,754)	(239,789)	(237,627)	(277,870)
FINANCING ACTIVITIES					
Cash received					
Special Account	3,500	3,500	3,500	3,500	3,500
Total cash received	3,500	3,500	3,500	3,500	3,500
Cash used					
Net repayment of borrowings					
Special Account	3,500	3,500	3,500	3,500	3,500
Total cash used	3,500	3,500	3,500	3,500	3,500
Net cash from/(used by) financing activities	-	-	-	-	-
Net increase/(decrease) in cash held	(207,939)	(190,754)	(239,789)	(237,627)	(277,870)
Cash and cash equivalents at beginning of reporting period	757	757	757	757	757
Cash from Official Public Account for:					
- Appropriations	311,325	205,755	255,412	251,652	292,066
Total cash from Official Public Account	311,325	205,755	255,412	251,652	292,066
Cash to Official Public Account for:					
- Appropriations	(103,386)	(15,001)	(15,623)	(14,025)	(14,196)
Total cash to Official Public Account	(103,386)	(15,001)	(15,623)	(14,025)	(14,196)
Cash and cash equivalents at end of reporting period	757	757	757	757	757

Prepared on Australian Accounting Standards basis.

CLIMATE CHANGE AUTHORITY

ENTITY RESOURCES AND PLANNED PERFORMANCE

CLIMATE CHANGE AUTHORITY

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CLIMATE CHANGE AUTHORITY

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Climate Change Authority is a Non-corporate Commonwealth Entity and a Statutory Agency operating under the *Climate Change Authority Act 2011*. The Authority is responsible for the Outcome:

- Provide expert advice to the Australian Government on climate change mitigation initiatives, including through conducting regular and specifically commissioned reviews and through undertaking climate change research.

The specific functions of the Authority are set out in the *Climate Change Authority Act 2011*. These include conducting statutory reviews of climate change policies, special reviews and research about matters relating to climate change.

In 2018-19, the Authority will complete (by 31 December 2018) its review on the *National Greenhouse and Energy Reporting Act 2007*.

Government policy is that the Climate Change Authority will be wound up within the life of the current Parliament.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the entity for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the entity's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: Climate Change Authority resource statement — Budget estimates for 2018-19 as at Budget May 2018

	2017-18 Estimated actual \$'000	2018-19 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services		
Prior year appropriations available	1,144	509
s74 Retained revenue receipts (a)	1,456	1,555
Total departmental annual appropriations	2,600	2,064
Total departmental resourcing	2,600	2,064
Total resourcing for Climate Change Authority	2,600	2,064
<hr/>		
Average staffing level (number)	2017-18 9	2018-19 9

Prepared on a resourcing (i.e. appropriations available) basis.

Please note: All figures shown above are GST exclusive - these may not match figures in the cash flow statement.

(a) Estimated retained revenue receipts under section 74 of the *Public Governance, Performance and Accountability Act 2013 (PGPA Act)*.

1.3 BUDGET MEASURES

There are no 2018-19 Budget measures relating to the Climate Change Authority.

Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide an entity's complete performance story.

The most recent corporate plan for the Climate Change Authority can be found at: <http://www.climatechangeauthority.gov.au/corporate-plan-2017-18>.

The most recent annual performance statement can be found at: <http://www.climatechangeauthority.gov.au/about-cca>.

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Provide expert advice to the Australian Government on climate change mitigation initiatives, including through conducting regular and specifically commissioned reviews and through undertaking climate change research.

Linked programs

Department of the Environment and Energy
Programs <ul style="list-style-type: none">• Program 2.1 – Reducing Australia's Greenhouse Gas Emissions• Program 4.1 – Energy
Contribution to Outcome 1 made by linked programs <p>The Climate Change Authority supports the Department of the Environment and Energy in reducing Australia's greenhouse gas emissions by providing independent climate change mitigation policy advice to the Government, including in relation to the energy sector.</p>

Budgeted expenses for Outcome 1

This table shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.

Table 2.1.1: Budgeted expenses for Outcome 1

Outcome 1: Provide expert advice to the Australian Government on climate change mitigation initiatives, including through conducting regular and specifically commissioned reviews and through undertaking climate change research.

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
Program 1.1: Reviewing Climate Change Mitigation Policies					
Departmental expenses					
s74 Retained revenue receipts (a)	1,456	1,555	-	-	-
Expenses not requiring appropriation in the Budget year (b)	635	-	-	-	-
Departmental total	2,091	1,555	-	-	-
Total expenses for program 1.1	2,091	1,555	-	-	-
Outcome 1 Totals by appropriation type					
Departmental expenses					
s74 Retained revenue receipts (a)	1,456	1,555	-	-	-
Expenses not requiring appropriation in the Budget year (b)	635	-	-	-	-
Departmental total	2,091	1,555	-	-	-
Total expenses for Outcome 1	2,091	1,555	-	-	-
Average staffing level (number)					
	2017-18 9	2018-19 9			

(a) Estimated expenses incurred in relation to receipts retained under section 74 of the *Public Governance, Performance and Accountability Act 2013*.

(b) Expenses not requiring appropriation in the Budget year are comprised of an approved operating loss.

Table 2.1.2: Performance criteria for Outcome 1

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2018-19 Budget measures have created new programs or materially changed existing programs.

Outcome 1 – Provide expert advice to the Australian Government on climate change mitigation initiatives, including through conducting regular and specifically commissioned reviews and undertaking climate change research.		
Program 1.1 – Reviewing climate change mitigation policies		
The Climate Change Authority's objective is to provide rigorous, independent and balanced advice to the Minister for the Environment and Energy, to assist the Department and the Australian Parliament on climate change policy, in order to improve the quality of life for all Australians.		
Delivery	<p>The Authority will conduct regular legislative reviews, and undertake climate change research by:</p> <ul style="list-style-type: none">performing desktop and in-depth research and analysiscommissioning external resources to do analytic work where neededconducting meaningful and transparent consultation with experts and stakeholders including business, industry, environment and other community groupsmonitoring developments in climate change policy by reviewing publicly available resources and building networks with expert, local and international organisations. <p>The Authority secretariat will assist Authority decision making by:</p> <ul style="list-style-type: none">providing briefing, draft reports and other supporting documents that are fit for purpose and of a high quality.	
Performance information		
Year	Performance criteria	Targets
2017-18	Legislative reviews and research reports conducted by the Authority are timely, high quality, well-received by stakeholders, and inform or influence public policy forums and discussions.	<p>Statutory deadlines for legislative reviews are met.</p> <p>Forecast: on-track</p> <p>Stakeholders express the view that reports are of high quality and influential.</p> <p>Forecast: on-track</p>
	Public consultation processes are transparent, accessible and facilitate meaningful engagement with stakeholders.	<p>Stakeholders express the view that consultation has been meaningful and transparent.</p> <p>Forecast: on-track</p> <p>Issues papers, public submissions research reports and review reports are accessible on the Authority's website.</p> <p>Forecast: on-track</p>

Climate Change Authority Budget Statements

Program 1.1 – Reviewing climate change mitigation policies The Climate Change Authority's objective is to provide rigorous, independent and balanced advice to the Minister for the Environment and Energy, to assist the Department and the Australian Parliament on climate change policy, in order to improve the quality of life for all Australians.		
Year	Performance criteria	Targets
	The Authority secretariat's work supports effective decision making by the Authority.	Authority members express satisfaction with the work of the secretariat Forecast: on-track
2018-19 (a)	Legislative reviews and research reports conducted by the Authority are timely, high quality, well-received by stakeholders, and inform or influence public policy forums and discussions.	As per 2017–18
2019-20 and beyond	As per 2018–19	As per 2018–19
Purposes	The Climate Change Authority's objective is to provide rigorous, independent and balanced advice to the Minister for the Environment and Energy and the Australian Parliament on climate change policy, in order to improve the quality of life for all Australians. The Authority will do this by conducting regular and specifically commissioned reviews, and undertaking climate change research published as issues papers, research and review reports.	

(a) Performance criteria for Outcome 1 will be reflected in the 2018-19 Corporate Plan.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2018-19 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Explanatory notes and analysis of budgeted financial statements

The financial statements reflect the Authority' operations to 30 June 2019.

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
EXPENSES					
Employee benefits	977	1,056	-	-	-
Suppliers	1,114	499	-	-	-
Total expenses	2,091	1,555	-	-	-
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Other	1,456	1,555	-	-	-
Total own-source revenue	1,456	1,555	-	-	-
Total own-source income	1,456	1,555	-	-	-
Net (cost of)/contribution by services	(635)	-	-	-	-
Surplus/(deficit) attributable to the Australian Government	(635)	-	-	-	-
Total other comprehensive income	-	-	-	-	-
Total comprehensive income/(loss)	(635)	-	-	-	-
Total comprehensive income/(loss) attributable to the Australian Government	(635)	-	-	-	-

Note: Impact of net cash appropriation arrangements

	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000
Total comprehensive income/(loss) excluding depreciation/ amortisation expenses previously funded through revenue appropriations	(635)	-	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations	-	-	-	-	-
Total comprehensive income/(loss) - as per the statement of comprehensive income	(635)	-	-	-	-

Prepared on Australian Accounting Standards basis.

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	496	-	-	-	-
Trade and other receivables	13	-	-	-	-
Total financial assets	509	-	-	-	-
Total assets	509	-	-	-	-
LIABILITIES					
Payables					
Suppliers	82	-	-	-	-
Total payables	82	-	-	-	-
Provisions					
Employee provisions	422	-	-	-	-
Total provisions	422	-	-	-	-
Total liabilities	504	-	-	-	-
Net assets	5	-	-	-	-
EQUITY (a)					
Parent entity interest					
Contributed equity	1,315	-	-	-	-
Retained surplus (accumulated deficit)	(1,310)	-	-	-	-
Total parent entity interest	5	-	-	-	-
Total equity	5	-	-	-	-

Prepared on Australian Accounting Standards basis.

(a) Equity is the residual interest in assets after the deduction of liabilities.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2018-19)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2018					
Balance carried forward from previous period	(1,310)	-	-	1,315	5
Adjusted opening balance	(1,310)	-	-	1,315	5
Comprehensive income					
Transactions with owners					
Distributions to owners					
Returns of capital:					
Distribution of equity	1,310	-	-	-	1,310
Contributions by owners					
Equity injection - Appropriation	-	-	-	(1,315)	(1,315)
Sub-total transactions with owners	1,310	-	-	(1,315)	(5)
Estimated closing balance as at 30 June 2019	1,310	-	-	(1,315)	(5)
Closing balance attributable to the Australian Government	1,310	-	-	(1,315)	(5)

Prepared on Australian Accounting Standards basis.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Net GST received	-	13	-	-	-
Other	1,456	1,555	-	-	-
Total cash received	1,456	1,568	-	-	-
Cash used					
Employees	977	1,467	-	-	-
Suppliers	1,114	592	-	-	-
s74 Retained revenue receipts transferred to OPA	-	5	-	-	-
Total cash used	2,091	2,064	-	-	-
Net cash from/(used by) operating activities	(635)	(496)	-	-	-
FINANCING ACTIVITIES					
Cash received					
Total cash received	-	-	-	-	-
Net cash from/(used by) financing activities	-	-	-	-	-
Net increase/(decrease) in cash held	(635)	(496)	-	-	-
Cash and cash equivalents at the beginning of the reporting period	1,131	496	-	-	-
Cash and cash equivalents at the end of the reporting period	496	-	-	-	-

Prepared on Australian Accounting Standards basis.

DIRECTOR OF NATIONAL PARKS

ENTITY RESOURCES AND PLANNED PERFORMANCE

DIRECTOR OF NATIONAL PARKS

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DIRECTOR OF NATIONAL PARKS

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Director of National Parks is a Corporate Commonwealth Entity, operating under the *Environment Protection and Biodiversity Conservation Act 1999* to administer and manage Commonwealth reserves (national parks, botanic gardens, marine and terrestrial reserves). These reserves include:

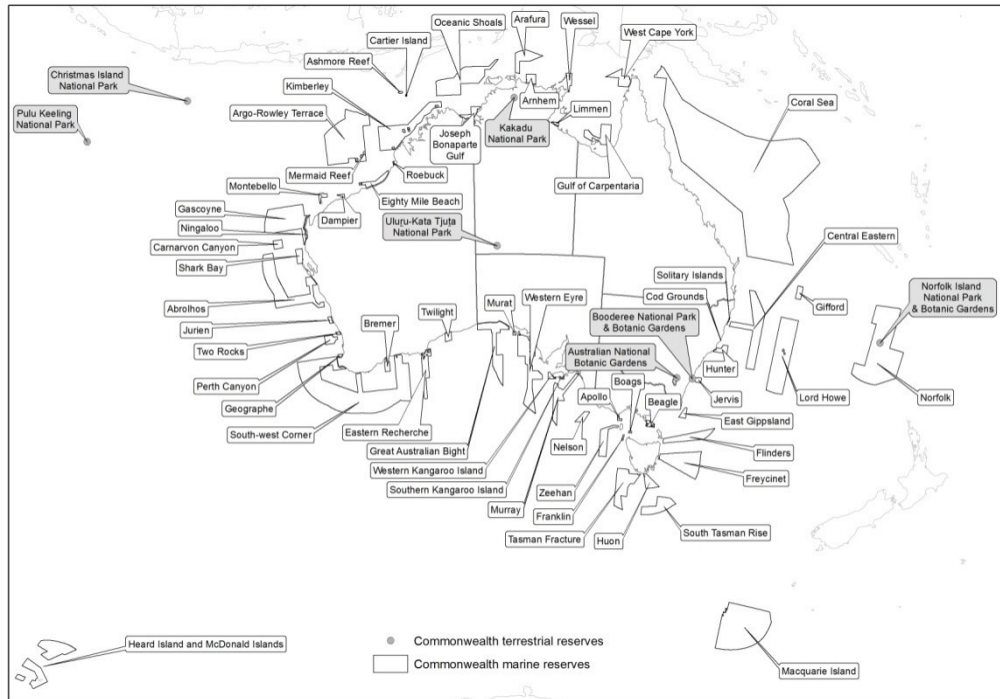
- Booderee, Kakadu and Uluru-Kata Tjuta National Parks, which are each jointly managed with their Aboriginal Traditional Owners. Kakadu and Uluru-Kata Tjuta National Parks are World Heritage listed
- national parks in the Australian territories of Norfolk, Christmas and Cocos (Keeling) Islands
- the Australian National Botanic Gardens, which is a major national institution for the study of Australian plants
- the 59 marine parks in the South East, South West, North West, North and Temperate East marine regions, the Coral Sea and Heard Island and McDonald Islands.

The Director of National Parks' goals and objectives are to deliver:

- resilient places and ecosystems: to protect and conserve the natural and cultural values of Commonwealth reserves
- multiple benefits to traditional owners and local communities: to support the aspirations of traditional owners and local communities in managing land and sea country
- amazing destinations: to offer world class natural and cultural experiences, enhancing Australia's visitor economy.

To deliver these priorities within the Government's fiscal strategy, the Director of National Parks will continue to look to diversify and increase external revenue and partnerships, seek further improvements in the efficient use of our resources and continue to invest in the skills and capabilities of our staff.

Diagram 1: Location of Commonwealth Parks and Reserves



1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the entity for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the entity's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: Director of National Parks resource statement — Budget estimates for 2018-19 as at Budget May 2018

	2017-18 Estimated actual \$'000	2018-19 Estimate \$'000
Opening balance/cash reserves at 1 July	49,284	49,284
Funds from Government		
Annual appropriations - other services (a)		
Equity injection- transferred by Portfolio Department	376	181
Total annual appropriations	376	181
Amounts received from related entities		
Amounts from portfolio department (b)	46,548	47,434
Total amounts received from related entities	46,548	47,434
Total funds from Government	46,924	47,615
Funds from other sources		
Interest	1,529	1,510
Royalties		
Sale of goods and services	19,361	21,014
Other		
Total funds from other sources	20,890	22,524
Total net resourcing for Director of National Parks	117,098	119,423
	2017-18	2018-19
Average staffing level (number)	326	331

Prepared on a resourcing (i.e. appropriations available) basis.

Please note: All figures shown above are GST exclusive - these may not match figures in the cash flow statement.

(a) Appropriation Bill (No. 2) 2018-19.

(b) Funding provided by the portfolio department that is not specified within the Annual Appropriation Bills as a payment to the Director of National Parks.

1.3 BUDGET MEASURES

There are no 2018-19 Budget measures relating to the Director of National Parks.

Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide an entity's complete performance story.

The most recent corporate plan for Director of National Parks can be found at: <http://www.environment.gov.au/node/44239>.

The most recent annual performance statement can be found at: <http://www.environment.gov.au/resource/annual-report-2016-17-director-national-parks>.

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Management of Commonwealth reserves as outstanding natural places that enhance Australia's well-being through the protection and conservation of their natural and cultural values, supporting the aspirations of Aboriginal and Torres Strait Islander people in managing their traditional land and sea country, and offering world class natural and cultural visitor experiences.

Linked programs

Department of the Environment and Energy
Programs <ul style="list-style-type: none">• Program 1.1 – Sustainable Management of Natural Resources and the Environment• Program 1.2 – Environmental Information and Research• Program 1.4 – Conservation of Australia's Heritage and Environment
Contribution to Outcome 1 made by linked programs <p>The Department of the Environment and Energy and Director of National Parks work together through engagement on policy direction, heritage management and species conservation within Commonwealth-managed marine and terrestrial reserves.</p>

Great Barrier Reef Marine Park Authority
Programs <ul style="list-style-type: none">• Program 1.1 – Improving the Outlook for the Great Barrier Reef
Contribution to Outcome 1 made by linked programs <p>The Coral Sea Commonwealth Marine Reserve managed by the Director of National Parks adjoins the Great Barrier Reef Marine Park and provides complementary protection for ecosystems and biodiversity in the region.</p>

Budgeted expenses for Outcome 1

This table shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.

Table 2.1.1: Budgeted expenses for Outcome 1

Outcome 1: Management of Commonwealth reserves as outstanding natural places that enhance Australia's well-being through the protection and conservation of their natural and cultural values, supporting the aspirations of Aboriginal and Torres Strait Islander people in managing their traditional land and sea country, and offering world class natural and cultural visitor experiences.					
	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
Program 1.1: Parks and Reserves					
Revenue from Government					
Payment from related entities	46,548	47,434	45,838	44,231	44,499
Expenses not requiring appropriation in the budget year (a)	7,075	4,322	4,110	4,178	2,578
Revenues from other independent sources	25,548	27,631	28,835	28,241	28,396
Total expenses for Program 1.1	79,171	79,387	78,783	76,650	75,473
Outcome 1 totals by resource type					
Revenue from Government					
Ordinary annual services (Appropriation Bill No. 1)					
Payment from related entities	46,548	47,434	45,838	44,231	44,499
Expenses not requiring appropriation in the budget year (a)	7,075	4,322	4,110	4,178	2,578
Revenues from other independent sources	25,548	27,631	28,835	28,241	28,396
Total expenses for Outcome 1	79,171	79,387	78,783	76,650	75,473
Average staffing level (number)					
	2017-18 326	2018-19 331			

(a) Expenses not requiring appropriation in the Budget year comprise of depreciation and amortisation expenses.

Table 2.1.2: Performance criteria for Outcome 1

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2018-19 Budget measures have created new programs or materially changed existing programs.

Outcome 1 – Management of Commonwealth reserves as outstanding natural places that enhance Australia’s well-being through the protection and conservation of their natural and cultural values, supporting the aspirations of Aboriginal and Torres Strait Islander people in managing their traditional land and sea country, and offering world class natural and cultural visitor experiences.		
Program 1.1 – Parks and Reserves: healthy and resilient parks, gardens and marine reserves, protecting nature and culture and valued by the community now and into the future.		
Delivery	With traditional owners and stakeholders, develop and implement management plans for Commonwealth reserves.	
Performance information		
Year	Performance criteria	Targets
2017-18	Populations of threatened and significant species are increasing.	<i>On track - forecast increase in populations of prioritised threatened and significant species.</i>
	Populations of priority invasive species are reduced.	<i>On track - forecast decrease in size of populations of prioritised invasive species.</i>
	Increase in numbers of Indigenous staff and/or contractors directly or indirectly providing park services.	<i>On track - forecast increase in numbers of Indigenous staff, with value of services provided by Indigenous providers steady.</i>
	Maintain or improve the level of visitor satisfaction and number of visitors.	<i>On track - forecast to maintain high levels of visitor satisfaction.</i>
		<i>Forecast to exceed 5 per cent increase in visitor numbers.</i>
	Enhance level of active management of marine reserves and engagement of users and stakeholders.	<i>On track - new management plans for Commonwealth marine approved to commence on 1 July 2018.</i>
2018-19	Populations of threatened and significant species are increasing.	<i>Increase in populations of prioritised threatened and significant species.</i>
	Populations of priority invasive species are reduced.	<i>Decrease in size of populations of prioritised invasive species.</i>
	Increase in numbers of Indigenous staff and/or contractors directly or indirectly providing park services.	<i>Increase in numbers of Indigenous staff.</i>
		<i>Increase in value of services provided by Indigenous providers.</i>

Director of National Parks Budget Statements

Program 1.1 – Parks and Reserves: healthy and resilient parks, gardens and marine reserves, protecting nature and culture and valued by the community now and into the future.		
Year	Performance criteria	Targets
	Maintain or improve the level of visitor satisfaction and number of visitors.	<i>Maintain or improve levels of visitor satisfaction.</i>
		<i>5 per cent increase in visitor numbers.</i>
	Enhance level of active management of marine reserves and engagement of users and stakeholders.	<i>New management plans for Commonwealth marine parks in effect and consultative arrangements established.</i>
	Increase the knowledge base for long term adaptive management of the marine reserves.	<i>Increase in the number of marine reserves long-term monitoring sites.</i>
2019-20 and beyond	As for 2018–19	As for 2018–19
Purposes	<ul style="list-style-type: none"> • Resilient places and ecosystems: to protect and conserve the natural and cultural values of Commonwealth reserves • Multiple benefits to traditional owners and local communities: to support the aspirations of traditional owners and local communities in managing land and sea country • Amazing destinations: to offer world class natural and cultural experiences, enhancing Australia's visitor economy 	

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2018-19 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Explanatory notes and analysis of budgeted financial statements

Estimates for the Director of National Parks have increased primarily as a result of the measure supporting the Commonwealth Marine Reserves network.

Changes over the forward estimates for sales of goods and services, represent movements in the delivery of activities under agreement, in particular the commencement of the Bush Blitz III program.

Other gains of \$4.2 million relate to the estimate of the cost of corporate services provided by the Department of the Environment and Energy free of charge under a Service Delivery Agreement with the Director of National Parks.

The approved operating loss for the Director of National Parks is attributed to the depreciation of the entity's asset base.

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
EXPENSES					
Employee benefits	36,497	33,478	32,931	32,058	32,626
Suppliers	26,884	32,872	33,027	31,699	31,554
Grants	-	-	-	-	-
Depreciation and amortisation	15,790	13,037	12,825	12,893	11,293
Total expenses	79,171	79,387	78,783	76,650	75,473
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	19,361	21,014	22,209	21,624	21,723
Interest	1,529	1,510	1,510	1,510	1,510
Other	458	907	916	907	963
Total own-source revenue	21,348	23,431	24,635	24,041	24,196
Gains					
Sale of assets	-	-	-	-	-
Other	4,200	4,200	4,200	4,200	4,200
Total gains	4,200	4,200	4,200	4,200	4,200
Total own-source income	25,548	27,631	28,835	28,241	28,396
Net (cost of)/contribution by services	(53,623)	(51,756)	(49,948)	(48,409)	(47,077)
Revenue from Government	46,548	47,434	45,838	44,231	44,499
Surplus/(deficit) attributable to the Australian Government	(7,075)	(4,322)	(4,110)	(4,178)	(2,578)
Total comprehensive income/(loss)	(7,075)	(4,322)	(4,110)	(4,178)	(2,578)
Total comprehensive income/(loss) attributable to the Australian Government	(7,075)	(4,322)	(4,110)	(4,178)	(2,578)

Prepared on Australian Accounting Standards basis.

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	12,439	12,439	12,439	12,439	12,439
Trade and other receivables	1,366	1,366	1,366	1,366	1,366
Other investments	36,845	36,845	36,845	36,845	36,845
Other financial assets	503	503	503	503	503
Total financial assets	51,153	51,153	51,153	51,153	51,153
Non-financial assets					
Land and buildings	62,897	62,083	61,273	60,929	60,929
Property, plant and equipment	140,216	136,889	133,944	130,110	127,532
Intangibles	1,748	1,748	1,748	1,748	1,748
Other non-financial assets	687	687	687	687	687
Total non-financial assets	205,548	201,407	197,652	193,474	190,896
Total assets	256,701	252,560	248,805	244,627	242,049
LIABILITIES					
Payables					
Suppliers	2,519	2,519	2,519	2,519	2,519
Other payables	5,832	5,832	5,832	5,832	5,832
Total payables	8,351	8,351	8,351	8,351	8,351
Provisions					
Employee provisions	9,644	9,644	9,644	9,644	9,644
Other provisions	38	38	38	38	38
Total provisions	9,682	9,682	9,682	9,682	9,682
Total liabilities	18,033	18,033	18,033	18,033	18,033
Net assets	238,668	234,527	230,772	226,594	224,016

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
EQUITY (a)					
Parent entity interest					
Contributed equity	37,440	37,621	37,976	37,976	37,976
Reserves	169,025	169,025	169,025	169,025	169,025
Retained surplus (accumulated deficit)	32,203	27,881	23,771	19,593	17,015
Total parent entity interest	238,668	234,527	230,772	226,594	224,016
Total equity	238,668	234,527	230,772	226,594	224,016

Prepared on Australian Accounting Standards basis.

(a) Equity is the residual interest in assets after the deduction of liabilities.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2018-19)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2018					
Balance carried forward from previous period	32,203	169,025	-	37,440	238,668
Adjusted opening balance	32,203	169,025	-	37,440	238,668
Comprehensive income					
Surplus/(deficit) for the period	(4,322)	-	-	-	(4,322)
Total comprehensive income	(4,322)	-	-	-	(4,322)
of which:					
Attributable to the Australian Government	(4,322)	-	-	-	(4,322)
Contributions by owners					
Equity injection- transferred by Portfolio Department	-	-	-	181	181
Equity injection - Appropriation	-	-	-	-	-
Sub-total transactions with owners	-	-	-	181	181
Estimated closing balance as at 30 June 2019	27,881	169,025	-	37,621	234,527
Closing balance attributable to the Australian Government	27,881	169,025	-	37,621	234,527

Prepared on Australian Accounting Standards basis.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Receipts from Government	46,548	47,434	45,838	44,231	44,499
Sale of goods and rendering of services	19,361	21,014	22,209	21,624	21,723
Interest	1,529	1,510	1,510	1,510	1,510
Other	458	907	916	907	963
Cash used					
Employees	36,497	33,478	32,931	32,058	32,626
Suppliers	22,684	28,672	28,827	27,499	27,354
Total cash used	59,181	62,150	61,758	59,557	59,980
Net cash from/(used by) operating activities	8,715	8,715	8,715	8,715	8,715
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	9,091	8,896	9,070	8,715	8,715
Total cash used	9,091	8,896	9,070	8,715	8,715
Net cash from/(used by) investing activities	(9,091)	(8,896)	(9,070)	(8,715)	(8,715)
FINANCING ACTIVITIES					
Cash received					
Contributed equity- Equity injection - transferred by Portfolio Department	376	181	355	-	-
Total cash received	376	181	355	-	-
Net cash from/(used by) financing activities	376	181	355	-	-
Net increase/(decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	12,439	12,439	12,439	12,439	12,439
Cash and cash equivalents at the end of the reporting period	12,439	12,439	12,439	12,439	12,439

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Equity injections - transferred by Portfolio Department	376	181	355	-	-
Total new capital appropriations	376	181	355	-	-
Provided for:					
Purchase of non-financial assets	376	181	355		
Total items	376	181	355	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations (a)	376	181	355	-	-
Funded internally from departmental resources (b)	8,715	8,715	8,715	8,715	8,715
TOTAL	9,091	8,896	9,070	8,715	8,715
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	9,091	8,896	9,070	8,715	8,715
Total cash used to acquire assets	9,091	8,896	9,070	8,715	8,715

Prepared on Australian Accounting Standards basis.

(a) Includes current Bill (No.2) appropriations.

(b) Includes the following sources of funding:

- current Bill (No.1) and prior year Act (No.1) appropriations;
- donations and contributions;
- internally developed assets;
- proceeds from the sale of assets.

Table 3.6: Statement of asset movements (Budget year 2018-19)

	Land	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2018					
Gross book value	5,690	71,557	183,890	2,167	263,304
Accumulated depreciation/ amortisation and impairment	-	(14,350)	(43,674)	(419)	(58,443)
Opening net book balance	5,690	57,207	140,216	1,748	204,861
Capital asset additions					
Estimated expenditure on new or replacement assets					
By purchase - appropriation equity (a)	-	-	181	-	181
By purchase - appropriation ordinary annual services (b)	-	2,500	6,215	-	8,715
Total additions	-	2,500	6,396	-	8,896
Other movements					
Assets held for sale or in a disposal group held for sale					-
Depreciation/amortisation expense	-	(3,314)	(9,723)	-	(13,037)
Total other movements	-	(3,314)	(9,723)	-	(13,037)
As at 30 June 2019					
Gross book value	5,690	74,057	190,286	2,167	272,200
Accumulated depreciation/ amortisation and impairment	-	(17,664)	(53,397)	(419)	(71,480)
Closing net book balance	5,690	56,393	136,889	1,748	200,720

Prepared on Australian Accounting Standards basis.

(a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2018-19, including CDABs.

(b) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No.1) 2018-19 for depreciation/amortisation expenses, DCBs or other operational expenses.

GREAT BARRIER REEF MARINE PARK AUTHORITY

ENTITY RESOURCES AND PLANNED PERFORMANCE

GREAT BARRIER REEF MARINE PARK AUTHORITY

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GREAT BARRIER REEF MARINE PARK AUTHORITY

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

For more than 40 years the Great Barrier Reef Marine Park Authority has acted to protect and conserve the Great Barrier Reef Marine Park and World Heritage Area for future and current generations. The health of the Reef is critical to the Australian and Queensland economies, supporting 64,000 full-time jobs and is worth \$6.4 billion a year, mainly through tourism. It is an iconic symbol of the nation and helps shape Australia's global reputation.

The Great Barrier Reef Marine Park Authority was established under the *Great Barrier Reef Marine Park Act 1975* to ensure the long-term protection, ecologically sustainable use, understanding and enjoyment of the Great Barrier Reef for all Australians and the international community through the care and development of the Marine Park.

The Authority achieves its purpose by focusing on protecting, managing and restoring the Reef's ecosystem health, resilience, biodiversity and heritage values. The Authority delivers this work by:

- Providing expert knowledge
- Planning, regulating and ensuring compliance
- Educating and fostering stewardship
- Enhancing Reef resilience.

The Authority manages a number of different pressures on the ecological health of the Reef and its values, particularly commercial and recreational fishing, commercial tourism, research, some activities related to ports, shipping and crown-of-thorns starfish outbreaks.

The most concerning pressures come from outside the Marine Park boundary, most significantly climate change, but also land-based runoff from Reef catchments and coastal development. In order to address these significant challenges, the Authority has increased efforts in working with key partners and decision-makers to raise awareness of the effects of activities both inside and outside the Marine Park.

To increase the Authority's response to these pressures the Australian Government has provided an additional \$27.2 million over five years from 2017-18 and \$10.2 million ongoing from 2022-23 to boost the Joint Field Management Program, the Authority's

key operational partnership with the Queensland Government. This program is essential for the effective management of marine parks (including protected islands) and managing the values of the large, diverse and complex World Heritage Area. This joint arrangement—which operates across the Commonwealth Marine Park and the Queensland Great Barrier Reef Coast Marine Park—includes delivering on-ground conservation actions, monitoring ecological and heritage values, responding to incidents, welcoming people and upholding compliance with the Great Barrier Reef Marine Park Zoning Plan.

As part of its world leading zoning plan, the Authority ensures commercial use of the Marine Parks remains ecologically sustainable through a comprehensive joint permissions systems with Queensland Parks and Wildlife Service. The Authority works with its Government and non-Government partners to implement the Reef 2050 Plan, a strategic framework for the management of the reef and its catchment. The Authority receives regular advice and guidance from the Tourism Reef Advisory Committee on matters relating to ecologically sustainable tourism in the Marine Park. The Authority maintains strong relationships with Traditional Owners who are the traditional custodians of the Great Barrier Reef with connections to the area dating back more than 60,000 years and receives regular advice and guidance from the Indigenous Reef Advisory Committee.

Additional funding of \$10.4 million over two years from 2017-18 has been provided to extend crown-of-thorns starfish control efforts within the Marine Park. The Authority is increasing the number of control vessels on the water to control outbreaks, reducing coral mortality and preventing further declines of healthy coral.

The Great Barrier Reef Marine Park Authority's comprehensive management is underpinned by a knowledge base that drives its adaptive approach, focusing on managing for resilience in the face of cumulative impacts, particularly climate change. It uses the best available information to manage and report, including scientific, monitoring and modelling data, together with Traditional Owner, scientific and stakeholder knowledge.

Reef HQ Great Barrier Reef Aquarium, the Authority's national education centre for the Great Barrier Reef, also fosters community and stakeholder behaviour change and participation in actions to address threats to the Reef by ensuring they have a clear understanding of the value of the Great Barrier Reef, the threats to its sustainable future and the actions they can take to protect it.

The challenge is to maintain the Great Barrier Reef Marine Park Authority's role as best practice marine park managers including ensuring stakeholders are aware of the impacts the cumulative pressures from outside of the Authority's jurisdiction are having on the Great Barrier Reef's long-term health. The Authority is exploring different adaptive management approaches and broadening its focus on protection to also include targeted, science-backed and risk-managed interventions.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the entity for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the entity's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: Great Barrier Reef Marine Park Authority resource statement — Budget estimates for 2018-19 as at Budget May 2018

	2017-18 Estimated actual \$'000	2018-19 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available (b)	12,512	19,378
Departmental appropriation (c)	27,697	41,772
s74 Retained revenue receipts (d)	38,595	22,903
Departmental capital budget (e)	763	760
Annual appropriations - other services - non-operating (f)		
Equity injection	1,016	1,321
Total departmental annual appropriations	80,583	86,134
Total departmental special appropriations (g)	11,000	11,000
Special accounts (g)		
Opening balance	35,261	35,621
Appropriation receipts (h)	14,859	11,536
Non-appropriation receipts	10,500	11,820
Total special accounts	60,620	58,977
less departmental appropriations drawn from annual/special appropriations and credited to special accounts	25,359	23,356
Total departmental resourcing	126,844	132,755
Total resourcing for the Great Barrier Reef Marine Park Authority		
	2017-18	2018-19
Average staffing level (number)	210	222

Prepared on a resourcing (i.e. appropriations available) basis.

Please note: All figures shown above are GST exclusive - these may not match figures in the cash flow statement.

- (a) Appropriation Bill (No. 1) 2018-19.
- (b) There is no appropriation subject to administrative quarantine by Finance or withheld under section 51 of the *Public Governance, Performance and Accountability Act 2013 (PGPA Act)*.
- (c) Excludes departmental capital budget (DCB).
- (d) Estimated retained revenue receipts under section 74 of the PGPA Act.
- (e) Departmental capital budgets are not separately identified in Appropriation Bill (No.1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.
- (f) Appropriation Bill (No. 2) 2018-19.
- (g) Excludes trust money and "other CRF money" held in accounts like Other Trust Monies accounts (OTM), Services for Other Government and Non-agency Bodies accounts (SOG) or Services for Other Entities and Trust Moneys accounts (SOETM)). For further information on special appropriations and special accounts, please refer to Budget Paper No. 4 - Agency Resourcing. Please also see Table 2.1 for further information on outcome and program expenses broken down by various funding sources, e.g. annual appropriations, special appropriations and special accounts.
- (h) Amounts credited to the special account(s) from the Authority's annual and special appropriations.

1.3 BUDGET MEASURES

Budget measures in Part 1 relating to the Great Barrier Reef Marine Park Authority are detailed in Budget Paper No. 2 and are summarised below.

**Table 1.2: Great Barrier Reef Marine Park Authority 2018-19 Budget measures
Part 1: Measures announced since the 2017-18 Mid-Year Economic and Fiscal
Outlook (MYEFO)**

	Program	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000
Expense measures						
Great Barrier Reef 2050						
Partnership Program (a)	1.1					
Departmental expenses		-	-	3,931	7,758	10,601
Total		-	-	3,931	7,758	10,601
Total expense measures						
Departmental		-	-	3,931	7,758	10,601
Total		-	-	3,931	7,758	10,601

Prepared on a Government Finance Statistics (fiscal) basis. Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

(a) Measure includes funding of \$10.2 million ongoing from 2022-23 to support delivery of the Joint Field Management Program.

Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide an entity's complete performance story.

The most recent corporate plan for the Great Barrier Reef Marine Park Authority can be found at: <http://elibrary.gbrmpa.gov.au/jspui/handle/11017/3034>.

The most recent annual performance statement can be found at: <http://elibrary.gbrmpa.gov.au/jspui/handle/11017/3261>.

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: The long-term protection, ecologically sustainable use, understanding and enjoyment of the Great Barrier Reef for all Australians and the international community, through the care and development of the Marine Park.

Linked programs

Australian Institute of Marine Science
Programs <ul style="list-style-type: none">• Program 1 – Marine Research
Contribution to Outcome 1 made by linked programs <p>The Great Barrier Reef Marine Park Authority and Australian Institute of Marine Science work together on implementation of the Reef 2050 Plan to protect and conserve the Great Barrier Reef.</p>

Department of the Environment and Energy
Programs <ul style="list-style-type: none">• Program 1.1 – Sustainable Management of Natural Resources and the Environment• Program 1.4 – Conservation of Australia’s Heritage and Environment• Program 1.5 – Environmental Regulation• Program 2.1 – Reducing Australia’s Greenhouse Gas Emissions• Program 2.2 – Adapting to Climate Change
Contribution to Outcome 1 made by linked programs <p>The Department of the Environment and Energy and the Great Barrier Reef Marine Park Authority work together on heritage management, environment health, species conservation and fisheries management as well as joint implementation of the Reef 2050 Plan to protect and conserve the Great Barrier Reef. Climate Change is the most significant threat to the Great Barrier Reef. The Department of the Environment and Energy is responsible for policy to support an effective global response to climate change and for adapting to climate change.</p>

Clean Energy Finance Corporation
Programs <ul style="list-style-type: none">• Program 1.1 – Clean Energy Finance Corporation
Contribution to Outcome 1 made by linked programs <p>The Clean Energy Finance Corporation is providing a \$1.0 billion of investment finance over 10 years for the Reef Funding Program. The Program will deliver financial investment in clean energy projects delivered in the Great Barrier Reef catchment region. In targeting the financing of clean energy projects and businesses in the region, the Reef Funding Program supports delivery of the Australian and Queensland governments’ Reef 2050 plan.</p>

Director of National Parks
Programs <ul style="list-style-type: none">• Program 1.1 – Parks and Reserves: healthy and resilient parks, gardens and marine reserves, protecting nature and culture and valued by the community now and into the future
Contribution to Outcome 1 made by linked programs <p>The Coral Sea Commonwealth Marine Reserve managed by the Director of National Parks adjoins the Great Barrier Reef Marine Park and provides complementary protection for ecosystems and biodiversity in the region.</p>

Budgeted expenses for Outcome 1

This table shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.

Table 2.1.1: Budgeted expenses for Outcome 1

Outcome 1: The long-term protection, ecologically sustainable use, understanding and enjoyment of the Great Barrier Reef for all Australians and the international community, through the care and development of the Marine Park.					
	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
Program 1.1: Improving the Outlook for the Great Barrier Reef					
Departmental expenses					
Departmental appropriation	12,838	30,236	22,539	22,831	23,005
s74 Retained revenue receipts (a)	23,263	14,491	13,643	4,927	4,701
Special appropriations					
Great Barrier Reef Marine Park Act 1975	11,000	11,000	11,000	11,000	11,000
Special accounts					
Great Barrier Reef Field Management Special Account	23,271	19,948	20,715	24,542	27,385
Expenses not requiring appropriation in the Budget year (b)	1,354	1,354	1,354	1,354	1,354
Departmental total	71,726	77,029	69,251	64,654	67,445
Total expenses for program 1.1	71,726	77,029	69,251	64,654	67,445
Outcome 1 Totals by appropriation type					
Departmental expenses					
Departmental appropriation	12,838	30,236	22,539	22,831	23,005
s74 Retained revenue receipts (a)	23,263	14,491	13,643	4,927	4,701
Special appropriations	11,000	11,000	11,000	11,000	11,000
Special accounts	23,271	19,948	20,715	24,542	27,385
Expenses not requiring appropriation in the Budget year (b)	1,354	1,354	1,354	1,354	1,354
Departmental total	71,726	77,029	69,251	64,654	67,445
Total expenses for Outcome 1	71,726	77,029	69,251	64,654	67,445

	2017-18	2018-19
Average staffing level (number)	210	222

(a) Estimated expenses incurred in relation to receipts retained under section 74 of the *Public Governance, Performance and Accountability Act 2013 (PGPA Act)*.

(b) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, and audit fees.

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.

Table 2.1.2: Performance criteria for Outcome 1

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2018-19 Budget measures have created new programs or materially changed existing programs.

Outcome 1 –The long-term protection, ecologically sustainable use, understanding and enjoyment of the Great Barrier Reef for all Australians and the international community through the care and development of the Marine Park.		
Program 1.1 – Great Barrier Reef Marine Park Authority		
Protects and manages the environment, biodiversity, and heritage values of the Great barrier Reef region, and ensures the ecologically sustainable use and benefits of the Great Barrier Reef Marine Park for current and future generations.		
Delivery	Program 1.1 will be delivered by: <ul style="list-style-type: none">• Providing expert knowledge to influence and advise key decision makers on managing, reducing or avoiding significant threats to the Reef• Regulating, and ensuring Marine Park user compliance• Educating and fostering stewardship to enhance protection of the Reef• Enhancing reef resilience through continuous improvement and new initiatives across all aspects of management	
Performance information		
Year	Performance criteria	Targets
2017-18	Key threats to the Great Barrier Reef are identified, and either addressed or, where external, acknowledged through the provision of authoritative and trusted advice. <div>On track</div>	Entities and peak bodies we work with acknowledge the: <ul style="list-style-type: none">• quality of the Authority's advice.• professionalism and expertise of Authority staff. <div>On track</div> 100% of very high or high risks to the Reef are identified in or have effective actions against them in the Reef 2050 Plan or other plans and strategies. <div>On track</div>
	The impacts of human activity on the Great Barrier Reef are reduced through effective and efficient regulation and compliance. <div>On track</div>	Whitsundays Plan of Management finalised and in force. <div>Achieved</div> New permit guidelines finalised and existing ones reviewed to improve transparency and consistency in permit decisions. <div>On track</div> Spatial planning tools identified and priority sites determined for improved protection. <div>On track</div>

Great Barrier Reef Marine Park Authority Budget Statements

Program 1.1 – Great Barrier Reef Marine Park Authority Protects and manages the environment, biodiversity, and heritage values of the Great barrier Reef region, and ensures the ecologically sustainable use and benefits of the Great Barrier Reef Marine Park for current and future generations.		
Year	Performance criteria	Targets
		24% of the Marine Park coastline is managed in accordance with an accredited Traditional Use of Marine Resources Agreement or Indigenous Land Use Agreement. Achieved 740 compliance patrol days funded through the joint field management program. Achieved New compliance tools are identified, trialled and reviewed for effectiveness to address key risks. On track
	Improved awareness and adoption of sustainable best practices through education and stewardship programs. On track	Participants of stewardship and education programs, including ReefHQ programs, report: <ul style="list-style-type: none"> improved awareness of the Great Barrier Reef's values and threats changed practice and behaviour to protect and enhance the Reef's values. On track
	Enhanced coral reef resilience through identifying and working with partners to implement adaptive management intervention. On track	Develop and release a Position Statement on potential interventions to enhance Reef resilience. On track Management intervention options to support resilience are identified and prioritised. On track A number of new interventions that are prioritised progress to piloting and evaluation. On track

Great Barrier Reef Marine Park Authority Budget Statements

Program 1.1 – Great Barrier Reef Marine Park Authority Protects and manages the environment, biodiversity, and heritage values of the Great barrier Reef region, and ensures the ecologically sustainable use and benefits of the Great Barrier Reef Marine Park for current and future generations.		
Year	Performance criteria	Targets
2018-19	GBRMPA is the authoritative voice on the Reef; its positions on values and threats to the Reef shape its priorities and investment and that of its key stakeholders.	Key stakeholders policies, positions and priorities are influenced by GBRMPA strategic advice and position statements for key issues, values and threats. The Reef Knowledge System framework delivers improved access to data to support Reporting, Incident Response and Reef 2050 planning and adaptive management of the Great Barrier Reef. Reef Outlook report is delivered by June 2019 and recognised as the authoritative source on the state of the Reef and utilised by key partners, stakeholders, and international bodies and internal and Reef 2050 programs and activities.
	Planning, permissions and compliance activities enable use of the Marine Park that is ecologically sustainable.	A risk based approach for regulation of Marine Park activities is developed. Permissions facilitate sustainable use in the Marine Park. Reduced non-compliance of marine park users.
	GBRMPA, its partners, and the public improve stewardship of the Reef through their commitment to, and adoption of, sustainable behaviours and best practices relevant to the Reef.	Reef HQ exhibitions, public and community education activities improve awareness, attitudes and aspirations Stewardship partnerships, networks and programs deliver outcomes informed by and consistent with GBRMPA positions.

Great Barrier Reef Marine Park Authority Budget Statements

Program 1.1 – Great Barrier Reef Marine Park Authority		
Protects and manages the environment, biodiversity, and heritage values of the Great barrier Reef region, and ensures the ecologically sustainable use and benefits of the Great Barrier Reef Marine Park for current and future generations.		
Year	Performance criteria	Targets
	Incident responses and interventions by GBRMPA and partners improve Reef health, and enhance future knowledge and capability.	Incident response is effective and efficient, and mitigates damage to the Reef. Stakeholders and partners are aware of and understand future intervention priorities and locations. Management activities and priority conservation actions are delivered on budget, provide the intended impact and inform future activities. Capability is developed to implement effective new approaches to conservation.
2019-20 and beyond	As per 2018-19	
Purposes (a)	Our Purpose is to ensure the long-term protection, ecologically sustainable use, understanding and enjoyment of the Great Barrier Reef for all Australians and the international community through the care and development of the Marine Park	
Material changes to Program 1.1 resulting from the following measures:		
<ul style="list-style-type: none">Measure title – Great Barrier Reef 2050 Partnership Program		

(a) A more comprehensive suite of measures, including targets, are detailed in the Authority's Corporate Plan, and are reported in the Annual Performance Statement included in the Authority's Annual Report.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2018-19 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Explanatory notes and analysis of budgeted financial statements

There are no differences between the resource information presented in the Budget Papers and the Portfolio Budget Statements.

3.1.2 Analysis of budgeted financial statements

Changes in appropriation from 2017-18 to 2018-19 are the result of the funding received at MYEFO in 2017-18 and at Budget 2018-19.

The operating surplus in 2017-18 reflects the awarded cost recovery for legal expenditure in prior years.

3.2. BUDGETED FINANCIAL STATEMENTS TABLES

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
EXPENSES					
Employee benefits	22,627	23,890	24,214	25,450	25,730
Suppliers	33,899	39,139	31,037	25,204	27,715
Grants	1,324	124	124	124	124
Depreciation and amortisation (a)	1,300	1,300	1,300	1,300	1,300
Cost of goods sold	235	235	235	235	235
Payments to Queensland Government for Field Management Program	12,341	12,341	12,341	12,341	12,341
Total expenses	71,726	77,029	69,251	64,654	67,445
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	2,630	2,630	2,630	2,630	2,630
Fees and Fines	340	340	340	340	340
Grants received from Government Receipts from Queensland Government for Field Management Program	20,803	11,511	10,663	1,947	1,721
Other	8,372	8,372	8,372	8,372	8,372
	6,450	50	50	50	50
Total own-source revenue	38,595	22,903	22,055	13,339	13,113
Gains					
Other	54	54	54	54	54
Total gains	54	54	54	54	54
Total own-source income	38,649	22,957	22,109	13,393	13,167
Net (cost of)/contribution by services	(33,077)	(54,072)	(47,142)	(51,261)	(54,278)
Revenue from Government	38,697	52,772	45,842	49,961	52,978
Surplus/(deficit) attributable to the Australian Government	5,620	(1,300)	(1,300)	(1,300)	(1,300)
Total comprehensive income/(loss) attributable to the Australian Government	5,620	(1,300)	(1,300)	(1,300)	(1,300)

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June (Continued)

Note: Impact of net cash appropriation arrangements

	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	6,920	-	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	1,300	1,300	1,300	1,300	1,300
Total comprehensive income/(loss) - as per the statement of comprehensive income	5,620	(1,300)	(1,300)	(1,300)	(1,300)

Prepared on Australian Accounting Standards basis.

- (a) From 2010-11, the Government introduced net cash appropriation arrangements. This involved Bill (No.1) revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) being replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill (No.1) equity appropriations. For information regarding DCBs, please refer to Table 3.5 Departmental Capital Budget Statement.

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	35,741	35,741	35,741	35,741	35,741
Trade and other receivables	19,334	19,334	19,334	19,334	19,334
Total financial assets	55,075	55,075	55,075	55,075	55,075
Non-financial assets					
Land and buildings	17,287	18,558	18,908	19,623	20,049
Property, plant and equipment	2,747	2,405	2,663	2,328	1,797
Computer software	2,332	2,182	2,032	1,882	1,732
Inventories	114	114	114	114	114
Other non-financial assets	529	529	529	529	529
Total non-financial assets	23,009	23,788	24,246	24,476	24,221
Total assets	78,084	78,863	79,321	79,551	79,296
LIABILITIES					
Payables					
Suppliers	3,519	3,519	3,519	3,519	3,519
Permit bonds	306	306	306	306	306
Other payables	38	38	38	38	38
Total payables	3,863	3,863	3,863	3,863	3,863
Provisions					
Employee provisions	6,535	6,535	6,535	6,535	6,535
Provision for remediation of Douglas Shoal (a)	33,590	33,590	33,590	33,590	33,590
Total provisions	40,125	40,125	40,125	40,125	40,125
Total liabilities	43,988	43,988	43,988	43,988	43,988
Net assets	34,096	34,875	35,333	35,563	35,308
EQUITY (b)					
Parent entity interest					
Contributed equity	26,162	28,241	29,999	31,529	32,774
Reserves	13,168	13,168	13,168	13,168	13,168
Retained surplus (accumulated deficit)	(5,234)	(6,534)	(7,834)	(9,134)	(10,434)
Total parent entity interest	34,096	34,875	35,333	35,563	35,508
Total equity	34,096	34,875	35,333	35,563	35,508

Prepared on Australian Accounting Standards basis.

(a) Settlement for remediation of Douglas Shoal from Shen Neng 1 ship grounding in 2010. A plan of expenditure of the settlement funds over future years is in preparation. Held as a Provision under AASB137.

(b) Equity is the residual interest in assets after the deduction of liabilities.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2018-19)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2018					
Balance carried forward from previous period	(5,234)	13,168	-	26,162	34,096
Adjusted opening balance	(5,234)	13,168	-	26,162	34,096
Comprehensive income					
Surplus/(deficit) for the period	(1,300)	-	-	-	(1,300)
Total comprehensive income	(1,300)	-	-	-	(1,300)
of which:					
Attributable to the Australian Government	-	-	-	-	-
Transactions with owners					
Contributions by owners					
Equity injection - Appropriation	-	-	-	1,321	1,321
Departmental Capital Budget (DCB)	-	-	-	758	758
Sub-total transactions with owners	-	-	-	2,079	2,079
Estimated closing balance as at 30 June 2019	-	-	-	2,079	2,079
Closing balance attributable to the Australian Government	(6,534)	13,168	-	28,241	34,875

Prepared on Australian Accounting Standards basis.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	32,297	52,772	45,842	49,961	52,978
Receipts from Government	20,803	11,511	10,663	1,947	1,721
Sale of goods and rendering of services	3,020	3,020	3,020	3,020	3,020
Receipts from Queensland Government for Field Management Program	8,372	8,372	8,372	8,372	8,372
Other	6,400	-	-	-	-
Total cash received	70,892	75,675	67,897	63,300	66,091
Cash used					
Employees	22,627	23,890	24,214	25,450	25,730
Suppliers	34,080	39,320	31,218	25,385	27,896
Payments to Queensland Government for Field Management Program	12,341	12,341	12,341	12,341	12,341
Grants	1,324	124	124	124	124
Total cash used	70,372	75,675	67,897	63,300	66,091
Net cash from/(used by) operating activities	520	-	-	-	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	2,298	2,079	1,758	1,530	1,245
Total cash used	2,298	2,079	1,758	1,530	1,245
Net cash from/(used by) investing activities	(2,298)	(2,079)	(1,758)	(1,530)	(1,245)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	1,778	2,079	1,758	1,530	1,245
Total cash received	1,778	2,079	1,758	1,530	1,245
Net cash from/(used by) financing activities	1,778	2,079	1,758	1,530	1,245
Net increase/(decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	35,741	35,741	35,741	35,741	35,741
Cash and cash equivalents at the end of the reporting period	35,741	35,741	35,741	35,741	35,741

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	762	758	758	765	769
Equity injections - Bill 2	1,016	1,321	1,000	765	476
Total new capital appropriations	1,778	2,079	1,758	1,530	1,245
Provided for:					
Purchase of non-financial assets	2,298	2,079	1,758	1,530	1,245
Total items	2,298	2,079	1,758	1,530	1,245
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations (a)	1,166	1,321	1,000	765	476
Funded by capital appropriation - DCB (b)	762	758	758	764	769
Funded internally from departmental resources (c)	520	-	-	-	-
TOTAL	2,448	2,079	1,758	1,529	1,245

Prepared on Australian Accounting Standards basis.

- (a) Includes both current Bill (No.2) and prior Appropriation Acts (No. 2/4/6) appropriations and special capital appropriations.
- (b) Does not include annual finance lease costs. Include purchases from current and previous years' Departmental Capital Budgets (DCBs).
- (c) Includes the following sources of funding: - s 74 Retained revenue receipts.

Table 3.6: Statement of asset movements (Budget year 2018-19)

	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2018				
Gross book value	18,686	4,519	5,678	28,883
Accumulated depreciation/amortisation and impairment	(1,399)	(1,772)	(3,346)	(6,517)
Opening net book balance	17,287	2,747	2,332	22,366
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity (a)	1,321	-	-	1,321
By purchase – appropriation ordinary annual services (b)	250	358	150	758
Total additions	1,571	358	150	2,079
Other movements				
Depreciation/amortisation expense	(300)	(700)	(300)	(1,300)
Total other movements	(300)	(700)	(300)	(1,300)
As at 30 June 2019				
Gross book value	20,257	4,877	5,828	30,962
Accumulated depreciation/amortisation and impairment	(1,699)	(2,472)	(3,646)	(7,817)
Closing net book balance	18,558	2,405	2,182	23,145

Prepared on Australian Accounting Standards basis

(a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2017-18, including CDABs.

(b) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No.1) 2017-18 for depreciation/amortisation expenses, DCBs or other operational expenses.

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
OWN-SOURCE INCOME					
Own-source revenue					
Non-taxation revenue					
Environmental Management Charge	11,000	11,000	11,000	11,000	11,000
Infringement Notices	80	80	80	80	80
Rental income	353	359	364	369	375
Total non-taxation revenue	11,433	11,439	11,444	11,449	11,455
Total own-source revenue administered on behalf of Government	11,433	11,439	11,444	11,449	11,455
Total own-sourced income administered on behalf of Government	11,433	11,439	11,444	11,449	11,455
Net (cost of)/contribution by services	11,433	11,439	11,444	11,449	11,455
Surplus/(deficit) before income tax	11,433	11,439	11,444	11,449	11,455
Total comprehensive income/(loss)	11,433	11,439	11,444	11,449	11,455

Prepared on Australian Accounting Standards basis.

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
ASSETS					
Financial assets					
Trade and other receivables	2,566	2,566	2,566	2,566	2,566
Total financial assets	2,566	2,566	2,566	2,566	2,566
Non-financial assets					
Land and buildings	4,086	4,086	4,086	4,086	4,086
Total non-financial assets	4,086	4,086	4,086	4,086	4,086
Total assets administered on behalf of Government	6,652	6,652	6,652	6,652	6,652
LIABILITIES					
Payables					
Other payables	2,566	2,566	2,566	2,566	2,566
Total payables	2,566	2,566	2,566	2,566	2,566
Total liabilities administered on behalf of Government	2,566	2,566	2,566	2,566	2,566
Net assets/(liabilities)	4,086	4,086	4,086	4,086	4,086

Prepared on Australian Accounting Standards basis.

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Environmental Management Charge	11,000	11,000	11,000	11,000	11,000
Infringement Notices	80	80	80	80	80
Rental Income	353	359	364	369	375
Total cash received	11,433	11,439	11,444	11,449	11,455
Net cash from/(used by) operating activities	11,433	11,439	11,444	11,449	11,455
Net increase/(decrease) in cash held	11,433	11,439	11,444	11,449	11,455
Cash and cash equivalents at beginning of reporting period	-	-	-	-	-
Cash to Official Public Account for:					
- Special Appropriations	(11,000)	(11,000)	(11,000)	(11,000)	(11,000)
- Other	(433)	(439)	(444)	(449)	(455)
Total cash to Official Public Account	(11,433)	(11,439)	(11,444)	(11,449)	(11,455)
Cash and cash equivalents at end of reporting period	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

Table 3.10: Statement of administered asset movements (Budget year 2018-19)

	Land	Total
	\$'000	\$'000
As at 1 July 2018		
Gross book value	4,086	4,086
Accumulated depreciation/amortisation and impairment		-
Opening net book balance	4,086	4,086
CAPITAL ASSET ADDITIONS	-	-
Estimated expenditure on new or replacement assets	-	-
By purchase - appropriation equity (a)	-	-
Total additions	-	-
Other movements		-
Depreciation/amortisation expense	-	-
Total other movements	-	-
As at 30 June 2019		
Gross book value	4,086	4,086
Accumulated depreciation/amortisation and impairment	-	-
Closing net book balance	4,086	4,086

Prepared on Australian Accounting Standards basis.

(a) 'Appropriation equity' refers to Administered Assets and Liabilities appropriations provided through Appropriation Bill (No. 2) 2018-19, including CDABs.

SYDNEY HARBOUR FEDERATION TRUST

ENTITY RESOURCES AND PLANNED PERFORMANCE

SYDNEY HARBOUR FEDERATION TRUST

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SYDNEY HARBOUR FEDERATION TRUST

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

Sydney Harbour Federation Trust manages some of Sydney's most renowned and prominent foreshore lands on Sydney Harbour. These sites are the former Defence lands at Middle Head-Georges Heights and Chowder Bay in Mosman, the North Head former School of Artillery, Macquarie Lightstation near South Head, Woolwich Dock and Parklands, Cockatoo and Snapper Islands, the former Marine Biological Station at Watsons Bay and the former HMAS Platypus at Neutral Bay.

The Trust is adapting and reusing heritage buildings to bring life and activity to these harbour foreshores and, at the same time, generating revenue towards operating and maintaining the sites. Its overarching objective is to transform its sites into precincts and parklands that will enhance the cultural and historical values of the city, whilst conserving the environmental integrity and unique heritage of the sites.

Over its life the Trust's focus has moved from predominantly community consultation and planning to rehabilitation of lands and buildings, management and maintenance of sites, leasing and tenancy management, delivery of public programs and contributing to the visitor economy.

Whilst the Trust has rehabilitated buildings for preservation as well as revenue generation, the majority of the Trust's investment to date has been in enabling public access to the sites, conserving historic buildings, remediation and public domain. These social investments are necessary to support visitation to the sites and provide a social return, however they generate minimal financial return on investment.

While decontamination, conservation, refurbishment and rehabilitation of sites has been substantial, there remains significant works and unrealised potential at a number of sites including Cockatoo Island, North Head Sanctuary and Sub base Platypus.

The extension of the life of the Trust in 2007 to 2033 has influenced the way the organisation views itself and its operations and presented financial challenges. Following preliminary analysis carried out in 2017-18 in relation to the sustainability of the Trust's business model, further work will to be undertaken in 2018-19 to ensure the Trust has the capacity to meet its legislative remit. The Trust now plans to investigate a revised strategy with an emphasis on long term financial sustainability.

The Trust will continue to focus on the sustainability of all of its precincts to ensure it leaves them preserved for future generations. To enable appropriate forward planning the Trust needs to develop revised precinct master plans, complete the current in

Sydney Harbour Federation Trust Budget Statements

progress Strategic Asset Management Plan and finalise a revised strategy for the Trust's operations including meeting extensive repairs, maintenance and asset renewal demands.

In 2018-19, the Trust will also focus on improving public awareness and appreciation of the natural and cultural values of the former Aboriginal, convict, industrial and military significant sites. It will also continue to improve visitor services and amenities across its sites and pursue key partnerships with both cultural and corporate organisations to improve the Trust's capacity to implement its charter.

Following decontamination of HMAS Platypus, North Sydney, the Trust has commenced stage 1 works on the site with the first foreshore link and parkland precinct opening to the public in May 2018. 2018-19 will see the completion of the final construction phase of stage 1 works with the refurbishment of key buildings to allow adaptive reuse by both community and commercial tenants. Programmed completion is mid-2019.

The Trust is currently solely reliant on its own income generation, as apart from specific funding measures such as for the HMAS Platypus stage 1 rehabilitation, it receives no Commonwealth appropriation. Accordingly, the Trust is committed to improving existing revenue streams and identifying new revenue sources to enable the Trust to achieve its objects under its enabling legislation.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the entity for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the entity's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: Sydney Harbour Federation Trust resource statement — Budget estimates for 2018-19 as at Budget May 2018

	2017-18 Estimated actual \$'000	2018-19 Estimate \$'000
Opening balance/cash reserves at 1 July	56,651	39,931
Funds from other sources		
Interest	1,218	949
Sale of goods and services	16,496	17,397
Other	763	460
Total funds from other sources	18,477	18,806
Total net resourcing for Sydney Harbour Federation Trust	75,128	58,737
<hr/>		
	2017-18	2018-19
Average staffing level (number)	63	63

Prepared on a resourcing (i.e. appropriations available) basis.

Please note: All figures shown above are GST exclusive - these may not match figures in the cash flow statement.

1.3 BUDGET MEASURES

There are no 2018-19 Budget measures relating to the Sydney Harbour Federation Trust.

Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide an entity's complete performance story.

The most recent corporate plan for the Sydney Harbour Federation Trust can be found at: <http://www.harbourtrust.gov.au/about>.

The most recent annual performance statement can be found at: <http://www.harbourtrust.gov.au/about/publications>.

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Enhanced appreciation and understanding of the natural and cultural values of Sydney for all visitors, through the remediation, conservation and adaptive re-use of, and access to, Trust lands on Sydney Harbour.

Linked programs

Department of the Environment and Energy
Programs <ul style="list-style-type: none">• Program 1.4 - Conservation of Australia's Heritage and Environment
Contribution to Outcome 1 made by linked programs <p>The Department of the Environment and Energy and the Sydney Harbour Federation Trust collaborate through engagement on policy direction and site management to conserve and enhance the natural and cultural heritage of Sydney Harbour Federation Trust land and maximise public access and enjoyment of its sites.</p>

Budgeted expenses for Outcome 1

This table shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.

Table 2.1.1: Budgeted expenses for Outcome 1

Outcome 1: Enhanced appreciation and understanding of the natural and cultural values of Sydney for all visitors, through the remediation, conservation and adaptive re-use of, and access to, Trust lands on Sydney Harbour.					
	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
Program 1.1: Sydney Harbour Federation Trust					
Revenues from other independent sources	19,166	19,575	21,133	21,934	22,557
Total expenses for Program 1.1	19,166	19,575	21,133	21,934	22,557
Outcome 1 totals by resource type					
Revenues from other independent sources	19,166	19,575	21,133	21,934	22,557
Total expenses for Outcome 1	19,166	19,575	21,133	21,934	22,557
Average staffing level (number)					
	63	63			

Table 2.1.2: Performance criteria for Outcome 1

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2018-19 Budget measures have created new programs or materially changed existing programs.

Outcome 1 – Enhanced appreciation and understanding of the natural and cultural values of Sydney for all visitors, through the remediation, conservation and adaptive re-use of, and access to, Trust lands on Sydney Harbour.		
Program 1.1 – Sydney Harbour Federation Trust		
To manage emblematic lands around Sydney Harbour, preserve their natural and cultural heritage and foster and promote them as place of leisure, enjoyment and interest for all Australians.		
Delivery	Undertake works and develop programs and facilities to ensure the Trust sites are progressively rehabilitated, conserved and made available for public use and enjoyment.	
Performance information		
Year	Performance criteria	Targets
2017-18	Urban Parklands - to preserve, enhance and promote the rich historical, cultural and natural values embodied in the Harbour Trust's lands.	5% decrease in Work Health Safety incidents. Renewal and redevelopment of priority assets as per works program with returns maximised. On track
	Growth & Enterprise – grow and diversify our revenue and funding streams to support the preservation, enhancement and operation of the Harbour Trust's sites.	Public/Private investment partner identified. Not on track - Deferred pending Strategic Business Review outcomes. Lease vacancies less than 4%. Leasing and licensing income increasing by 6% based on 2015-16 levels. On track Platypus commercial and public use strategy being implemented. On track
	Engagement – extend public engagement and affinity with the Harbour Trust.	Five cultural/heritage partnerships undertaken. Headland Park interpretation plan in place and implementation commenced. Visitation numbers collection methods implemented at North Head and Headland Park. On track
	Innovation – achieve operational and business efficiencies.	Property Management system deployed and integrated. On track

Sydney Harbour Federation Trust Budget Statements

Program 1.1 – Sydney Harbour Federation Trust To manage emblematic lands around Sydney Harbour, preserve their natural and cultural heritage and foster and promote them as place of leisure, enjoyment and interest for all Australians.		
Year	Performance criteria	Targets
	Asset Management – operate, maintain and upgrade the Harbour Trust's facilities and infrastructure in an efficient and sustainable manner.	Asset Maintenance Plan in place with updated condition based assessment information for each Trust asset. On track Platypus stage 1a completed On track Stage 1b 50% complete. Not on track – Some minor construction delays.
2018-19	Steward Our Parklands – Care for, conserve and enhance our parklands and built assets, applying the principles of ecological sustainable development.	90% of our land open to the public. 81% of built assets in active use. Visitor satisfaction greater than 80%.
	Welcome Everyone – Our parklands are for all Australians and we welcome both domestic and international visitors. We want to ensure our sites tell their rich stories, are easy to access and are places of exploration and discovery.	1.6 million visitors to Trust sites. Visitor satisfaction greater than 80%.
	Building Partnerships – Underpin our work through collaboration and engagement with partners to help us deliver our vision. We are responsible for important public places, and we want to encourage dialogue and debate about their future and the choices we make to ensure sustainability.	Number of volunteer hours of 32,000. 7 significant, multi-year cultural, environmental and heritage partners. \$50,000 in philanthropic and sponsorship contributions.
	A Robust Business – Be an operationally self-sufficient and financially sustainable organisation by generating a stable and mixed revenue stream. Over time, seek to be self-reliant without the need for capital injections.	Leasing Revenue of \$14.5 million. Venue hire revenue of \$0.6 million. Visitor accommodation revenue of \$1.9 million.
	Strengthen our capabilities – Be a great organisation to work for and strengthen our ability to achieve our goals.	Average employee engagement score of 74%. 98% of employees with effective personal development plans linked to Corporate Plan.
2019-20 and beyond	As for 2018-19	90% of our land open to the public. 88% of built assets in active use. Visitor satisfaction greater than 90%.
		1.8 million visitors to Trust sites. Visitor satisfaction greater than 80%.

Sydney Harbour Federation Trust Budget Statements

Program 1.1 – Sydney Harbour Federation Trust To manage emblematic lands around Sydney Harbour, preserve their natural and cultural heritage and foster and promote them as place of leisure, enjoyment and interest for all Australians.		
Year	Performance criteria	Targets
		Number of volunteer hours of 34,000.8 significant, multi-year cultural, environmental and heritage partners. \$50,000 in philanthropic and sponsorship contributions. Leasing Revenue of \$16.5 million. Venue hire revenue of \$0.6 million. Visitor accommodation revenue of \$2.0 million. Average employee engagement score of 78%. 100% of employees with effective personal development plans linked to Corporate Plan.
Purposes	The Trust's purpose, as set out in the <i>Sydney Harbour Federation Trust Act 2001</i> , is (1) to ensure that management of Harbour Trust land contributes to enhancing the amenity of the Sydney Harbour region; (2). To protect, conserve and interpret the environmental and heritage values of Harbour Trust land; (3) To maximise public access to Harbour Trust land; (4) To establish and manage suitable Harbour Trust land as a park on behalf of the Commonwealth as the national government; (5) To co-operate with other Commonwealth bodies that have a connection with any Harbour land in managing that land; (6) To co-operate with NSW, affected councils and the community in furthering the above objects. We achieve our purpose by vision planning, remediating and enabling the adaptive re-use of Commonwealth lands to create a network of urban parklands for the enjoyment of all Australians.	

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2018-19 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

There are no differences between the resource information presented in the Budget Papers and Portfolio Budget Statements.

3.1.2 Explanatory notes and analysis of budgeted financial statements

Income Statement

The Sydney Harbour Federation Trust has budgeted for an operating deficit of \$0.769 million in 2018-19.

Operating deficits have been forecast for 2017-18 and 2018-19 with small operating surpluses being maintained in the forward years with improvement in own source revenue in forward years as a result of new property stock being released into the market. The Trust receives no operating funding from the Government with its final operating appropriation received in 2009-10. The majority of the Trust's income comes from the leasing of its rehabilitated heritage buildings. Property leasing and licensing revenue is estimated to grow by 11% in 2018-19, with continued growth in the out-years as the full impact of new lease stock is realised on completion of the former HMAS Platypus capital project. Overall expenditure forecasts for the 2018-19 financial year is \$19.575 million, which reflects additional funds allocated for site visitor interpretation projects and the Trust's planned asset maintenance program. Resources will be focused on key strategic and planning works to enable the Trust to develop appropriate business plans for its forward operations under an environment of limited funds. The Trust will continue to focus on the preservation and conservation of our aging assets and the capture of asset condition information to assist in forward resource allocation decision making. The Trust will continue to improve tenant and visitor experiences at our sites. Improved agency efficiencies will be realised with the implementation of an integrated property and asset management system, which will enable the redirection of limited resources to the ongoing management and maintenance of Trust sites as capital works are completed.

Balance Sheet

The Trust's major assets are its lands and buildings, which it holds on behalf of the Commonwealth. In 2018-19 the value of the Trust's non-financial assets is estimated to

Sydney Harbour Federation Trust Budget Statements

increase to \$362.9 million as a result of major building and infrastructure asset upgrades on the former HMAS Platypus site.

An additional \$20.0 million equity injection from Government for the rehabilitation of the former HMAS Platypus site was allocated to the Trust as a new measure at the 2015-16 Additional Estimates. The public links and parklands precinct works will be completed by June 2018 followed by the major building infrastructure and refurbishment works, which are expected to be completed in February 2019.

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
EXPENSES					
Employee benefits	7,270	6,594	6,725	6,960	7,169
Suppliers	9,247	9,860	10,965	11,389	11,677
Depreciation and amortisation	2,580	3,036	3,353	3,490	3,606
Write-down and impairment of assets	69	85	90	95	105
Total expenses	19,166	19,575	21,133	21,934	22,557
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	3,546	3,084	3,267	3,307	3,405
Fees and fines	300	360	360	360	360
Interest	1,218	949	796	754	729
Rental income	12,950	14,313	16,664	17,470	18,021
Other	463	100	102	105	107
Total own-source revenue	18,477	18,806	21,189	21,996	22,622
Total own-source income	18,477	18,806	21,189	21,996	22,622
Net (cost of)/contribution by services	(689)	(769)	56	62	65
Surplus/(deficit) attributable to the Australian Government	(689)	(769)	56	62	65
Total comprehensive income/(loss)	(689)	(769)	56	62	65
Total comprehensive income/(loss) attributable to the Australian Government	(689)	(769)	56	62	65

Prepared on Australian Accounting Standards basis.

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	172	201	209	227	150
Trade and other receivables	712	682	702	722	722
Other investments	39,759	25,959	23,759	21,559	19,659
Total financial assets	40,643	26,842	24,670	22,508	20,531
Non-financial assets					
Land and buildings	285,527	296,533	297,722	299,290	301,297
Property, plant and equipment	34,626	35,097	35,402	35,066	34,509
Intangibles	464	502	430	353	272
Inventories	94	124	94	124	94
Heritage and Cultural assets	29,694	30,419	30,844	31,499	31,924
Other non-financial assets	230	231	230	230	230
Total non-financial assets	350,635	362,906	364,722	366,562	368,326
Assets held for sale					
Total assets	391,278	389,748	389,392	389,070	388,857
LIABILITIES					
Payables					
Suppliers	1,160	855	724	655	655
Employee	104	57	104	57	57
Other payables	5,681	5,325	4,985	4,630	4,292
Total payables	6,945	6,237	5,813	5,342	5,004
Provisions					
Employee provisions	1,362	1,309	1,321	1,408	1,468
Total provisions	1,362	1,309	1,321	1,408	1,468
Total liabilities	8,307	7,546	7,134	6,750	6,472
Net assets	382,971	382,202	382,258	382,320	382,385
EQUITY (a)					
Parent entity interest					
Contributed equity	277,735	277,735	277,735	277,735	277,735
Reserves	98,421	98,421	98,421	98,421	98,421
Retained surplus (accumulated deficit)	6,815	6,046	6,102	6,164	6,229
Total parent entity interest	382,971	382,202	382,258	382,320	382,385
Total equity	382,971	382,202	382,258	382,320	382,385

Prepared on Australian Accounting Standards basis.

(a) Equity is the residual interest in assets after the deduction of liabilities.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2018-19)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2018					
Balance carried forward from previous period	6,815	90,172	8,249	277,735	382,971
Adjusted opening balance	6,815	90,172	8,249	277,735	382,971
Comprehensive income					
Surplus/(deficit) for the period	(769)	-	-	-	(769)
Total comprehensive income	(769)	-	-	-	(769)
of which:					
Attributable to the Australian Government	(769)	-	-	-	(769)
Estimated closing balance as at 30 June 2019	6,046	90,172	8,249	277,735	382,202
Closing balance attributable to the Australian Government	6,046	90,172	8,249	277,735	382,202

Prepared on Australian Accounting Standards basis.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Sale of goods and rendering of services	17,760	16,961	19,507	20,292	20,983
Interest	1,218	949	796	754	729
Net GST received	20	-	-	-	-
Other	763	460	462	445	467
Total cash received	19,761	18,370	20,765	21,491	22,179
Cash used					
Employees	7,237	6,694	6,666	6,920	7,109
Suppliers	9,304	10,171	11,066	11,453	11,647
Other	685	-	25	-	-
Total cash used	17,226	16,865	17,757	18,373	18,756
Net cash from/(used by) operating activities	2,535	1,505	3,008	3,118	3,423
INVESTING ACTIVITIES					
Cash received					
Investments	16,644	13,800	2,200	2,200	1,900
Total cash received	16,644	13,800	2,200	2,200	1,900
Cash used					
Purchase of property, plant and equipment and intangibles	19,255	15,276	5,200	5,300	5,400
Total cash used	19,255	15,276	5,200	5,300	5,400
Net cash from/(used by) investing activities	(2,611)	(1,476)	(3,000)	(3,100)	(3,500)
Net increase/(decrease) in cash held	(76)	29	8	18	(77)
Cash and cash equivalents at the beginning of the reporting period	248	172	201	209	227
Cash and cash equivalents at the end of the reporting period	172	201	209	227	150

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
PURCHASE OF NON-FINANCIAL ASSETS					
Funded internally from departmental resources (a)	19,255	15,276	5,200	5,300	5,400
TOTAL	19,255	15,276	5,200	5,300	5,400
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	19,255	15,276	5,200	5,300	5,400
Total cash used to acquire assets	19,255	15,276	5,200	5,300	5,400

Prepared on Australian Accounting Standards basis.

(a) Includes the following sources of funding:

- current Bill (No.1) and prior year Appropriation Acts (No.1/3/5) appropriations (excluding amounts from the DCB);
- donations and contributions;
- gifts;
- internally developed assets;
- s 74 Retained revenue receipts;
- proceeds from the sale of assets.

Table 3.6: Statement of departmental asset movements (Budget year 2018-19)

	Land	Buildings	Other property, plant and equipment	Heritage and cultural	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2018						
Gross book value	199,008	90,494	40,439	29,694	930	360,565
Accumulated depreciation/ amortisation and impairment	-	(3,975)	(5,813)	-	(466)	(10,254)
Opening net book balance	199,008	86,519	34,626	29,694	464	350,311
Capital asset additions						
Estimated expenditure on new or replacement assets						
By purchase - appropriation equity (a)	163	12,436	1,807	725	145	15,276
Total additions	163	12,436	1,807	725	145	15,276
Other movements						
Depreciation/amortisation expense	-	(1,593)	(1,336)	-	(107)	(3,036)
Total other movements	-	(1,593)	(1,336)	-	(107)	(3,036)
As at 30 June 2019						
Gross book value	199,171	102,930	42,246	30,419	1,075	375,841
Accumulated depreciation/ amortisation and impairment	-	(5,568)	(7,149)	-	(573)	(13,290)
Closing net book balance	199,171	97,362	35,097	30,419	502	362,551

Prepared on Australian Accounting Standards basis.

(a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2017-18, including CDABs.